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Congressional Record

SEVENTY-FOURTH CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, APRIL 17, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 16, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Reynolds
Ashurst	Coolidge	King	Robinson
Austin	Copeland	La Follette	Russell
Bachman	Costigan	Lewis	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Lonergan	Sheppard
Barbour	Dickinson	McGill	Smith
Barkley	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Metcalf	Thomas, Utah
Bone	Frazier	Minton	Townsend
Borah	Gerry	Moore	Trammell
Bulkley	Gibson	Murphy	Truman
Bulow	Glass	Murray	Tydings
Burke	Gore	Neely	Vandenberg
Byrd	Guffey	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hastings	O'Mahoney	Wheeler
Caraway	Hatch	Pittman	White
Carey	Hayden	Pope	
Clark	Johnson	Radcliffe	

Mr. WHITE. I desire to announce the unavoidable absence of my colleague the senior Senator from Maine [Mr. HALE]. I ask that this announcement stand for the day.

Mr. AUSTIN. I desire to announce that the Senator from Minnesota [Mr. SHIPSTEAD] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

Mr. LEWIS. I announce that the Senator from Connecticut [Mr. MALONEY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from New Hampshire [Mr. BROWN], the senior Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Massachusetts [Mr. WALSH], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. GEORGE] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 2353. An act for the relief of the Yellow Drivurself Co.; and

H. R. 3959. An act for the relief of the National Training School for Boys, and others.

SALARIES OF OFFICERS OF CONTINENTAL MOTORS CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 75 (73d Cong., 1st sess.), a statement of the salaries and other compensation paid to the executive officers and directors of the Continental Motors Corporation for the years 1928–32, inclusive, and the salary rate as of September 1, 1933; also schedules covering the years 1933 and 1934 as submitted by the Continental Motors Corporation, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Military Affairs:

Assembly Joint Resolution 38

Relative to memorializing the President and Congress to enact House Joint Resolution No. 143, introduced January 30, 1935, authorizing the awarding of Distinguished Service Medals to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection

Whereas Tony Siminoff, Oliver F. Rominger, and Robert E. Beck volunteered and served in the Regular Army of the United States, and saw service in the same in the Philippine Insurrection; and

Whereas said Tony Siminoff, as a member of Company K, Eighteenth Regiment United States Infantry; Oliver F. Rominger, as member of the band of the Eighteenth Regiment United States Infantry; and Robert E. Beck, as member of Company A, Eighteenth Regiment United States Infantry, at great risk to themselves and under fire of the enemy rendered first aid to Lt. F. C. Bolles, commander of Company F, Eighteenth Regiment United States Infantry, and carried him from the field of battle, and thus saved his life, so that he is now serving his country as a major general in the United States Army; and

Whereas such brave and meritorious action on the part of said Tony Siminoff, Oliver F. Rominger, and Robert E. Beck is deserving of award in commemoration thereof for such meritorious conduct in action involving an actual conflict with an enemy, said act taking place on February 12, 1899, during the action near Jaro, Philippine Islands: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the President and Congress of the United States be hereby respectfully urged to enact House Joint Resolution No. 143, awarding the Distinguished Service Medal to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are hereby respectfully urged to support such legislation, and that a copy of this resolution also be transmitted to the Secretary of War.

The VICE PRESIDENT also laid before the Senate the following resolutions adopted by the Senate of the State of Pennsylvania, which were referred to the Committee on Banking and Currency:

Whereas there is now pending before the Congress of the United States certain proposed legislation vitally affecting the banking system in this country; and

Whereas among other provisions of this legislation is a provision authorizing the creation of branch banks which experience has proven is not a wise policy in this country:

Resolved, That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to reject any proposed legislation creating a branch-banking system.

Resolved, That a copy of this resolution be transmitted to the President of the Senate and the Speaker of the House of Representatives of the United States by the chief clerk of this senate.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the National Council of the Muskogee Creek Nation, Okmulgee, Okla., opposing the enactment of legislation that would deprive some of the members of the Creek Nation and citizens of their national rights and make special classes among the tribe, and asking compliance with the agreement heretofore entered into, which was ratified by the Creeks and approved by Congress, to make prompt per capita payment to members and citizens in the Creek Nation, which was referred to the Committee on Indian Affairs.

He also laid before the Senate a resolution adopted by the Townsend Old Age Pensions League of Maryland, Baltimore, Md., favoring the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Holy Name Society of Annunciation Parish and the Mater Dolorosa Holy Name Society, both of New Orleans, La., favoring the adoption of Senate Resolution No. 70, protesting against religious persecutions by the Government of Mexico and authorizing an investigation thereof by the Committee on Foreign Relations, which were referred to the Committee on Foreign Relations.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the Association Pro-Rehabilitation of Puerto Rico, District of Fajardo, and the Municipal Assembly of Corozal, of Puerto Rico, endorsing the P. R. E. R. A. activities of James R. Bourne as administrator for Puerto Rico, which were referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a resolution adopted by the executive committee of the Federation of American Societies for Experimental Biology, at Detroit, Mich., endorsing in principle Senate bill no. 5, the so-called "food, drugs, and cosmetics bill", which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 918) to carry out the findings of the Court of Claims in the case of the Union Iron Works, reported it without amendment and submitted a report (No. 501) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 376) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah, reported it with an amendment and submitted a report (No. 502) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 2505) authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods, reported it without amendment and submitted a report (No. 503) thereon.

He also, from the same committee, to which was referred the bill (S. 2311) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., reported it with an amendment and submitted a report (No. 504) thereon.

He also, from the same committee, to which was referred the bill (S. 1470) to provide a preliminary examination and survey of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods, reported it with amendments and submitted a report (No. 505) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2371. A bill for the relief of Margaret G. Baldwin (Rept. No. 506); and

H. R. 3911. A bill for the relief of Sarah J. Hitchcock (Rept. No. 507).

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2361) to fix the compensation of registers of district land offices, reported it without amendment and submitted a report (No. 508) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (S. 159) to amend the provision in the act approved March 3, 1931, governing the computation of commissioned service of Naval Academy graduates who have been retired for age or service ineligibility for promotion, reported it with an amendment and submitted a report (No. 509) thereon.

He also, from the same committee, to which was referred the bill (S. 1206) authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes, reported it without amendment and submitted a report (No. 510) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 158. A bill authorizing the President to present a medal in the name of Congress to John F. Jensen (Rept. No. 511); and

S. 616. A bill authorizing the removal of rock from the submarine and destroyer base reservation at Astoria (Tongue Point), Oreg. (Rept. No. 512).

IRENE DE BRUYN ROBBINS

Mr. PITTMAN. From the Committee on Foreign Relations I report back favorably without amendment Senate bill 2597, and ask that it be read. I shall then ask unanimous consent for its present consideration.

The VICE PRESIDENT. Without objection, the bill will be read.

The bill (S. 2597) for the relief of Irene de Bruyn Robbins was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Irene de Bruyn Robbins, widow of Warren Delano Robbins, late American Minister to Canada, the sum of $10,000 equal to 1 year's salary of her deceased husband.

Mr. PITTMAN. Mr. President, I will state that this bill provides the regular customary appropriation of 1 year's salary for the wife of a deceased diplomat. That is all it amounts to, and I ask unanimous consent for the present consideration of the bill by reason of the long and distinguished career of Mr. Robbins.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Jay Pierrepont Moffat, of New Hampshire, now a Foreign Service officer of class 2 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America, which was ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST (by request):

A bill (S. 2603) to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property, in sum not exceeding $500 in any one case; to the Committee on the Judiciary.

By Mr. LONERGAN:

A bill (S. 2604) granting a pension to Rose D. Carleton; to the Committee on Pensions.

(Mr. HARRISON introduced Senate bill no. 2605, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. MURPHY:

A bill (S. 2606) making income from United States securities subject to the income-tax laws of the United States; to the Committee on Finance.

By Mr. SCHALL:

A bill (S. 2607) for the relief of Joe Rodmonovich; to the Committee on Military Affairs.

By Mr. HATCH (by request):

A bill (S. 2608) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

By Mr. JOHNSON:

A bill (S. 2609) for the relief of Charles G. Johnson, State treasurer of the State of California; to the Committee on Claims.

By Mr. BYRD:

A bill (S. 2610) to foster American industry, promote education, and facilitate pursuit of the avocation of philately; to the Committee on Post Offices and Post Roads.

ADJUSTED-SERVICE CERTIFICATES OF WORLD WAR VETERANS

Mr. HARRISON. I introduce a bill, to be referred to the Committee on Finance, declaring a policy relative to benefits for veterans of the World War, and providing for optional conversion of adjusted-service certificates. I ask that the bill may be printed in full in the RECORD.

There being no objection, the bill (S. 2605) declaring a policy relative to benefits for veterans of the World War, and providing for the optional conversion of adjusted-service certificates, was read twice by its title, and ordered to be printed in the RECORD, as follows:

A bill declaring a policy relative to benefits for veterans of the World War, and providing for the optional conversion of adjusted-service certificates

Be it enacted, etc., That in view of the generous benefits accorded by the Government to veterans of the World War, in the form of insurance, compensation, disability allowances, hospitalization, vocational rehabilitation, adjusted compensation (as liberalized by this act), preference of various kinds under legislation of general application, and other benefits and allowances, many of which have not been granted to veterans of prior wars, it is hereby expressly declared to be the policy of Congress that there should not be any general pension laws enacted for veterans of the World War or their dependents; and nothing in this act shall be construed as indicating a tendency toward a contrary policy, or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

SEC. 2. Section 507 of the World War Adjusted Compensation Act, as amended, is hereby further amended to read as follows:

"SEC. 507. All amounts in the fund shall be available for payment by the Administrator of Veterans' Affairs of adjusted-service certificates upon their maturity or the prior death of the veteran; for payment under section 502 to banks on account of loans to veterans; for the repayment of loans made by the Administrator of Veterans' Affairs out of the United States Government Life Insurance Fund on security of adjusted-service certificates, in which case the Administrator of Veterans' Affairs shall pay interest to such fund to date of maturity of the loan at the rate such fund is authorized to receive under the provisions of subdivision (m) of section 502, as amended; and for payment by the Secretary of the Treasury to veterans of the amount of the cash payment authorized to be paid by this act upon the surrender of their adjusted-service certificates."

SEC. 3. Title V of the World War Adjusted Compensation Act, as amended, is further amended by adding at the end thereof a new section, to read as follows:

"SEC. 509. (a) At the option and upon the application of any veteran to whom there has been lawfully issued an adjusted-service certificate under the provisions of this act, as amended, and upon the complete surrender of such adjusted-service certificate, together with all rights and privileges thereunder (with or without the consent of the beneficiary thereof), the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amount of the adjusted-service credit and interest at 4 percent per annum compounded annually from November 11, 1918, to January 1, 1945, or to the 1st day of the January or July next succeeding the date of the filing of the application with the Administrator of Veterans' Affairs, whichever is the earliest date, less any indebtedness of the veteran on account of any loan or loans made under the provisions of this act and interest, if any, accrued to the date settlement is made: *Provided*, That if at the date of the maturity of any certificate such certificate has not been surrendered, and if at the time of application for payment the amount of the adjusted-service credit and interest at 4 percent per annum compounded annually from November 11, 1918, to the date of payment or to January 1, 1945, whichever is the earlier date, exceeds the maturity value, then such amount (in lieu of the maturity value), less the amount of any indebtedness required to be deducted under this act shall be paid immediately by check drawn on the Treasurer of the United States.

"(b) No payment shall be made nor bonds issued under this section until the certificate is in the possession of the Administrator of Veterans' Affairs and all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for settlement under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full (whether or not the loan has matured), then the Administrator of Veterans' Affairs shall (1) pay or otherwise discharge such unpaid principal and so much of the unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of any settlement the amount of such principal with all interest to date of settlement under the provisions of this act: *Provided*, That as to any loan on an adjusted-service certificate, properly made, which is unpaid and held by a bank at the time of filing an application under this section, the bank holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator of Veterans' Affairs for payment to the bank in full satisfaction of its claim for the amount of unpaid principal and unpaid interest; except that if the bank, after such notice, fails to present the certificate and note to the Administrator of Veterans' Affairs within 15 days after the mailing of the notice, such interest shall be paid only up to the 15th day after the mailing of such notice.

"(d) Upon the filing of an application for benefits under this section the certificate and all rights and privileges thereunder shall be canceled.

"(e) A veteran may receive the benefits of this section by application therefor filed with the Administrator of Veterans' Affairs during the lifetime of the veteran. Such application may be made and filed at any time (1) personally by the veteran or (2) in case physical or mental incapacity prevents the filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed by the Administrator of Veterans' Affairs. Application made by a person other than a representative authorized by such regulations shall be held void.

"(f) If the veteran dies after the application has been filed, the settlement authorized under the provisions of section 509 of this act shall be made to the estate of the veteran.

"(g) The Secretary of the Treasury is authorized and directed, upon receipt from the Administrator of Veterans' Affairs of a statement in a form to be prescribed by the Secretary of the Treasury, to issue, in settlement of the amount certified to be due, negotiable bonds, with coupons attached, bearing interest at the rate of 3 percent per annum payable semiannually, up to the highest multiple of $50 represented in the amount certified. Such bonds shall be dated from the 1st day of the January or July (whichever is the earlier date) next succeeding the date of the filing of the application with the Administrator of Veterans' Affairs, and shall be redeemable in lawful money of the United States at a date to be fixed by the Secretary of the Treasury. The difference between the net amount certified to be due and the amount represented by the bonds issued shall be paid by the Secretary of the Treasury by check drawn on the Treasurer of the United States. For a period of 6 months from the date of issuance, no bond issued under the authority of this act shall be negotiable or assignable, or used as collateral security for a loan, by the person to whom the bond is issued, for any consideration less than the amount shown on the face of the bond as the redemption value; and any person or persons entering into any agreement either on behalf of themselves or others to procure by purchase, exchange, or otherwise any bond in violation of this provision shall be guilty of a fraud and shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 2 years, or both.

"(h) The Secretary of the Treasury is authorized and directed to redeem from the United States Government Life Insurance Fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government Life Insurance Fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing to the United States Government Life Insurance Fund bonds of the United States which shall bear interest at the rate of 4½ percent per annum, and no such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue."

AMENDMENT TO RIVER AND HARBOR BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AGRICULTURAL APPROPRIATIONS—CONFERENCE REPORT

Mr. ROBINSON. Mr. President, I was advised that the Senator from Georgia desired to proceed, if practicable, with the conference report on the agricultural appropriation bill. I inquire if he is ready to proceed?

Mr. RUSSELL. Mr. President, I submit the conference report on the agricultural supply bill and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 5, 6, 7, 16, 17, 34, 44, 47, 53, 54, 55, 56, 57, and 59.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 9, 10, 19, 21, 27, 28, 30, 31, 32, 33, 43, 45, 46, 48, 49, and 52, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$376,755"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,308,419"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$61,635, of which $25,000 shall be expended in connection with State agricultural colleges for scientific investigation concerning control and eradication of bind weed."; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", of which sum not exceeding $15,000 shall be used for experimenting in Sea Island cotton, including its hybridization with other varieties."; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,983,497"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$134,433"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$9,958,462"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,600,973"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$363,930"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$71,741"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,254,434"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "$7,793,921"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$600,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$222,978"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$89,096"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,413,992"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$321,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$385,669"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$423,269"; and the Senate agree to the same.

The committee of conference have been unable to agree on amendments numbered 8, 29, 58, and 60.

RICHARD B. RUSSELL, Jr.,
CARL HAYDEN,
E. D. SMITH,
HENRY W. KEYES,
GERALD P. NYE,
Managers on the part of the Senate.

JOHN N. SANDLIN,
CLARENCE CANNON,
M. C. TARVER,
J. P. BUCHANAN,
LLOYD THURSTON,
JOHN T. BUCKBEE,
Managers on the part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BORAH. Mr. President, I desire to ask the Senator from Georgia what action was taken by the conferees with reference to the appropriation for the eradication of what are known as "noxious weeds"?

Mr. RUSSELL. Mr. President, the Senate amendment on that subject was offered in the committee, I believe, by the Senator from Iowa [Mr. DICKINSON]. It appropriated $100,000 for scientific investigation concerning the control and eradication of weeds. When the bill reached the floor of the Senate, on motion of the Senator from Nebraska [Mr. NORRIS], that amendment was amended to make it apply to binderweed, bindweed, and other noxious weeds. In the conference the appropriation was reduced from $100,000 to $25,000, and that is the amount carried in the report of the conferees.

Mr. BORAH. May I ask what was the idea of the conferees in cutting down that amount, when the amount which was appropriated was exceedingly small?

Mr. RUSSELL. The Senate conferees insisted on that amendment perhaps more strenuously, with one or two exceptions, than they did on any other amendment in the bill. The House conferees, however, took the position that there was no Budget estimate for the appropriation; that the Department had not sought the appropriation; and that there was not sufficient justification therefor. I read to the committee of conference part of the statement of the Senator from Nebraska on the subject which was made on the floor of the Senate. That statement, in my opinion, was some justification for the appropriation, but the House conferees were adamant; and believing it to be the province of the committee of conference to agree on legislation and secure the passage of some kind of an agricultural appropriation bill rather than to defer it indefinitely because of items which,

while important, do not affect the larger sphere of the entire bill, the item was compromised. So $25,000 was finally arrived at by the conferees as the amount of that item.

Mr. BORAH. Do I understand correctly that the conferees on the part of the House took the position that the Department did not ask for the amount provided by the Senate?

Mr. RUSSELL. They did.

Mr. BORAH. The Department informed me that they not only desired that amount but even a larger amount.

Mr. RUSSELL. It was stated in the committee of conference that the Department had not asked the House committee for the amount and that it made absolutely no showing to sustain the item before the subcommittee which conducted the hearings in the House.

Mr. BORAH. How much is provided for the item in the bill as it now stands?

Mr. RUSSELL. As it stands, the bill contains the original appropriation of $36,675, with an increase of $25,000, which makes $61,675, "of which $25,000 shall be expended in connection with State agricultural colleges for scientific investigation concerning control and eradication of bindweed." That is what the amendment provides as set forth in the report of the committee of conference.

Mr. BORAH. I have no doubt the conferees on the part of the Senate did what they could to maintain the appropriation, but I desire to place in the RECORD my opinion that it is exceedingly unfortunate that a larger amount has not been provided. This is one of the most important matters with which we have to deal in certain parts of the West. It is a problem known as the "noxious weed problem", composed of a number of weeds which are literally destroying large portions of fine agricultural land. To begin the eradication of the bindweed with $61,000 is to my mind a mere pretense. I urge we send the report back and let us remedy this mistake.

Mr. RUSSELL. In connection with the suggestion of the Senator from Idaho, I will say that the Senate conferees did not think the $25,000 was wholly adequate and insisted strenuously on $100,000. However, I wish to point out to the Senator from Idaho that the original amendment did not propose a campaign to eradicate the bindweed, but merely a scientific investigation in cooperation with agricultural colleges to determine methods of combating and eradicating the bindweed. It did not propose any campaign other than a scientific investigation in conjunction with agricultural colleges. Of course, the amount of $100,000 carried in the Senate amendment would be wholly inadequate to attempt to eradicate the weed where it may be found on the farms.

Mr. BORAH. Of course, there would have to be something in the nature of an investigation in order to determine upon methods to eradicate the weed before it could be eradicated. I still maintain the amount here provided is not sufficient in any sense whatever for the purpose of eradicating the weed.

Mr. RUSSELL. The amendment as adopted by the Senate provided for a scientific investigation concerning control and eradication of the bind weed, but not for any campaign of eradication. That question was not before the conference committee. It was never proposed in the Senate to provide for anything more than a scientific investigation of methods of control.

Mr. NORRIS. Mr. President, I wish I could have Senators understand the importance of this appropriation and the necessity of doing something with regard to this matter.

Let me say in the beginning that in opposing the conference report I want it distinctly understood that in no sense am I trying to cast any reflection upon the conferees on the part of the Senate. I think they did everything they could and only yielded because it was necessary to yield in order to obtain any report whatever.

I wish also to say that, if the report shall be rejected, it will not mean the killing of the appropriation bill. It will mean only a very short session of the conferees to ascertain if the Senate conferees can induce the House conferees to take the question to the House and let the House vote upon it. If the House shall vote it down, then I will be ready to concede, I will say to the Senator from Georgia, that the Senate has done everything it can. It cannot, of course, expect to get an appropriation without the consent of the House. However, the House has never voted upon this item.

I have no interest in this item, I am sure, that every other Senator and every Representative does not also have. I am perfectly satisfied to take the judgment of the House if, after considering the amendment, they shall vote upon it. It is extremely important, although on its face it may not seem so. I desire to convince the Senate, if I can, that it would be almost an economic sin if we do not embrace this opportunity to have the matter go back to conference with a view of getting the House conferees to submit the question to the House and let the House vote on it.

The bindweed is something comparatively new, although its qualities and the weed itself, of course, have been known for a great many years. There are parts of 20 States in the Union which are now infested with this destructive weed. Our scientific experts do not now know of any method for its destruction that is not so expensive as almost to take the land in order to obtain sufficient funds to eliminate it when it is once thoroughly started in the soil.

I think the House conferees probably, without casting any reflection on them, did not know just what this weed really is, but thought it simply a weed. They do not realize that if its ravages are not suppressed, if some cheaper method of destroying it is not devised and put into practical operation, it will be only a comparatively short time until a large area in the great Middle West now available for the production of agricultural crops will be absolutely destroyed.

The appropriation bill passed the House, and while it was pending before the Senate Committee on Appropriations there was held in Washington a meeting of delegates from farmers and farmer organizations from most of the Western States, including Minnesota, Wisconsin, Iowa, South Dakota, Nebraska, Missouri, Kansas, Wyoming, and I think one or two other States. They had no opportunity to appear before the House committee, because the bill had already passed the House. I was invited to attend the meeting, as were several others. Although most of the invited Senators did not attend, there was a large number of Members of the House at the meeting. There were very extensive explanations made of the nature of the bindweed. There was a moving-picture display showing the weed in all its peculiarities; and the sentiment there, particularly on the part of the House Members who were present, was, "This bill has gone beyond the control of the House. If you can get an appropriation for investigation by the Department in conjunction with the money that will be gladly furnished by the States for the purpose of determining some cheaper and more effective method of destroying this weed, there will be no trouble in the House of Representatives. If you can secure that kind of an amendment in the committee, and have it adopted by the Senate, the House will at once agree to the amendment."

When the bill went to the House it evidently went through the usual formality of a request for unanimous consent that all Senate amendments be disagreed to and that the bill be sent to conference. That is the ordinary procedure. So far as I know, the attention of the House was never called to the real condition affecting agriculture and land infested with the bindweed. So the bill went to conference, and probably the House conferees naturally thought—I am not complaining even of the House conferees—that this was just a step to get some more money to fight a weed, thinking of the bindweed as an ordinary weed.

That is not the case at all. We have spent millions of dollars on behalf of the cotton industry to exterminate the bollweevil. When that campaign started no one knew how to meet the ravages of the bollweevil; but the Agricultural Department, after the expenditure of a great deal of money, devised practical methods for its extermination. Unless exterminated, the bollweevil meant the ruin almost of a large number of States which depend mainly upon the production of cotton.

We have now a very similar problem before us. This weed affects the States that produce corn, potatoes, wheat, barley, and rye, all farm crops that grow in the latitude of the great Middle West; and, unless we take some steps

to eradicate a weed that we do not now know how to eradicate, unless we expend too much money for the purpose, it begins to look now as if this weed will destroy agriculture in a large number of States.

The bindweed is spreading. Its spread is not so rapid, for instance, as that of the bollweevil was, but it is just as sure. It is progressing all the time, until the people in the West who have had to do with it now recognize that it is a terrible menace to agriculture.

In appearance, the bindweed is something like a morning glory. It spreads under the ground through its roots. Its seed is carried in various ways, so that gradually the territory it covers is extended. One seed dropped on one farm will not hurt anything for a year or 2 or 3 years; but gradually the weed will cover a little more area, and a little more, and a little more, until before the farmer knows it the weed covers the entire farm.

Even at the present time not all the farmers of the West understand the danger of the bindweed; but where it has once started, where it has commenced its ravages, they realize that they are contending with a real enemy to agriculture. We desire to devise some better method for its extermination. We desire to do as we have done with other pests; we wish to have the Federal Government, in cooperation with the States, try to devise some practical method of destroying the weed.

Land infested with bindweed is practically worthless. Where it once has obtained a strong foothold, it costs more to exterminate it than the land is worth. At the present time the Federal land bank, backed by the Government of the United States, will not loan money upon land that is known to be infested with bindweed to any great extent. Gradually the weed reduces the crop, and when it thoroughly covers the ground it entirely destroys the crop.

Under any method now known, it costs from $25 to $35 an acre to exterminate the weed. It takes 2 years' time to do it, and the farmer loses the use of the land during all that time. That means that for practical purposes the ordinary farmer who has to make a living and something besides, if he can, from his farm, cannot resort to the known methods now in use.

One of the ways of exterminating bindweed is by the application of sodium chlorate. Sodium chlorate, when the farmer gets it in the West, costs about 8 cents a pound, bought in carload lots. A great deal of it is imported. I understand that the farmers in Norway, where they have the bindweed, get sodium chlorate for about a cent and a half or 2 cents a pound. There is a tariff on it, for one thing, which increases its cost here. All of this is added to the cost.

There is another way of exterminating the bindweed, the only practical way left for the farmer except where he is going to exterminate it along hedgerows, or along the roadside, or along fences, where he can use sodium chlorate; but in the field, out in the open, he exterminates it mainly by cultivation. He has to have a particular kind of cultivator. The ordinary cultivator will not serve for this purpose, so he has to invest in another kind of cultivator. He has to keep the land out of cultivation. He has to cultivate it on an average once a week for the first year, and nearly as often as that for the second year. How successful he will be depends somewhat on the weather; but, ordinarily speaking, the bindweed grows in all kinds of weather. It can stand drought; it can stand floods; its roots have been known in some instances to reach a depth of 15 feet. It will go out with its twining vines for 15 feet in each direction from one plant, and all along the vine there will be new buds, new plants growing.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. I yield to the Senator.

Mr. ROBINSON. Has there been developed any method of eradicating or checking this weed?

Mr. NORRIS. That is just what it is sought to do by this amendment. So far no practical way has been devised. The weed can be exterminated, but it costs too much money to do it.

Mr. BORAH. Mr. President, may I interrupt the Senator?

Mr. NORRIS. I yield to the Senator from Idaho.

Mr. BORAH. If I did not misunderstand a person in the Department of Agriculture to whom I talked—and I do not think I did misunderstand him—the Department does not feel that this is a sufficient amount with which really to undertake this great task. There must be a misunderstanding somewhere if the House conferees received the impression that the Department is satisfied with this amount.

Mr. RUSSELL. Oh, no; Mr. President, I did not intend to create that impression by my answer to the Senator's question. I meant that the House conferees stated that the Department, in the presentation of the regular supply bill, made absolutely no showing of any necessity whatever for an appropriation for this specific purpose. I did not undertake to convey the idea that the Department did not wish the appropriation, or that they thought the amount provided in the conference report was sufficient. I stated that there was no Budget estimate for it, and that the matter was not submitted to the House committee in the first instance when the bill was prepared, nor to the Senate committee, for that matter, by any evidence or hearing of any kind.

Mr. BORAH. On that statement, then, perhaps there was not a misunderstanding; but I think I am perfectly justified in saying that the Department believes that it ought to have a larger amount of money in order effectually to deal with the investigation of this weed. I think I can state with certainty that I am correct in my construction of what they said.

Mr. RUSSELL. That thought was not made manifest through the regular channels by which appropriations are sought, by having estimates submitted to the Bureau of the Budget, or by the Bureau of the Budget to the Congress; nor was there any hearing before the House Committee on Appropriations, a subcommittee of which conducted very exhaustive hearings—over 1,800 printed pages in length—or before the Senate subcommittee on the agricultural supply bill. The amendment was offered by a member of the committee from information which had come to him, from some farmers, and was supported by the Senator from Nebraska [Mr. NORRIS] in a very able explanation on the floor of the Senate when the bill was pending here. That statement constituted the only record we had before us.

Mr. NORRIS. The Senator from Georgia states the facts. There have not been any hearings on the subject. That is conceded. Before I sit down I shall read a letter on the subject from the Secretary of Agriculture. The explanation is that the farmers of the great West are just awakening to the terrible dangers that are confronting them at a time when their crops are very much reduced from other causes.

Mr. SMITH. Mr. President, may I ask the Senator how many States are affected by this weed?

Mr. NORRIS. Twenty States, as I understand.

Mr. SMITH. Does the Senator know where the weed originated?

Mr. NORRIS. I think some of the literature I have here states the origin of the weed. It has been known for a great many years, but its ravages have not been fully realized. I think as a rule the farmers have had this matter brought to their attention particularly because of the drought that has existed in most of the part of the country infested by the weed. Heretofore, they had plenty of land; and while they had some land that was infested with the bindweed, they did not realize its danger, because they had enough land left for raising their crops.

At the present time it is brought to our attention, almost suddenly, although some of the experiment stations have been studying it a good many years.

I want to read from literature which some of the States have issued, showing not only the destructive nature of the

weed but the practical impossibility of getting rid of it by known methods.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COSTIGAN. Will the Senator for the RECORD enumerate the States in which the weed is found?

Mr. NORRIS. A short time ago I gave the names of most of the States which I thought were infested with the weed.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. I merely desire to observe that it has just come to my attention that the conference report strikes out not only a portion of the appropriation, but also a portion of the amendment which was added by the Senate; namely, that which authorized the expenditure of the fund proposed to be appropriated not only for a study of the bindweed, but of other noxious weeds. The result of the amendment, if it is permitted to stand, will be that this added appropriation can be used only for a study of the bindweed, and in the public-land States, in the State of Idaho, for example, and in the State of Wyoming, there are other noxious weeds which constitute a serious peril to agriculture. I feel that it would be a grave mistake for the Senate not to stand on the amendment as it was originally adopted by this body.

Mr. NORRIS. Mr. President, I hold in my hand bulletin no. 269, issued by the Kansas State College of Agriculture. Most of the Senators can see the picture of the field I exhibit, a field covered with bindweed. Then there is a picture of a field which was covered with the bindweed, but later eradicated by the use of sodium chlorate. I explained a few moments ago why that was not a practical method of extermination. It costs too much money. I think that one of the results of the study we desire to have made will probably be the cheapening of the manufacture of sodium chlorate, and bringing the price down to a point where that chemical may be used.

I have here also photographs of the different instruments used in the killing of this weed. Here [exhibiting] is a picture of a spray by which sodium chlorate is applied. Here are pictures of sprays upon trucks, for larger areas of country. Here also are pictures of the different kinds of farm implements which must be used in the cultivation of soil for the extermination of bindweed. It will be noticed, if Senators will look at these pictures, that such cultivators are entirely different from those the farmer usually employs; so he must procure a cultivator particularly adapted to this kind of work if he wishes to exterminate the bindweed by that method.

Let me say that one of the experiment stations in Iowa has conducted extensive investigations into the eradication of this weed. The stations in Nebraska have made some experiments, but perhaps more work has been done in Kansas in that line than in any other State. I have here a statement prepared by the College of Agriculture of Kansas, from which I quote the following:

> Field bindweed is by far the most dangerous and destructive weed found in Kansas. It is dangerous because of the rapidity with which it spreads, the ease with which the seed may be distributed over the State, and because of its influence on the yields of crops and land values.

I call attention to the fact that States are not able to deal with this problem except in conjunction with the Federal Government. Portions of Wisconsin are infested with the bindweed, and that State has some very good legislation respecting seeds, and they are very careful, proceeding under their laws, that noxious seed shall not get a start in Wisconsin. But the strict inspections result in raising the price a little in the case of seeds tested and passed on by the proper officials.

We find that bindweed has been bootlegged into the State of Wisconsin, not for the purpose of spreading bindweed, it is true, but because the seed that was approved by the officials of Wisconsin would be a little higher in price, and so other seed containing bindweed has been trucked in. Different kinds of seeds, in which there was some bindweed, came from Illinois. It would not have passed inspection under the laws of Wisconsin, but it was sold at a lower price. The man who sold it might have been innocent—the man who bought it, of course, was innocent—of any knowledge that it has a little bindweed seed in it. The result was that in parts of Wisconsin the area of bindweed-infested soils has been greatly increased, although the State itself has passed proper laws and has been enforcing them to the very best of its ability.

This Kansas bulletin says further:

> It has been estimated that 350,000 acres of farm land in Kansas are infested with bindweed and that the infested acreage is increasing at the rate of about 10 percent annually. Conservative estimates indicate that the cost of eradicating bindweed that exists in Kansas at present would be approximately $8,000,000, extended over a period of 10 years. This estimate includes the cost of all labor and materials.

The bulletin discloses further the character of labor and materials which are necessary. It is necessary not only that a farmer who has bindweed on his farm should exterminate it for his own benefit, but it is necessary for the protection of other farmers in the community, in the same township, or in the same county, because the seed is carried by the wind, or, if the weed occurs in a field of wheat and the wheat is threshed, the threshing machine will carry some of it all over the surrounding country. It is carried also by hogs and cattle, which, in eating their feed, eat some bindweed with it. It will go through cattle and hogs and grow afterward.

Mr. LEWIS. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. LEWIS. I have observed that the able Senator has commented upon the fact that this destroying agency, whatever it is, came by way of Illinois into Wisconsin, also that Wisconsin had passed such laws as were necessary to protect itself. May I ask the Senator whether the State of Illinois has any law upon the subject which would have protected the State of Illinois?

Mr. NORRIS. It may have; I am not informed as to that.

Mr. LEWIS. Was there any method by which Illinois could have prevented the departure of this seed to the State of Wisconsin?

Mr. NORRIS. O Mr. President, I am not blaming the State of Illinois for what happened.

Mr. LEWIS. Knowing that many things in different portions of this country are attributed to Illinois, much to the affliction of certain parties, I was anxious to redeem it as to one.

Mr. NORRIS. This bulletin continues:

> Field bindweed is a long-lived perennial belonging to the morning glory family. The plant produces a trailing or twining growth of vines which climb up any support such as other weeds and stems of crop plants, or if such plants are not available, the plant will spread over the ground. The root system is very extensive and penetrates the soil to a depth of 4 feet or more, and roots have been found to reach a depth of 15 to 25 feet. The main roots are long, whitish cords about one-tenth of an inch in diameter, with many branches. These roots may form buds and give rise to new plants anywhere along their length. The bindweed spreads rapidly by underground root stocks, surface runners, and seed.
>
> Bindweed has become widely distributed throughout Kansas, and it is known to exist, at least to some extent, in every county in the State. The heaviest infestation occurs in central Kansas—

And so on.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BORAH. May I ask whether the bindweed of which the Senator speaks, and the morning glory weed are the same?

Mr. NORRIS. Bindweed is not the same as the morning glory, but it is of the same family, and is something like it.

Mr. BORAH. I was advised by farmers in my State that the most serious weed they have to contend with is the morning glory weed.

Mr. NORRIS. They were referring, evidently, to bindweed. It is known as morning glory weed in some places.

In the bulletin which I have been exhibiting to the Senate there are photographs of the leaves and of the roots of the

bindweed, and also of the morning glory. There is some difference, but they are of the same character. The weed is called by different names in different localities.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ROBINSON. The Senator just read a statement to the effect that the weed springs from formations of buds on the root, and that the root is sometimes found as deep as 15 feet.

Mr. NORRIS. Yes.

Mr. ROBINSON. That would indicate that there would be very great difficulty in eradicating it.

Mr. NORRIS. I will say to the Senator on that point that the cultivators which have been devised and which probably will be much improved as further studies of the problem are conducted, have lateral extensions made very sharp so as to cut off this weed 3 or 4 inches below the surface. The weed is not killed until it is cut off several times. Cultivation is begun on a piece of ground, the weeds are cut off once, and in a few weeks they will appear to be just as bad as they previously were. They are cut off again and the cutting is continued all summer. That is done for 2 years.

Usually not much of a result will be apparent until the beginning of the second year. The cutting is done completely over the field as often as necessary, so that the weed never goes to seed. When it comes up, it is cultivated again. Depending on the weather, the cultivation will average once a week, and after the weed is cut off several times it is killed.

I now desire to read from the bulletin about the reduction of crops in Kansas due to this weed:

Studies made by the Department of Agronomy of the Kansas Agricultural Experiment Station in 1934 show that the average yield of oats on bindweed-infested land was 16.6 bushels per acre, while on adjoining land free of bindweed the average yield was 30.9 bushels per acre. The yield of wheat on bindweed infested land was 13.8 bushels per acre, while on adjoining land free of bindweed it was 20.9 bushels per acre.

That has reference to land which is not completely covered by bindweed. Where the bindweed has completely taken possession of the soil the land will not produce anything else. The weed will kill any crop which is growing. This bulletin states what would probably be the loss to the farmers of Kansas due to this weed. I am using Kansas as an example because Kansas has probably done more and has gone further in experimenting with methods of eradication of bindweed than any other State in the Union, and has spent more money in doing it. It is very commendable of Kansas that it has done so. What I say about Kansas, therefore, is in no sense a criticism.

I heard farmers from Kansas say at the meeting of which I spoke a while ago that where a piece of land had become infested with the weed so that its effect was beginning to be felt, the farmer could not sell his land; and I heard men living in such a community say, "I would not pay a dollar an acre for land which was covered with it. It would cost more to get rid of it than I would have to pay for other land which has no bindweed on it."

On this basis it is apparent that if bindweed is not controlled, and is permitted to spread throughout the State, it would reduce the yields of farm crops to such an extent that it will be impossible to farm economically. If all of the land in Kansas that is normally seeded to wheat was infested with bindweed, and the yields were reduced the same percent as were the yields in the fields where the determinations given above were made, the annual loss to Kansas farmers would exceed $40,000,000 when a price of 90 cents a bushel is placed upon the wheat.

Reduced yield of crops resulting from bindweed is reflected in land values.

Of course, it is apparent to anyone that this kind of weed infesting a farm would practically destroy its value. It is known that unless it is exterminated it will in time cover the entire farm, and when it does the farm is worthless.

The bulletin continues:

Estimating that the total cost of eradication of field bindweed in Kansas will amount to approximately $8,000,000, extended over a period of 10 years, it is evident that, as the program progresses year by year, the annual cost will correspondingly decrease, especially for such items as material, number of sprayers needed, number of local supervisors, local laborers, and number of days employed.

In this bulletin there is given what I consider a very conservative estimate of the cost. The bulletin tells what equipment is necessary. It says that 270 sprayers would be required, at $400 each, which would cost $108,000. If we were starting out to exterminate this weed in a community, we should have to exterminate it along the roadsides, fence rows, and pasture lands which one would not want to plow. That would have to be done with the use of sodium chlorate, for instance. It could be done with salt, if enough salt were put on the land. That would eradicate the weeds, but it would also destroy the land. The land in such case would have too much salt on it.

The estimate specifies 200 cultivators at $125 each, making a total of $25,000. The estimate continues:

Maintenance and operation of equipment: 270 sprayers at $40 per year, $10,800; 200 cultivators at $5 per year, $1,000; oil and gas, $1.50 per day, 270 machines, $40,500.

Materials: Chemicals for spray treatment, 270 cars, 40,000 pounds each, at 8 cents, $864,000—

And so on. The estimate is made on the theory of exterminating bindweed in Kansas and the costs are all itemized. When the items are added up the total cost is over $8,000,000.

The expenditure of that amount would save the land which is not infested, just as it would save the land which is infested; and the object of the appropriation under discussion is to devise some method by which it can be done without an expense which would mean the ruin of the farmer if he had to use the methods which are now known.

I will say again, Mr. President, that I am asking that the conference report be rejected without casting any reflection upon the conferees of the House or of the Senate. The conferees of the Senate have stood nobly by the action of the Senate. The conferees of the House evidently have not understood the seriousness of this problem. What we have a right to ask is that the conferees on the part of the Senate shall say to the conferees on the part of the House, "Take this measure back to the House. Let the House vote on it. If the House votes us down, no matter how badly we feel, we shall have to be satisfied."

That is as far as I want to go, and so far we ought to be allowed to go. If we delay this experimentation, the result will be increased expenditures if, in the future, we shall undertake to eradicate the bindweed; and unless we shall eradicate it, millions and millions of acres of the best agricultural land in the United States will be destroyed. States such as Kansas, for instance, have already spent a large sum of money on this weed. This amendment provides that the money appropriated for the Agricultural Department shall be used in conjunction with the State experiment stations. The States are going to put up some money, probably more than the Federal Government will put up, in order to bring about this experimentation.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ASHURST. I have listened to the speech of the able Senator from Nebraska, and I also heard his address when the amendment was before the Senate. Should we not, as a service to the people, treat this menace as if it were some invading army?

Mr. NORRIS. I think so, Mr. President.

Mr. ASHURST. We should spend money, and properly so, if one particular portion of our country were invaded by an army, in order to repel that army. I see nothing unreasonable in treating the bindweed pest in the manner proposed by the Senator.

Mr. NORRIS. Certainly, Mr. President, we should treat it as we did the bollweevil, for instance.

Mr. ASHURST. It is certainly not unreasonable, unjust, or unconstitutional to take the action proposed in order to save sections of the country from the baneful effects of this weed.

Mr. NORRIS. Mr. President, there never was a complaint against the expenditure of money to exterminate the boll-

weevil. The bollweevil was conceded to be a national problem. The extermination of the bindweed is a national problem. Its importance is increasing every day.

I desire to discuss another point in this connection. This year of drought all kinds of farm products were shipped from one portion of the country to another. We do not know now whether or not in such shipments there was included any large amount of bindweed; but it is fair to assume that in shipping alfalfa hay from one State to another, in shipping straw from one State to another, in shipping wheat from one State to another, some bindweed was also shipped.

Probably one of the evils of the drought is one we know not of now, but which will crop out in a year or two, when we discover that when we were sending, perhaps gratis, food crops for animals and for man into sections which were terribly affected by the drought, we unconsciously and unintentionally spread this dangerous weed, and brought to those people to whom we were giving charity a curse which will plague them a few years later, when the real situation is realized.

Mr. President, therefore, in behalf of the great bread basket of the Nation, I ask that the conference report be rejected and be sent back in order that the House may have an opportunity to vote on this proposition. From my conversations with the Senate conferees, I am satisfied that they will not feel aggrieved if the report shall be rejected. They realized what they were up against. They did the best they could. They realized the situation.

In my judgment, an appropriation of $25,000 to conduct experiments with respect to this great problem is really nothing. The appropriation ought to be more than $100,000. There is no doubt that $100,000 is the minimum with which it could be expected to conduct experimentations on a plane which would be sufficient to bring results.

Mr. BORAH. Mr. President, I join heartily in the views expressed by the Senator from Nebraska [Mr. NORRIS], and I do not feel that there is anything that I can add thereto. I do wish, however, to call attention to a statement which has been furnished to my colleague and myself signed by a number of the Grange masters in our State which sets forth the situation as they see it. This statement reads:

> By this resolution, which has been adopted by the undersigned grangers, we hereby respectfully call your attention to the fact that the agricultural resources and land values of the United States are attacked by a very dangerous and destructive element in the form of noxious weeds; namely, Russian knap weed, Canadian thistle, white top, wild morning glory, quackgrass, and others of like nature, which are making inroads on farm lands to the extent that thousands of our best farms are about ruined by them. All of which is caused by no other reason than gross neglect of the farmers and agricultural departments of the States and Nation to destroy them before they got so wide-spread. * * *
>
> Said weeds are now a national menace, and, in addition to destroying the usefulness and values of our best farming land, have gotten into out-of-way places, such as river and canal banks, timber-lands, pastures, and along highways and there they mature and seed. * * *
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> Said seed get into grain, hay, seed, and other agricultural products, and are hauled all over the United States, and are scattered by flood waters, winds, and many other unavoidable ways, which makes it impossible for farmers, counties, or States to destroy their individual weeds and remain immune from them.
>
> * * * Said weeds are spreading very rapidly and have already caused depreciation in land values in many farming districts. As proof we refer any investigation to the Snake River Valley of Idaho, the Milk River Valley of Montana, all the best farming valleys of Wyoming, the Cache Valley of Utah, the Ellensburg district of Washington, and many more if necessary.

Mr. President, there is no necessity of which I know for speedy action in regard to this conference report; nothing will be lost by sending it back to conference and much might be gained. If the House conferees may come fully to understand the situation, I cannot believe that they will continue to oppose this proposed appropriation, but certainly there ought to be a vote in the House upon the question before we conclude that we can do nothing further. It is too serious a matter to be disposed of in this way. Every possible effort must be made to deal with this problem.

As stated by the Senator from Nebraska, of course, if the House shall vote against the proposition, we shall have done all that we can do; but I sincerely hope that the conference report will be sent back and the House be given an opportunity to pass upon the question.

Mr. COPELAND. Mr. President, I join with the Senators from Nebraska and Idaho relative to the appropriation for which they contend because the matter is of great interest to my State.

In addition to this, I call attention to the fact that the Senate conferees receded on another item which I will mention. The matter in which I am particularly interested has to do with the appropriation for the Food and Drug Administration.

I have carefully read the House hearings on this subject, and I find that Dr. Strong, who is the head of the Bureau of Entomology and Plant Quarantine, in his testimony, on pages 450 and 451 of the House hearings, was specifically questioned regarding the dangers arising from spray residues, particularly from insecticides which contain arsenic and lead. These chemicals destroy the insects which make impossible the successful operation of the orchards of the country. In his testimony on the pages to which I have referred, I find that Dr. Strong was asked certain questions about the possible dangers of spray residue to human health and life.

The comment made by one member of the House committee, according to the record, on page 450, is this:

> But in the entire United States you have been unable to produce a single case in which it was shown that method of protecting fruits had any deleterious effect on human health. As a matter of fact, the residue remaining is so small and so harmless that there is no occasion for any such regulation.

The same Member then spoke of his own experience in his home county, saying that children have been eating apples from the time the apples are "as big as marbles until the culls drop in the frost."

Further, on page 451, the same member of the committee said:

> No physician, to my knowledge, has ever certified to that effect—
>
> That is, to the harmful effect—
>
> and there is hardly a child in the United States who has not eaten apples where no such stringent requirement was met.

Shortly thereafter Dr. Strong in his testimony said in effect that he was not able to testify because he was not a physician, and that the problem was outside the particular province of his Bureau.

After this discussion with Dr. Strong, and with these various comments in mind, Mr. Jump, of the Department, said:

> When we bring up the representatives of the Food and Drug Administration we will let them state the basis they have for considering that these residues are poisonous.

Mr. President, I myself have had a few, a very few, unfortunate experiences of the failure of the Printing Office to include in my remarks material which I regarded as very important, though, perhaps, no one else thought so. By an unfortunate accident, undoubtedly in the Printing Office, the material which was presented by the Food and Drug Administration to bear out the charge that spray residues may be unsafe was not included in the printed hearings.

I requested the Food and Drug Administration to give me the material which they put in the record. I find here included in that, material from medical reports—I will not mention the States from which they come—three cases where death was caused by the consumption by unfortunate persons of fruit which had not been properly treated to remove the residue.

I have before me an almost endless array of material which I have gathered from various medical works of great authority to justify the request of the Bureau of Food and Drugs for the sum of money for which they asked. I hope it will be unnecessary for me to go into the matter in detail. I do not wish to do so, because I do not desire to alarm the American people.

For a great many years I have posed—I believe that is the right term to use—as a medical teacher. I have tried to popularize medicine and to teach the American people

how to live. Health has been my hobby. As a result, I may say in all modesty, I have thousands of letters every week from citizens of the country asking health questions and about hazards to health. I wish to be able to say to them about this health hazard, as I had expected to be able to say, that our Government is proceeding vigorously in the direction of the discovery of harmless sprays. This is being done in order that the fruits and vegetables may be protected against insect pests and at the same time no remnant of poison may be left upon them which, when taken by human beings, might result in illness or death.

It is because of my reluctance to say things which might excite alarm and incidentally have a harmful effect upon the sale and consumption of such products that I hesitate to proceed. I want this item to go back to conference. I assume we are going to yield to the request of the Senator from Nebraska [Mr. NORRIS] that amendment numbered 16, relating to noxious weeds, shall be recommitted. I am going to ask that there be linked therewith the amendment numbered 53, which has to do with the appropriation I have been discussing. I think probably amendments numbered 54, 55, and 56 should also go back to conference, as they represent the totals which would be involved in case the increase of appropriation should be made.

Mr. President, let me state why the request was made by the Department, and let me endeavor to make clear to the Senate and to those who read its RECORD the significance of the deletion which has been made. This great division of our Government, the Bureau of Food and Drugs, which has to do with the protection of the public health against the sale and use of harmful foods and drugs is, in my judgment, one of the most important in the entire Federal organization. There was a misapprehension on the part of the Senate conferees as to the purpose of the request. It was felt by them, because they had not followed the course of this item quite so closely as I have, that money was being asked to provide for the administration of a new food and drug bill, the one now upon the calendar of the Senate. This is not the case. That proposed law does not take effect until a year after it is passed.

The Food and Drug Administration determined that they needed $1,000,000 more to carry on their work. They outlined specifically what they were going to do with the money. They took the request to the Budget. The Budget reduced the amount to $500,000. When the item came from the Budget to the House, the House reduced it by a quarter of a million dollars, so when the bill came to us the amount which had been allowed by the Budget for the additional work proposed had been decreased by one-half. After some discussion the Senate Committee on Appropriations restored the Budget figure. As a result of the conference we find that in the conference report before us the amendment adopted by the Senate had been deleted and consequently the Department loses $250,000.

That particular part of the appropriation asked for was to be used to carry on the investigations in the Department on a larger scale in an effort to find harmless insecticides in order that the food and vegetable producers of the country might have harmless agents for use as insecticides, and then the people would be protected by procuring food and vegetables which were free from any possible harmful substances.

Mr. President, I do not need to say, I am sure, that there could be no greater boon to the orchardists or to the commercial gardeners than to be free from the necessity of the inspections which are carried on, even incompletely by reason of small appropriations. The health of our citizens would be promoted.

We have had a great change in our transportation system. Millions of tons of fruit are now carried by motor truck. That fact imposes a new duty upon the Food and Drug Administration, because there must be patrols to make certain that such products sent in interstate commerce are free from harmful substances.

I am glad to testify that the great States of Oregon and Washington, practically all of whose fruit is shipped by rail, have conformed 100 percent to the standards set up by the Food and Drug Administration and to the standards which make our fruits acceptable abroad. They are two States which stand out above all the rest in almost perfect observance of those degrees of tolerance which are permitted under the law.

I do not wish to go into the matter further. I think perhaps there are reasons why it is desired that the Senate shall adjourn before long; but perhaps I have said enough without saying all I have in my heart and all I am prepared to say on this subject. So I beg the Senator in charge of the bill not to resist our effort to have recommitted not alone the item mentioned by the Senator from Nebraska and the Senator from Idaho, which I believe is amendment no. 14, but also amendments nos. 53, 54, 55, and 56, which are linked together to cover the one item I have mentioned.

Mr. ROBINSON. Mr. President, I merely desire at this juncture to suggest that if the bill should be sent back to conference further consideration should be given to amendments nos. 12 and 25.

Amendment no. 12, as adopted by the Senate, provides an appropriation of $25,000 for dealing with swamp fever. It appears that this disease afflicts the work stock in certain areas, and that in some sections as much as 45 percent of the work stock is afflicted with the disease. The position of the Bureau, as I am informed, is that the $10,000 carried in the conference report would not be sufficient adequately to carry on investigations and to do the work that is believed to be necessary. It is of very great importance that this disease be studied, otherwise great loss will be experienced by the owners of work stock in certain States.

Amendment no. 25 relates to the investigation of naval stores. In that case there was an appropriation of $25,000, which was likewise reduced to $10,000 in the conference agreement. It is said by the Department authorities that the amount carried in the conference agreement is inadequate to investigate and demonstrate improved methods or processes for preparing naval stores, and so forth, as contemplated by the amendment.

Mr. COPELAND. Mr. President, I move that the bill be recommitted to the conference committee.

The PRESIDING OFFICER (Mr. MURPHY in the chair). The Chair will state that a motion to recommit is not in order.

Mr. ROBINSON. The question is on agreeing to the conference report, as I understand.

The PRESIDING OFFICER. The Senator from Arkansas has correctly stated the motion.

Mr. McNARY. A negative vote would return the bill to conference.

Mr. COPELAND. Yes.

Mr. McNARY. Mr. President, I feel quite certain that a negative vote is obtainable. There seems to be an almost unanimous feeling that the bill should go back to conference. I desire to say to the Senator from Georgia [Mr. RUSSELL], who is in charge of the Senate part of the conference, that I hope he will consider particularly the appropriation for the Biological Survey. There have been wicked and drastic cuts in those items, particularly with regard to the control of predatory animals and rodents.

Mr. RUSSELL. Mr. President, the report brought back by the conferees contains the largest appropriation ever made in the history of the country for the control of predatory animals and rodents. It was stated by the Chairman of the House Appropriations Committee that $590,000 was the highest amount ever before appropriated, and the conference report carries $600,000.

Mr. McNARY. The Senate authorized an appropriation of a million dollars, did it not?

Mr. RUSSELL. It did.

Mr. McNARY. I think I have served longer on conferences over the agricultural bill than the Representative to whom reference has been made. I am quite familiar with these items in the agricultural bill. I personally know that the appropriation for this particular item has been increased from time to time, and splendid results have followed the

expenditure of the money. In the great intermountain country, where we have sheep and other livestock, there is no item that is more protective of the interests of the sheep and cattlemen and the citizens and pioneers generally than the item for the extermination and control of predatory animals and rodents, and I am confident that no amount of money, even though it should reach a total of $1,000,000, could be better expended than could the full sum appropriated by the Senate for this fine work. I simply suggest to the Senators in charge of the bill, who are to represent this body in conference, that they give careful consideration to the various items which have been chiseled from what the Senate Appropriations Committee recommended.

Mr. O'MAHONEY. Mr. President, I desire merely to make the observation, in repetition of what I stated earlier in the day, that in eliminating from the Senate amendment the phrase "and other noxious weeds" the conferees unconsciously did a great injury to the far Western States.

The appropriation as it now stands in the conference report would practically confine these particular investigations to the Middle West. It seems apparent that the measure is going back to conference; and I hope that if the bill should go back to conference, the Senator from Georgia [Mr. RUSSELL] will give consideration to the suggestion that the phrase "and other noxious weeds" should be included, because it seems to me that to do otherwise would be altogether unfair to a large portion of our country.

Mr. RUSSELL. Mr. President, if the Senator will yield, the Senator, of course, is aware of the fact that the original appropriation is available for work with any weed anywhere that the Department might see fit to use it.

Mr. O'MAHONEY. Yes; but the Western States Quarantine Board has laid down this program, which the Department of Agriculture is willing to carry out, and which cannot be carried out without this appropriation.

Mr. RUSSELL. Mr. President, any committee of the Senate, of course, is answerable to the Senate, and is the servant of the Senate. The Senate conferees on this bill insisted on all the Senate amendments. We engaged in two rather lengthy conferences with the House, and I feel that the bill as submitted is a reasonably fair compromise.

I am sure some Members of the Senate do not appreciate the disadvantage at which Senate conferees are often placed by amendments which are offered on the floor of the Senate. I have been much impressed with the importance that is attached to the scientific investigation of noxious weeds, bindweed, and others referred to by the Senator from Nebraska [Mr. NORRIS], the Senator from Idaho [Mr. BORAH], and other Senators who are familiar with the ravages of these plants. It is quite remarkable to my mind that anything that is so imminently threatening to the future of the agricultural interests of this Nation should be permitted to run on from month to month and from year to year and entirely escape the attention of the Department of Agriculture; that there should be no estimate whatever made to the Budget, or submitted by the Budget to the Congress; that no single witness appeared before the House Committee on Appropriations to point out the necessity for this appropriation; that no witnesses were brought before the Senate Committee on Appropriations, which conducted hearings on the bill. The Senate conferees, therefore, found themselves in the position of supporting an amendment which was offered on the floor of the Senate with a brief statement of one Senator at interest as to its purport and necessity and without any record of justification of the item.

I have no objection whatever to taking the bill back to conference if the Senate thinks the Senate amendments have not been sufficiently regarded by the House. To exonerate myself and my fellow conferees from any inference of negligence, I wish to state that we engaged in two lengthy conferences on the subject, and insisted on all the Senate amendments. It was impossible, and I think it will be impossible when this bill shall be finally enacted into law, if an appropriation bill for the Agricultural Department shall in fact be enacted at this session to get the House to yield to every Senate amendment. An examination of the report will show that the Senate at least secured recognition in principle, if not the full amount appropriated, of practically every amendment adopted on the floor of the Senate.

In regard to the statement made by the Senator from New York [Mr. COPELAND], concerning the appropriation for the Food and Drug Administration, the Senator from New York is familiar with some of the difficulties we encountered on that item. The conferees held a special conference with particular reference to the appropriation referred to by him. The Senator is correct in saying that some of the Senate conferees at the outset were under the misapprehension that the appropriation in some wise related to the pending bill to amend the Pure Food and Drugs Act, in which the Senator from New York is so deeply interested. I am frank to say that unless the House votes that amendment into the bill on the floor of the House, I do not believe the conferees will ever be able to agree to any increase on that particular item.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was rejected.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives on certain amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, OF THE UNITED STATES,
April 15, 1935.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 8 and 58 to the bill (H. R. 6718) entitled "An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes", and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 29 to said bill and concur therein with the following amendment: In lieu of the matter inserted by said amendment insert "$339,729, including not exceeding $15,000 for control and eradication of the Mormon cricket"; and

That the House recede from its disagreement to the amendment of the Senate numbered 60 to said bill and concur therein with the following amendment: In lieu of the matter inserted by said amendment insert:

"SEC. 2. The processing tax authorized by Public Act No. 10, Seventy-third Congress (48 Stat. 31), when levied upon cotton, shall be payable 90 days after the filing of the processor's report: *Provided*, That, under regulations to be prescribed by the Secretary of the Treasury, the time for payment of such tax upon cotton may be extended, but in no case to exceed 6 months from the date of the filing of the report."

Mr. RUSSELL. Mr. President, I think it would be unwise for the Senate to concur to the amendment of the House to amendment numbered 29. I believe that amendment should go back to conference. I move that the Senate concur in the amendment of the House to Senate amendment numbered 60. I have conferred with the Senator from South Carolina [Mr. BYRNES], who offered on the floor of the Senate the amendment which the House has amended, and it is agreeable to him that the House amendment be concurred in.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia to concur in the amendment of the House to Senate amendment numbered 60.

The amendment was concurred in.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2439) authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. CANNON of Missouri, Mr.

BLANTON, and Mr. DITTER were appointed managers on the part of the House.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HOLLISTER, and Mr. WOLCOTT were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. TAYLOR of Colorado, Mr. JACOBSEN, Mr. JOHNSON of Oklahoma, Mr. ZIONCHECK, Mr. SCRUGHAM, Mr. LAMBERTSON, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

RECESS

Mr. ROBINSON. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 1 o'clock and 37 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 18, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 17, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thy mercy, O Lord, is not confined to the heavens; it reaches over the vanished past, the undimmed yesterdays, and abideth forever. At the inner shrine of the sanctuary of the soul we breathe our tributes of praise and thanksgiving. Thou art the rose of Sharon and the flower of eternal hope; be Thou to us the fountain whence flow the sweetening streams, the sun out of which pours the immortal radiance, and the giver of life that is life indeed. Persuade us that the hour of our worth to the state and the social order is the hour of our self-forgetfulness. Assist us mercifully with Thy help, O Lord God of our salvation, that we may enter with joy upon the meditation of those mighty acts whereby Thou hast given unto us life and immortality. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6223. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. NYE, and Mr. STEIWER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1629. An act to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Chair appointed the following conferees: Mr. CANNON of Missouri, Mr. BLANTON, and Mr. DITTER.

PROTECTING AND PRESERVING PERMANENT SEAT OF GOVERNMENT AS CONTEMPLATED BY THE CONSTITUTION OF THE UNITED STATES

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, I am introducing a House joint resolution to create a new standing select committee of the Senate and House, and I would like to have the Members read this resolution because I believe it will appeal to every one of them. Many Members do read the RECORD. Therefore I ask unanimous consent to print in the RECORD a copy of the resolution in connection with an extension of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, by unanimous consent from the House I print in the RECORD a copy of my new House joint resolution to create a special select standing joint committee so that Members would have access to it in the RECORD.

This joint committee is to protect and preserve the seat of government as contemplated by the Constitution of the United States, and to repeal the archaic and abandoned provisions in earlier appropriation bills and the law generally known as the "50-50" and the "60-40" providing annual Federal contributions out of the Public Treasury to the District of Columbia civic expenses.

Unfortunately, during the last 50 years, the burden of fighting the selfish and aggressive demands of the Washington people, in their constant and untiring efforts to get large contributions from the United States, has fallen upon the shoulders of just a few Members of Congress.

During such 50 years the newspapers have taught Members of Congress that any Senator or Representative who would make a fight for the demands made by Washington people would have his picture and eulogy carried on the front page, praising and extolling his many virtues, followed by repeated favorable comments from the horde of special-feature writers the Washington newspapers employ to reward their friends and to punish those who do not obey commands; and that any Senator or Representative who dared to go against the wishes of the Washington newspapers and to disobey their commands would be crucified and pilloried by the Washington newspapers and by them be hounded, harassed, misrepresented, with none of their important work ever mentioned except in an incorrect and derogatory manner. Such abuse and attacks have made Members seek the path of least resistance and hesitate to actively oppose the newspapers and their demands.

But it has been absolutely necessary that some Member should actively and vigorously from the floor oppose the annually recurring, selfish, unjust, inequitable, wasteful, extravagant, and arrogant demands upon the Federal Treasury, made by the people of Washington and the Washington newspapers.

When I came here in 1917 I then learned of the unjust and infamous treatment the Washington newspapers had accorded Hon. Ben Johnson, of Kentucky, and the vicious attacks they had made upon him while he was Chairman of the Committee on the District of Columbia, and of the attacks Washington newspapers had made on every other Member of Congress preceding Ben's service as chairman

who had dared to oppose them on their demands for the District.

So, when I was placed on the District Committee, I was determined that at all times in every way I would be just and sympathetic to every proper demand made by Washington people, and by the Washington newspapers, but that I would fearlessly and uncompromisingly oppose and fight against every improper, unjust, and arrogant demand made by Washington and the Washington newspapers.

I have never at any time or in any way been unjust to the Washington people or to the newspapers of Washington. I can look back over the past 18 years, and with God as my witness, I can truthfully say from the depths of my heart that I have always given Washington people and the newspapers of Washington a fair, square deal, just and fair in every particular, with any possible doubt on every question resolved in favor of Washington.

But because I have dared to oppose them, and have been one of those who has been active on the floor in fighting their unjust demands, I have been abused, maligned, misrepresented, attacked, caricatured, maliciously libeled, hit under the belt, and waylaid by the Washington newspapers, and for 18 years they have tried to ruin me and get me out of Congress. They have incited and aroused opposition against me in my district, and have done everything within the power of their money and influence to defeat me. But they have not succeeded. There are no constituents in any district of the United States more intelligent or more loyal than my own. In the last Democratic primary held in July 1934, with two influential, formidable opponents, one a circuit judge and the other a State legislator, I carried every one of the 30 voting precincts in my home county of Taylor against them both, receiving a clear majority over both of them in all 30 precincts, and likewise carried all of the voting precincts against them both in my former old home county of Shackelford.

The above is of public importance only to show these Washington newspapers that they cannot hound and harass out of Congress a Member by making vicious and malicious attacks upon him, simply because he refuses to think as they want him to think, act as they want him to act, vote as they want him to vote, and servilely obey their every command.

It is very important and necessary that the burden of protecting and preserving the seat of government as contemplated by the Constitution, and in upholding the interests of the overburdened taxpayers back home in the 48 States, should rest equally upon the shoulders of the 96 Senators and the 435 Representatives.

The joint resolution I have introduced, which is House Joint Resolution 253, will do much to accomplish this end desired.

I am, therefore, deeply grateful to my colleagues for granting me unanimous consent to print this resolution in the RECORD. I hope that my House colleagues will read it and give it their earnest consideration. I hope that every United States Senator will read it and give it his earnest and careful consideration.

The following is the resolution:

[74th Cong., 1st sess., H. J. Res. 253]

IN THE HOUSE OF REPRESENTATIVES,
April 19, 1935.

MR. BLANTON introduced the following joint resolution, which was referred to the Committee on Rules and ordered to be printed

Joint resolution to create a special select standing joint committee of the Senate and House of Representatives, to be known as the "Joint Committee to Protect and Preserve the Seat of Government as Contemplated by the Constitution of the United States; to repeal the archaic provisions of law generally known as the "50-50" and "60-40" acts relating to a Federal contribution to the civic expenses of the District of Columbia; to discontinue future Federal contribution to said civic expenses of the District of Columbia, and to require the taxpayers of Washington, D. C., through reasonable taxation to pay their own civic expenses, and not longer require the overburdened taxpayers of the 48 States, after paying their own civic expenses, to make contribution to the civic expenses of the people fortunately living in the seat of government, and for other purposes

Whereas during the War of the Revolution, Congress was surrounded and greatly mistreated by a body of mutineers of the Continental Army, which led to the removal of the seat of government from Philadelphia to Princeton, and later for the sake of greater convenience to Annapolis; other removals being to Baltimore, Lancaster, York, Trenton, and New York; and during the 10 years our Government was last located in Philadelphia, preceding its removal to its own permanent seat, although Philadelphia furnished free the use of the Capitol Building at Sixth and Chestnut Streets, and housed the Senate and House of Representatives wholly without charge, and demanded nothing of the Government in the way of taxes or contribution to civic expenses of Philadelphia, yet during the period of our numerous removals of the seat of government, Members of both Houses of Congress were continually importuned and harassed by citizens and local organizations to such an annoying extent that when the Constitution of the United States was promulgated, provision was made therein for our own permanent seat of government forever to be controlled absolutely by the United States; and

Whereas clause 17 of section 8 of article I of the Constitution of the United States provides that the Congress shall have power "to exercise exclusive legislation in all cases whatsoever over such District" after it is ceded "and becomes the seat of the Government of the United States"; and

Whereas Watson on the Constitution, page 698, says: "This clause confers upon Congress absolute control and authority over the District of Columbia", stating that the necessity for it "probably grew out of an unpleasant episode in the history of the Continental Congress while it was sitting in Philadelphia"; and

Whereas in construing the above clause of the Constitution in the cases of *Loughborough* v. *Blake* (5 Wheat 321); *Kendall* v. *United States* (12 Peters 619); *Shoemaker* v. *United States* (147 U. S. 300); *Parsons* v. *District of Columbia* (170 U. S. 52); *Capital Traction Co.* v. *Hof* (174 U. S. 5); and *Gibbons* v. *District of Columbia* (116 U. S. 404), the Supreme Court of the United States held: "By this clause Congress is given exclusive jurisdiction over the District of Columbia for every purpose of Government, national or local, in all cases whatsoever, including taxation, and that the terms of the clause are not limited by the principle that representation is necessary to taxation"; and

Whereas in a speech delivered at a banquet tendered him on May 8, 1909, by leading citizens of Washington, President William Howard Taft, who in later years became Chief Justice of the United States, in explaining this clause of the Constitution, and why persons choosing to reside in the District forming the permanent seat of the Government are not permitted to vote, and why Congress should exercise absolute control and authority over the District of Columbia, said: "This was taken out of the application of the principle of self-government in the very Constitution that was intended to put that in force in every other part of the country, and it was done because it was intended to have the representatives of all of the people of the country control this one city, and to prevent its being controlled by the parochial spirit that would necessarily govern men who did not look beyond the city to the grandeur of the Nation and this as the representative of that Nation"; and

Whereas in an article prepared by George W. Hodgkin, who made an able but losing fight to relieve residents of the District of Columbia from the above-mentioned provisions of the Constitution, published on June 25, 1910, as a Senate document, he quoted the above speech of President Taft, and himself admitted that "Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government; that local officials are either directly or indirectly appointed by and are responsible to the National Government; there is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs; several attempts have been made so to amend the Constitution as to give the inhabitants elective representation in Congress and participation in Presidential elections", and he quoted Madison as follows: "Madison argued 'The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and the proceedings interrupted with impunity but a dependence of the members of the General Government on the State comprehending the seat of government, for protection in the exercise of their duty, might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the Confederacy'"; and

Whereas in the First Congress of the United States, in an act approved July 16, 1790, entitled "An act for establishing the temporary and permanent seat of the Government of the United States", provided that the seat of government should remain in Philadelphia until the first Monday in December 1800, after which it should be removed to the permanent seat, and for the erection of suitable buildings for the accommodation of Congress; and

Whereas, when ceding its part of the permanent seat to the Government, the State of Virginia, by its act approved December 23, 1788, provided that same "shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of the soil as of persons residing or to reside thereon, pursuant to the tenor and effect of the eighth section of the first article of the Constitution of the United States"; and

Whereas the removal from Philadelphia to Washington of our own permanent seat of Government was completed on June 15, 1800, and the Government rented a building in Washington near the corner of Ninth and E Streets NW., about where the south wing of the present old Post Office Department building is situated, at an annual rental of only $600, being only $50 per month, and

the owner permitted the Government to spend half of the rental for renovations and improvements, which rented building, so renovated and improved, housed the Post Office Department of the United States and the local post office for Washington and quarters for the family of Hon. Abraham Bradley, Jr., the Assistant Postmaster General, all three provided to the Government for a rental of only $50 per month, which clearly depict conditions then, before the Government had spent hundreds of millions of dollars in attractive permanent improvements now attracting thousands of visitors to Washington every day, and before the Government had established its present $200,000,000 per annum pay roll here in Washington, which injures to the financial benefit of every fortunate person living in the Nation's seat of government and which, when considered with the fact that Members of Congress are now charged from $75 to $250 per month for apartments and that department employees are charged from $35 to $100 per month, and the further fact that whenever the Government needs any private property here for its own use it is charged by residents of Washington, and determined in condemnation proceedings by residents of Washington, two or three times its value, and in instances several hundred percent increase over its assessed value, conclusively demonstrates that Washington residents in the Nation's seat of government are constantly reaping a tremendous financial harvest and are enriching themselves off of the Government; and

Whereas, after continual harassing and hammering of Congress year after year by the residents and newspapers of Washington, it was induced in 1871 to pass an act giving the District a government of its own and allowing the District to elect and send a Delegate to Congress (which, of course, was unconstitutional), but providing that the tax rate in Washington should be $3 on the $100, but Congress soon recognized the unwisdom of such act and of its affront to the Constitution, and in 1874 Congress repealed such act, and abolished said unwarranted position of Delegate to Congress, and eventually liquidated the debts incurred by said spendthrift so-called "local government", and by the act of June 11, 1878, the seat of government was designated as the "District of Columbia"; and

Whereas, under continual harassing and hammering of Congress by residents and newspapers in Washington, an act was passed whereby the Government paid out of the Public Treasury 50 percent of the annual civic expenses of the people of Washington, which began in 1878, and excepting a period during the nineties, continued to 1920, so that from 1878 to 1920, excepting said period during the nineties, the United States paid one-half of all the civic expenses of the people who reside in its permanent seat of government, and during this 40 years the local tax rate for Washington residents most of the time ranged from 90 cents on the $100 to $1.20 on the $100, and from 1920 to 1925 the United States paid 40 percent of the annual civic expenses of the people of Washington, and thereafter the United States has contributed a lump sum each year toward paying the annual civic expenses of Washington people, beginning with $11,000,000 lump sum per year ranging downward, until the lump-sum contribution which the United States made to the civic expenses of the people of the District of Columbia for the fiscal year ending June 30, 1933, was $9,500,000; and

Whereas during the last 50 years every Member of Congress who has raised his voice against the selfish demands of the residents and newspapers of the District of Columbia, has had a concerted fight waged against him by the Washington newspapers, forcing many to abandon key positions on the District of Columbia Committee, and said newspapers of Washington have incited opposition against such Members in their district, and caused many of such Members to be defeated, and have through selfish malicious persecutions been instrumental in hastening the death of some very valuable Members, such as was the Honorable Ben Johnson, of Kentucky, who at one time was the able Chairman of the Legislative Committee on the District of Columbia, and who resisted many District raids on the Federal Treasury; and

Whereas in February 1933 the House passed the bill making appropriations for the District of Columbia for the fiscal year ending June 30, 1934, and properly reduced the above-mentioned lump-sum contribution, but the Senate amended it and attempted to restore said lump-sum contribution to $9,500,000, and the Senate added 173 other costly amendments to said bill, and in conference with the House, Senator Bingham, then United States Senator from Connecticut, arrogantly told the conferees that unless they agreed to said $9,500,000 there would be no bill, although said conferees had practically agreed upon all other controversial matters, and the conferees broke up in disagreement over said lump-sum contribution about dark on the evening of March 3, 1933, which was the night before Congress was forced by law to adjourn sine die the next day; and later that evening Senator Bingham induced a majority of the House conferees to raise the said lump-sum contribution from the $6,500,000 offered by the House conferees to the sum of $7,600,000, and when said conference report was submitted to the House that night for approval Representative BLANTON, of Texas, who was the dissenting conferee, led the fight against same, on the ground that it was unjust to the taxpayers of the 48 States, and after debate, and despite the cogent argument used that unless it were adopted Congress would adjourn the next day sine die without making any appropriations for the District of Columbia, and with Senator Bingham present on the House floor, by a decisive defeat of only 14 votes for with 102 votes against (see p. 5618, RECORD for Mar. 3, 1933), the House rejected the conference report and thereby killed the bill for that Congress, and that ended the service of Senator Bingham in the United States Senate; and

Whereas following the inauguration of President Franklin D. Roosevelt on March 4, 1933, when the new Seventy-third Congress was called into special session, and the President and his Budget had reviewed the entire matter, and patiently heard all of the demands of Washington people for a big lump-sum contribution, and withstanding the arrogant demands of Washington newspapers, President Roosevelt and his Budget recommended to Congress that only $5,700,000 be contributed by the United States, instead of the $9,500,000 which the Senate had placed in said previous bill by amendment, and for that year and the succeeding year the House conferees upheld the President's annual Budget and resisted all attempts made by the Senate to increase such contribution, and only allowed the $5,700,000 recommended by the President and his Budget; and

Whereas in his last Budget for the fiscal year ending June 30, 1936, President Roosevelt recommended that Congress allow a lump-sum contribution from the Federal Treasury of only $5,700,000 toward paying the annual civic expenses of the residents of the District of Columbia, and as recommended by his Bureau of the Budget the President specified the maximum sums that should be appropriated for the District of Columbia; and

Whereas the able, just, and highly efficient chairman of the District Subcommittee of the Committee on Appropriations, Hon. CLARENCE CANNON, of Missouri, and his subcommittee patiently held hearings during the month of December 1934, before the Seventy-fourth Congress met in January, hearing all District officials who felt dissatisfied with the President's Budget, and said printed hearings show that before said hearing on December 12, 1934, Hon. Melvin C. Hazen, president of the Board of Commissioners for the District of Columbia, testified and admitted the following: "That with a total tax rate of only $1.50 on the $100 paid by the Washington residents of this seat of government the District had a cash surplus left over last fiscal year of $4,600,000, and that next July 1 he expected another cash surplus of $2,450,000; that during the years when the United States paid half of all the civic expenses of the Washington residents there were built most of the fine bridges, including the million-dollar bridge on Connecticut Avenue, most of the 170 public-school buildings in Washington, most of the hospitals, and that most of the 1,200 parks and the numerous playgrounds had been acquired and purchased; that most of the trees fronting residences which are furnished, pruned, and sprayed free had been planted; and most of the streets and sidewalks had been paved; and the sewer system and the water system had been acquired and perfected, the United States owning outright the original water conduit; that the Municipal Building, jail, court buildings, prison, hospitals, and asylums had been constructed; that during the last fiscal year they had arbitrarily reduced the assessed valuation of real estate to the extent of $80,000,000, which was a saving to the Washington property owners of $1,200,000; and that for the present fiscal year they were going to further reduce the assessed value of real estate another $50,000,000, which was an additional saving to Washington property owners of another $750,000, showing that during this and last year the assessed value of Washington property had been arbitrarily reduced $130,000,000; that for water service they had given a 25-percent reduction in water rates and had increased the meter allowance from 7,500 to 10,000 cubic feet, which meant another saving to Washington residents of $600,000 per annum on their water, plus the increase of meter allowance, and that the average cost of water per family was $6.75 per year, or about 50 cents per month, with the minimum allowance increased from 7,500 to 10,000 cubic feet; that the tax on intangibles is only $5 on the $1,000, and that millions of dollars of intangibles were hidden away in lock boxes in bank vaults untaxed, and that they had no way of reaching same until people died and wills were filed, and that of the wills filed last year one listed $115,000 intangibles, another $82,000, another $335,000, another $1,064,400, another $96,652, another $68,878, and another $105,480 of intangibles; that the District gasoline tax is only 2 cents per gallon in Washington, while in some cities it is 4 cents, some 5 cents, some 6 cents, and some 7 cents per gallon, in addition to the 1-cent Federal tax; that the District license tax for automobiles in Washington is only $1, whether it is a Ford or a Rolls-Royce, which is another of the many special privileges Washington people enjoy; that there is no charge made for gathering ashes, or trash, or garbage from residences; that there is no monthly service charge made for sewer connection; that there is no District income tax for the people of Washington; that there is no District gift tax for the people of Washington; that there is no District inheritance tax for the people of Washington; that every family library in Washington, whether worth $100 or $1,000,000, is exempt from taxes; that, in addition to exempting libraries from taxation, every family is allowed an exemption of $1,000 of household furniture that can't be taxed; that, in addition to the enormous sums of money spent in previous years for permanent buildings and improvements, that the United States Government during the last 20 years had spent over $200,000,000 in Washington for beautiful attractive buildings, to see which crowds of people come to Washington daily from the States; that, in addition to its regular appropriations, the District of Columbia had received from the F. E. R. A. and the Civil Works Administration $15,114,227 for emergency relief, and had received from the Public Works Administration $8,880,461, with an additional grant and loan of $1,500,000 for a tuberculosis sanitarium; that it is a valuable and pleasurable privilege to the people of Washington to enjoy the Congressional Library, the privileges of

the Capitol, the 1,200 public parks, the public golf courses, the public tennis courts, the polo grounds, the public playgrounds, the museums, the art galleries, the boating facilities on the improved Anacostia and Potomac Rivers, the beautiful Key Bridge, the Lincoln Memorial, the Washington Monument, the swimming pools, the skating pools, the $15,000,000 Memorial Bridge, the wonderful Government boulevards, including the one from Washington to Mount Vernon; the Japanese cherry blossoms, internationally known; the Government rose gardens, the Government pansy beds, the Government Botanic Gardens, the miles of Rock Creek Park public picnic grounds, the wonderful Zoo, which furnishes entertainment for the 85,000 Washington children; the beautiful White House and Grounds, the Bureau of Engraving and Printing, the $18,000,000 Commerce Building, the new Department of Justice Building, the new Department of Labor Building, the new Post Office Department Building, the Agricultural Department buildings, grounds, gardens, and farms, the new Archives Building, the Pan American Building, the beautiful foreign embassy buildings and grounds, the new $10,000,000 Supreme Court Building, and the scores of other enjoyable sights and privileges our permanent seat of government affords free to residents of Washington, which the citizens of the 48 States cannot enjoy; and page 18 of the hearings shows that Commissioner Hazen admitted that Washington people are better cared for, are least taxed, and have greater privileges than any other people in the United States; and

Whereas when the United States established our permanent seat of goverment in Washington, our Government then owned 10,136 city lots which it did not want to reserve for its own use, and it sold these 10,136 lots to residents of Washington for the paltry sum of only $741,024, yet the printed hearings on the pending District bill show that under condemnation proceedings where the Government now needs property, it was forced to pay $37,500 for one piece that had recently cost the owner only $16,500, and was forced to pay $28,500 for another piece that had recently cost the owner only $11,000, and for the site for the Jefferson School the first jury (of Washington residents) tried to require the payment of $105,000 for such site, but which fell through, and when the second condemnation proceedings were perfected so as to insure acquiring the site, the new jury (of Washington residents) assessed the value of same at $294,000, forcing that sum to be paid, which was almost half of the total amount the United States received for the 10,136 city lots it sold to Washington residents; and

Whereas the officials and employees of the District of Columbia are the best paid, best treated, and receive higher salaries than any other employees in the whole world; that they work only 7 hours per day, enjoy a generous vacation and sick leave, have generous retirement privileges, work under pleasant surroundings and environments, and can't be discharged except for cause proven on trial; and

Whereas in the District public free school system, the superintendent of schools receives a salary of $10,000, 13 department heads receive $3,700, 15 directors receive $3,500, 2 presidents receive $6,000, principals receive for senior high $4,500, junior high $4,000, assistant principals $3,700, and of the 569 high-school teachers and 57 teacher-college teachers, there are about 150 who receive salaries of $3,200, and the 3,068 teachers and employees in the Washington public free schools during all of the depression years have never had to wait one minute for their salary checks, but have always received their money promptly; and

Whereas in the Metropolitan Police Department, the superintendent of police receives $8,000, his assistants receive $5,000, his inspectors receive $4,500, his captains $3,600, and his patrolmen (who have been in service 5 years) receive $2,400 each, there being 1,306 uniform men in said Metropolitan Police Department; and

Whereas in the fire department of the District of Columbia there are 870 uniform men, the chief receiving $8,000, his two deputies, fire marshal, and machinery superintendent receiving $5,000 each, his battalion chief $4,500, and 46 captains $3,050 each, and the men (who have been in service 5 years) all receiving $2,400 each; and

Whereas the three District Commissioners receive $9,000 each, and are furnished automobiles and their upkeep; the auditor receives $9,000; the corporation counsel $9,000; and his 15 assistants receive salaries ranging from $2,600 to $7,000; the head of the Board of Public Welfare $8,000, and his 9 assistants receive salaries ranging from $2,600 to $5,600; the municipal architect $7,500, and his 40 assistants receive salaries ranging from $2,600 to $5,600; the city health officer receives $7,000, and his 20 assistants receive salaries ranging from $2,600 to $5,600; the director of city highways receives $7,500, and his 25 assistants receive salaries ranging from $2,600 to $5,600; the register of wills receives $6,400; the recorder of deeds receives $5,500; the director of the sewer department receives $7,500, and his 17 assistants receive salaries ranging from $2,600 to $5,000; the head of the water department receives $5,800, and his 15 assistants receive salaries ranging from $2,600 to $4,800; the head of the Zoo receives $6,500, and his assistants receive salaries ranging from $2,600 to $4,800; the chief of buildings and parks receives $5,000, and his 22 assistants receive from $2,600 to $4,800; the playgrounds supervisor receives $4,600; the refuse supervisor receives $6,000, and his 13 assistants receive salaries ranging from $2,600 to $5,000; the man in charge of tree planting receives $5,200 and his assistant $3,200; the chief librarian receives $8,000, and his 15 assistants receive salaries ranging from $2,600 to $4,600; the surveyor receives $5,000, and his 9 assistants receive salaries ranging from $2,700 to $3,500; the traffic head receives $7,500, and his assistants from $2,600 to $5,400; the juvenile judge receives $7,000; the penal head receives $6,000, and his 12 assistants receive salaries ranging from $2,500 to $6,000; the head of Gallinger Hospital receives $7,500, and his 11 assistants receive salaries ranging from $2,600 to $5,600, and the hundreds of other employees receive proportionate salaries, and no employees anywhere else in the world are better paid, or receive more generous consideration; and

Whereas in his annual Budget message to the present Congress, President Roosevelt recommended that not over $5,700,000 be contributed by the Federal Government on the civic expenses of the District of Columbia, and the House of Representatives passed the appropriation bill with that sum contributed to the Washington people's civic expenses, and refused to comply with the many arrogant demands made by the Washington newspapers, and after the bill left the House and went to the Senate there was a concert of action on the part of Washington newspapers to get Congressman BLANTON out of the way, and to prevent him from serving as a House conferee on said bill, and in explaining the matter to a citizen of Washington, one of the representatives of said newspapers said: "BLANTON is in our way. We can get anything we want put in the bill in the Senate, but we cannot get it by BLANTON on the House Appropriations Committee, because he works with Mr. CANNON, and Mr. CANNON knows these conditions, but BLANTON is the one who takes the floor and fights like he did when he killed our conference report back in March 1933. We must get him out of the way." And when asked, "How are you going to do it?" the reply was "Through continual hammering", stating: "There is not any man on earth who can withstand continual hammering. If you will just continue hammering him, you will finally get his nerve, and we are going to continue to hammer BLANTON until we get his nerve and get him out of the way"; and

Whereas from March 14, 1935, until April 3, 1935 (when from the floor of the House BLANTON exposed the plot), the five newspapers of Washington made daily attacks upon Congressman BLANTON, playing him up on their front pages in scary headlines printed in large black-faced type an inch high in instances, and, with the exception of the Washington Star, which did not confederate with said other plotters, daily tried to incite the people of Washington en masse to march on the Capitol and demand that Congressman BLANTON be removed from the Committee on Appropriations, and did incite rump meetings of irresponsible associations of certain citizens to hold meetings and to pass resolutions against BLANTON, and some of said newspapers published editorials demanding that BLANTON resign or be removed from said Committee on Appropriations, and representatives of said newspapers went to the Speaker of the House and tried to induce him to meet a mob on the east steps of the Capitol to receive their demand, but the Speaker refused to have anything to do with it, and then they tried to get the Chairman of the Committee on Appropriations to act with them, and he refused, and then they tried to get Hon. James G. Yaden, who is president of the Federated Citizens Associations of Washington, to take charge of said newspaper movement to have the Washington people march on the Capitol, but being a high-class gentleman of honor and integrity he refused to have anything to do with their malicious movement, and to show the extent of this arrogant movement to interfere with the orderly processes of government, and which in effect was a challenge to Congress respecting its right to function, the following excerpts are quoted: (1) From Washington Post, March 20, 1935: "Drive to oust BLANTON begun by District of Columbia group. Demonstration is planned to force him off of the District of Columbia Committee. The executive committee of the Federation of Business Men's Association last night voted to stage a city-wide demonstration to persuade Congress to remove Representative THOMAS L. BLANTON, of Texas, from the House District Appropriations Committee. The protests will be presented to Speaker JOSEPH W. BYRNS, of Tennessee, on the east steps of the Capitol." (2) From the Washington Herald, March 20, 1935: "Mass meeting to ask BLANTON'S ouster at once. Protest planned for March 28 on Capitol steps by federation of men's group. Headquarters for the arrangement committee for the mass meeting has been established at the Smith Transfer Co. Organizations and citizens desiring to participate have been asked to communicate with the committee." (3) From the Washington Times, March 20, 1935: "A sentiment has grown among civic organizations to punish the Texan for interference. The executive committee of Business Men's Associations has planned a mass meeting at which the removal of the Texas Representative will be demanded." (4) From the Washington News, March 20, 1935: "Mass meeting called to denounce BLANTON. A demonstration will be held by local citizens on the east steps of the Capitol. The Federation of Business Men's Associations last night issued a statement calling a mass meeting to present to Congress a demand for removal of BLANTON from House Committee on District Appropriations. An invitation was extended to all interested citizens to participate." (5) From the Washington Star, March 20, 1935: "Fight on BLANTON planned by citizens. Plans for a proposed demonstration March 28 to request the House to remove Representative BLANTON, Democrat of Texas, from his assignment on the House Appropriations Committee were discussed at a meeting last night. A march on the Capitol, where petitions would be presented to Speaker BYRNS, demanding BLANTON'S removal from the committee, were proposed. Every civic organization in Washington, it is stated, is to be invited to participate. Smith also called a meeting in the Lafayette Hotel at 6:30 o'clock tonight to further plans for the proposed demonstration." And from the Washington Times, March 29, 1935: "Business men flay BLANTON. Members of the Northeast Business Men's Association last night

voted to demand removal of Representative BLANTON, of Texas, from the House Subcommittee on District Appropriations. Heated debate marked the meeting, and the matter was not decided until Dr. James J. Greeves, president, voted in favor of the measure to break the tie vote. James Farmer, association secretary, shouted: 'We want BLANTON out, and we are not going to stop until we get him out'"; and

Whereas not until Congressman BLANTON took the floor of the House on April 3, 1935, and exposed the concerted plot, and denounced such unwarranted mob interference with Congress, did said newspapers stop such persecution; and

Whereas this attempt on the part of Washington residents in the seat of government of the United States to make unreasonable money demands upon Congress, and to browbeat, bulldoze, intimidate, and attempt to coerce Congressmen into complying with their unreasonable demands, is an outrage on decency, and an interference with the constitutional prerogatives and functions of the Congress of the United States, and cogently exemplifies just what the framers of the Constitution had in mind when they provided of a seat of government absolutely controlled by Congress, and what President James Madison had in mind when in explaining clause 17, of section 8, of article I of the Constitution, he said: "The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and the proceedings interrupted with impunity but a dependence of the Members of the General Government on the State comprehending the seat of government, for protection in the exercise of their duty, might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the confederacy"; and

Whereas their only foundation for a trumped-up excuse for such unwarranted interference, was that in the exercise of his inherent and inalienable prerogatives Congressman BLANTON tried to get appointed as an assistant superintendent of police, Inspector Albert J. Headley, who for 39 years has been a faithful, efficient, active, dependable police officer, working his way up through the ranks from a private, and who is a high-class gentleman, strictly honest and reliable, and a strict law enforcer, and who was a ranking officer in line for such position, it being the silly and ridiculous contention of certain Washington citizens and Washington newspapers that Congressmen must not have anything whatever to do with the selection or appointment of any officials or employees of said District; and

Whereas Washington residents of the permanent seat of government of the United States may just as well understand now as at all times in the future that pursuant to the provisions of the Constitution giving Congress absolute control over the District of Columbia, that Congress is going to exercise that control, whether they like it or not, and if it doesn't suit them, they had better move and live somewhere else, and that each and all of the 435 Members of the House of Representatives and each and all of the 96 United States Senators are going to exercise their prerogatives at will, and recommend when and whom they choose for positions in the District of Columbia, and that the Washington people choosing to reside in the Nation's permanent seat of government of the United States must cease to expect and demand better treatment and greater consideration than the citizens of the 48 States receive and must cease to expect the already overburdened taxpayers of the 48 States, after paying their own civic expenses, to then contribute any part of the civic expenses of said Washington people; and

Whereas there are many cities in the 48 States that would gladly pay the United States many millions of dollars to move its permanent seat of government there and gladly agree that they would never ask that the United States pay a single dollar on their civic expenses; and

Whereas chambers of commerce in big cities all over the United States are annually spending millions of dollars to get new people there, and to obtain pay rolls, and every piece of property owned by the Government of the United States is a valuable asset for the Washington people and forms the source of attraction for the hundreds of thousands of visitors constantly coming here, and it is silly and childish for Washington people and Washington newspapers to contend that the United States should pay favored residents of Washington taxes on the streets of Washington owned by the United States and which are daily used by Washington people, or to pay them taxes on the Government property here that is annually worth many millions of dollars to the Washington people, and, but for which, they would be an unimportant small town, with their real property practically worthless; and

Whereas the Washington Star for December 16, 1934, under the headlines, "$50,000,000 spent here by visitors during the past year", stated: "The Greater National Capital Committee estimates that visitors to the city will have spent in the neighborhood of $50,000,000 in Washington by the end of 1934"; that $50,000,000 coming to Washington people during 1 year spent by the people of the 48 States came to them because of the Government institutions here attracting such visitors to Washington, and Washington people are being enriched by this annual gift of $50,000,000 to them by visitors the Government's institutions attract here, which costs Washington people nothing; and

Whereas the Washington Post for April 8, 1935, under headlines, "City jammed as 150,000 see blossoms", stated: "The States came to the Japanese cherry trees yesterday. An estimated 150,000 persons moved into the city from every section of the Nation. They jammed themselves into long motor busses. Capital hotels overflow. Their number exceeded the capacity of the city's hotels. They packed the highways in all directions. The railroads did a land-office business. The Pennsylvania ran eight extra sections from New York and put on three additional special trains. The C. & O. and the B. & O. ran 22. Interstate bus lines did a great business. The airplanes sold out and put on extras"; and Washington people should appreciate this financial bonanza, for just how much would the big cities of this Nation pay in order to have 150,000 visitors come in 1 day to spend money in their midst; and

Whereas the Washington Post for February 3, 1935, stated that there are now 94,050 employees of the United States Government in Washington, and that the number of field employees of the United States now total 672,273. Many of these field employees make headquarters in Washington; the pay roll of the Federal Government for its local employees has now reached the stupendous sum of $200,000,000 in Washington, and practically all of this $200,000,000 annually is spent in Washington; moreover, the President spends much of his $75,000 per year in Washington, and much of his expense allowance here, and the Cabinet members, and Supreme Court judges, and Senators and Representatives in Congress, and their clerical help, all spend most of their annual income in Washington, and the Washington people are constantly enriched by it; and

Whereas the Washington Post for April 3, 1935, said that the Senate committee had increased the Federal contribution to local civic expenses by $2,600,000, stating: "The Appropriations Subcommittee, under the chairmanship of Senator THOMAS (D.) of Oklahoma, practically rewrote the House bill, paying little or no attention to recommendations of the Budget Bureau or the House"; and

Whereas the Washington Herald for April 9, 1935, stated: "District budget passed by Senate fixed at $42,785,619. Senators, who increased the budget to the point requested by the District Board of Commisisoners, after the House had cut it to $39,308,404 will have to overcome a determined opposition already announced by Representative TOM BLANTON, of Texas"; and

Whereas the Washington Times for April 9, 1935, stated: "Six stanch friends of the District of Columbia today were appointed as the Senate conferees on the 1936 District supply bill. The Senate conferees who were delegated to fight for the increased lump sum and the additional items put in the bill by the Senate, are Senator ELMER THOMAS, of Oklahoma; Senator CARTER GLASS, of Virginia; Senator ROYAL S. COPELAND, of New York; Senator WILLIAM H. KING, of Utah; Senator GERALD P. NYE, of North Dakota; and Senator HENRY W. KEYES, of New Hampshire. The bill faces its hardest fight when the House and Senate conferees meet for its consideration. Without so much as a question, the Senate yesterday increased the lump sum from the $5,700,000 proposed by the Budget Bureau, and approved by the House, to $8,317,500. In explaining his stand against increasing the lump sum, Mr. BLANTON has declared that he is carrying out the wishes of the President"; and

Whereas the Washington Star, for April 9, 1935, said: "Under the leadership of Senator THOMAS, Democrat, of Oklahoma, the measure went through the Senate without difficulty yesterday afternoon. No opposition was raised in the Senate to the Appropriations Committee recommendation for a larger Federal payment, nor was there a dissenting voice on any of the amendments"; and

Whereas this question of a large Federal contribution out of the people's Treasury to the civic expenses of Washington people should not be a continual annual fight between the Senate and House of Representatives, for there is just as great a burden resting on the shoulders of Senators as there is resting upon the shoulders of Representatives to protect the taxpayers in the 48 States from having to pay a part of the civic expenses of Washington people, in addition to paying their own civic expenses, and this constant issue of turmoil and controversy should be finally decided and brought to an end; and

Whereas besides the appropriations regularly made for the District of Columbia, the residents of Washington annually receive large and valuable benefits from large appropriations made by Congress for Federal institutions in the District of Columbia, wholly paid for by the United States, which are carried in the Army appropriation bill, the Navy appropriation bill, and many others, the following being appropriations carried in the pending Interior Department appropriation bill, coming wholly out of the Federal Treasury, to wit, for Freedmen's Hospital, $304,400; for Howard (colored) University, $665,000; for Columbia Institution for the Deaf, $135,850; for St. Elizabeths Hospital, $1,185,840; and

Whereas the Washington Herald for April 10, 1935, reported that the District of Columbia gets $2,000,000 out of the rivers and harbors bill just passed, being "$1,650,000 for water fronts and $325,000 for channels"; and

Whereas the Washington Post for April 11, 1935, states $3,500,000 out of P. W. A. funds will be spent in Washington for a new Navy Hospital unit, and the people of the District of Columbia get the benefit of all of these huge expenditures made in Washington by the United States, just the same as if it came out of their own treasury; and

Whereas upon the hounding insistence of the people of Washington and the Washington newspapers, in attempt to increase the Federal contribution to local civic expenses, the President caused the Treasury Department to make an investigation of the tax rate in Washington, as compared with the tax rate of comparable cities, and on April 13, 1935, the President wrote a letter both to the chairman of the House committee and to the chairman of the Senate committee, submitting such report, in which letter President Roosevelt stated: "In general, the Treasury found that the

actual money cost of government per capita to residents of the District is below that in other cities. Likewise the total taxes paid by each of several different examples of property owners is lower in the District than in any other city of between 300,000 and 825,000 population for which the data are available. The total taxes paid by the owner of a small house, the owner of a substantial business block or business enterprise, or the owner of a large hotel or apartment house are in each case smaller in the District than in any other of the 15 cities studied"; and

Whereas most of the cities, after paying their own city taxes, have to pay an additional county and State tax, and some have to pay a separate school or public-utility tax, none of which are paid extra by Washington people, as their tax of $1.50 on the $100, or $15 on the $1,000, is the total of all taxes paid by them; and

Whereas the Treasury report accompanying President Roosevelt's letter of April 13, 1935, giving the tax rate in comparable cities states that the survey made "clearly demonstrates that the District of Columbia general property tax rate of $15 per $1,000 is the lowest obtaining in any city of 300,000 or more population"; and it cites the following cities of between 300,000 to 825,000 population, giving their tax rate on the $1,000: Jersey City, N. J. (tax rate), $40.69 (on the $1,000); Boston, Mass. (tax rate), $37.10 (on the $1,000); Minneapolis, Minn. (tax rate), $30.10 (on the $1,000); Newark, N. J. (tax rate), $29.20 (on the $1,000); Seattle, Wash. (tax rate), $28.13 (on the $1,000); New Orleans, La. (tax rate), $27.58 (on the $1,000); Baltimore, Md. (tax rate), $26.70 (on the $1,000); Portland, Oreg. (tax rate), $26.50 (on the $1,000); Milwaukee, Wis. (tax rate), $26.26 (on the $1,000); Buffalo, N. Y. (tax rate), $25.56 (on the $1,000); Kansas City, Mo. (tax rate), $25.23 (on the $1,000); Louisville, Ky. (tax rate), $24.48 (on the $1,000); San Francisco, Calif. (tax rate), $20.09 (on the $1,000); Cincinnati, Ohio (tax rate), $18.22 (on the $1,000); Washington, D. C. (tax rate), $15 (on the $1,000); showing that Washington people pay less taxes and have more advantages than the people anywhere else in the United States; and

Whereas it is highly important that this controversial question should be definitely and finally determined at an early date: Therefore be it

Resolved, etc., That there be, and is hereby, created a special select standing joint committee, to be known as the "Joint Committee to Protect and Preserve the Seat of Government as Contemplated by the Constitution of the United States", which committee shall be composed of the following members: From the Senate, the Vice President of the United States, the Chairman and the ranking majority and minority members of the Senate Committee on Appropriations, and the chairman and ranking majority and minority of its District subcommittee, and the Chairman of the Senate Committee on the District of Columbia; and from the House of Representatives, the Speaker of the House of Representatives and the Chairman and ranking majority and minority members of the House Committee on Appropriations and the Chairman and ranking majority and minority members of the House District of Columbia Subcommittee of the House Committee on Appropriations, and the Chairman of the House Committee on the District of Columbia, and the Chairman of the House District Subcommittee of the House Committee on Appropriations shall be the chairman of said joint committee, and said joint committee shall have jurisdiction over all matters affecting any disregard of the constitutional provisions giving Congress absolute control over the seat of government of the United States, and shall have authority to report any legislation to protect such constitutional rights.

SEC. 2. That such part of any existing law providing for what is generally known as the 50-50 or 60-40 contribution by the Federal Government to the District of Columbia, or providing for any participation by the United States in any proportion in the expenses of the District of Columbia, except as might be provided for in a current appropriation bill, be and the same are, hereby in all things repealed, as of June 30, 1935.

THE IMMIGRATION CRISIS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a very able discussion of the immigration question appearing in this weeks' Saturday Evening Post, written by my colleague, the gentleman from Texas [Mr. DIES].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by my colleague from Texas [Mr. DIES] appearing in this week's issue of the Saturday Evening Post:

[From the Saturday Evening Post of Apr. 20, 1935]

THE IMMIGRATION CRISIS

(By MARTIN DIES, member of the House Committee on Immigration and Naturalization)

Many citizens believed that the immigration problem was permanently settled by the quota restriction law of 1924. This measure was finally enacted after years of constant agitation and untiring efforts on the part of patriotic Americans. The necessity for restriction had been demonstrated beyond any question by the tragic results of our immigration policy.

The total white population found in the United States by the first census of 1790 was 3,172,444. It was all English speaking, save for the little island of Pennsylvania Dutch and for the French and Spanish on the frontiers. It was practically homogeneous, with similar political, institutional, and cultural traditions. It was this homogeneous race that produced the extraordinary group of men of talent and ability, about 55 in number, who represented the Colonies at the Convention of 1787 at Philadelphia. From 1790 to 1860 our population increased to 31,443,321. Immigration during this 70-year period was about 4,000,000. From 1790 to 1820 most of the immigrants were English and Scotch. From 1790 to 1860 there was no heavy immigration, except from two countries, Ireland and Germany, which occurred in the latter part of the period. At the end of this period the racial unity of the United States was intact.

From the conclusion of the War between the States until the beginning of the World War the great alien invasion of the United States took place. Prior to 1880 only 5 percent of the immigration was from southern and eastern Europe. Between 1860 and 1880 less than 250,000 immigrants from eastern and southern Europe came over. However, between 1890 and 1910 more than 8,000,000 immigrants reached our shores from southern and eastern Europe.

Industrial greed which subordinated the ultimate good of the country to the immediate and temporary profits that cheap pauper labor seemed to promise, combined with that maudlin sentimentality which has ever been the curse of our Nation, and the principal source of many of the ills which we have brought upon ourselves, dictated this unwise and destructive policy. Today, as a result of this policy, we have more than 40,000,000 people of foreign stock in our midst. We have 16,000,000 foreign born and about 7,000,000 aliens, according to recent estimates. Of the number of aliens in our country, it has been conservatively estimated that at least 3,500,000 are illegally here and, under appropriate laws and their enforcement, could be deported.

During the tragic days when industrial greed and legislative stupidity encouraged millions of impoverished aliens to invade our shores in hungry quest of jobs and fortunes, many patriotic people in America exerted their influence to the utmost in an attempt to obtain a reversal of this short-sighted policy and avert the social, political, and economic evils which unrestricted immigration has never failed to produce in the experiences of nations and peoples. If our Nation had awakened at that time to the perils of its immigration policy and promptly excluded the 20,000,000 or more of aliens that have since joined the competitive ranks of labor, agriculture, and business, it is reasonable to believe that the unemployment problem would never have assumed such serious and unprecedented proportions in this country. In fact, it is not improbable that a labor surplus would not have been known in our generation. It is safe to say that we invited the evils of the Old World's social, political, and economic disorders by offering our fertile lands and priceless resources which our fathers designed as a heritage for their children's children, as a refuge for the jobless and malcontents of Europe.

But, finally, the American people were awakened and the quota law of 1924 was passed. Believing the problem settled, many restrictionists turned their attention to other matters, and soon the acute economic issues growing out of the depression engrossed the public interest.

A serious mistake had been made when the quota was not applied to the Western Hemisphere. This left both side doors open, and predatory employers and profit-seeking steamship companies were quick to take advantage of this mistake. These nonquota countries, and especially Mexico, supplied the cheap labor that had formerly come from southern and eastern Europe.

The legal and illegal entries from the nonquota countries, together with the increased smuggling of aliens and the desertion of alien seamen from quota nations, have done much to neutralize the beneficial effects of the 1924 Immigration Act.

In the meantime, we began to hear about the inhumanity of denying citizenship to aliens who were ineligible on account of illegal entry or ignorance. Editorial comments, news items, vaudeville sketches, and screen plays grossly exaggerated the hardship cases and misrepresented the facts.

However, this propaganda soon had the desired effect. Numerous bills were introduced which would weaken our immigration, naturalization, and deportation laws. It is manifestly impossible, even briefly, to mention these numerous bills. Each constituted a link in the chain of legislative measures which would weaken the immigration laws.

H. R. 3519 will exempt aged fathers and mothers from the quota and put them on a nonquota basis. This bill has a strong sympathy appeal to the uninformed. The facts are, however as stated in a letter from the State Department to me, "with the sole exception of the Turkish quota, each of the 69 quotas is current at this time" (1933) "with quota numbers available for each class of quota immigrant, including the parents of American citizens." Why the bill? To make more room under the quota for new-seed immigrants.

LEGALIZING ILLEGAL ENTRY

H. R. 3522 sought to extend benefits of a record of registry under the act of 1929 to aliens who arrived prior to July 1, 1924, but who cannot prove legal entry. This is an important step toward the objectives of legalizing the entrance of thousands of aliens who are unlawfully in our midst and who came, in many instances, in defiance of our laws.

Other bills in the chain are those to remove educational requirements for citizenship, and even the obligation to defend their adopted country in time of national emergency.

A refinement of this new strategy is seen in the passage of a minor bill which, when sent to the Senate, is materially amended. The history of H. R. 6477 illustrates this. This bill, as originally passed by the House in 1932, merely extended naturalization privileges to alien veterans of the World War. It consisted of 1 paragraph and 2 pages. When it reached the Senate it was materially amended by adding seven new sections dealing with extraneous matter. Tucked away in the bill was section 7. It gave the Secretary of Labor discretion to grant an alien permission to reapply for admission after such alien had been deported.

Prior to 1934 the attempts to weaken the immigration, naturalization, and deportation laws were made by the introduction of a chain of bills. For the most part this attempt failed. However, in 1933 a committee known as the "Ellis Island Committee", headed by Carlton Palmer, of New York, and consisting of 49 members residing in New York, was appointed by Secretary Perkins to make a special study of the operation of the immigration laws. This committee submitted a comprehensive report to Secretary of Labor Perkins, which was placed before the Committees on Immigration and Naturalization of Congress. Five bills based on the report were immediately introduced. The most important were H. R. 9725 and H. R. 9760, reported to the House by Representative DICKSTEIN, of New York, and in the Senate by Senator COOLIDGE, of Massachusetts, the respective Chairmen of the Immigration Committees of the two branches. The only one to come to an actual vote was H. R. 9725.

THE 10-YEAR BILL

While the purpose of H. R. 9725, as shown by its title, is to add a few groups of alien criminals to the deportable classes and to eliminate certain hardship cases, it would give to the Secretary of Labor power to nullify the deportation laws and, to a large extent, the immigration laws as well.

H. R. 9760 would make it possible for any alien who had lived in the United States for 10 years and is not subject to deportation—or, if subject, has been allowed to remain as provided in H. R. 9725—to register and thus become eligible for naturalization. Under this bill thousands of aliens who entered the country illegally after 1921 could register for naturalization. Under it an illegal entrant this year would be eligible for registration and naturalization in 10 years, and so on, and temporary admissions of nonimmigrant aliens, such as visitors, tourists, and the like, could be changed into quota admissions for permanent residence.

On May 3, 1934, Chairman DICKSTEIN, in a letter to me, referred to these five bills as "administration bills."

In the hearings on these bills, I asked Mr. MacCormack, Commissioner of Immigration:

"Are you authorized to say to this committee that the President approves these bills?

"Mr. MACCORMACK. Certainly not. These bills were prepared in the Immigration and Naturalization Service, following the recommendations of the Ellis Island Committee and those of a group of technicians in our own Service. They were presented to the Secretary of Labor and approved by the Secretary. I told the Secretary that I did not wish these bills to be made administration measures in the sense that the President should agree to press them.

"Mr. DIES. They were taken to the President?

"Mr. MACCORMACK. I do not believe the bills themselves were taken to the President.

"Mr. DIES. The Secretary of Labor took them to the President?

"Mr. MACCORMACK. The Secretary of Labor went to the President and certainly made it clear to the President that no increase in immigration was intended."

In the same hearing, Mr. Hushing, legislative representative of the American Federation of Labor, made the following statement:

"I think that is about all I have to say, except that I want to point out that somebody circulated a rumor to the effect that the Federation of Labor favored these bills. I hope I convinced you that we do not. It was even stated that Mr. Green would appear in support of them."

OPPOSITION TO THE BILLS

The following verbal exchange between Mr. Hushing and Mr. DICKSTEIN is very illuminating. It is taken from the printed hearings:

"Mr. DIES. In my bill, H. R. 4114, it would do that very thing. cutting immigration and providing that the relatives can come in under proper safeguards to reunite families.

"Mr. HUSHING. Of course, your bill was acted on some time back—I believe March 12. By the way, the action on your bill was one reason why I did not take up these bills with the chairman of the committee, because in conferences with me, Mr. Chairman, you have many times informed me that you agreed with us on our restrictive-immigration views, excepting as to the admission of aliens to reunite families.

"The CHAIRMAN. You know my stand and everybody in the country knows it. I think we ought to unite the families.

"Mr. HUSHING. We ought to have additional restriction when that is done.

"The CHAIRMAN. We are all reasonable men, and we could sit around the table and find out how far you would go or any other organization would go.

"Mr. HUSHING. You made those expressions of opinion to me unsolicited.

"The CHAIRMAN. I certainly have.

"Mr. HUSHING. And when you had an opportunity to go through with the thing you did not do so on May 12, 1934.

"The CHAIRMAN. My dear friend, let us not get into any personal controversy as to that. I am still repeating what I told you—that I am for uniting families, and I have been for it since coming to Congress.

"Mr. HUSHING. Exactly; when there was a bill in here to restrict immigration and take care of the relatives you did not favor it.

"The CHAIRMAN. I might be able to sit down and point out to you that it was not doing the things about which you are talking. That is a matter of opinion.

"Mr. HUSHING. My opinion is that you did not keep your word with me, and that is the reason I did not come to you privately about these bills."

When the hearings were held before the Committee on Immigration and Naturalization all the patriotic and labor organizations vigorously opposed these bills. Both of them were favorably reported by the committee. The only bill to come to an actual vote was H. R. 9725, which was defeated on June 15 on a roll call.

When H. R. 9725 was before the House for consideration, Mr. BYRNS, now the Speaker of the House, made the following statement, which appears in the CONGRESSIONAL RECORD of June 15, 1934:

"I did not intend to say anything on this bill, but I was just called to the telephone by the Secretary of Labor, who said she understood it had been stated that these were not administration measures. The President has not said anything to me about them, I am frank to say; but the Secretary of Labor asked me to say that the President had expressed a very great interest and his very great desire to have all three of these immigration bills passed."

In reply to this statement of Mr. BYRNS, who was then the majority leader, I made these statements on the floor of the House:

"Mr. Speaker, there is not a member of the Committee on Immigration who does not know it to be a fact that Commissioner MacCormack, when he appeared before the committee and when asked if the President had seen these bills and had supported them, said he had not. If the hearings were printed, they would show that the President had not read these bills; and this effort to jam legislation through Congress by saying that the President has read it and is for it, when there is no competent evidence to that effect, I resent. * * * I challenge the majority leader, or anyone else, to prove that the President of the United States had read this bill and is for it."

Whereupon Mr. BYRNS replied, "I reported only what I had been told by the Secretary of Labor."

My reply to this was, "The gentleman has been quoting the President. The best way to convince us of the President's attitude is to bring us a statement from him. Let the majority leader find out."

In connection with the attempt to create the impression that the President favored these bills, it is interesting to read the letter of the President to Mr. Green, president of the American Federation of Labor, under date of December 8, 1933, which is as follows:

"MY DEAR MR. GREEN: I have referred your letter of September 22 to the Secretary of Labor and enclose a copy of the report submitted to me, which confirms my own understanding that there is no present proposal for relaxation of the restriction on immigration except such as have been made in favor of religious and political refugees.

"Very sincerely,

"(Signed) FRANKLIN D. ROOSEVELT."

GUARDING THE GATE

All these facts become especially important when it is reliably reported that the Secretary of Labor and Commissioner MacCormack are now formulating plans to reintroduce these bills in substantially the same form.

It would be a serious mistake to repose such wide discretionary power in the Secretary of Labor. One Secretary might be in sympathy with the exclusion and deportation of aliens while another one would not. Many restrictionists in this country do not believe that Madam Perkins is in sympathy with adequate restriction and expulsion of aliens. This wide-spread belief is expressed by W. C. Hushing, legislative representative of the American Federation of Labor, when he made the following statement before the committee when these bills were under consideration. Mr. Hushing said, "I think it would be especially unfortunate if she had this discretionary power, because I believe her leanings are toward the anti-restriction of immigration, and that is the opinion of the federation."

Much of this belief is based upon the action of Secretary Perkins in reversing the order of her predecessor requiring that all immigrants be fingerprinted upon entry into the United States. Fingerprinting is the only practical known method by which the identity of an individual can be definitely established. This belief was also based upon her action in withholding the deportation of 1,200 aliens mandatorily deportable under existing statute and her effort to permit aliens or their relatives to execute bonds when they were rejected on the ground that they would likely become public charges. It is also based upon her action in admitting Emma Goldman, a notorious anarchist, and Henri Barbusse and Tom Mann, two persons who the Department of Labor admits are Communists.

This belief was also strengthened by the opposition of the Labor Department to H. R. 4114, introduced by me, which proposed to reduce all quotas 60 percent and to apply the quota to the countries of the Western Hemisphere, and its opposition to the Schulte bill. This opposition was largely responsible for the committee's refusal to report these bills favorably, so that the House could have an opportunity to vote on them.

One cause for the doubt expressed by many restrictionists in regard to the leanings of the Secretary on this question is the fact that total deportations decreased from 19,865 in 1933 to 8,879 in 1934.

Statements from trustworthy sources have been frequently made that there are 100 alien-minded organizations in this country which are opposed to restriction. It is impossible to quote from the platforms and statements of these various organizations or to show how they are actively represented in Washington to weaken our immigration and deportation laws.

One leading antirestrictionist Congressman expressed in an address at one of their conferences the new strategy in the following language: "From my experiences, I have discovered that the best attack lies in the relatives' relief proposals."

THE HARDSHIP CASES

Although much is being said and printed in reference to the alleged separation of families, the facts do not show any basis for these charges. John Farr Simmons, Chief, Visa Division, Department of State, in a release dated April 30, 1934, had this to say:

"Strict as the interpretation of the public-charge clause has admittedly been, every attempt has been made to avoid as far as possible the separation of immediate relatives and to preserve the family unit. For example, a recent report from Berlin indicates that during the period October 1, 1930, to December 31, 1933, of more than 1,700 section 4 (a) relative applicants, visas were refused by our consulate general there, on public-charge grounds, to only 12. No such case is definitely closed and all these cases may be reopened for the consideration of new material evidence. It is believed that approximately the same low percentage of refusals exists in the cases of the immediate families of foreign residents of this country."

Another favorite appeal to the sympathy is in the case of refugees. In the same release just quoted, Mr. Simmons says:

"Another class of applicants deserving the most humane treatment permissible under our laws as now interpreted is what has been often described as the refugee class. By this I refer to persons who are obliged to leave or have left the country of their regular residence and who seek to escape from conditions in that country by coming to the United States either directly or through third countries. There have been many recent visa applicants of this type and the State Department has instructed its consuls to give them the most humane and favorable treatment possible under the law."

In regard to the hardship cases resulting from deportation, the Commissioner of Immigration, Mr. MacCormack, admitted to me before the Immigration Committee that not more than 5 percent of all deportation cases could be properly classified as hardship cases. When it is considered that this percentage took into consideration five-hundred-and-some-odd carry-overs from the previous year, it can be conservatively stated that not more than 3 percent are bona fide hardship cases.

We have in this country today some 10,000,000 unemployed. We have before the Congress at the time of writing a bill to appropriate nearly $5,000,000,000 to furnish employment to 3,500,000 people. And yet the facts show that there are 3,500,000 aliens illegally and unlawfully in our midst. These aliens are either on relief or are holding jobs that our own citizens could fill. Recently an official in the F. E. R. A. advised me that in Douglas, Ariz., out of 553 families on relief, 400 of such families were aliens. An important official of the city of Baltimore recently informed me that hundreds of aliens were on relief in that city. Accurate figures have shown that there are thousands of Mexican aliens in California and Texas who are on public relief.

CHARITY BEGINS AT HOME

I am advised by the Federal Emergency Relief Administration that according to their estimate 600,000 aliens are receiving relief at the present time. My own opinion is that this estimate is too conservative and that a careful investigation will disclose that in excess of a million aliens are receiving relief. However, if this figure is correct, it shows that 6,400,000 aliens are deriving their livelihood from employment in this country that would otherwise go to American citizens.

It has been well said that charity should begin at home and that self-preservation is the highest law of Nature. If this is true, why do not we exclude all new-seed immigrants and deport the ones who are unlawfully and illegally in our midst?

H. R. 5921, which I introduced, will accomplish these purposes. It will further restrict immigration by reducing the existing quotas 60 percent and apply them to countries of this hemisphere, take care of law-abiding aged parents and near relatives of foreign born in this country by reserving the quotas for them, and deport aliens engaged in smuggling and bootlegging aliens into this country. It will also deport gangsters, racketeers, and Communists.

The antirestrictionists argue that immigration has decreased so much that it is not necessary to reduce the quotas. It is true that on September 8, 1930, the White House issued a press release pointing out that the public-charge clause had a special significance in times of wide-spread unemployment, and as a result of the strict interpretation of the public-charge provision, from September 8, 1930, until recently the number of aliens entering under the quota dwindled to a low level.

By reason of the strict enforcement of this section during the 45 months from October 1, 1930, to June 30, 1934, more than 750,000 aliens who might have been admitted during normal times were prevented from entering the United States to increase unemployment. In the 4 fiscal years 1931–34, 594,776 aliens expressed their desire to immigrate. Of this number, 401,564 were denied visas principally under the public-charge provision of the law. Although it is known throughout the world that the unemployment problem is very serious in this country, 203,314 aliens have requested that their names be kept upon the waiting lists, so that they can enter the United States for residence as soon as the law permits. In spite of this administrative exclusion, only 549, or 1.1 percent of near relatives whose admittance has been requested by petitions, were refused under the public-charge provision.

The greatest registry demand for immigration visas comes from Germany, Austria, Palestine, Poland, Rumania, Russia, Spain, Turkey, and Yugoslavia, with very little demand from Great Britain, Northern Ireland, and the Irish Free State.

The greatest demand for immigration visas from nonquota countries came from Canada, while the greatest demand for immigration visas in quota countries came from Germany. Great Britain and Northern Ireland furnished the greatest demand for nonimmigrant visas.

In spite of the fact that 90 percent of the refusals by the consuls to grant visas were based upon the public-charge clause, strong efforts are being made greatly to restrict the authority of the consuls in the administration of this section.

One of the first official acts of Secretary Perkins was to direct her Solicitor Wyzanski to request the Attorney General for an opinion as to whether she had the power to accept public-charge bonds in advance, or after the refusal, of applications for immigration visas. The Attorney General ruled that she could accept such public-charge bonds, and that, after such acceptance, consular offices were precluded from refusing the immigration visas on public-charge grounds.

BONDS THAT DO NOT BIND

It must be admitted that the Secretary has not put this ruling into effect, but it is not known when she will do so. It is certainly true that the acceptance of these bonds on a large scale would destroy the restrictive features of section 3 and greatly handicap our consuls in their effort to exclude pioneer immigrants. We have the word of Commissioner MacCormack that these bonds are practically worthless. In his report to the Secretary of Labor for the year ending June 30, 1933, he said, "Many aliens arrested under warrant are released upon bonds furnished by surety companies, and in the past year numerous of these companies have been thrown into the hands of the receivers because of financial difficulties. The Bureau has submitted many claims to the State officials liquidating these corporations under court orders, but it is doubtful that much of the penalties on breached bonds will be recovered."

Section 3 of the bill H. R. 5630, introduced by Chairman DICKSTEIN, would permit a review of and appeal from the refusal of consular offices to grant immigration visas. As stated by Mr. Carr, Assistant Secretary of State, "Such a bill, if enacted, would be very expensive and would set up in this country a special aliens' court and build up a group of lawyers practicing before it."

However, it must be remembered that this administrative reduction is admittedly temporary, to last only during the acute stages of the depression. As Mr. Simmons said in his press release of April 30, 1934, "With the improvement in economic conditions, which is already setting in, the significance of the public-charge clause will proportionately decrease." In the same release he also said, "As regards quota immigration, however, we find a very interesting recent change. The total of visas issued under the quotas is now 53 percent higher than a year ago, although we must remember that we are making our comparison with an all-time low ebb of immigration into the United States. When we take certain individual quotas into consideration, however, we find interesting facts. The issue of visas under the German quota is now proceeding at three times the rate for 1932–33. Last year 1,241 visas were issued under the German quota of 25,957; 2,395 visas have already been issued for the first 8 months of the current fiscal year, or 300 visas per month."

THE THREATENING FLOOD

Last year's immigration statistics show an increase of 50 percent in quota immigration—that is, new-seed immigrants—an 8-percent increase in total aliens admitted and a 60-percent decrease in alien deportations, as well as a 50-percent increase in deserting seamen, alien stow-aways, and the like.

These facts show the necessity of permanently reducing the quota and strengthening the deportation laws. The strict interpretation of the public-charge clause is now being relaxed, and as conditions improve, literally thousands of aliens will enter under the quota. In view of the condition of our country and the difficulty we will experience during the next generation in furnishing employment to the natural increase of our population, the admission of 150,000 aliens a year will be more hurtful than the annual admission of 500,000 in the years that are gone.

In addition to this, there is a serious threat that millions of aliens will enter from those countries that are not now subject to the quota and that the quota limitation from quota countries will be more than offset by the influx from nonquota countries.

Commissioner MacCormack recognized this danger when he said, in his statement filed before the House Appropriations Committee, that, "Moreover, there is reason to believe that many thousands of aliens now resident in Mexico and Canada will attempt wholesale surreptitious entry into this country, to the detriment of our own workmen, when industrial conditions again approach normal, and to control that attempted influx an increase in personnel may be absolutely necessary."

Mr. MacCormack estimated that the value of seizures by the border patrol of vehicles used in smuggling aliens for the year 1933 was $283,744. This included 13 airships, valued at $89,500.

I cannot resist the temptation to quote one paragraph from a very able and well-prepared statement made before the Committee on Immigration and Naturalization by Mr. James H. Patten, who is one of the leading authorities on this subject and one of the most effective and consistent advocates of restriction that we have in this country today:

"According to the last annual report of the Commissioner of Immigration, published in a very abbreviated form in the appendix to the short report of the Secretary of Labor, there were legally admitted last year 23,068 aliens for permanent residence, and 127,666 nonimmigrant aliens for temporary stay, and 822,813 alien seamen examinations were held at our ports, and 20,560,826 aliens entrants' examinations were held at our borders, 'the bulk of whom', to quote the report 'were not manifested.' The steamship and transportation companies report carrying away 243,802 aliens, 80,081 of whom expected to remain abroad permanently, and the other 163,721 expected to return. Among the aliens admitted last year 'for permanent residence' were 134 farm laborers, 292 farmers, 844 common laborers, 550 servants, and many other groups of job hunters, when in every city, town, and village throughout the length and breadth of our land there were and are literally hundreds of these very classes of job hunters seeking work at any wage, on public relief or public or private charity, and in such desperate condition financially and economically and so discouraged of mind that there is scarcely a newspaper that does not contain the suicide of some person who often has first taken the lives of his loved ones on account of inability to get work and supply them with the necessities and comforts he or she thinks are necessary as life itself."

WHAT AMERICA NEEDS

The fact that there are millions of aliens illegally in our midst, including gangsters, kidnapers, such as Hauptmann, and well-known racketeers, and the fact that deportation decreased 60 percent last year should certainly convince anyone that something is radically wrong, either with our deportation laws or with their enforcement.

In my judgment, every patriotic organization and citizen in this country will support my bill and the Schulte bill. If the Labor Department is in favor of restriction and adequate deportation, it can convince the country to this effect by actively and publicly supporting this bill as well as all other restrictive measures. I am sure that there are millions of Americans who feel as I do about these important questions.

What our unhappy country needs today is more so-called "selfish patriotism" and less fatuous internationalism, more devotion to the needs and problems of our own people and less sentimental and unappreciated concern for the affairs of other countries. Not that a policy of economic isolation is either wise or desirable, but that the time has come when we must cease being made the dupes and willing victims of European duplicity, deceit, and cunning.

All other countries have adopted drastic measures in the protection of their nationals. Let us take Mexico, for instance. Under her laws, restrictions as applied to immigrants require an investment in industry or agriculture of 20,000 pesos, or a sufficient independent income. For nonimmigrants, such as tourists, the chief restriction is that they should show 500 pesos. Chinese, Negroes, Malays and Hindus, Soviet citizens, gypsies and tramps, clergymen, doctors, and professors are excluded. It is interesting to note that in 1900 there were only 103,393 Mexicans in the entire United States, according to the census. In 1930 the census showed 1,422,533, or an increase of 1,276 percent, and it is well-known that illegal entrants avoid census enumerators.

In Sweden, aliens who arrive must show passports properly stamped, and the alien's entry and departure are recorded by the police. Aliens intending to take any form of employment, whether employed in Sweden or abroad, must secure a permit from the social board, which first obtains opinions from the public employment bureau, employers and workers in the trade and locality concerned. Permits are for a definite work and time. Holders and their employers must report to the police.

Three bills have been introduced in the Riksdag to strengthen their immigration laws. A judicial committee has already considered these bills. One bill proposes that no permit to work can be issued to an alien if the trade union concerned can show the existence of qualified domestic laborers.

The immigration law of Japan provides that the competent officials shall prevent the entry of aliens suspected of a desire to act against the interest of the Empire, those who may become a danger to public order or good behavior, beggars and vagabonds. Persons likely to become a public charge may be refused admission.

On December 15, 1930, Belgium enacted a royal decree under which permission to work in Belgium could no longer be obtained after that date without the production of a labor contract procured prior to arrival in Belgium and approved by the Ministry of Labor. The unwritten rule of the ministry is to grant such approvals only if it is convinced that the alien whom it is intended to import possesses special qualifications which cannot be found in Belgium. This policy, rendered possible by the elastic wording of the royal decree referred to above, enables the Government to curtail at will the immigration of foreign labor, each individual case being considered separately, and there being, apart from very few exceptions, practically no special qualifications which cannot be found in such a highly industrialized and progressive country as Belgium, whose high schools and universities, on the one hand, and craftsmen, artisans, and farmers, on the other hand, are excellent. It is the policy of the Belgian Government to see that all available jobs are filled as much as possible by Belgians.

FRANCE FOR THE FRENCH

The policy of the French Government has changed radically in recent months, due to the number of French people unemployed. Refusals of residence permits and expulsions are becoming more frequent. The policy of France is much more rigid than it was prior to 1933. The control over aliens residing in France is so close that admission formalities are less severe than our own; however, for several years past practically all aliens, except contract laborers, obtaining visas for France have had their passports stamped with a notation, "Not to occupy any salaried position."

Immigration to Switzerland is rigorously restricted. Seasonal workers, domestic servants, skilled and unskilled laborers, and, in fact, all persons entering Switzerland for employment, are admitted for a temporary period. Permission to reside permanently without employment is rarely granted—usually only to foreigners married to Swiss citizens or to aliens who have been residents of Switzerland for a long time on limited permissions which have been renewed.

Under the immigration law of New Zealand the permanent entry of a person not of British birth and parentage is provided for by a permit, for which the intending immigrant should make application from the country where he was last domiciled. The issuance of permits is at the absolute discretion of the Minister of Customs. Permits are refused in most cases to persons not in possession of adequate funds and who are likely to become public charges. In 1931 an act was passed giving authority to the customs department to refuse admission to British subjects not possessing sufficient funds or likely to become destitute and unemployed.

On December 16, 1930, Argentina passed a restrictive decree, imposing a fee of 30 gold pesos upon applicants for immigration, in addition to the regular fee of 3 gold pesos, and required the applicant to produce a good-conduct certificate, a health certificate, and a police certificate to the effect that the applicant had not been a professional beggar. On January 1, 1933, Argentina strengthened her requirements, so that all applicants for Argentina visas must possess a current contract for employment in the land of destination. As a result of administrative discouragement of immigration and the enactment of rigid requirements, all immigration to Argentina, with the exception of close relatives of residents, returning Argentinian residents, and individuals coming to the country for special purposes, such as specialists with contracts, has practically ceased.

In the Netherlands a law was enacted on May 16, 1934, which authorizes the ministers concerned with the execution of the law to take necessary steps to require employers of labor in the Netherlands to have written authorization from the minister of social affairs to employ foreigners. An employer who employs foreigners without authorization or in conflict with the stipulations may be punished by imprisonment for 1 month or fined more than 100 florins.

HOW OTHERS CURB THE ALIEN

Under the new constitution of Brazil, the entry of aliens is subject to restrictions necessary to guarantee the ethnical integration and physical and civil capacity of the immigrant. However, the total annual immigration from each country may not exceed 2 percent of the respective nationals who fix their residence in Brazil during the last 50 years.

In 1926 the immigration to Brazil was 121,569, while in 1933 it had fallen to 48,812.

Although Great Britain has never been the goal of immigrants from foreign countries, due to the fact that there is no free land for settlers and she has a surplus of laborers, nevertheless, to protect her nationals, the aliens' order was issued. This requires a permit from the Ministry of Labor to enter Great Britain. Such permits are issued, not to the immigrant but to the prospective employer, and then only when he can show that no British subject is available to fill the particular position concerned. This means, in effect, that only highly skilled specialists are admitted.

In Germany immigration is effectually restricted by the fact that "permits to work", which are necessary for the obtainment of employment, are regularly denied the aliens. These permits are strictly controlled by the federal and state employment offices and, unless the alien workman is considered indispensable to some German industry or business, the permit is withheld. An alien coming to Germany without means of support would soon become destitute and, as a destitute alien, would be subject, under a German law, to deportation.

When foreigners have established their domicile in Germany, or when they have remained in the Reich for more than 6 months—in which case domicile in Germany is taken for granted—they must make declaration before the proper German authorities concerning their property holdings outside of Germany and they become subject to taxation on their property held outside of Germany. The alien may be required to transfer to Germany financial means possessed abroad and receive marks therefor.

A FACT WE CANNOT IGNORE

While we struggle with the intricate problems of unemployment and distress, there is one great fact that we cannot ignore. There are 3,500,000 foreigners who came to this country illegally and with utter disregard for our laws. By appropriate legislation and proper enforcement we can return them to their own lands and relieve the unemployment and distress in our midst. Among this number are hundreds of gangsters, murderers, and thieves who are unfit to live in this country and, God knows, unfit to die in any country. Driven out of Europe, they have taken advantage of our maudlin sentimentality and plagued us long enough.

Relentless war without quarter and without cessation must be waged upon them until the last one is driven from our shores.

There is no middle ground or compromise. Either we are for or against our country.

The motives which actuate these various antirestriction blocs are immaterial and beside the question.

The fact is that all of them—the internationalist, the sentimentalist, the greedy employer or the steamship company seeking quick profits, and the aliens themselves, and their relatives—are all working for the same results.

Though actuated by different motives they have the same goal.

They have hurled the challenge and thrown down the gauntlet. What is our answer? The only way to deport aliens is to deport them, and the only way to restrict immigration is to restrict it.

IMPORTATION OF COTTON CLOTH FROM JAPAN

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, in the press this morning appears an item showing a tremendous emergency that has arisen in connection with the importation of cotton cloth and bleached cotton cloth from Japan. An explanation is given as to one of the reasons for the importation. There was evidently an oversight in writing the tariff bill in connection with making a compensatory duty proper for this purpose. The importations have jumped from 3,960 yards in February 1934 to 4,347,000 yards in February 1935.

Mr. Speaker, I am introducing a bill which I feel is an emergency measure, and I hope my esteemed friend and colleague, the gentleman from North Carolina [Mr. DOUGHTON], will see that it is given prompt attention by the Ways and Means Committee. This bill has for its purpose the imposition of minimum specific duties on bleached cotton cloth and on cotton cloth that is printed, dyed, or colored. It will help relieve the situation existing with reference to this tremendous disparity between our manufactures and the importations from Japan and prevent some of the great increase that has arisen during the past year. I am introducing the bill at this time.

Under the Tariff Act of 1922, all cotton cloth bore specific duties, based on the thread count, with a proviso that in no case should the duty be less than a certain percentage ad valorem. These rates applied both to bleached and unbleached cloth, and to that which was printed, dyed, or colored.

In the enactment of the Tariff Act of 1930, the duty on unbleached cloth was changed to an ad valorem rate, based on the count, with a proviso that in no case should the duty be less than fifty-five one-hundredths of 1 cent per average number per pound.

The duties on bleached and on printed, dyed, or colored cloth were also changed to an ad valorem basis, but no minimum specific duty was imposed. Thus, at the present time, bleached cotton cloth having a count of 50 threads bears a duty of 30½ percent ad valorem, whereas under the act of 1922 the rate was 24 cents per pound, but not less than 25½ percent ad valorem. It so happens that with the present price of Japanese imports, the ad valorem duty is not effective, whereas if the old specific rate had been retained, it would have had the effect of equalizing the Japanese competition.

In the case of bleached cotton cloth, I propose that the minimum duty shall not be less than three-fifths of 1 cent per average number per pound. In the case of printed, dyed, or colored cotton cloth, I propose a minimum duty of sixty-five one-hundredths of 1 cent per average number per pound.

Comparison of rates

	Treadway bill	Act of 1930	Act of 1922
Bleached:		*Percent*	
Count of 20	20 percent or 12 cents per pound.	20	9 cents per pound or 18 percent.
Count of 50	30½ percent or 30 cents per pound.	30½	24 cents per pound or 25¼ percent.
Printed, etc.:			
Count of 20	23 percent or 13 cents per pound.	23	11 cents per pound or 21¼ percent.
Count of 50	33½ percent or 32½ cents per pound.	33½	28½ cents per pound or 30.6 percent.

Importation of bleached cotton cloth from Japan

	Square yards
January 1934	3,960
June 1934	179,948
December 1934	1,994,743
January 1935	2,633,295
February 1935	4,347,739

In view of the tremendous increase in Japanese importations, it is apparent that an emergency condition exists in the textile industry which requires immediate attention. I am informed that three Georgia textile mills closed this morning.

A bill to impose minimum specific duties on certain cotton cloth

Be it enacted, etc., That so much of paragraph 904 of the Tariff Act of 1930 as reads:

"(b) Cotton cloth, bleached, containing yarns the average number of which does not exceed no. 90, 13 percent ad valorem, and in addition thereto for each number, thirty-five one-hundredths of 1 percent ad valorem; exceeding no. 90, 44½ percent ad valorem.

"(c) Cotton cloth, printed, dyed, or colored, containing yarns the average number of which does not exceed no. 90, 16 percent ad valorem, and in addition thereto for each number, thirty-five one-hundredths of 1 percent ad valorem; exceeding no. 90, 47½ percent ad valorem."

is amended to read as follows:

"(b) Cotton cloth, bleached, containing yarns the average number of which does not exceed no. 90, 13 percent ad valorem, and in addition thereto for each number, thirty-five one-hundredths of 1 percent ad valorem; exceeding no. 90, 44½ percent ad valorem: *Provided*, That none of the foregoing shall be subject to a less duty than three-fifths of 1 cent per average number per pound.

"(c) Cotton cloth, printed, dyed, or colored, containing yarns the average number of which does not exceed no. 90, 16 percent ad valorem, and in addition thereto for each number, thirty-five one-hundredths of 1 percent ad valorem; exceeding no. 90, 47½ percent ad valorem: *Provided*, That none of the foregoing shall be subject to a less duty than sixty-five one-hundredths of 1 cent per average number per pound."

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK, N. J.

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2439) authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J., with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 7, after "claim", insert ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. RICH. Reserving the right to object, was this bill referred to the proper committee?

Mr. HOEPPEL. Yes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL—1936

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. WOODRUM. Reserving the right to object, I would like to ask the gentleman from Colorado a question with particular reference to the Senate amendment creating the additional office of Under Secretary of the Interior. May I ask the gentleman whether or not he can give the House assurance that if consent is given for this bill to go to conference the Members of the House will be given an opportunity for debate and a vote on that amendment separately?

Mr. TAYLOR of Colorado. Mr. Speaker, this is legislation, and I will have to do that, I presume. I see no reason why I should not.

Mr. WOODRUM. With the gentleman's assurance, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Chair appointed the following conferees: Mr. TAYLOR of Colorado, Mr. JACOBSEN, Mr. JOHNSON of Oklahoma, Mr. ZIONCHECK, Mr. SCRUGHAM, Mr. LAMBERTSON, and Mr. WIGGLESWORTH.

PERMISSION TO ADDRESS THE HOUSE

Mr. DUFFY of New York. Mr. Speaker, I ask unanimous consent to proceed for 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DUFFY of New York. Mr. Speaker, I just came from the Municipal Airport. I went there to welcome some 75 apple pies which were baked in the kitchen of the chamber of commerce restaurant in Rochester, N. Y., this morning. They left Rochester by the Gannett plane at 7:30 o'clock, battled fogs in the western part of New York, and were forced to a landing at Elmira. Then I received a report at 9:30 that it was very doubtful whether they would get through; but they did arrive at 11:15 and in excellent condition. They were escorted here by the general secretary of the chamber, Mr. Esser. Three of the pies were delivered to the White House and the President has promised to give his opinion of apple pies such as are made only by the Rochester Chamber of Commerce.

These pies will be in the House restaurant and on the menu today, and I hope that you will confirm the opinion we have in Rochester that these are pies such as "mother made."

This interesting event came to pass by reason of the remarks of the gentleman from Oregon when he extolled—on March 11 from the floor of the House—the apples that are grown in the Hood River Valley. His remarks aroused the self-complacency, self-sufficiency, and the self-satisfaction of the growers of apples in western New York and resulted in what has happened today.

I know there was a time in the period of rugged individualism when we had apple pie for breakfast, apple pie for lunch, apple pie for dinner, and apple pie between meals, but we have now come to a better and happier time when we emphasize not the quantity but the quality of the pie, and I want to tell you the secret of the quality of these pies.

I have been a member and a trustee of the Chamber of Commerce of Rochester for over 20 years. During that time we have held the president of the chamber responsible, and he alone responsible, for the apple pie that was served in the chamber restaurant. No complaint could be made to the manager, or to the chef. The complaint had to be registered with the president of the chamber.

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. DUFFY of New York. May I suggest before yielding to the gentleman, we might start today to establish a reputation in this House for quality apple pies if we could make the Speaker of the House responsible for the apple pie served in the House restaurant. If this could be done the House apple pie would have not only a national reputation but an international reputation. This would help the Department of Agriculture to encourage the growing of apples and would contribute to that prosperity which is right at hand, and be in the public trust.

Mr. MILLARD. Will the apple pie be as free as were the apples from Oregon?

Mr. DUFFY of New York. The apple pie is delivered here with the compliments of the chamber of commerce and is on the menu today and will be served in the House restaurant.

Mr. MILLARD. But we will have to pay for it?

Mr. DUFFY of New York. It is on the menu and included in the special price lunches.

Mr. RANDOLPH. Will the distinguished gentleman yield?

Mr. DUFFY of New York. I yield to my friend from West Virginia.

Mr. RANDOLPH. I compliment my colleague from New York for his industry in having pies sent here made from apples in his section. He has praised these apples and the gentleman from Oregon has lauded his apples, and I must not allow this time to pass without saying to the House that West Virginia apples in my district are the most delicious in the world.

[Here the gavel fell.]

[Laughter and applause.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. DOUGHTON. Reserving the right to object, Mr. Speaker, and I regret even to reserve the right to object to anything that the gentlewoman from Massachusetts may request, but we all realize how we are being urged to expedite the consideration of the pending bill. The way we are going on now we are not going to be able to finish general debate today and unless it is something very, very important——

Mr. TREADWAY. Mr. Speaker, if it is possible to advertise pies from the floor of the House, it is certainly possible to take care of the textile industry of the country and I hope my colleague will not object.

Mr. FULMER. Mr. Speaker, I object.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I believe it is a matter of personal privilege. It is not a request, but a right. The Secretary of Agriculture in a speech in Atlanta——

Mr. FULMER. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentlewoman from Massachusetts is stating a question of personal privilege and the Chair will hear her.

Mrs. ROGERS of Massachusetts. It affects the southern Members just as it does the northern Members. It is not a sectional question.

Mr. FULMER. Mr. Speaker, I may state that we have had considerable argument about this question, and it is a matter we can discuss with the gentlewoman from Massachusetts after the consideration of the pending bill.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am stating a matter of personal privilege.

The SPEAKER. The gentlewoman from Massachusetts has the right to state her question of personal privilege and the Chair will ask the gentlewoman from Massachusetts to state it.

Mr. TREADWAY. Mr. Speaker, I make the point of no quorum.

I withdraw it, Mr. Speaker, if the gentlewoman from Massachusetts has been recognized.

The SPEAKER. The gentlewoman from Massachusetts will state her question of personal privilege.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Secretary of Agriculture, in his Atlanta speech, said in part:

Those who are urging that the tax be removed—

Speaking of the processing tax—

are in many instances deliberately misleading the public about the nature and effect of the tax. All the difficulties of the textile industry are being blamed on the processing tax.

Then he goes on to say:

In a radio speech the other night, a Member of Congress discussed the distressed condition of New England mills and advocated removal of the tax and an embargo on textile imports as the remedy. It was inferred from this address that the processing tax was giving foreign spinners an advantage in the domestic market.

Mr. Speaker, as I was the only Member of the House who made an address recently over a national hook-up about the processing tax——

Mr. FULMER. Mr. Speaker, I make the point that the gentlewoman from Massachusetts is not stating a question of personal privilege.

The SPEAKER. The gentlewoman from Massachusetts has the right to complete her statement.

Mrs. ROGERS of Massachusetts. What the processing tax is doing not only to the northern mills, but to the southern mills and to the cotton farmers——

Mr. FULMER. Mr. Speaker, I think the gentlewoman from Massachusetts is not stating a question of personal privilege, but speaking on the processing tax.

Mr. LEHLBACH. Mr. Speaker, she is doing nothing of the sort, and I protest against these interruptions.

The SPEAKER. The Chair will hear the gentlewoman from Massachusetts on her question of personal privilege.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in all my experience in Washington—and I have been here since 1913—I have never known the Secretary of any department to ask or to make an appeal for one section of the country to work against the other. I have not deliberately misled anybody, and I did not do so in my radio address. I simply stated the facts.

The SPEAKER. The Chair will state that the rule provides that a Member may rise to a question of personal privilege where the rights, reputation, and conduct of Members in their individual capacity only are assailed.

The name of the gentlewoman from Massachusetts was not mentioned, in the first place, and the Chair fails to see where there is a question of personal privilege involved in the statement referred to by the gentlewoman from Massachusetts, and therefore must, of course, rule that she has not raised a question of personal privilege.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentlewoman from Massachusetts may be permitted to proceed for 10 minutes.

Mr. DUNN of Pennsylvania. I move to amend that, Mr. Speaker, by making it 20 minutes.

The SPEAKER. Is there objection?

Mr. FULMER. I object.

Mr. RANDOLPH. Mr. Speaker, I realize I am going to be denied my request, but I ask unanimous consent to proceed for half a minute.

Mrs. ROGERS of Massachusetts. I am sorry, but I must object.

The SPEAKER. Objection is heard.

Mr. TREADWAY. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The gentleman from Massachusetts makes the point of no quorum. The Chair will count. [After counting.] One hundred and forty Members are present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 55]

Allen	Dies	Kennedy, Md.	Shannon
Amlie	Dietrich	Lamneck	Sirovich
Arnold	Dingell	Lea, Calif.	Smith, Va.
Bacon	Duffey, Ohio	Lesinski	Smith, W. Va.
Bankhead	Dunn, Miss.	Ludlow	Somers, N. Y.
Bell	Engel	McGehee	Stack
Berlin	Fenerty	McLeod	Sumners, Tex.
Biermann	Frey	McSwain	Taber
Boileau	Gambrill	Mahon	Thomas
Brennan	Gasque	Meeks	Tinkham
Cannon, Wis.	Gehrmann	Oliver	Tobey
Casey	Granfield	O'Neal	Underwood
Chapman	Hancock, N. C.	Parks	Utterback
Clark, Idaho	Harlan	Perkins	West
Clark, N. C.	Hart	Peyser	Wilson, La.
Cooper, Ohio	Hartley	Pfeifer	Withrow
Cravens	Hennings	Pierce	Wolfenden
Culkin	Higgins, Conn.	Rankin	Zimmerman
Daly	Hildebrandt	Robinson, Utah	
DeRouen	Hook	Ryan	
Dickstein	Igoe	Sadowski	

The SPEAKER. Three hundred and fifty Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. DOXEY. Mr. Speaker, I desire to announce that my colleague, Mr. RANKIN, is unavoidably detained on account of illness and therefore did not answer to the roll call.

AMENDING THE HOME OWNERS' LOAN ACT AND THE NATIONAL HOUSING ACT

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 6021, to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, the National Housing Act, and for other purposes, disagree to the Senate amendments, and agree to the conference asked for.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER appointed the following conferees: Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HOLLISTER, and Mr. WOLCOTT.

COMPETITION OF COTTON TEXTILES IMPORTED FROM JAPAN

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter I received from the Secretary of State, Cordell Hull, on the subject of imports from Japan.

The SPEAKER. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from the Secretary of State:

DEPARTMENT OF STATE,
Washington, April 12, 1935.

The Honorable ROBERT L. DOUGHTON,
House of Representatives.

MY DEAR MR. DOUGHTON: I have your letter of March 30, 1935, enclosing a letter of March 28, which you have received from Mr. S. M. Fessenden of the Sayles Biltmore Bleacheries, Inc., with reference to the competition of cotton textiles imported from Japan. It is very kind of you to let me see this letter, similar to many others which you are receiving. In response to your suggestion I am glad to comment upon the situation referred to.

As you know, there is almost continuous pressure upon this Government from many groups desiring increased protection against competition, whether it be from domestic or foreign sources. In my opinion it is not only unwise as a general policy to yield to the demand for greater restrictions upon imports, but would be particularly unfortunate at this time, since such action could not but weaken the leadership of the administration in the efforts that it is making to reduce the many restrictions hampering the flow of international trade. Furthermore, our international position gives us little justification for raising new barriers against imports at the present time. Although the United States is one of the principal creditor Nations we still export more than we import. The value of the excess of our exports over our imports last year amounted to nearly half a billion dollars. That excess was balanced, speaking in general terms, by our very heavy imports of gold, but this situation cannot continue indefinitely. We must import more if we are to maintain even the present volume of exports.

It is possible, of course, that very large or very rapid increases in the importation of certain commodities would prove to be not only destructive of the competing industries but also undesirable from the standpoint of national economy. Even such situation, should they arise, would not call for special legislative action, however, for the executive branch of the Government has at the present time adequate power for dealing with such situations under existing legislation, specifically under section 3 (e) of the National Industrial Recovery Act, sections 336 and 337 of the Tariff Act of 1930, and the Antidumping Act of 1921.

Action under these provisions of law would require detailed investigation, but known facts indicate that imports of Japanese cotton goods are negligible in relation to total domestic production and consumption. Imports of Japanese cotton piece goods in 1934 were the largest they had been for several years, but even then they represented only 5.6 percent of the total value of cotton goods imported, inconsequential as this total was. In 1934 these imports from Japan were 1½ percent of the value of American exports of similar goods, and they were much less than one-tenth of 1 percent of the value of cotton piece goods consumed in this country.

Manufacturers and business men frequently display a tendency to exaggerate the importance of competition from new sources—they fear that which is as yet unknown and unmeasured. Japanese competition in cotton textiles during the first months of this year affords a case in point. The statistics which your correspondent refers to were obviously not prepared by the Department of Commerce, and they greatly exaggerate the importance of the increase in the imports of Japanese cotton goods. The Department of Commerce figures show that imports for consumption from Japan in January of this year were less than one-half of the total of such imports for 1934, rather than two and one-half times that total, as reported by your correspondent. It is true that imports from Japan in the first 2 months of this year did slightly exceed the total imports for 1934, but even then they were valued at less than $400,000 and represented only 25 percent of the total value of the imports of cotton piece goods in that period.

I believe that we should resist any effort to stampede this Government into unnecessary and unwise action against Japanese competition, whether in textiles or any other commodity. The relations between the two countries are friendly, and it is to the unquestioned advantage of both countries to maintain relations on this basis. There can be no charge of sentimentality in holding this position in this country if attention be directed to the obvious economic advantages to the United States of a free exchange of goods with Japan. Last year we sold to Japan nearly twice as much as we imported from Japan—$209,865,596 as compared with $118,007,087. Japan is our best market for raw cotton—more cotton from the 1934 crop is being sold to Japan than the combined sales to the three countries that are the next best purchasers. At the same time, of course, the United States was in 1934 the best market for Japanese raw silk. But cotton and silk do not represent the entire picture by any means. The United States exported in 1934 a wide variety of goods, other than raw cotton, to a value nearly as great as the total imports from Japan, including raw silk; and these miscellaneous commodities, shipped to Japan from all parts of the United States, were worth twice as much as the commodities other than silk which we bought from Japan.

With best wishes, I am, sincerely yours,

CORDELL HULL.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

Mr. DOUGHTON. I object. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, on Saturday last my beloved friend the gentleman from New York [Mr. FITZPATRICK], called attention to a statement by Dun & Bradstreet to the effect that prosperity is headed our way. I rejoiced to hear that, but regret exceedingly that the statement was not well founded.

Mr. FITZPATRICK rose.

Mr. EATON. Oh, I am not going to yield to anybody today.

Mr. FITZPATRICK. But the gentleman mentioned my name.

Mr. EATON. The gentleman has not heard what I am going to say.

Mr. FITZPATRICK. But I know what the gentleman is going to say.

Mr. EATON. If the gentleman will give me the recipe for knowing what is in another man's mind, I would like very much to have it.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. EATON. Not now. In the New York Sun of Monday, April 15, 1935, occurs this statement:

Last Friday a section of the Dun & Bradstreet weekly review was quoted as follows: "During the week there was a complete transformation of sentiment, as the hopes for a rather far-removed improvement were replaced by a realization that the immediate future is to bring the sharpest rise that has been witnessed in business in the past quarter of a century." Today the agency explained the rather optimistic prophecy by sending round this statement: "No significant information justified the inadvertent and unauthorized departure from our policy of not making predictions as to the future business trend which was evidenced in our weekly review of business released under date of April 12, 1935."

Mr. Chairman, I shall confine my remarks in the few minutes assigned to me to one point. We have in this great legislation proposed here two alternatives for the solution of a problem that transcends all political considerations, all sectional considerations. There is no doubt in the world that the time has come when this Nation must face intelligently and, by and by, successfully the problem of taking care of its unemployed and its aged people. In this legislation we have our choice between two general principles. One is that the Federal Government shall intrude upon the States of the Union by or through the force of Federal grants and determine largely the policy of those States and thus make the State the instrument of raising the funds and distributing them for caring for the aged and solving the unemployment problem. On the other hand, I believe, there are to be introduced here one or two substitute proposals in which the Federal Government shall take supreme command, assume complete responsibility for raising and distributing the money. This House will have to decide between those two great general principles in its application to the solution of this problem.

I ask this House to give attention to one problem that seems to be entirely lost sight of in all the vast money-spending legislation under this new-deal administration, and that is the question as to where the governments, national and local, of this country are to find the financial resources to take care of all these responsibilities which we are assuming. I read to you the figures of the census of 1930. We had at that time 122,000,000 people. We had 48,829,000 people gainfully employed. Thirty-eight million of them were males and 10,000,000 were females. We had 210,000 industrial institutions or establishments producing wealth of more than $5,000 value. The question that I am raising here is the foundation question of our civilization. We have intruded ourselves through the administration and through this legislative body into the front ranks of those seeking a solution of this problem, and unless we face it and go to the bottom of it, which we have not begun to do yet, we are going to destroy the foundation of our civilization.

In 1929, which was the banner year of prosperity, so called, we had 210,000 establishments producing more than $5,000 worth of wealth each a year. We had 8,838,000 employees in those institutions as wage earners, who earned $11,600,000,000 in a year. We had in those institutions working on salary 1,358,000 people with salaries of $3,500,000,000. The total value of the output that year, the greatest in the history of any nation since time began, was something over $70,000,000,000. Of that, $38,000,000,000 was cost of material and $31,000,000,000 was value added by manufacture. In good times or bad times that reservoir of newly created wealth constitutes the only source of spending money, public money or private, for 125,000,000 people.

The question that I lay upon your minds, gentlemen, and upon my own thought as a citizen of this country, regardless of politics, is, What are we going to do with that instrument, the one goose that lays the golden egg, namely, the wealth-producing agencies of this Nation, in agriculture, industry,

and finance? What are we going to do with it and what are we doing with it now? The attitude of the new-deal administration, of the majority in this House, and of millions of people today is an attitude of hate and antagonism, and you hear on all sides attacks made on business, big and little, and upon individuals engaged in business. I admit that the industrial leaders of this country have been and are just like the rest of us. I admit that among them have been rascals and thieves and fools, just as there have been among politicians and among every other class in the country; but the great rank and file of men and women in this Nation, who are bearing its burden and are producing the only wealth we have to meet these obligations, are the industrial leaders and farm producers of this Nation—men and women of character, ability, and honor. What is the Government doing? Taxing them beyond belief, regulating them with redtape and bureaucracy and primitive legislation beyond their endurance to support; going into competition with them in business, leaving them unprotected against the competition of starving-wage countries. No business man today has the slightest notion in the world what is going to happen to him tomorrow. He is forced to spend time and money coming to Washington to ask what he can do, if he cannot do this or that, instead of not only being permitted but being encouraged by the Government to stay at home and run his own business.

So I ask this House in all earnestness, not as members of this party or of that, but as citizens of the United States, to begin the study where it must begin and end, namely, in the wealth-producing energies of this Nation. If you are going to put the wealth-producing industries of this Nation under unfair and uneconomic Government competition, under Government control by inexperienced bureaucrats, you are going to kill the goose that lays the golden egg. There is no other source for any dollar used by any government except in the brain and brawn and sweat of some wealth-producing man or woman somewhere in this Nation. [Applause.] Those are the people who ought to have our sympathy and our understanding, and we ought not to stand here and curse them as if they were public enemy no. 1.

Wipe them out and you wipe yourselves out; you wipe government out and finally you will destroy every institution in this land. So I say that the protection and perpetuation of the wealth-producing instrumentalities of this Nation by our Government transcends politics. It transcends partisanship. It goes to the very foundations of our civilization. The function of all industry is to serve society by assuring economic security and liberty to all who deserve it. The function of government is to encourage and protect industry in performing this public service.

I close with a quotation from Lord Macaulay made a hundred years ago:

> Our rulers will best promote the improvement of the people by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment—by maintaining peace, by defending property, by diminishing the price of law, by observing strict economy in every department of the State. Let the Government do this—the people will assuredly do the rest.

So I lay this central thought of industry, rural and urban, upon your conscience and your intelligence and ask that you give it consideration as the very foundation of our civilization. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, the day before yesterday one of the superdetectives of this House decided to tackle one of the fairest proposals presented to this House, namely, H. R. 2827, in detectivelike fashion. He went around snooping and finally came here, and in dealing with this bill he hurled the cry of "communism", and then continued to repeat "communism." All he saw around this bill was whiskers. He saw a boogey man and he started to run from it, and he appealed to the House to follow his example. That is the only manner in which this bill has been attacked thus far.

There are two bills before this House which I believe attempt to deal comprehensively with the problem of social security. One is the bill known as "H. R. 7260", which fails to accomplish this purpose, and the other is H. R. 2827, which deals adequately and successfully with this problem. We all agree that unemployment insurance and old-age insurance are inevitable. They are bound to come in America. We must have unemployment insurance and we must have old-age insurance. So therefore the question which comes before this Nation at this time is the method by which social security is to be paid. Are you going to place the burden of caring for the poor on the shoulders of the poor, or are you going to place the burden of caring for the poor on the shoulders of the community as a whole, and especially on those who can well afford it? Under the plan in H. R. 7260, we establish a vicious antisocial system. We establish a system whereby the payment for the care of the unemployed and for the care of the aged is to be met by means of various pay-roll taxes.

I do not believe there is a single man in this House who accepts the statements in the bill to the effect that the tax, in the case of unemployment insurance, is to fall solely on the shoulders of the employer. Anybody who believes that still believes in Santa Claus. We all know that with labor's last line of defense crushed today, with 11,000,000 unemployed, with a charity wage scale being imposed throughout the Nation on all public-works projects, labor has no line of defense against any wage cuts. This 3-percent tax, which you say has been levied on the employer, inevitably must fall on the shoulders of the wage earners of America, because with 11,000,000 potential scabs, labor cannot defend itself against any wage cuts. You cannot escape from it. You are establishing once and for all, if you pass this bill, a vicious antisocial system of having the poor carry the burden of caring for the poor.

I believe that America is the richest Nation in the world. In this Nation, where we have more wealth than any other Nation, I think it is proper we should establish the system proposed under H. R. 2827, whereby in this greatest and wealthiest Nation in the world there should be no hunger, no starvation, and no want, and that the unemployed of this Nation, as well as the aged of this Nation, should be taken care of by the United States of America through taxation, levied on the large incomes of this Nation, putting the burden squarely where it equitably belongs, and not on the poor of the Nation as the Doughton bill intends to do.

The only argument which I believe seems to be more or less appealing which is advanced in favor of H. R. 7260 is that under section 201 (a) it sets up an old-age reserve account and that under section 910, subdivisions (a) and (b), there is set up an unemployment trust fund, and it is claimed that the unemployment trust fund, as well as the old-age fund, will build up a reserve which can be eventually used for the purpose of withdrawing tax-exempt securities. Now, let me quote, not from any Communist paper or from any Communist organization but from the Analyst, which was published by the New York Times on February 22, 1935. There it says, discussing the reserve funds established by this bill:

> (1) Financial reserves can be effective only in cases where contingencies can be calculated and determined by actuarial methods and where these contingencies arise in sufficient regularity to permit the arrangement of reserves in accordance therewith. (2) The incidence of depressions is irregular and unpredictable, and hence defies actuarial procedure. (3) Purchasing power cannot be stored up en masse under our money system, which is a system of debt, rather than metallic circulation. (4) The attempt to create unemployment reserve will intensify booms. (5) Unemployment reserves are incapable of mobilization when needed and any attempt to mobilize them will only result in further intensification of depression.

Further, in the last analysis, what do we seek to do with these reserves? On the one hand, we attempt to call in the so-called "tax-exempt bonds", but, on the other hand, we intend to do this by removing whatever little purchasing power the people of America possess. By 1970 we will have

frozen from them the sum of $32,000,000,000, according to the table which exists on page 6 of the report on this bill.

So all we are doing here is cutting off our nose to spite our face. We cannot do away with the evil of tax-exempt securities by this method. Everybody recognizes that America's problem today is lack of purchasing power on the part of the American workers; they have practically no purchasing power left. When we attempt to remove a further portion of this purchasing power by pay-roll taxation we only accentuate the problem, we do not alleviate it.

Let me read from the report of the committee with reference to the present unemployed. The Doughton bill does nothing for those at present unemployed. The report states:

> It should be clearly understood that State unemployment-compensation plans made possible by this bill cannot take care of the present problem of unemployment. They will be designed rather to afford security against the large bulk of unemployment in the future.

So, right in this report we have the admission that under this bill nothing is being done for the present 11,000,000 unemployed. Oh, you may refer to the $4,000,000,000 work-relief bill, but, Mr. Chairman, after this $4,000,000,000 are spent in the manner in which it is going to be spent at an average wage of $50 a month, those unemployed at present will find themselves right back in the position they are today before the expenditure of the $4,000,000,000.

Mr. Chairman, permit me to say to the Members of the House that the bill (H. R. 2827) has received the endorsement of thousands of labor organizations and of hundreds of organizations affiliated with the American Federation of Labor, of social and welfare workers, and of educators throughout the country.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. MARCANTONIO. The main argument advanced against H. R. 2827 is that there is no difference between the system set up under that bill and the present system of relief whereby the unemployed workers of this Nation are paid a charity wage, or a charity dole, forcing them to adopt a standard of living based on charity. This argument is fantastic and silly. Under H. R. 2827, however, the unemployed workers of this Nation during their period of unemployment are paid the wage prevailing in their community at the time of their unemployment. In other words, the unemployed worker will receive the same wages he was receiving at the time he was employed.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. CONNERY. And there is no tax on pay rolls which, eventually, has to be paid by the workers themselves.

Mr. MARCANTONIO. The gentleman is correct. The only tax levied under H. R. 2827 is a tax on the large incomes of this Nation, where taxation to support this kind of legislation should be placed.

The difference between this bill and relief is that with relief you reduce the American worker to a charity level and lessen his purchasing power, destroy his morale and self-respect, whereas under H. R. 2827 the American worker retains his purchasing power. During his period of unemployment, under the provisions of H. R. 2827, the American worker would retain not only his purchasing power but his standard of living and his self-respect; and, more important than all, he can raise his head high and say, "I am proud to be an American citizen." [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 30 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, this bill from the Ways and Means Committee, H. R. 7260, and known as the "social-security bill", is the greatest humanitarian measure ever presented to an American Congress. Its prime object is to help those who are not able to help themselves and to lend aid and comfort to the aged poor. It provides a pension for those over 65 years of age and in need. At this time there are in the Nation approximately seven and one-half million over 65 years of age and multiplied thousands are without means of support and dependent upon others. As years go by this number will be increased. The great number of needy at this time is due, to a great extent, to the financial depression through which we are passing. They have contributed their part to the building of the great institutions and industries of this country; they tilled the soil, educated their children, and endeavored to make the world better for having lived in it. Many of them invested their savings in stocks and bonds, the value of which has been wiped out. A great number of these people were able to perform work and make a living, but in these days of unemployment they are without a job. Many of them find that their children, upon whom they could depend for aid and assistance, are in a similar position. Society owes these citizens a reasonable subsistence, compatible with decency and health. Primarily this duty rests upon the respective States, but in this measure the Federal Government proposes grants in aid to the State to assist in paying an old-age pension. Under the provisions of title 1 the Federal Government pays up to $15 for each individual in need over the age of 65, which amount is to be matched by the States. It provides, however, if the States are desirous and able, they can pay as much more over $30 as desired. It provides for a uniform plan that the various States of the Union must adopt and that no State which fails to comply with the terms and provisions of this measure can participate. It will be contended by some that the amount the Government is to contribute is too small and that some of the States will not be able to raise the money to match Federal grants.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. LUCAS. The gentleman is discussing section 1 of title I wherein it states that a reasonable subsistence compatible with decency and health shall be given to aged individuals. Does the gentleman understand that one must be a citizen of the United States of America before he can obtain the benefits under title I?

Mr. FULLER. No; if a State wants to, it can provide in its law even that aliens over 65 years of age can be taken care of.

Mr. LUCAS. In other words, that is a matter left to the discretion of the States.

Mr. FULLER. It is left to the State legislature; yes.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. MEAD. As a general rule, however, all the States require that those who receive relief benefits from the State be not only citizens of the State but in most cases citizens of the United States as well.

Mr. FULLER. That is true.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. DONDERO. Must they actually be in need before they can receive these benefits?

Mr. FULLER. Certainly; they must be in need. I cannot contemplate a subdivision of Government paying a pension to anybody in the United States who is not really in need. [Applause.] This Government owes nobody a living, but everybody owes loyalty and fidelity to this Government; and it is only as a social-welfare feature to take care of those who cannot take care of themselves that we make the contribution; it is only to take care of those who are in need of assistance.

Mr. LUCAS. Under title I, section 2, article IV, it is stated:

> Provide for granting to any individual, whose claim for old-age assistance is denied, an opportunity for a fair hearing before such State agency.

In the event that the State decided to enlarge the powers granted under this particular section and give the right of the individual who is denied assistance in the first instance an appeal to the local courts, would that, in the opinion of the distinguished member of the Ways and Means Com-

mittee, in any way contravene this section about which we are now talking?

Mr. FULLER. I think not. We made a special arrangement for that by reason of several inquiries being made. Anyone should have recourse when his claim is denied. I think that answers the question which the gentleman asked me.

Mr. Chairman, I would prefer not to be interrupted for a while unless there is some particular question that a Member is particularly interested in.

Mr. TAYLOR of South Carolina. Will the gentleman yield at this point?

Mr. FULLER. I yield to the gentleman from South Carolina.

Mr. TAYLOR of South Carolina. When a board is set up by any State to review on appeal the case of any aggrieved person, will the Board here in Washington undertake to review the findings of that board?

Mr. FULLER. They have no authority to do that. That is left solely and entirely to the States, if the States otherwise comply with the uniform plan set out here, which the States must comply with.

Mr. TAYLOR of South Carolina. That would give leeway for the several States and the Nation to set up different yardsticks or different lines of demarcation to determine the respective needs of their citizens?

Mr. FULLER. They have that right under this bill, but they must adopt a plan as set forth in this bill. The age must be 65, and there are certain residence requirements and a few other conditions. Then they have latitude for themselves. They may up to 1940 make the age limit 70 years instead of 65 years if they so desire.

It should be borne in mind the annual amount to be contributed by the Federal Government will, in a few years, be very materially increased. In my opinion, in less than 10 years it will require an annual appropriation of over $300,000,000.

Mr. COX. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Georgia.

Mr. COX. Is the gentleman not unduly conservative in estimating the amount that the Federal Government will be required to contribute?

Mr. FULLER. I think not. I think it is more liberal and a larger figure than almost any other Member, especially on the Democratic side of the Ways and Means Committee, would even agree to.

Mr. COX. Does the gentleman accept the records of the States now paying an old-age pension as a basis for that calculation?

Mr. FULLER. Yes; and in doing so this figure would be 5 or 10 times greater.

Mr. COX. Does not the gentleman think he incurs the risk of error in proceeding upon that basis, having in mind, of course, that, with the Federal Government entering the field and obligating itself to pay, the demands will increase and the tendency of the States will be to liberalize their laws and the administration of the laws in order that a larger Federal grant may be obtained? Does the gentleman not appreciate the fact that there is the feeling that it is justifiable to make any sort of a demand upon the Federal Government and that the urge is to get as much from this source as possible?

Mr. FULLER. May I say to the gentleman, briefly, that I think my figures are very liberal. I am convinced that they will cover the situation, and there will not be required any more than the amount I specified. Besides the States will have to match 50-50, and they will not be overanxious to exceed equal matching. Of course, there are Members here who will come to Congress in the future desirous of requiring the Federal Government to pay more.

It is not claimed that this is a perfect bill; all major legislation is the result of compromise. Last June, in a message to the Nation, the President advocated this measure, and subsequently created the Committee on Economic Security, composed of members of the Cabinet and other prominent citizens; after extensive study, covering a period of 6 months, a report was submitted recommending substantially the provisions of this bill. At this session of Congress the President in a forceful message plead for the enactment of this social-security measure. It is generally known that its enactment is more desired by our great President than any pending measure.

For approximately 3 months the Ways and Means Committee has daily considered this measure. The committee has had submitted to it various other old-age-pensions plans, the most prominent of which was the Townsend plan, upon which measure hearings were had. The original Townsend plan, known as the "McGroarty bill", has for its object and purpose the granting of a pension of $200 per month for all those over 60 years of age, conditioned all the money must be spent every month, and that on the first day of every month the Government was to place to the credit of every pensioner, in a local bank, the sum of $200. The question of need was never considered, age being the only condition. Under this measure Rockefeller, Morgan, Mellon, Ford, and other millionaires of this Nation could, with their wives, draw $200 each per month. A man owning the biggest department store or building in a city, with an income of $500 or more per month, could draw the pension. The wealthiest farmer in a community, with plenty of stock, a bank account, and living in ease and comfort, would be a recipient, as well as his wife, of $200 per month. No restrictions were made as to how the money should be spent, and Dr. Townsend, who appeared before our committee, stated he was not interested in how they spent the money nor as to whether or not they spent it for liquor, in roadhouses for gambling or immoral purposes.

Children and other relatives could move in and live with their parents and relatives on the pension rolls. All that was required was the 60 years' age limit and the condition that the pensioner should discontinue and refrain from all gainful pursuits. The measure provided that this pension should be paid by levying a tax of 2 percent upon all transactions. Such a measure would kill ambition, stifle and retard thrift, and mean the early doom of our Nation. It is inconceivable that a nation would be required to collect money by taxes to pay a man and wife $400 per month who in their previous years had never made over $50 or $100 per month from their combined labors and at the same time had lived in ease, comfort, and happiness. The tax sought to be levied would not start to pay one-fourth of the $200 pension. Dr. Doane, an economist, presented as a witness by Dr. Townsend, testified that the national income for this Nation for 1929, the most prosperous year of our history, was $81,000,000,000 and for the year 1933 approximately $45,000,000,000, yet in 1933 there was no profit in the national income. The 2-percent sales tax would produce approximately $1,000,000,000 per year; but he states if the tax were placed upon every conceivable transaction there was a possibility of a maximum collection of $4,000,000,000 per year. Even this collection of taxes, which was more than the Federal Government collected last year for all purposes, would not be a sufficient amount to pay over $33 per month. There are today 10,000,000 people in the United States over 60 years of age, which would mean a payment of a pension of $33 per month per person. His expert admitted that the Federal Government could not stand the financial strain and burden sought under the Townsend plan.

A Mr. Glen J. Hudson, of California, actuary for Dr. Townsend, testified if he were a member of the Ways and Means Committee he would not vote approval of the plan.

Mr. DOUGHTON. Will the gentleman yield?

Mr. FULLER. I yield to my distinguished chairman, the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman recalls that Dr. Townsend appeared, I believe, more than once before our committee and urged very strongly the adoption by the committee of his original bill. He assured the committee that it was sound, feasible, and workable, and had been worked out by experts and specialists. In view of that testimony of Dr. Townsend and the statement just made by the gentleman addressing the committee, in his opinion is a man who would present a scheme so revolutionary, so impossible, and so dangerous as this, if he does change his mind and pre-

sents a revised scheme, capable of advising the Congress of the United States with respect to a great matter like this?

Mr. FULLER. I would hesitate to say. Dr. Townsend apparently is a fine old gentleman, but I doubt his judgment. I know it is not good statesmanship and that nobody except those who are in distress and who want to get something for nothing are going to seriously consider the Townsend plan.

Mr. DISNEY. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Oklahoma.

Mr. DISNEY. The gentleman referred to the national gross income as being $45,000,000,000. As I remember the figures before the Ways and Means Committee, there were about ten and one-half million people over 60 years of age in the United States. At that rate it would take about $24,000,000,000 a year to pay the Townsend old-age pension. Is the gentleman going to discuss those figures?

Mr. FULLER. Yes; I have those figures here. Then, too, the Federal revenue for 1933 was less than four billion and the combined State and Federal revenues for 1933 was less than eight and one-half billions.

Mr. DISNEY. Is the gentleman referring to the total national revenue and total State revenue?

Mr. FULLER. Yes. It would cost $24,000,000,000 annually to pay the pension under the Townsend plan, more than half our national income for 1934. It would mean that our financial structure would be bankrupt, and on account of the tax upon transactions being multiplied and pyramided, which would be passed on to the consumer, the price of the necessities of life would be unbearable.

Realizing the unreasonableness of such a plan, Congressman McGROARTY has introduced another Townsend plan measure which bears number H. R. 7154, under date of April 1. This measure is substantially the same as the original bill with the exception that no one can draw a pension who has a net income in excess of $2,400 per year. The measure provides that the pensioner shall receive, monthly, so much as the tax will raise, not to exceed $200 per month. The question of need is not mentioned in this bill. It is now contended by its supporters that this measure will pay $50 per month for those over 60 years of age. Yet the club members and those who are sending propaganda to Members of Congress are still under the impression that the Townsend plan still provides $200 a month pension.

To me it is ridiculous to even contemplate paying pensions to parties who have an income of as much as $600 per year, yet in this bill the $200 a month theory is carried out and one would be permitted to draw a pension up to $200 per month if the tax collections were sufficient. One could own a valuable home and have children able and willing to care for him and be eligible for a Townsend pension. I have no criticism for Dr. Townsend; at heart I feel he is desirous of aiding the aged poor.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. A man might be worth a million dollars and have no income, yet be eligible for a pension under the Townsend plan?

Mr. FULLER. Yes.

Mr. COOPER of Tennessee. In connection with the original Townsend plan or the original McGroarty bill, may I ask the gentleman if it is not true that the gentleman from California [Mr. McGROARTY], the author of the bill, never did appear before the committee in support of the bill while it was under consideration there?

Mr. FULLER. I know he did not appear, although he had every opportunity to appear and we would have been pleased to have heard him.

Mr. COOPER of Tennessee. And the committee set apart a certain day for all Members of the House to appear before the committee who wanted to appear?

Mr. FULLER. Yes; and Dr. Townsend, who also appeared at his own request, asked us please not to cross-examine him and he was not cross-examined on his bill when he was a witness before the committee.

Mr. COOPER of Tennessee. But the gentleman from California, the author of the bill, never did appear before the committee in support of his own bill.

Mr. FULLER. No; he never did. A great percentage of his followers are in distress, many of them upon the relief rolls, being maintained at Government expense, and I am sure they have been misled as to the feasibility of such a plan. However, they have at least done a good work in creating a general public sentiment for an old-age pension.

Mr. COX. Mr. Chairman, if the gentleman will permit, the gentleman made the observation awhile ago that the national income was between $45,000,000,000 and forty-nine or fifty billion dollars, not a penny of which was profit, and yet the Townsend plan would take $24,000,000,000 of that income, which would tend to exhaust capital investment.

Mr. FULLER. There is no question about that. When the truth is known and the imported organizers are gone there will be headaches and grief.

The Townsend old-age-pension plan, through its organizers, is doing an injustice to those in distress; they are holding out false hopes with a realization that the plan is not feasible and could not possibly be carried out. No such propaganda has ever equalled that being sent to Members of Congress for this plan. Amongst 200 postal cards which I received this morning there appeared the name of a college graduate, who holds an important position with a good salary as manager of a subsoil erosion project in my district. The card read as follows:

> We are not in favor of the President's plan for social security. We want the Townsend old-age-pension plan, and we want it enacted into law this session of Congress.
>
> We instruct you to work and vote for the Townsend plan. (Signed) A Voter.

This is the propaganda we are getting by the freight load every day during the pendency of this bill.

Mr. COX. If the gentleman will yield for one question, there is another plan concerning which Members of Congress have been importuned for a year or more. It is the plan that is embodied in the Rogers bill, which is the measure sponsored by a Dr. Pope. Can the gentleman inform the Committee whether either Dr. Pope or Mr. ROGERS ever appeared before his committee in explanation or in advocacy of that measure?

Mr. FULLER. No; we never heard them. They sought no hearing.

Mr. O'MALLEY. Are not the methods used by the Townsend propagandists the same as those used by the utility propagandists against the Rayburn bill?

Mr. FULLER. I do not know whether that is true or not.

Mr. O'MALLEY. It is organized propaganda, consisting of cards and form letters?

Mr. FULLER. Yes; it is along the same line.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes; but I shall have to quit yielding because my time is limited.

Mr. DISNEY. Referring to those postcards, did the gentleman receive any postcards that said that Dr. Townsend was ordained of God to bring forth this plan?

Mr. FULLER. I have not received any cards like that, but I have received that kind of letters.

Mr. DISNEY. Other Members have received cards using that language. Has the gentleman given any thought to the idea that if millions of people were drawing $200 a month to what range would all other salaries or incomes have to go to compare with $200 a month?

Mr. FULLER. I cannot imagine what would become of the value of our dollar or the stabilization of our Government. It is really not serious enough to consider, because I anticipate that, outside of home consumption and outside of being desirous of trying to help these poor people, there are very few people on the floor of this House who, deep in their hearts, have any idea that there is any real merit in the Townsend plan.

Mr. DISNEY. Following my previous question, the present dollar would be worthless if we had the type of system that I suggested a moment ago.

Mr. FULLER. It would; and, as I said, our Nation would be bankrupt, and I honestly believe there is no question about it.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. HUDDLESTON. Speaking of "plans", I have heard rumors of still another plan which, it is reported, is being formulated by the Hollywood humorist, Will Rogers. The last I heard of it he said that he was having great difficulty and was beginning to be afraid that he was not quite crazy enough to get up a plan. Does the gentleman know anything about his progress?

Mr. FULLER. No; I have not studied that plan.

In this propaganda we are threatened that if we do not vote for the Townsend plan we are not going to be returned to Congress, and yesterday I was surprised and amazed that one of our lovable characters and colleagues told us he was not attempting to come back next year, but he hoped to come back here and see the vacant seats of men who are at least trying to be statesmen and represent this Government who will be left at home because they voted like statesmen and against giving away a dole of $200 a month to people who are not entitled to it.

Mr. COX. Is the gentleman prepared to answer the question I propounded a moment ago? Should the gentleman be returned as a Member of Congress if he votes for the Townsend plan?

Mr. FULLER. Well, I do not want to answer that.

Mr. COX. Speaking simply for himself?

Mr. FULLER. I would rather retire to the shades of a quiet and peaceful life and never be recognized for political honor than to vote for such a measure, because I believe my people who sent me here would have absolutely no respect for my judgment or statesmanship.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. FULLER. For just one question; yes.

Mr. MARCANTONIO. One of the principal reasons for the gentleman's opposition to the Townsend plan is its sales-tax feature. Will the gentleman distinguish the sales tax from the pay-roll tax?

Mr. COX. May I interject that the gentleman's main objection to the Townsend plan is that, in the judgment of the gentleman from Arkansas, it is crazy?

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I want to make my own speech, but I will yield to the gentleman, and then I must continue with my own remarks.

Mr. DUNN of Pennsylvania. May I say to the gentleman from Arkansas that the Members of Congress have received a tremendous amount of mail from the utility officials, and I have been informed, as other Members have been informed, that they say if the Members support the Rayburn bill they will not be returned to Congress.

Mr. FULLER. There may be something in that. I do not know. I imagine that the gentleman from Pennsylvania will vote his own convictions regardless of anything else. God knows that I am sincere and anxious to vote for any reasonable old-age pension to take care of anybody to the amount that the Government can afford to pay. I am willing to increase the income tax and the inheritance tax, and I am willing to curtail the salaries of those in public office.

We are threatened in much of this propaganda if we do not vote for this plan we will be defeated in the next election. God knows I am sincere and anxious to vote for a reasonable old-age pension to take care of the needy, in such an amount as the Government can afford to pay. I am willing to increase inheritance and income taxes for this purpose.

Under the original plan submitted by the President's Committee on Economic Security, the personnel in the States was controlled by the Federal Government, and the provisions of this bill were to be administered by the Secretary of Labor and the Federal Emergency Relief Administrator. The bill has been materially changed, granting to the States the right to administer the various provisions and establishes a social-security board to generally administer the act.

Title II and its companion title, no. VIII, provide for Federal old-age benefits and levies a tax upon the pay rolls, to be paid equally by employer and employee on salaries or wages up to $3,000 per year. This tax gradually increases, and at the end of 12 years the employer and employee will each be required to pay 3 percent on the pay roll. This money is paid into the Federal Treasury in an old-age reserve fund, and it is contemplated that in 45 years the reserve will amount to approximately $50,000,000,000. The Secretary of the Treasury is made a trustee for the investing of these funds in Government interest-bearing securities. It is contemplated as this money is so invested it will wipe out tax-exempt Government bonds and that eventually all of the public debt will be included in this trust fund. The real object and purpose of this title is to buy old-age annuities to be paid monthly after the laborer has reached the age of 65. It contemplates that the money so paid, together with the interest accumulated, will afford sufficient monthly annuity to keep the laborer off the old-age pension rolls in the distant future. In the event of death one's estate recovers the money paid in by the laborer, plus accumulated interest.

Titles III and IX provide for unemployment compensation to be administered by the State. It provides for a 3-percent tax to be paid by the employer upon annual pay rolls. If a State does not participate, it receives no benefit from this tax. In the event a State does participate in the plan, then the employer receives a credit for 90 percent of the tax which he has paid to the State for this purpose. I have opposed the provisions placing a tax upon pay rolls for unemployment insurance and old-age benefit annuities. All business needs relief, the restoration of confidence, and less Federal regulation. I fear the burden is too great at this time for business to carry this additional load. [Applause.]

The other provisions of the bill provide and deal solely and entirely with social-welfare problems in conjunction with the States. The first of these is aid to maternity and infant welfare, particularly in rural areas and in areas suffering from the severe economic depression. It looks after the needy and distressed expectant mother, the welfare of the infant; dependent, neglected, delinquent, and crippled children. Aid is given, and a kind and helping hand is extended to help over the rough and rugged roads of life the 300,000 dependent and neglected children, 200,000 children who annually come as delinquents before the courts, and a great number of the 70,000 illegitimate children born each year. The children of the present are the citizens and rulers of the future, and the tendency of the present minds and conditions promises fundamental changes in the very structures of our Nation. To continue to be a great nation we must look after our children and those who cannot help themselves. [Applause.]

Nearly 10 percent of all families who are on relief are without a potential breadwinner other than a mother, whose time might best be devoted to the care of her young children. It is estimated that there are over 350,000 families on relief, the head of which is a widowed, separated, or divorced mother, and whose other members are children under 16. There are approximately 400,000 physically handicapped children in this country, and in many cases the parents are not able to give them hospitalization, medical, and surgical attention. This bill carries a large appropriation to be augmented by the States for these mothers and children in need.

The bill authorizes a substantial appropriation for the vocational rehabilitation of crippled children, thus thousands upon thousands of these unfortunate crippled children will not only be cured but taught a vocation and given remunerative employment.

This measure carries the greatest welfare features and relief for suffering and distressed humanity that has ever been presented to a legislative body; it carries out the teachings of the lowly Nazarene, and has only been made possible by a fearless, big-hearted, inspired leader whose heart goes out to the "forgotten man." Every thought, every heartbeat, and every action of our great President has been in the interest of the weak and oppressed. [Applause.] No man

can be a good American citizen who seeks to live unto himself or who seeks to profit and accumulate the wealth of the country with no regard to the duty he owes to his unfortunate neighbor. We have reached the crossroads, where it has become necessary for us to realize that no nation can continue to prosper, "where wealth accumulates and men decay." [Applause.]

This cloak of charity spreads out over every social-welfare activity and in the future years we will hear the praises and the God bless you's from those who have been the recipients of this relief. I realize there are many States, because of financial condition, will not be able at this time to meet all the requirements of this measure. It is to be hoped, however, that revenue will be found in order for the State to follow the example set by the Federal Government. In my opinion it is only a question of a short time until each State will take advantage of the liberal provisions of this measure. If my State cannot enjoy all the benefits of this measure, God forbid I should begrudge a sister State.

It is easy to foresee the great good and happiness this welfare measure will bring to the aged, the helpless mother, the dependent, neglected, and crippled children. In visualizing I can see the expectant mother, weak from worry, overwork, and undernourishment, back in the rural district in a little cabin on the mountain side, where the unexpected stranger is met by the friendly bark of the farm dog and where hospitality reigns supreme, joyously explaining to her ragged and tired husband at supper time how the welfare workers have promised relief before and during childbirth.

I can see the dependent and neglected boy who never knew the love and guidance of father and mother as he grows to manhood extolling the grandeur of his country and the loyalty due the Stars and Stripes.

I see the crippled boy, sad and unable to play with his brothers and the neighbor boys as he recovers from medical and surgical treatment, and scales, round by round, the steep ladder of success.

I can see the careworn, dejected widow shout with joy upon returning from the neighbor's washtub after having received assurance of financial aid for her children. I see her with the youngest child upon her knee and the others clustered by her, kissing the tears of joy from her pale cheek as she explains they can now obtain clothes and books, go to Sunday school, and attend the public school; and as they prepare to retire I can hear her offering thanks to Him from whom all blessings flow.

I see the old gray-headed father and mother, bowed by the weight of many years of honest toil, dance with joy and appreciation upon receipt of their first pension check which saves them from the poorhouse.

Certainly, a nation which sends its messengers to the rural and most isolated parts to render aid to those in distress and embarks upon such a welfare work, cannot help but live and prosper. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield one-half minute to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, I rise to make a very important announcement. Within the hour the *American Clipper,* owned and operated by the Pan-American Airways, landed at the Hawaiian Islands. [Applause.] In approximately 17 hours and 37 minutes she spanned the air from Alameda, across the bay from San Francisco, to land in the harbor of Honolulu at 1:27 p. m., eastern standard time. The day of wonders has not ceased. America should be proud that the indominable pioneering spirit still exists. I compare this feat of the modern clipper ship with the feats of the early days when the Americans sailed the Seven Seas in their clipper ships. It is comparable, my friends, with the discovery of America by Christopher Columbus. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Chairman, it is difficult for me to understand the frame of mind of Members who sit in this House and vote for huge sums of money for adventures into foreign lands. On Armistice Day, November 11, 1928, President Coolidge said that when the last veteran and last dependent of a veteran of the World War has disappeared over the horizon, we will have expended on the World War more than $100,000,000,000. There was no quibbling about that—"saving the world for democracy"; but when anyone comes in here to speak for the workers of America—and that includes men who work at the desk as well as men who walk behind the plow or work at a lathe in a shop—then we begin to talk about whether we can afford it or not, and where we are going to get the money.

REHABILITATION

It is not just the past war, but it is the rehabilitation that came after the war. I opposed the loan of $10,000,000,000 to the kings of Europe on this floor. I sat in a seat here with some gentlemen who are here today, when lords and dukes and earls and counts, bespangled and bemedaled—Lord Balfour and the Japanese and all the rest. I remember when Members rose in their seats to do them honor and shook their hands and applauded them. I refused to rise to honor foreign royalty on this floor; they came here to talk us out of our money and for no other purpose. To honor them was supposed to be good Americanism, but when anybody talks for unemployment insurance for the 15,000,000 Americans now unemployed and the aged, they are denounced as radicals. Call us radicals if you will; we will keep on fighting for the aged and unemployed. We will not give up the ship. We will fight on.

The administration bill, if I am correctly informed, does not pay a red cent to a single man unemployed at the present time, and if I am mistaken I want to be corrected, and I hear no correction. Not a nickel for those who are now unemployed. How are we Congressmen going back home to face our constituents, and what will we say to them when this bill is passed and signed and becomes a part of the statute books, when these 15,000,000 unemployed ask, "Where do we come in?" and we must reply, "You don't come in. You 15,000,000 unemployed, you are left out in the cold."

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LUNDEEN. Yes.

Mr. COOPER of Tennessee. The gentleman of course understands that this bill is not intended to take care of those now unemployed. That is what we passed the $4,880,000,000 bill for. This bill seeks to set up a system in this country to take care of unemployment in the future, and I think the gentleman will agree with me in the statement contained in the report accompanying this bill if unemployment insurance had been enacted into law in this country about 1922, by the time the depression hit us in 1929 we would have had about two and a half billion dollars on hand then for unemployment insurance, and that certainly would have greatly assisted in sustaining the purchasing power and improving business conditions and the general welfare of the country, as well as caring for those entitled to consideration.

Mr. LUNDEEN. I wish to say to the gentleman that when we, back in 1922 and many years before that, advocated just that—we were denominated radicals, and we were told we should not do that sort of thing.

Mr. COOPER of Tennessee. The gentleman knows that neither his party nor my party were in control during that time.

Mr. LUNDEEN. Possibly so. History would read different today had a great national labor party been in power in 1922.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. MARCANTONIO. What is going to happen to these unemployed after the $4,000,000,000 has been spent at an average wage of $50 a month, which will do nobody any good?

Mr. LUNDEEN. I thank the gentleman for his statement. I wish to say that while I voted for the $3,000,000,000 in the last Congress and the $4,880,000,000 in this Congress, because of the relief measures contained therein, I wish to remind the Members on this floor that the reemployment under the $3,000,000,000 was very disappointing. I see gentlemen nodding their heads. They know it was disappointing. I hope I am wrong, but I am afraid that employment under the $5,000,000,000 bill is going to be dis-

appointing and that it will have no appreciable effect upon the 15,000,000 now unemployed.

PLENTY OF MONEY FOR THE NEXT WAR

With reference to this frame of mind which seems to exist among distinguished gentlemen here who frame legislation for this country, permit me to say we have plenty of money for the next war. I ask, where is it going to be fought? I suppose in Europe, Asia, and Africa. We appropriate a billion dollars for that; but if someone comes here and presents a bill, such as I have, providing for $10 minimum for the unemployed and $3 for each dependent, they are greatly horrified, but they have a billion dollars for the next war.

A BILLION DOLLARS FOR THE NEXT WAR

I say I would not spill one drop of the blood of an American soldier comrade of mine for any wealth invested by international bankers across the ocean in Europe, Asia, or Africa. Let those millionaires and billionaires who invest their money abroad go and protect their own money. [Applause.]

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. DUNN of Pennsylvania. Will the gentleman please tell me where we are going to get that money for the next war?

Mr. LUNDEEN. The gentleman asks where we are going to get the money for the next war.

Mr. DUNN of Pennsylvania. The gentleman asked the question and I would also like to know that. We do not seem to have enough money to take care of the aged and unemployed. I would like to know where we are going to get the money for the next war.

Mr. LUNDEEN. I will say that we always find sources of revenue when it comes to protect international bankers and wealth invested beyond the seas. That is not good Americanism. That is good Europeanism, and I want none of it. I do not believe in that kind of Americanism. I believe in the Americanism that takes care of the workers of America and the people in the United States, the development of projects and resources within the boundaries of this country. That is good enough for me. [Applause.]

Mr. MARCANTONIO. Will the gentleman yield further?

Mr. LUNDEEN. I yield.

Mr. MARCANTONIO. As far as getting money for the next war is concerned, until a State adopts a plan of unemployment insurance, every penny which is collected by the pay-roll tax in that State goes into the general Treasury of the United States, and such funds so collected may even be used to build battleships, and yet this is called an unemployment-insurance bill.

Mr. LUNDEEN. I thank the gentleman again for his statement. In the last $3,000,000,000 bill the administration reached in and took $238,000,000, if I am correctly informed, and laid it down in battleships, to fight whom? What nation is there to invade this great, powerful country? Who is going to invade us? It is a war against someone else on other continents. I am going to speak for a moment before it is too late. I protested once before on April 6, 1917, and I want to protest again today, before it is too late. Some day you will find it is too late.

Mr. CONNERY. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. CONNERY. During the last 4 or 5 years we have had testimony on old-age pensions, unemployment insurance, the 30-hour week, labor-disputes bill, and so on. In all those hearings we held it became very clear to our committee, did it not, that there could be no prosperity in the Nation without the farmer being prosperous and the industrial worker being prosperous at the same time? We found that out, did we not?

Mr. LUNDEEN. That is true. The able and distinguished Chairman of the Labor Committee is always right.

Mr. CONNERY. And the Lundeen bill, which I am offering tomorrow as an amendment to this other bill, is the only bill which takes care of the farmer and the industrial worker in the United States, is it not?

Mr. LUNDEEN. That is true. We take care of them, and we do it now—not in the dim, distant future.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LUNDEEN. The moment that we provide $10 a week and $3 per dependent, that is something to horrify some gentlemen on this floor. I do not say all of you, but some folks here seem to be very much disturbed about these figures. In Saturady's RECORD I presented for the attention of the Members of this House the sources of revenue and the cost of this bill and based upon 10,000,000 unemployed the net cost is $4,060,000,000, as given by Prof. Joseph M. Gilman, economist of the College of the City of New York; and based upon 14,021,000 unemployed, the net cost is $5,800,000,000. That is not a large sum compared with the huge sums we are putting into armaments and into foreign adventures. I say it is time to turn back to Washington and Jefferson and Jackson and Lincoln and take care of these people in these United States who built this country and made America what it is today. [Applause.]

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. LUNDEEN. Yes; I yield.

Mr. SAMUEL B. HILL. Will the gentleman give us the figures upon which that estimated amount was based, or put them in the RECORD?

Mr. LUNDEEN. I will say to the able gentleman from Washington that those figures are already in the RECORD as of Saturday, April 13. [Applause.]

CONSTITUTIONALITY

Concerning the constitutionality of the Wagner-Lewis-Doughton social-insurance proposals—H. R. 4120 and H. R. 7260—I am surprised that able lawyers on this floor have not taken up that question more in detail.

One of my colleagues here stated to me the other day that someone maintained to him that H. R. 7260 is "absolutely probably constitutional", and that well illustrates the state of mind of Members on the constitutionality of the pay-roll tax and other features of the administration bill dealing with taxation, rights of States, and the rights of individuals and employers.

For that reason I have requested permission to insert a statement on the constitutionality of H. R. 2827 and the administration bill as given to the House Committee on Labor, and found on pages 245 to 270 of the Labor Committee hearings, February 4 to 15, 1935, Seventy-fourth Congress, first session, on unemployment, old-age, and social insurance. This statement is made by Leo J. Linder, able counsel of the New York Bar.

STATEMENT OF LEO J. LINDER

Mr. LINDER. Mr. Chairman and gentlemen of the committee, I am here to speak to you on the constitutionality of the Lundeen bill. Since I come here before you as an expert, I presume I should, within the limitations of modesty, state my qualifications very briefly.

Mr. DUNN. Yes; we want them.

Mr. LINDER. I shall state briefly that I am a member of the bar of the State of New York, a member of the bar of the United States Supreme Court, that I have practiced, tried cases, and argued appeals before the appellate courts of very many States besides the State of New York, and that I have briefed and argued questions of constitutional law before the highest court of our land, the United States Supreme Court. About 2 months ago the International Juridical Association, an association of lawyers of which I am a member, requested me to make a study of the constitutionality or the constitutional questions involved in the Lundeen bill, H. R. 7598.

Mr. DUNN. That is the old bill.

Mr. LINDER. Yes. The request was also made that if I came to the conclusion that the bill was constitutional, I should then draw a brief establishing the constitutionality of the bill. I made a very careful study of the decisions, the texts, and all of the other authorities to which lawyers resort in determining constitutional questions. At the termination of my study I became thoroughly and completely convinced that the bill was unquestionably constitutional.

Of course, my research with respect to H. R. 7598 is equally and perhaps more applicable to H. R. 2827, because H. R. 2827 is with-

out question an improvement on the other bill, because it simplifies many of the constitutional questions there involved.

The statement that I am going to read you very briefly states the affirmative argument supporting the constitutionality of the bill, and then, after stating that affirmative argument, deals with various objections that might possibly be raised to the constitutionality of the bill, such as the question as to whether the bill involves an unconstitutional delegation of legislative power, the question as to whether it is unconstitutional by reason of the indefiniteness of the appropriation contained in it, the question as to whether the bill involves any violation of due process, and, finally, the question as to whether the bill involves the violation of State rights.

The affirmative argument establishing the constitutionality of this bill is really very simple. This bill provides for the appropriation of Federal moneys out of the Treasury of the United States for the payment of compensation to the unemployed, the sick, the disabled, and the aged. It is thus simply an exercise of the appropriating power; that is, the power of Congress to spend money. The bill does, indeed, do more than provide for appropriations; it provides for the setting up of administrative machinery. But the appropriating power of Congress necessarily carries with it the incidental power to provide administrative machinery for disbursing the moneys appropriated and for insuring their proper application to the purposes sought to be achieved by Congress.[1]

What limitations are there on the power of Congress to appropriate Federal moneys? The Federal Government is a government of enumerated powers, that is, powers enumerated by the Constitution. Some constitutional lawyers have, therefore, argued that Congress may only expend moneys for the execution of the specifically enumerated powers. Upon some such argument an appropriation for social insurance would be unconstitutional, since the Constitution does not enumerate any power to provide social insurance for the people of the United States. The argument is, however, wholly unsound, for it ignores the fact that one of the enumerated powers set forth in the Constitution is the power to "lay and collect taxes, pay debts, and provide for the common defense and the general welfare of the United States."[2] To limit this power to spend moneys for the general welfare, to the power to spend moneys for the execution of the other specially enumerated powers, is to rob the general welfare clause of its meaning and thus to violate an elementary principle of constitutional construction.[3] Such distinguished constitutional authorities as Washington,[4] Madison,[5] Monroe,[6] Hamilton,[7] Calhoun,[8] and Justice Story,[9] have definitely repudiated the conception of an appropriating power limited by the other powers. Our highest authority, the United States Supreme Court, has in the famous Sugar Bounty case [10]—I will not here take the time to read the citations, all of which are set forth in the footnotes to the brief—definitely upheld appropriations by the Government in payment of purely moral obligations, entirely beyond the scope of the other specifically enumerated powers and has, indeed, held that an appropriation even out of "considerations of pure charity" [11]—the words "considerations of pure charity" are a quotation from a United States Supreme Court opinion—cannot be reviewed by the judicial branch of the Government. Congress itself has uniformly and consistently exercised its appropriating power for any purpose which it deems for the general welfare and irrespective of whether the purpose comes within the specifically enumerated powers or not.

Consider the appropriations which Congress has made. Congress has spent millions—I should say billions—for the purchase of Louisiana from France, of Alaska from Russia, of Florida from Spain; Congress has made outright gifts of millions of dollars to the individual States; [12] it has appropriated billions of dollars for agriculture; [13] and for internal improvements; [14] it has appropriated the moneys of the Nation to aid destitute foreigners suffering severe calamities, as in the case of the Santa Domingoes in 1794;[15] and the citizens of Venezuela, who suffered an earthquake in 1812; [16] it has, in the last 2 years, appropriated billions of dollars for emergency relief to "needy and distressed people"; [17] it has appropriated billions for the setting up of a Reconstruction Finance Corporation; [18] Home Owners' Loan Corporation; [19] and the Federal Housing Corporation [20]—not to mention all the other characters of the "alphabet soup."

None of the enumerated powers would justify these expenditures. You can look in vain through the Constitution for any specific enumeration of any power to do any of the things which I have just enumerated. Yet surely no one would presume to say that Congress exceeded its power in making the Louisiana Purchase, or in setting up the Geological Survey, which has increased the natural resources of the Nation, or that Congress should never have contributed to the country's educational needs.

It is thus entirely clear when you consider it that, wholly without regard to the enumerated powers, Congress may use Federal moneys for any purpose whatsoever which it deems will accomplish the general welfare. Surely it could not be said that a bill which will provide a system of unemployment and social insurance for millions of unemployed, sick, disabled, and aged is less for the general welfare than any of the bills which have just been mentioned. When Congress passes this bill, it will thereby declare that, in its judgment, this bill is for the general welfare, and no court has the power to substitute its judgment on that question for that of Congress.

The fact is that the Supreme Court of the United States has itself stated that it has never in its entire existence attempted to set any limitations to the power of Congress to appropriate moneys.[21] On the contrary, the Supreme Court has explicitly declared that the exercise of the appropriating power is not at all a subject for judicial consideration.[22] The Supreme Court has appreciated that if individual taxpayers were permitted to harass and obstruct the Federal Government with questions as to the propriety of national expenditures, that this would render wholly unworkable the whole machinery of the Federal Government. There is a historic case in which a taxpayer tried to stop the Secretary of the Treasury from paying out moneys for the construction of the Panama Canal.[23] Certainly there you have as good an example of an expenditure and an appropriation beyond the enumerated powers of Congress as is possible to find, and solely justified by the general-welfare clause. The United States Supreme Court declared that the taxpayer could not interfere. The Court pointed out that the taxpayer could not show—and this is the technical reason—any "direct injury", since he could not point to any property belonging to him which was directly affected by the way the Federal Government spent its money. After all, the money in the United States Treasury appropriated might very well be interest on the foreign debts or the proceeds of the sale of governmental property, and no taxpayer could point to any specific tax or any specific moneys paid by him which was used for the appropriation in question.

As I read this, it comes to my mind that only recently the United States Government made a neat little profit of over $2,000,000,000 on the devaluation of the dollar. That profit constituted part of the funds of the United States. So long as this bill contains simply a general appropriation—and that is all it does contain, because the language of the bill as I have it here is that there is appropriated out of the Treasury of the United States money sufficient to enable the consumption of and the effectuation of this bill—but where you have an act of Congress which appropriates moneys generally out of the Treasury of the United States without any reference to any earmarked moneys, no taxpayer can point to any specific moneys of which he has been deprived by virtue of any tax laid upon him. And since no taxpayer can point to any such specific moneys, he cannot technically, as the United States Supreme Court said, show any direct injury.

The United States Supreme Court, however, went much further than this technical argument with respect to the matter of direct injury. The Court declared explicitly that the question of the purpose for which Congress may use moneys is a legislative question, not a judicial one.

I would like to read you a few quotations from treatises on constitutional law, which definitely establish, with the aid of the authorities there cited, this proposition. Pomeroy, in his monumental text on constitutional law, declares:

"What expenditures will promote the common defense or the general welfare, Congress may alone decide, and its decision is final."

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[1] The Constitution of the United States, art. I, sec. 8, cls. 1 and 18; Willoughby on the Constitution of the United States, ch. 3, sec. 62, p. 105.

[2] Constitution, art. I, sec. 8, ch. 1.

[3] Chief Justice Taney in *Holmes* v. *Jennison*, 14 Pet. 538, 570, 571; Story Commentaries on the Constitution, 5th ed., secs. 812, 913.

[4] Story on the Constitution, 5th ed., note to sec. 978.

[5] The Federalist, p. 41; Richardson, Messages and Papers of the President, vol. 2, 485, 568.

[6] Annals of Congress, 17th Cong., 1st sess., vol. 2, p. 1839; Richardson, op. cit., vol. 2, p. 165.

[7] Hamilton's Works, Lodge's edition, vols 3, 294, 371, 372.

[8] Eliot's Debates, 2d ed., vol. 2, 431, note.

[9] Story on the Constitution, vol. 1, secs. 922 to 924; see also Pomeroy Introduction to Constitutional Law, secs. 274, 275; Hare, American Constitutional Law, p. 155; Willoughby on the Constitution of the United States, sec. 269; Burdick on the American Constitution, sec. 77.

[10] *United States* v. *Realty Co.*, 164 U. S. 427.

[11] *United States* v. *Realty Co.*, *supra*, p. 441, 4.

[12] In 1837 Congress, finding that there was a surplus, appropriated $20,000,000 to be paid to the individual States in proportion to their population; Congress made a second appropriation of this nature in 1841.

[13] Orfield Federal Land Grants to the States, pp. 37, 41, 48, and 67; the acts establishing the Bureau of Animal Husbandry, Weather Bureau, Bureau of Plant Industry, Forest Service, Bureau of Biological Survey, Bureau of Crop Estimates, etc., etc.

[14] The Geological Survey, Bureau of Mines, Department of Education, road building.

[15] Act of Feb. 12, 1794, ch. 2.

[16] The act of May 8, 1812, ch. 79; 4 Eliot's Debates, 240.

[17] Emergency Relief and Construction Act, 1932, 47 Stat. 709, July 21, 1932, c. 520.

[18] Jan. 22, 1932, c. 8, 47 Stat. 5.

[19] June 13, 1933, c. 64, 48 Stat. 128.

[20] National Housing Act, no. 479, 73d Cong., approved by President June 27, 1934.

[21] *Mass.* v. *Mellon*, 262 U. S. 447, 487–488; in *Field* v. *Clark*, 143 U. S. 649, *United States* v. *Realty Co.*, *supra*, and *Mass.* v. *Mellon*, *supra*, the Supreme Court refused to pass on the question of the propriety of the exercise of the appropriating powers.

[22] *Mass.* v. *Mellon*, *supra*.

[23] *Wilson* v. *Shaw*, 204 U. S. 24.

Hare, in his early text on American constitutional law, puts the matter as follows:

"The question of for what purpose Congress may use its powers of taxation (and thus ultimately for appropriation) is a legislative question, not a judicial question."

Therefore I think it is perfectly clear that this bill is not only constitutional as a constitutional exercise of the appropriating power, the power to spend moneys for the general welfare, but there is no legal way by which the propriety of the exercise of this power can be questioned by anybody.

That is the affirmative argument in support of the constitutionality of the bill. It seems to me to be entirely irrefutable.

Mr. DUNN. The word "welfare" there makes it constitutional, does it not?

Mr. LINDER. The words "general welfare" and the fact that Congress has the power to appropriate moneys for anything which Congress regards as for the general welfare. That is right.

Mr. DUNN. Thank you. I wanted to have that statement substantiated.

Mr. LINDER. I proceed now to the negative part of this argument; that is, the answer to objections which have been or can be raised.

The most serious objection which can be raised, it seems to me, is the question with respect to whether this bill involves an unconstitutional delegation of legislative power. While the bill does, indeed, invest the Secretary of Labor with large discretion, this does not render the bill unconstitutional. The United States Supreme Court has, again and again, sustained delegations of power to the President, Cabinet officers, and Commission. The Court has recognized that Congress might very well find it impossible to do more than to "lay down an intelligible principle to which the person or body administering the bill is directed to conform."[25] The Court has appreciated the practical difficulty of fixing precise and definite standards in advance of the complex contingencies certain to arise and has recognized that Congress might "from the necessities of the case, be compelled to leave to the executive officers the duty of bringing about the result pointed out by the statute."[26] Thus, the Tariff Act of 1922 was held constitutional by the United States Supreme Court, although it vested the President with the power to raise or lower the tariff upon any imported article whenever it was found that the American products were at a competitive disadvantage with those imported from abroad.[27] I dare say you can search high and low in an effort to find an example of a broader power of administrative discretion than that which was here regarded as constitutional, lodged in the President. But if that is broad, consider the broad power which was held to have been constitutional, delegated to the Commissioner of Internal Revenue by the Revenue Acts of 1918 and 1921, which authorized the Commissioner to adjust the very rate of excess-profits tax. Again, in another case an act of Congress, which gave the Secretary of the Treasury, on the recommendation of experts, the power to fix and establish standards of purity, quality, and fitness for consumption of certain commodities imported into the United States, was held constitutional.[28]

In the recent "hot oil" case[29], handed down by the United States Supreme Court about the beginning of January this year, the United States Supreme Court declared that the "hot oil" control clause of the N. R. A. was invalid as an unconstitutional delegation of legislative power. But, in that case, no "primary purpose" or "primary standard" whatsoever was clearly stated. The legislation there considered is wholly distinguishable from this bill, for here in the Lundeen bill a primary purpose is stated, and it is clear that the Secretary of Labor is not invested by this bill with anything more than a properly constitutional "administrative discretion." Indeed, when you consider it, the discretion invested in the Secretary of Labor under the Lundeen bill is narrow, for the beneficiaries who are to receive the compensation are named, the minimum compensation is prescribed, the maximum compensation is ascertainable, and the nature of the compensation is fixed. Certainly the discretion here vested in the Secretary of Labor is far less wide than that vested in the Secretary of Agriculture by the Agricultural Adjustment Act of 1933.[31] In the A. A. A. bill the Secretary of Agriculture was granted the power—and I now quote from the statute—"to provide for rental or benefit payments in connection with crop reduction in such amounts as the Secretary deems fair and reasonable."

Mr. HARTLEY. On that point, has that question been tested yet?

Mr. LINDER. No; not the A. A. A. Of course, I present the A. A. A. only because I am presenting this to a congressional body that found it thoroughly constitutional to pass the A. A. A., which provides for this extravagant area of administrative discretion, should have no difficulty in passing a bill which said that the Secretary of Labor is empowered to pay compensation, the minimum level of which is fixed, the maximum level of which is ascertainable, to persons who are definitely described in the act. Here in the A. A. A. the Secretary of Agriculture is given the power to provide for benefit payments in such amounts as he deems fair and reasonable. The Lundeen bill does not do that. It does not say the Secretary of Labor is given the power to provide for such compensation as he or she deems fair and reasonable at all, because there is a minimum stated. But the A. A. A.—I refer to that only because I am speaking to a congressional body—has this argument: The direct argument is that the area of discretion which is vested in the Secretary of Labor is narrow, and that it is narrower than the area of administrative discretion which was held constitutional in the various cases that I have cited. It would be proper argument, arguing from precedent as one would have to argue before the United States Supreme Court, that you have held the Tariff Act which allowed the President to adjust the very rate of tariff wherever he found that the domestic product was at a competitive disadvantage—you held that constitutionally there is no limitation on the discretion there, except the President must determine whether the domestic product is at a competitive disadvantage. You held it perfectly proper—if you are arguing to the United States Supreme Court—for the Congress to enact a bill by which the Commissioner of Internal Revenue is authorized to adjust the rate of excess-profits tax.

Mr. DUNN. Pardon me; you are referring to the reciprocal tax, are you not, that was passed last year?

Mr. LINDER. No, no. This is the 1922 act. I am referring to the tariff bill which came before the United States Supreme Court for consideration in Hampton against United States. In Hampton against United States, the United States Supreme Court said that it was perfectly legitimate for Congress to vest the President with such discretion. When I wrote this brief originally, I inserted in the brief this statement, that the United States Supreme Court has never in its entire history invalidated an act on the ground that it involved unconstitutional delegation of legislative power. But I had to take that sentence out of this brief because lo and behold, to the everlasting astonishment of every constitutional lawyer in this country, without question, the United States Supreme Court in the "hot oil" case a month ago held that section of the N. R. A. which gives the President the power to regulate the production and the distribution of "hot oil" invalid, because that was, as the United States Supreme Court says, an unconstitutional delegation of legislative power. Mr. Joseph Cardozo wrote a brilliant dissent. He was alone in his dissent. In that dissent he pointed out that this decision was a break with the whole line of decisions in which the tariff act and the other acts were considered.

Therefore, it is necessary for us to consider whether this bill is constitutional within the recent decision of the United States Supreme Court in the "hot oil" case. I say that it is on a much different basis because in the "hot oil" decision the United States Supreme Court was considering a clause in a bill which stated that the President might interfere with and prohibit the transportation of "hot oil" products, without in anywise defining under what circumstances he should do it. The Lundeen bill does set definite criteria and standards, because it fixes a minimum, it determines how the maximum shall be ascertained, and it determines to whom the benefits and competition shall be paid. And since it does that, it cannot at all come within the criticism of the United States Supreme Court in the "hot oil" decision.

Mr. HARTLEY. May I ask another question? I do not want to interrupt your testimony here too much.

Mr. LINDER. That is quite all right.

Mr. HARTLEY. But I am very much interested in your argument. Do you not think we can strengthen this bill by further defining the powers of the Secretary of Labor in this bill?

Mr. LINDER. You could strengthen it further, but it would not strengthen the constitutionality of the bill. The bill is perfectly constitutional as it stands, because you do not need to do any more than fix the minimum, state how the maximum shall be ascertained—and when you say "average local wages", that can be ascertained; there is no difficulty about it, that is purely a matter of statistical determination. A finding can be made as to that, just as in the tariff case it was entirely possible for the President to determine whether the domestic product was at a competitive disadvantage. It is possible to determine it. The criterion is stated and the formula is given on the basis of which the administrator can determine how he should proceed. And insofar as that is done in the Lundeen bill—and it is unquestionably done in the Lundeen bill—the Lundeen bill cannot be attacked on the ground that it involved any delegation of legislative power.

Mr. HARTLEY. Then you do believe that this is as great a delegation of authority and power as was granted in the "hot oil" case?

Mr. LINDER. Not at all, because in the "hot oil" case the President's power to prohibit the transportation of "hot oil" products was not in any wise restricted. He was not told that he could restrict "hot oil" products already brought in, or under what circumstances, or what kind of findings he should make or anything else of the kind.

Mr. LUNDEEN. You might say he was given unlimited power.

Mr. LINDER. Whereas here, the Secretary of Labor is given a limited power.

Mr. LUNDEEN. A restricted power.

Mr. LINDER. Yes.

Mr. HARTLEY. Do you really think the Secretary of Labor is given limited authority in this bill? Do you not think it is rather broad authority?

Mr. LINDER. Do you think it is any broader than the power of the President in the tariff bill to adjust the rate of tariff from nothing to 100 percent, if he so please?

Mr. HARTLEY. No; I agree with you that is a delegation of authority.

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[25] *Hampden* v. *United States*, 276 U. S. 394.

[26] *Buttfield* v. *Stranahan*, 192 U. S. 470, 496.

[27] *Hampden* v. *United States*, supra.

[28] *Buttfield* v. *Stranahan*, supra.

[29] The "hot oil" decision, *Panama Refining Co.* v. *Ryan*, 79 L. Ed. Adv. 223, Jan. 7, 1935, Sup. Ct. Rep. —, but see Carpenter on the Constitutionality of the N. R. A., Southern California Law Review, Jan. 1934, p. 125; Cheadle on the Delegation of Legislative Function, 27 Yale Law Journal, 892.

[31] May 12, 1933, c. 25, 48 Stat. 31.

Mr. LINDER. Do you think it is any greater than the delegation of power which is involved in the act in which the Commissioner of Internal Revenue is given the power to adjust the rate of excess-profits tax? He is not told whether he is to adjust it at 1 percent or 100 percent. Yet that was held perfectly legitimate. What broader example of administrative discretion could you have than the act which was held constitutional by the United States Supreme Court in which the Secretary of the Treasury was authorized to fix the standards of quality and fitness for consumption of products.

Mr. HARTLEY. May I ask this? Do you think that the decision in the "hot oil" case indicates a possible change in the trend of opinion of the Supreme Court as to the right of Congress to delegate this authority?

Mr. LINDER. I should say that the decision of the United States Supreme Court in the "hot oil" case indicates that the United States Supreme Court will not hold constitutional any act which delegates an administrative power to an administrator without defining and in some wise, in some intelligible way, limiting and restricting that power. I think that any constitutional lawyer who reads the "hot oil" decision will have to say now that if this Lundeen bill said that the Secretary of Labor was to pay compensation to the unemployed, periodically, without saying how much, without fixing a maximum or a minimum, then it would be under the "hot oil" decision and the United States Supreme Court would hold that bill unconstitutional. But I do not think that criticism can be at all urged against this bill in the present form.

Mr. HARTLEY. Do you not agree that that decision was sort of an admonition to the Congress to call a halt?

Mr. LINDER. I have said so.

Mr. HARTLEY. My questions may indicate that I am opposed to a bill of this kind. I am not. I am merely trying to get opinions which will enable this committee to write a bill that is going to stand up after the bill has been put into effect.

Mr. LINDER. I think I would like to extend my remarks on that question a little in this respect: This bill cannot be attacked as unconstitutional delegation of legislative power from a different aspect. This bill is not one under which the President is given the power to tax anything, or the Secretary of Labor to tax anything, or to forbid something from coming into the United States or to forbid something from being transported in interstate commerce.

In that respect it is wholly different than the "hot oil" case; it is wholly different from the tariff case and all the others, because this bill rests on a wholly different basis. This bill is a bill by which Congress spends money. So long as this is a bill by which Congress spends money, the power of Congress to spend money being unlimited within the sole limitation that Congress must regard it as being for the general welfare, in that sense no one can intelligently urge for a minute that this involves an unconstitutional delegation of legislative power. The power to spend money, as I stated before, carries with it the power to set up an administrative machinery for the spending of the money. That is perfectly obvious, that it must. If the Congress has the power to spend $100,000,000, it obviously must have the power to devise the machinery by which the money is to be spent and to set up the criteria which are to govern and guide the administration of the fund. In that sense a breath of unconstitutionality cannot be attached to the Lundeen bill.

The other decisions and these other cases involve a wholly different set of situations. The "hot oil" case involves the power of the President to stop something from going across the State lines, but we are not stopping anything from going across the State lines. All that is being done here is that Congress is spending money and stating how the money is to be spent.

Mr. DUNN. Attorney Linder, I do not like to interrupt, but this is absolutely necessary. There has been a question come before the committee about this section 2, line 7. Will you read that? There are quite a number here who would like to have that explained.

Mr. LINDER. Section 2, line 7: "A system of unemployment insurance"?

Mr. DUNN. Yes.

Mr. LINDER. Section 2 provides:

"The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment insurance for the purpose of providing compensation for all workers and farmers above 18 years of age, unemployed through no fault of their own."

Mr. DUNN. That is the point I want to make. Would this bill, the way it is written, apply to men who are not citizens? That is what I want to find out. That question has been asked. It came up this morning when one of the witnesses said that they would like to have that question answered.

Mr. LINDER. I should say that this bill in its present form would be applicable to any worker and any farmer in the United States, unless there is something in section 4 which would restrict that interpretation. The only thing in section 4 which might restrict it would be line 9 to the end:

"The benefits of this act shall be extended to workers, whether they be industrial, agricultural, domestic, or professional workers, and to farmers, without discrimination because of age, sex, race, color, religious, or political opinion or affiliation. No worker or farmer shall be disqualified from receiving the compensation guaranteed by this act because of past participation in strikes, or refusal to work in place of strikers."

I see nothing in this bill which would make it inapplicable to aliens who are workers and farmers. It seems to me that it would be wholly improper to restrict the interpretation of this to citizens wholly.

Mr. DUNN. Thank you.

Mr. LINDER. That is not a constitutional question. It is a question of construction of the bill.

Mr. DUNN. Someone made the statement it would be necessary to insert another section to take care of people who are not citizens.

Mr. LINDER. I should state it as my opinion that this bill applies to workers, to anyone who is a worker or a farmer, unless there is some other statute of the Federal Government—it would have to be a Federal statute—which would make it impossible for a person not a citizen to acquire the benefits of any such act. I know of no such statute at the moment. I can say, though, I proceeded to answer the question as best I could, because I did not want to appear to refuse or to be unwilling to answer any questions, but that is not a question which comes within the confines of the constitutional questions which I have been here considering.

Mr. LUNDEEN. And you have not given that any particular study?

Mr. LINDER. I have given it no particular study. It is purely an off-hand opinion on my part.

Mr. DUNN. But your interpretation of the act now would be that they would not be discriminated against?

Mr. LINDER. I should say not. I would say that my off-hand reaction would be that I see no social reason why an alien worker should not receive the benefits under this act. I should say that if there were any doubts in the minds of any Congressmen or in the minds of the constituents of any Congressmen as to it, it might be a very good idea to bring it home to any reader of this bill that no discrimination is intended by providing in the act a provision that no worker shall be disqualified from receiving the compensation guaranteed by this act by reason of his being an alien or by reason of lack of citizenship. I should say that on that ground that it seems to me that an alien worker who by his work and by his toil and by his lifeblood has contributed to the wealth and the welfare of this country is entitled to as much protection as any citizen is.

Mr. DUNN. Attorney Linder, one of the members of the committee stated yesterday that in his district there were many people wanting to become citizens, but the judge before whom they appeared would not grant them citizenship papers because they could not read or write. It is not because the men do not want to become citizens, but some object.

Mr. LINDER. I should say that certainly whether a man can read or write, if he is a worker, if he is a human being, he needs the means whereby to live, and his children need milk just as much as children of a man or woman who can read or write. You are certainly suggesting another reason why it would be outrageous——

Mr. DUNN. I agree with you that we should not discriminate against the unfortunates.

Mr. LINDER. Yes.

Mr. SCHNEIDER. I would like to have your comment on this, Are all the powers delegated in this bill delegated to the Secretary of Labor?

Mr. LINDER. Yes.

Mr. SCHNEIDER. On page 3, line 6, where it says, "Further taxation necessary to provide funds for the purposes of this act shall be levied on inheritance, gifts, and individual and corporate incomes", and so forth, would that power be all delegated to the Secretary of Labor?

Mr. LINDER. Oh, no, no. The Secretary of Labor has no power to tax.

Mr. SCHNEIDER. Who has?

Mr. LINDER. Only Congress has.

Mr. SCHNEIDER. But we are delegating the power.

Mr. LINDER. Oh, no, no. The only proper construction of this language would be that when you say "further taxation" you mean further taxation shall be levied by whoever has the power to levy it. The Secretary of Labor has no power to levy taxes, therefore this must mean that Congress would levy the taxes. I should say the spirit of this act and its clear intention is this: Section 4 starts out by saying:

"All moneys necessary to pay compensation guaranteed by this act and the cost of establishing and maintaining the administration of this act shall be paid by the Government of the United States. All such moneys are hereby appropriated out of all funds in the Treasury of the United States not otherwise appropriated."

That means if it costs $10,000,000 to pay the compensation under this act, if this act is passed, that $10,000,000 is a charge on the Treasury of the United States just like the President's salary or the cost of maintaining a battleship is a charge on the Treasury of the United States. If there is not enough money in the Treasury of the United States to pay this compensation, Congress in enacting this bill says that further taxation necessary to provide such funds shall be levied in a particular way. That is, if there is not enough money in the Treasury, Congress should put more money in the Treasury by levying taxes of this kind.

Mr. LUNDEEN. That is a declaration of policy?

Mr. LINDER. That is only a declaration of policy. That is what I was going to say. This is not a tax measure. It is absurd to regard this as a tax measure. As a matter of fact, this language, "Further taxation necessary to provide funds", is stated as a declaration of intention on the part of Congress, wholly without meaning and wholly without significance, because Congress does not levy taxes by using such language. When taxes are levied they are levied with reference to the whole body of revenue acts which are in existence. If Congress were levying a tax bill, Congress

would, considering the whole body of the revenue acts, amend, repeal, or modify existing revenue legislation. It is ridiculous to think that this sentence, "Further taxation necessary to provide funds for the purposes of this act shall be levied on inheritances, gifts, and individual and corporation incomes of $5,000 a year and over", is language by which the tax is itself levied. The tax is not levied by this. All that Congress is doing here is saying, "If there is not enough money in the Treasury, then we, the present Congress that passed this bill, think, we believe, it is our feeling in the matter, that the way that further money should be provided is by this method." That is all this means, purely a declaration of intention.

Mr. HARTLEY. If this were a tax-raising bill it would not have been referred to this committee, but to the all-important Ways and Means Committee.

Mr. LINDER. That is right.

Mr. HARTLEY. There it would rest in some cubby hole.

Mr. LESINSKY. Absolutely correct.

Mr. LINDER. It is not a taxing measure. If you will bear with me in the course of this argument on the constitutional law, I will cover the whole question of the taxing power and all the rest of it, because I mean to consider all those questions.

I think that the question as to whether this bill involves an unconstitutional delegation of legislative power is pretty much covered, and I think is irrefutably disposed of by the statement that I have made, and the statement that has been elicited by the questions that have been asked.

I want to go on now as to the question as to whether this bill is constitutional or unconstitutional because of the fact that it does not appropriate a specific amount. One might say, looking at this bill, that Congress has not in this bill stated how much is appropriated. Congress does not say that a million or a billion or ten billion is appropriated. Congress says simply, "All moneys necessary to pay compensation are appropriated", and that is all. Now, that is not a constitutional objection. No specific amount is appropriated by this bill. But this does not render the bill unconstitutional. For general indefinite appropriations are common. The first of such general indefinite appropriations was passed when the very first Congress, in 1793, directed that all expenses accruing or necessary for the maintenance of lighthouses be paid out of the Treasury of the United States.[32] Congress did not say that they appropriated a dollar or ten thousand dollars or a million dollars. Congress simply appropriated the money that was necessary to maintain the lighthouses, that is all. Since then hundreds of statutes containing similar indefinite appropriations have been passed.[33]

In the footnote to the brief there are collated some references that, I think, will fully persuade you that when Congress passes a bill of this kind with an indefinite appropriation it is doing the sort of thing that Congress has been doing ever since 1793 and has done hundreds of times.

From the moment the bill is enacted this general appropriation becomes a charge upon the Treasury of the United States. When it is determined that any individual is entitled to a certain amount of compensation, his claim is a claim on the United States, to be honored by the Treasury just as any matured bond or other obligation of the United States must be honored. In other words, claims for compensation would arise, considering the matter from the standpoint of machinery and mechanics, much in the same way that a claim on a Home Owners' Loan bond would arise. The bond is issued. When it is issued, it becomes a claim upon the United States, to be honored out of the Treasury of the United States by the Secretary of the Treasury when the obligation or the bond becomes due. So you would conceive that the Secretary of Labor, through a proper administrative official, would determine that a particular individual was entitled to $12.32 compensation; and if that compensation were, according to the terms of the requisition made by the administrative officer, payable immediately, it would become a charge upon the United States Treasury just the same as a bond which has become due would be a charge. Like all other matured claims on the United States, these claims for compensation, when fixed, must be provided for as a part of the Budget of the United States. In other words, the administrative officer would determine how much, if any, compensation would have to be paid; and when he determined it, that would have to be provided for, along with the battleships and the salaries and all the other items of expenditure of the Federal Government. I do not think there is any serious objection that can be raised with respect to the fact that no definite appropriation is made.

I come now to an objection which is the bugaboo of all social legislation. That is the "due process of law" objection. Unlike all other employment and social insurance plans, and also unlike the Wagner-Lewis bill, this bill does not involve the setting up of reserves created by enforced contributions by employers or employees. The only way that any person could regard himself as in any wise deprived of property for the purpose of financing this bill, would be by regarding this bill as a taxing measure.

There is no pay-roll tax here. There is no enforced contribution to reserves. The only way in which any human being, any person in the United States, could be regarded as in any wise hurt or interfered with or burdened by this act would be by the taxes that he might have to pay if Congress thought it necessary to provide further tax or revenue-raising bills.

The bill provides that "it is the sense of Congress that if any further taxation is necessary to provide funds for the purposes of this act, it shall be levied on inheritances, gifts, and individual and corporation incomes of $5,000 a year and over."

Even if it can be argued that this is a taxing measure, and I submit that it cannot intelligently be so argued or so regarded, the bill is a proper exercise of the taxing power of Congress. Congress has the power under the Constitution to lay taxes for the "general welfare", subject only to two limitations[34] In the case of duties, imports, and excises, "this must be uniform." This is not a duty, import, or excise, so the objection of uniformity is not available here. In the case of direct taxes, they must be apportioned according to the census. Neither limitation, however, applies to incomes, gifts, or inheritances since the sixteenth income-tax amendment.[35] If you regard this bill as a tax measure—and I say you cannot so regard it—it would be a perfectly proper tax measure because it would come within, first, the general welfare clause, and, second, the income-tax amendment to the Constitution.

Thus, a tax levied by Congress on incomes, inheritances, and gifts is wholly proper so long as Congress deems it to be for the "general welfare." Once Congress has levied such a tax, the tax cannot be assailed by any taxpayer, since the courts will not review the exercise of the congressional discretion involved in income taxation. The decision of Congress is thus final.

The limitation on the taxing power of the States, "that the taxation must be for a public purpose", is not a limitation applicable to the Federal Government.[37] But even if it were, clearly the purposes for which funds are to be raised by taxation and to be spent under this bill, is a "public purpose." The fact that private individuals benefit does not alter the fact that it is to the public interest that these private individuals receive such public benefit.[38] Finally, what is or is not a "public use" or purpose, has been held by the United States Supreme Court in the famous North Dakota nationalization cases to be a question concerning which the legislative authority is best able to judge.[39] Just as in the case of the exercise of the appropriating power, so in the case of the exercise of the taxing power, where the tax is levied on incomes, inheritances, and gifts, the taxpayer is wholly without remedy. When Congress determines that such a tax is for the "general welfare", its decision is final and cannot be constitutionally assailed.

This brings me to the last objection, that is, the objection on the ground that this bill might violate State rights.

It has been argued that this bill is unconstitutional on the ground that it involves an usurpation of the rights of the States. This argument is based upon the proposition that the power of Congress to regulate commerce and industry is limited to the "interstate commerce power" and that any regulation by the Federal Government of intrastate business and of matters "not commerce" is unconstitutional.

This argument is wholly inapplicable to the present bill. For this bill is not an exercise of the interstate commerce power; it is an exercise of the appropriating power.

This bill does not involve any regulation of intrastate commerce or of matters "not commerce." This bill does not tell any merchant or manufacturer how he is to do his business; it does not involve the setting up of reserves; it does not compel any manufacturer to pay contributions to a particular reserve fund. It does not set up such business relationships as might possibly be involved in the creation of special accounts with employers or employees, based on their contributions to a reserve fund.

In the Wagner-Lewis bill the whole concept is that employers shall contribute a pay-roll tax to a specific fund. There the machinery that is contemplated by Congress is a machinery which will involve the setting up of reserves, of accounts. It might very well be argued that Congress would be going into the insurance business, would be going into an elaborate set of business relationships, something which only the States should do. But do you not see that that has nothing to do with a bill like this, which does not involve any pay-roll tax, does not involve any reserves, does not involve any enforced contributions? This bill simply spends money.

Mr. HARTLEY. On that point, does not this bill indirectly call for the setting up of reserves for the payment of unemployment compensation?

Mr. LINDER. No; it does not call for the setting up of one dime of reserve. All this bill does, as you read the bill, is, it spends money. It spends money by way of compensation to the unemployed, just the way the United States Congress spends money when it provides for a battleship. There is no reserve set up for the battleships. There is no reserve set up for the President's salary or for the salaries of Congressmen. It is there. If it is not there, Congress has to raise the money by levying taxes. There is no reserve at all provided. That is the basic concept of this bill, that the Government has the obligation to provide social security to every human being, every worker and farmer who, through no

[32] Act of Aug. 7, 1789, c. 9, 1, Stat. 53.

[33] Introduction to hearings before the subcommittee of the House Committee on Appropriations on H. R. 9410, 73d Cong., 2d sess.

[34] *Hilton* v. *United States*, 3 Ball. 171; *Pollocock* v. *Farm Land & Trust Co.*, 158 U. S. 601.

[35] The sixteenth amendment reads as follows: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration."

[37] *Billings* v. *United States*, 232 U. S. 261.

[38] *Noble Bank* v. *Haskell*, 219 U. S. 104; *Fallbrook Irrigation District* v. *Bradley*, 164 U. S. 112; *O'Neill* v. *Leamer*, 239 U. S. 244.

[39] *Greene* v. *Frazier*, 253 U. S. 232.

fault of his own, is unemployed. The basic concept of this bill is that the Government in recognition of that social obligation to every human being who cannot earn a living through no fault of his own should pay directly to that person money not because any reserve is set up, for no reserve is set up. This bill says, "Let Congress pass a tax statute. Let Congress tax inheritances and incomes and gifts, not by way of any reserve but out of the money that the Congress can create." When you consider that Congress can on occasions raise billions for specific purposes—I understand that Congress spent about $30,000,000,000 to wage the World War for the United States—Congress can create the money, can get the money. How it gets the money is not the purpose of Congress when it passes this bill. All that Congress does when it passes this bill is, it says, "Compensation shall be paid out of the United States Treasury, and the compensation shall be a claim against the United States Treasury, and it shall be paid out of the United States Treasury." If the money is not there, Congress should raise the money by taxes.

If you consider the bill fundamentally and basically, therefore, you see that it involves vitally a wholly different social conception of the obligations of government and that which is involved in the Wagner-Lewis bill. In the Wagner-Lewis bill the money is to be created by reserves based upon insurance actuarial principles, reserves that are to be created over a period of time. A small amount of money is to be paid upon the basis of insurance principles to workers and farmers when they lose their employment. That is why the Wagner-Lewis bill does not provide for the present unemployed. The Wagner-Lewis bill deals with those who are employed now. It looks forward to the possibility of creating reserves out of pay-roll taxes; it is really gotten out of the pay rolls of the workers and farmers, who would thereby be affected, looking to the creation of those reserves. It does not contemplate the Government spending its own money. The Government is not spending its money in the Wagner-Lewis bill. It is spending the money, it is providing for reserves out of which the insurance should be paid. This bill, however, has nothing to do with the question of reserves. This bill spends money. It spends money the same way that Congress spends money when it provides for the building of a post office or——

Mr. DUNN. Or battleships?

Mr. LINDER. Or battleships.

Mr. LUNDEEN. Only this is for a better purpose.

Mr. LINDER. Yes.

Mr. HARTLEY. Then you say that this bill merely recognizes the obligation that we have to provide unemployment insurance to our unemployed today, and indirectly directs Congress, then, to pass a new tax bill to raise the revenue to pay it?

Mr. LINDER. It does not direct Congress to do it. Suppose that Congress were to pass a bill providing for the appropriation of a million dollars for the building of a post office in Kankakee, or somewhere. Congress then would not be concerned with how the million dollars should be raised. That is a job for the Secretary of the Treasury. The Secretary of the Treasury can inform the individual who is responsible for the balancing or for the preparation of the Budget, and then the individual who is the Commissioner of the Budget can say whether there is money enough or whether there is not.

Mr. HARTLEY. Then you say that this directs the Secretary of the Treasury to raise the money to pay unemployment insurance?

Mr. LINDER. It does not even do that. I mean, it does a very simple thing. It simply spends money. If the money is not there, then it is for Congress to work out ways and means for getting it there; that is all.

Mr. HARTLEY. Did you not say it was up to the Secretary of the Treasury to find money if it was not there?

Mr. LINDER. If I said that, I spoke a little loosely. I mean the Secretary of the Treasury, of course, could not fill the job of finding the money or of getting money. It is up to Congress to tax and to provide the money.

Mr. HARTLEY. Then that gets back to my first question, that we are indirectly directing Congress to get the money in the event it is not there.

Mr. LINDER. After all, it is conceivable that Congress might authorize the President to sell public lands. It is conceivable that Congress might direct the President to devaluate the dollar further. It is conceivable that Congress could work out one or a hundred different ways in the light of raising money.

Mr. HARTLEY. In the light of the last few years, it is possible.

Mr. LINDER. That is right. But this is not a tax measure. I think it is important that you gentlemen should conceive it simply as an appropriating measure; just as you do not concern yourselves directly with how the money is to be provided when you pass any other appropriating measure, so you must regard this as an appropriating measure. How the money is to be provided is another question that Congress has to determine. That question I am not going into now, because it has nothing to do with the constitutional-law questions with which I have been concerned. Economists and statisticians, financial experts, and experts on the potential capacities of this country and on the earning power of the people of the country can advise you as to how Congress can get the money. I am not here for the purpose of telling you how Congress can get the money. I am here only for the purpose of persuading you, as I think I can—I hope I can—that this bill is constitutional as an appropriating measure.

Mr. HARTLEY. Then, as I understand you to say, Congress has the right to direct the people of the State of New Jersey and every other State in the Union to pay taxes to provide unemployment insurance in the event there are not funds in the Federal Treasury?

Mr. LINDER. No; I did not say that. I said Congress had the power to spend the Federal moneys——

Mr. HARTLEY. Yes.

Mr. LINDER (continuing). For any purpose that Congress deems to be for the general welfare. If Congress says that it is for the general welfare of the people of the United States that every unemployed person should receive compensation, Congress has the power to provide for the payment of compensation to those persons. How the money is to be raised is a revenue question, it is a question of the Budget. Money can be raised by the sale of land. It can be raised by the——

Mr. LUNDEEN. Sale of bonds.

Mr. LINDER. Yes; the sale of bonds. It can be raised by various fiscal and other measures.

Mr. LUNDEEN. They are always oversubscribed about seven times.

Mr. LINDER. Congress can provide for the issuance of a new Liberty bond, of course. Congress can provide for the money. But that is really not germane to the question we are now concerned with. The question that we are concerned with here is this: Has Congress the power as a matter of constitutional law to provide for the payment of compensation to the unemployed? The answer is "yes", because Congress has the power to spend money for any purpose Congress pleases, so long as Congress deems it to be for the general welfare.

Mr. SCHNEIDER. Getting back to that question I asked you some time ago, this bill quite specifically directs the Government to raise the additional money necessary by certain methods, inheritance taxes, income taxes, and so forth; not the selling of bonds, and so forth.

Mr. LINDER. It does not direct, though. As Congressman LUNDEEN pointed out, it is simply declaring the intention of Congress. It is simply saying that Congress thinks that the best way of raising money would be by income taxation, inheritance, and gift taxation. This is not the act in which it is doing that.

Mr. SCHNEIDER. Yes; I understand that part of it. However, if this has any meaning in its enactment, it means that the Congress is establishing the policy that the raising of additional money for the purpose of meeting this expenditure will be done by these means.

Mr. LINDER. It is a suggestion.

Mr. SCHNEIDER. Taxation of incomes, inheritances, and so forth, and so on.

Mr. LINDER. There is no question in your mind, is there, sir, that Congress has the power to pass such taxation legislation?

Mr. SCHNEIDER. Oh, no; they have that, of course.

Mr. LINDER. Very well. If they now tax an income to the extent of so much percent, they can jack up the percentage, if Congress so please.

Mr. SCHNEIDER. Yes. Are you familiar with the A. A. A. system of taxation—the processing tax?

Mr. LINDER. Yes. But, you see, there you have a wholly different concept, because there you have something which is a little akin to the reserve-fund theory. The Secretary of Agriculture is given the power, as I stated before, to pay benefits to farmers in such amounts as he deems advisable and reasonable.

The Agricultural Adjustment Act also provides that the Secretary of Agriculture has the power to lay a processing tax on the products of agriculture, which come within the sphere of the Secretary of Agriculture's administration under this act. Then the act also goes on to say that the Secretary of the Treasury shall advance money to the Secretary of Agriculture as a sort of an advance to him for the purpose of paying these benefits to the farmers. And then the Secretary of Agriculture is to lay the processing taxes and it is the intention, stated in the act, that the processing taxes are to make up or to create a fund which is sufficient to reimburse the Secretary of the Treasury for the moneys he has advanced to the Secretary of Agriculture for these benefits. In other words, what Congress was there, in the A. A. A. doing, was to pay money to farmers and to provide the money which was being paid to farmers by processing taxes. That in a way is similar to the Wagner-Lewis bill and the conventional unemployment-insurance bills, where you create pay-roll taxes for the purposes of enabling you to pay compensation. A reserve is created. But, you see, the A. A. A. involves some very serious questions of constitutional law, because it does just that. In the case of the Lundeen bill, no taxpayer whose income tax was jacked up 25 percent or so could come into court and say, "I object to this bill. I think this bill interferes with my constitutional rights. I ask that the Secretary of the Treasury be enjoined from paying out the money by way of compensation under this bill, and the Commissioner of Internal Revenue be enjoined from collecting the taxes." He cannot do it, because he cannot point to any specific dollar which he paid which went for this bill. It is just impossible, because the $1,500, let us say, that this man paid might have gone for the battleship. It is impossible.

In the A. A. A. when the processing tax is levied and he pays the processing tax, he can point to specific money. He says, "The Government has levied a processing tax upon me which was used to pay benefits to farmers. I think that scheme is wrong. I think that is an improper method of use of money. I think it is improper to tax me for such a purpose."

But he cannot do that under the Lundeen bill.

There is another aspect, also, in which this bill is strikingly different from the other unemployment-insurance bills and from the other social legislation which involves due-process questions.

This bill does not interfere with the conduct of any intrastate business. A farmer who is raising a cash crop, for instance, or who is raising a crop without limitation as to the nature of the crop, and who is taxed by this processing tax, can come into court, and they have come into court, and said, "We object to this processing tax because that is an interference with our business." As a matter of fact, if the sad truth must be broadcast, the A. A. A. has been held unconstitutional on a number of occasions in the last few months, insofar as it provided for the regulation of intrastate businesses. But the beauty of the Lundeen bill is that you cannot touch it on that point, because the Lundeen bill is not interfering with any business. Nobody can come and say, "I am being interfered with, I am not being allowed to run my business in the way I want to, I am being taxed", because he cannot point to anything—this is not a bill which interferes with business; it just spends money—just as he cannot come in and object to the money that they are using for a post office somewhere, because he cannot say that his money went for that post office; and so he cannot do anything with this, either.

After all, take the taxpayer who so many years back was outraged because Congress was spending money for the building of the Panama Canal. He brought a proceeding, and the United States Supreme Court said, "We are sorry, my dear sir, you just cannot do anything about it, because Congress is just spending money, and Congress can spend money for anything it pleases so long as Congress does this for the general welfare." This is the same situation.

This bill does not prohibit the transportation of any product by interstate commerce. In the Child Labor case the United States Supreme Court said that it was unconstitutional for the Federal Government to forbid the transportation in industry of the products of child labor, because the business in which this child labor was employed was an intrastate business subject only to the management and to the governance of the State; and it was a violation of the rights of the State to prohibit the transportation industry of the products of that child labor.

That argument simply has nothing to do with our present situation, because we are not interfering with the transportation of anything in interstate commerce. We are simply spending money.

A very important decision which has had a tremendous importance in constitutional law affecting social legislation is the employers' liability cases, in which the United States Supreme Court held that it was improper for Congress to regulate the liability of employers to their employees in intrastate business. That may be one of the many Achilles' heels of the Wagner-Lewis bill. These pay-roll taxes may very well be regarded as a regulation of intrastate business. But that does not apply here, because I have said now for the fifteenth or twentieth or one hundredth time you are just spending money here.

The bill simply sets up an obligation of the United States Government to pay out of the United States Treasury compensation. There is a case in the records, in the reports of the decisions of the United States Supreme Court, where a State came in and objected to the spending of money by Congress, for a particular purpose, because the State said that was an interference with the proper province of the States. It is the very famous maternity bill. I think it was the Smith-Townsend bill. It is referred to in the footnotes of this brief. Congress there passed a bill appropriating so much money for the creation of a board of maternal and infant health hygiene, and it provided that so much money should be given to the States provided they set up in each State a hygiene board subject to the rules of and pursuant to the provisions and the general plan outlined in the statutes. The State of Massachusetts, in a case which is known as "*Massachusetts* v. *Melton*",[42] a very famous case, came in and objected. They said, "When Congress provides for the appropriation of moneys to the particular States, provided they subject themselves to a Federal plan, Congress is interfering with the proper province of the States."

The United States Supreme Court said, "Oh, no; Congress is simply spending money, and in the exercise of appropriating money the power and authority of Congress to spend money cannot be questioned."

I am going to embark upon a line of reasoning here that has certain limitations and certain perils, which I am going to point out, but I would like to present the argument to you because while this argument would not be an argument which I would present to the United States Supreme Court, it is an argument which I have a perfect right to present to a Congressman because it is an argument based upon the sort of bills that Congress has just been passing; although I am not saying that those bills are constitutional.

Even if, however, the exercise of the appropriating power should, by any stretch of the imagination, be regarded as a regulation of matters "not commerce" and of intrastate commerce—I think I have demonstrated that it cannot so be regarded—it does not follow that the plan is beyond the powers of Congress. For it is the present doctrine of the United States Supreme Court that Congress has the power to regulate intrastate commerce and matters that are "not commerce" at all, provided that the burdensome character of these activities on interstate commerce is clear and direct.[43] Thus the United States Supreme Court has held the Packers and Stockyards Act of 1921 constitutional, although that act gave the Secretary of Agriculture supervision over the commission men and livestock dealers in the stockyards of the Nation and thus enabled the Secretary of Agriculture to regulate prices and practices in matters wholly intrastate.[44]

The Court appreciated that the object of the act was to "free and unburden"—this is the language of the Supreme Court—the flow of interstate commerce.

Again, in another case, the passenger rates of the branch line of a railroad, wholly within the boundaries of a single State, were held constitutionally subject to the control of the Interstate Commerce Commission, by reason of the effect of the intrastate rates on interstate rates and interstate business.[45] The Court has again and again regarded similar——

Mr. HARTLEY. Is this a decision of the United States Supreme Court?

Mr. LINDER. Yes, sir. The *Safety Appliance Act Case* (222 U. S. 20). For further decisions along the same line I refer you to the footnote 43 of the brief.

The Court has again and again regarded similar acts as a proper exercise of the "interstate commerce power."

Certainly, it must be clear—and this is the argument I would like to present as forcibly as I know how to Congressmen—that Congress in 1933 and 1934 has proceeded upon the constitutional theory that it lies within the province of the Federal Government to prevent practices which deter the free flow of interstate commerce and to promote practices which stimulate the free flow of interstate commerce. As a matter of fact, if you will read the preamble to the N. R. A., you will find language in that act which was introduced at the suggestion of a constitutional lawyer, made to Senator WAGNER, which he very gratefully adopted, according to the minutes of a hearing on the N. R. A. just before the act was passed.

Mr. SCHNEIDER. A Senate hearing?

Mr. LINDER. A Senate hearing. In that Senator WAGNER accepted with great gratitude the suggestion of a constitutional lawyer that they should stick into the N. R. A. some language which should indicate that the purpose of the N. R. A. was to deter practices which interfered with the free flow of interstate commerce, and to encourage practices which would stimulate the free flow of interstate commerce. As a matter of fact, the A. A. A. contains language which is even clearer than the National Recovery Act.

The Congress which passed the Agricultural Adjustment Act of 1933 declared that the loss of the purchasing power of the farmers endangered the entire economic structure of the Nation.[46] The mechanism set up by that act was conceived as a device to restore purchasing power. Certainly, if that is the argument for the N. R. A. and the A. A. A. the workers' bill is similarly an effort to remove obstacles to the free flow of interstate commerce. Clearly it provides for the general welfare much more directly than the N. R. A., the A. A. A., the P. W. A., and the other emergency acts which Congress has enacted during the Roosevelt administration.

This bill is an effort to deal with the same problem—the crisis in the purchasing power of the people of the United States. The basic conception of this bill is that the millions of workers and farmers throughout the United States who are unemployed, sick, disabled, and aged, lack purchasing power and that the soundest and most intelligent way to restore that purchasing power is simply and without further ado to give them money. But not to give them money by way of charity or relief, but to give them money as of right, as a compensation for a disability which they suffer, due to no fault of their own and due to the operation of social forces. The basic idea of this bill is that funds should be given to create purchasing power for the masses who must spend the money for the necessities of life and who, in spending the money for these necessities, for milk and for bread and for rent and for things they need to live, will thereby remove obstructions to the free flow of interstate commerce.

Furthermore, a consideration of the advantages of the Federal as against the State or Federal-State social insurance systems will show what the United States Supreme Court terms the "administrative necessity" of a Federal system.

The vast growth of American industry spanning the entire continent and the development of a national economy that is interconnected and interdependent has completely transformed the Nation which was originally the subject of the Constitution. For most purposes of business and commerce State boundaries have ceased to exist. The existence of 48 governmental systems endeavoring to solve problems, essentially national in scope, in 48 different ways has created stupendous contradictions and difficulties. Of course, it is obvious enough that the Wagner-Lewis bill provides precisely that misfortune, 48 different State bills, all different, as different as the ingenuity and the intelligence—or the unintelligence—of the State legislatures can provide. The lack of purchasing power of the unemployed, sick, disabled, and aged is a national phenomenon, national in scope; its causes are bound up with the causes of the national economic crisis.

The administrative advantages in simplicity and efficiency which inhere in a uniform and integrated Federal system, as against the chaos of different plans in different States, are obvious.

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[42] *Mass.* v. *Mellon*, supra.

[43] Safety Appliance Act case (222 U. S. 20); *Wisconsin R. R. Com.* v. *C. B. & Q. R. R. Co.* (257 U. S. 553); *Stafford* v. *Wallace* (258 U. S. 485); *Board of Trade* v. *Olson* (262 U. S. 1); *Colorado* v. *U. S.* (271 U. S. 153).

[44] *Stafford* v. *Wallace*, supra.

[45] *Colorado* v. *U. S.*, supra.

[46] See Declaration of Policy, National Industrial Recovery Act, June 16, 1933, c. 90, 48 Stat. 195.

The Federal system is the only feasible one, because it is only the Nation which can deal with the problem as it must be dealt with. The problem is a problem of mass unemployment, with millions out of work. The loss in purchasing power runs into billions of dollars. Only the Federal Government, with its vast resources and imponderable taxing power, can provide the funds to meet a problem of such magnitude. Many of the States simply do not have the necessary financial resources or adequate taxing power. Their unemployed, however, need compensation no less than the unemployed of the wealthier States, and it is equitable that the wealthier States should contribute to the support and maintenance of the human beings in the poorer States. The incomes earned from Nation-wide industry are, in a large measure, beyond the taxing power of any but the one State where the income is received. Consider a huge industrial plant in the Middle West owned by a corporation domiciled in New York. Its income, earned in the Middle West, is received in New York. It is New York which can most effectively tax that income. Yet when a depression occurs and the plant in the Middle West is shut down, the human beings whose labor contributed to the income received in New York are dropped, and the burden of their maintenance lies in the Middle Western States. The surplus, resources, and continuing income of the New York corporation in New York are not adequately available to the taxing power of the Middle Western State. Only the Federal Government can properly distribute the burden, because only it can effectively reach the income and property of a New York corporation. Thus the taxes paid by the New York corporation may, through the instrumentality of the Federal taxing power, be made available to meet the human needs of the unemployed throughout the country. Clearly it is only the long arm of the Federal Government which can reach out and deal with this problem.

The national emergency legislation which has been enacted during the Roosevelt administration involves an understanding of the national character of our economic problems. Furthermore, this legislation indicates a keen appreciation of the inadequacy and cumbersomeness of the Federal subsidy system. This legislation provides for direct aid to persons, firms, and corporations in the States. The A. A. A. provides Federal moneys directly to farmers all over the country. There is no nonsense requiring the Federal Government to grant subsidies to the States and the States to grant the money to the farmer. The Federal Government deals with the farmer directly. It does so in the firm realization that the price of crops grown by a farmer in Iowa determines his purchasing power, and that even if his crops never got beyond the boundaries of his State and even if his purchasing power is exercised for the purchase of products made within the State, his purchasing power is a matter of direct concern to the entire Nation.

Similarly, the Reconstruction Finance Corporation Act created the R. F. C. to supply Federal money direct to bankers throughout the country. The money was not given to the States to parcel out to the bankers. The bankers, whether their business was intrastate or interstate, whether they did a Nation-wide business or a neighborhood business, were the objects of national concern and were dealt with as such. Similarly, the Home Owners' Loan Corporation was organized by the Government to supply money, in theory, to home owners throughout the country; in practice, to mortgagees throughout the country. Thus "farmers' relief", "bankers' relief", and "home owners' relief" have all been envisaged as Federal problems requiring Federal solution.

There is no intelligent reason why the unemployment problem, which is similarly a Federal problem, and which similarly requires national solution, should not be dealt with in the same way.

We must remember that the bill here considered does not depend for its constitutionality on any consideration of the "interstate-commerce power" upon the argument that the regulation of intrastate business is necessary because of its effect on interstate business. Although I have stated the argument by analogy from the R. F. C. and the H. O. L. C. and the A. A. A. and the N. R. A., I do not at all mean to imply that the constitutional argument is based on that analogy, because I could not be sure of that ground. The N. R. A. has been held unconstitutional again and again and again in the inferior courts of the country—and the citations are collated here—on the ground that it involves an interference with intrastate business. And the Wagner-Lewis bill involves a mare's nest, a hornet's nest of constitutional complications because of all the problems of that character that are there involved.

This bill does not have to depend upon any argument that we are trying to deal with the purchasing power of the Nation; we are trying to stimulate the flow of interstate commerce, because, as I said at the outset, and I repeat, much in the form of a musical rondo, in which you start with the theme and come back to it, it is simply an act by which Congress spends money. It rests upon the same constitutional basis as the Reconstruction Finance Corporation Act and the Home Owners' Loan Corporation Act. The Reconstruction Finance Corporation Act is an act by which Congress spends money for the relief of bankers throughout the country. The Home Owners' Loan Corporation Act is an act by which Congress spends money for the relief of mortgagees who cannot get a dime on their mortgages. The A. A. A. is an act for the relief of farmers directly. I want to withdraw the reference to the A. A. A., because the A. A. A. involves the whole complication of difficulties involved in the processing tax, with all the problems of direct injury and all the rest of it, and due process, that are there involved. Here we have something which rests for its constitutional basis upon the same basis that the R. F. C. and the H. O. L. C. have.

The Congress which passed, and this is all that I want to say by way of summary. I trust I have made it clear, as an act it rests on the same constitutional basis as all these other acts, as the R. F. C., which spends money. The Congress which passed the Reconstruction Finance Act apparently was convinced that it was for the general welfare, that the banks in this country should be given money out of the Treasury of the United States so the banks could stay in business. The Congress which passed the H. O. L. C. Act apparently was convinced that it was for the general welfare that individuals and corporations owning mortgages affecting real estate should be given bonds of the United States in payment of their mortgages.

When Congress, and this is my concluding statement, when Congress passes this bill, if, as and when it does, it will at last have realized that it is for the general welfare of the United States, that all human beings in the United States who, through no fault of their own, are unable to earn the necessities of life, should receive money so that they may purchase the necessities of life, of living, and in so doing maintain not only their own very lives, but the economic life of the country.

The CHAIRMAN. On behalf of the committee I want to thank you for the valuable information you have given.

Mr. LINDER. If there are any constitutional law questions, I will be very happy to try to answer them, so far as I can.

I am submitting herewith for your convenience a list of citations and am prepared to submit additional citations if it is desired.

Mr. HARTLEY. Did I understand you to say before that we would be strengthening our case by further defining the powers of the Secretary of Labor?

Mr. LINDER. Well, I should say that you would strengthen the bill by an elaboration of the bill, but I should say that the energies of the House Committee on Labor, if it were determined that this bill were sound, should rather be devoted to the enactment of the bill as it stands than to getting into a lot of arguments that would be aroused, and would be involved in the question of definition. The bill in its present form is, I think, simple and intelligent; so simple that even a lawyer used to complicated and technical language can understand it. This bill is so simple it states its method by which it solves this problem, so simply and intelligently that any further attempt at elaboration here and now would involve a diverting of the energies of the committee into collateral arguments on definitions and that sort of thing. I should say I think it would be laudable and it would be splendid if a formal, technical bill in language which perhaps is more technical than this bill should be drawn, and should set up an elaborate administrative mechanism, and so forth; but it seems to me that the problem of the proponents of this bill in the present Congress is to persuade Congress that this idea is right. If you persuade Congress that this idea is right, the formulation of the technical bill is simply a matter for experts. I mean, a matter of definition, and that sort of thing, you can state what is said here more technically, but I do not think you could state it much more intelligently. I think that this bill in its present form is intelligent, is clear, is readable, and most important of all, as far as I am concerned, is constitutional.

THE LUNDEEN BILL APPROPRIATES FEDERAL FUNDS FOR THE GENERAL WELFARE

This bill provides for the appropriation of Federal moneys out of the Treasury of the United States for the payment of compensation to the unemployed, the sick, the disabled, and the aged. It is simply an exercise of the appropriating power, the power of Congress to spend money. It deprives no one of his property without the "due process of law" guaranteed by the Constitution. Unlike other unemployment and social-insurance plans, it does not involve the setting up of "reserves" created by enforced contributions by employers or employees.

Since the bill is merely an exercise of appropriating power, it rests upon the same constitutional basis as do the Reconstruction Finance Corporation Act and Home Owners' Loan Corporation Act, which involve merely an exercise of the power of Congress to spend Federal moneys. These acts all provide for direct aid to persons, firms, and corporations in the States. The Reconstruction Finance Corporation Act supplies Federal moneys directly to banks throughout the country. Unemployment and social insurance problems are even more clearly Federal problems. They require similar national solution.

H. R. 2827 UNQUESTIONABLY CONSTITUTIONAL

The Congress which passed the Reconstruction Finance Corporation Act, the Home Owners' Loan Corporation Act, and the bulk of the national-emergency legislation clearly conceived that it was for the "general welfare" that individuals, corporations, and banks should be given money out of the Treasury of the United States. When Congress passes

this bill it will have realized that it is for the "general welfare" that all human beings in the United States who, through no fault of their own, are unable to earn the necessities of life, should receive money representing their contribution to production so that they may purchase the necessities of life, and in so doing maintain not only their lives but the economic life of the United States.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the gentleman from New Jersey [Mr. EATON], whose views and whom I personally admire and respect, and whose friendship I value, very properly presented to the House in taking the position that he has on this bill pertinent inquiries and arguments. During the course of his remarks he asked questions in relation to the taxes imposed upon wealth-producing agencies and the effects he fears will follow therefrom—the fear that it will wipe out business, the effect this bill will have on the very foundations of our civilization, and the responsibilities which the Federal Government under this bill will undertake when the bill becomes law. Had his arguments come from some other Member of the House I would not have been so surprised; but I am, coming as they do from one of the most logical-minded, one of the most humane, and from one whom I consider to be one of the most progressive Members of this body. He well said that this bill and its purposes transcends politics. I agree with him. It is pleasing to me to note that the Republican Party takes no definite position on this bill. There are some who are opposed to certain features, some who are for the entire bill, and some who have objections, as they are entitled to have objections, to certain features of the bill. A Member has the right, if honestly entertaining such thoughts, to be in complete opposition to the entire bill. From the remarks made by the minority Members it is clear that their minds on this legislation transcend mere partisan politics.

I shall address myself briefly, Mr. Chairman, to the pertinent question the gentleman from New Jersey raised, a question which might be titled, "Human rights and responsibilities of government in relation thereto versus property rights and the responsibility of government in relation thereto."

What are the functions of government? Government has two functions—a primary function and a secondary function. The objective of the performance of both these functions is the general welfare of the people, of those with property, and of the unfortunates who are without property and without means, of business, of employer and employee, the general welfare of all our social and economic groups, and as far as possible and as the circumstances require of all of our people.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I shall be pleased to yield to my friend.

Mr. EATON. I would not want the gentleman to leave the impression—and I have such an affectionate regard for him I know he would not want to—that I consider property rights above human rights.

Mr. McCORMACK. No; not at all.

Mr. EATON. But I am interested in preserving what wealth-producing agencies we have in the interest of human rights.

Mr. McCORMACK. I am glad my friend interposed his remark, because under no conditions would I want to convey any such impression; and I will state specifically that the gentleman's position is honest and sincere. He has no desire, of course, where there is a conflict between human rights and property rights, to take a position other than that which his conscience prompts him to take. There is an honest difference of opinion between us.

The ultimate object of our Government is the general welfare of our people. Among the people of a nation are the unfortunates, the poor, the sick, the aged, and other persons in a dependent position; each generation has and will have them. Under our economic system, known as the "profit system", we shall always have the employer and the employee. As a result of this relationship, problems arise which require action on the part of the Government to control and regulate, where the general welfare is involved, whenever abuses arise out of private industry and whenever private industry is unable to control them, the continuance of which abuses would be inconsistent with the welfare of the country. Under such circumstances some agency must step in and assume the burden of correcting such abuses in the interest of the general welfare; and in the past, as we see again in the pending bill, this agency is government itself.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MAY. I think the clearest expression we have ever had of the function of government was stated in the Declaration of Independence by Thomas Jefferson, when he said that the object of government was the protection of life, liberty, and the pursuit of happiness. I think that is what this legislation is designed to do, if it is perfected.

Mr. McCORMACK. I agree with my distinguished friend. I think reference to the general welfare includes all of the worthy objectives of government mentioned by Mr. MAY. Government in the past has had to extend its secondary functions in order to control abuses which have arisen out of the operation of private industry; government will and must continue to do so in the future.

The primary functions of government are very limited. The primary functions of government consist of protecting our country against foreign invasion, of preserving internal order, and by taxation to raise the money with which to provide for these essential duties of government, all of which duties relate to the natural law of self-preservation in its application to a nation. When we get beyond the performance of these duties by government we enter into what is termed the "secondary function of government." For example, the maintenance of our public-school system is not a primary function of government. The regulation of the railroads is a secondary function, necessary because of abuses that private agencies could not control. In order to try to control those abuses government had to step in and extend a secondary function by creating regulatory boards.

The Workmen's Compensation Act was action on the part of government, another extension of its secondary field, necessary to control abuses arising out of private industry. This is not a criticism of the profit system to which I subscribe, but governmental action was, is, and will continue to be necessary when the circumstances call for the same and when no other agency exists that can properly meet them and determine them for the interests of our people. Under such conditions there is the mouthpiece of the people, their Government, to which the people are justified in turning, to step in and undertake to regulate existing abuses, and to control or minimize them for the general welfare.

Take the minimum-wage law for women and children employed in the industry of my State and other States, where women and children were exploited by private industry. Private industry could not or did not control the situation. Many employers wanted to, but they could not because if they did they would increase their production cost with reference to unscrupulous competitors, and as a result a small group of unscrupulous business men affected everyone in the same field of business activity; so that all were compelled, whether they wanted to or not, to employ the tactics and the practices of this small, unscrupulous group.

The 48-hour law for women and children in my State and in other States, and the regulatory boards for public utilities, were necessary to control abuses. The charges upon the general public being unreasonable, and because of other actions employed by public utilities who had a monopoly and who occupied a special position, which practices were inconsistent with the welfare of the general public, the Government had to step in, extending every time its secondary function of government in order to meet and control a situation affecting the general welfare. The furnishing of water by cities

and towns to its own inhabitants is a secondary function of government. The maintenance of our roads is a secondary function of government. The purposes of this bill come clearly within the purview of the same principle.

If conditions exist which require consideration somewhere, the continuance of which conditions would be harmful to the general welfare; and if private industry or the agency out of which they arise are unable to control them, it is the duty of Government to enact legislation which will try and meet the problem and determine it for the general welfare and the benefit of our people.

Mr. Chairman, let us examine the situation further. In performing duties devolving upon government as a necessary extension of its secondary functions, the shoe must pinch somewhere. Someone has got to pay extra taxes; someone has to assume increased burdens. It is necessary for the general welfare of all.

I recognize the burden that government is imposing, but I recognize, on the other side, that there is a need today to meet the problem contained in this bill, just the same as the law of necessity or of exigency in the past required the extension of the secondary functions of government to meet the problems of those days. It is the same condition, only today it exists with reference to our unemployed and to those unfortunate persons who have gone beyond the age of productivity, that requires our consideration and which prompts this bill. Somebody must bear this burden. Where, with reference to unemployment compensation and contributory annuities, does it belong more rightfully than upon that field out of which the necessity for legislative action rises—the field of private business?

We have reached the day when many employers—in fact, most of our employers are conscious of it—realize that business owes a responsibility to society; that they do not owe it to themselves to earn mere profits. The existing circumstances make it necessary or exigent that something should be done. They owe something to their employees. They owe a duty to the community in which their business is located. There is a growing consciousness on the part of our business men of the social responsibility that they owe to government itself, but it is incapable of expression because a small percentage of unscrupulous competitors fail to cooperate. The result is that honorable, high-type business, comprising at least 90 percent of every business activity, are unable to put into operation that which they would like to, because by so doing a business man would, or fears he will, create a differential against himself, a differential running in favor of his competitor. We say that something must be done, and that government step into the picture and exert its power and influence by extending its secondary field in order to meet a problem requiring solution, in order that the general welfare might benefit. This is our problem today, just the same as the problems I briefly referred to heretofore were the problems of past legislative bodies, just the same as the Congresses of tomorrow and the legislative bodies of the several States of the Union of tomorrow will have their problems to meet.

Mr. Chairman, we cannot close our eyes to facts; we cannot ignore cold evidence, and the cold evidence is that there are 7,500,000 persons today 65 years of age or over; that there are approximately 1,000,000 receiving welfare relief, and of that 1,000,000, 200,000 receive old-age benefits from 29 States and 2 Territories. By 1970 the aged will number 15,000,000, and by the end of the century 19,000,000, of whom it is estimated at least one-third will require assistance. It might be said, "Why should we look ahead 30 years?" The answer is, we should. We cannot close our eyes to the fact that we owe a duty to the future. We cannot legislate today to adequately meet the conditions that might exist in 1970, but at least we can lay the foundation today so that those of 1970 and later will be able to more easily meet the problems that might confront them. One million or more persons cannot continue to receive such aid from the Government without a loss of self-respect and without its effects being harmful to our Government and our people.

Mr. RANDOLPH. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I hesitate to interrupt the gentleman in his splendid address, but I simply want to say that I believe Victor Hugo gave a statement which it would be well to put in the RECORD at this time, when he said: "The smoothing out of rough places is the great policy of God." I am certain the gentleman from Massachusetts [Mr. McCORMACK] has expressed the same sentiments, that we owe a duty to those less fortunate than ourselves.

Mr. McCORMACK. The duty and responsibility of the Government in the assumption of these social problems is upon the theory that the strong must and should take care of the weak where the circumstances call for and justify it. None of us know what is liable to happen to us in the journey of life. Misfortune may visit us. While we are all born equal under the law, equality stops there. We are not all born under the same environment. We are not born with the same mentality. We are not all born with the same productive abilities.

Some men may be mentally brilliant and weak physically; other men may be strong physically and weak mentally. Some of us are born with a desire to save in order to have security in old age, while others are not. We have got to consider this question from the angle of a nation of 125,000,000 people. We cannot establish what we individually possess as the standard for everyone else. We have got to realize that the strength or the weakness of our Nation is represented by the collective strength or the weakness of all of our people. We have got to realize that these problems exist, and while I wish they did not exist, yet they do, and some agency must meet them. What agency is left to meet them in an adequate manner other than the agency of Government?

Of course, someone must assume the burden. It is the strong who naturally must and should assume a burden of this kind, the continued existence of which is harmful. Why should not business during the productive period of an employee's life assume in part at least this responsibility? When an employee reaches old age, business lets him go. Unlike an old piece of machinery that can be thrown away or sold, a human being cannot be sold. He can be thrown out, but not sold. After employment ceases and old age is arrived at, with no resources, society must assume the burden. That has unfortunately been our experience of the past. If this is so, it is only proper that as a part of the cost of production, business should assume the responsibility of establishing a fund out of which reasonable benefits will come to the unemployed and out of which earned benefits will come in the case of the old and the aged.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Massachusetts 5 additional minutes.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. EATON. Mr. Chairman, we have been listening to a very extraordinary address by one of the ablest men in public life. The gentleman has referred to an utterance of mine, but I would like to lay emphasis upon the very thing he is emphasizing and have it included in his address, namely, there is just one source for all this, and that is the wealth-producing agencies of this Nation, and when the Government exercises its secondary powers in regulating that agency, instead of wrapping it in grave clothes, it ought to make its path easy to discharge this necessary function.

Mr. McCORMACK. I agree with the gentleman, but I disagree with him about the dangers. My friend, I think, will agree that business owes a duty to society during the productive period of a person's life.

Mr. EATON. Yes.

Mr. McCORMACK. My friend talks about taxes. I have stood on this floor and I have opposed the imposition of heavy taxes. I voted against a conference report last year. But let us face the facts again. If we imposed anywhere near the taxes in America that are being imposed in England today,

we would more than balance not only our ordinary Budget but we would meet our emergency expenditures. [Applause.] Let us be frank about it. Let me illustrate:

A single person in England with an earned income of $4,850 pays $664.85 income tax. In the United States he pays $138.40, and in New York State the State income tax is $115.50, totaling $253.90.

A British couple without children would pay $589.50, while in the United States, including the New York State income tax, the payment would be $145.30.

With one child, in England, the taxpayer would pay an income tax of $534.70, while the United States and New York State income tax combined—and the other States are somewhat comparable—would be $117.

With two children, in England, the taxpayer would pay an income tax of $480.15, while in the United States, Federal and New York State, he would pay a total tax of $73.36.

And so it goes; and the same thing applies to business.

I do not want to impose heavy taxes, but the fact must remain that business and income taxes in this country, under existing circumstances, are not unreasonable.

Mr. EATON. The gentleman does not consider the English condition of taxation so ideal that he would like to have it reproduced in America, does he?

Mr. McCORMACK. I answered the gentleman. I told the gentleman I would not want taxes to be comparable, nevertheless, in an emergency such as this it is evident there is a great disparity. The people of England have assumed their burden, they have assumed their social problems, and in the United States because of the passage of one of the most progressive pieces of legislation, to meet the demand and the problems of the day, the argument of property, which is related to taxes, is advanced in opposition to it.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LUNDEEN. I wish to call the gentleman's attention to the fact in this connection that the British are balancing their budget and have announced that they are on the high-road to prosperity, and we were good enough to give them nearly $10,000,000,000, cutting down their taxes, and then the King said, "I will go with you 50-50", and canceled the rest of it.

Mr. McCORMACK. Correct.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RICH. I have been trying to find out from Members of Congress how we are going to be able to balance the Budget. The gentleman just stated how they were doing this in England. Is the Democratic Party today going to assume its responsibility and do what their plank on this subject in the party platform calls for, and that is balance the Budget; and are they going to say to the American people that we are not going to put this burden on our children but that we are going to assume it?

Mr. McCORMACK. My friend is a very fine gentleman. I do not think he entertains the thoughts in his mind which sometimes he unconsciously expresses. [Laughter.] My friend can never permit any other Member to take the floor but what he injects something partisan. Certainly the last thing I was trying to do in this mild, humble effort of mine was to contribute anything of a partisan nature.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 1 more minute.

Mr. McCORMACK. I have one more thought that I want to leave with you. The old-age-pension provision is an effort to meet the problem that immediately confronts us. One may disagree as to its adequacy, and I respect their right to disagree. The committee has done its best. It has presented a fine bill, as it is presented in its entirety. I have made an effort in the Ways and Means Committee to have the amount to each State increased to $20 a month. If we only confine ourselves to a remedy for the immediate situation, we have partially failed. We should try to meet the causes which bring about dependency in old age. That is what prompts the passage of the contributory annuity provisions. That is the purpose of the pay-roll contribution of employer and employee—for the employees and employers to contribute to a fund from which an earned annuity, one as a matter of right, and not a gratuity based on need, will be received during their lives. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Georgia [Mr. CASTELLOW] such time as he desires.

Mr. CASTELLOW. Mr. Chairman, I have listened with deepest interest and sympathy to the many splendid speeches made on the bill before us for consideration which impresses me as being, by far, the most important legislation that has come before this body since I have been a Member of the House.

In the time allotted me, and for which I am grateful, it is not my purpose to undertake to discuss the mechanics of the bill, nor yet its superstructure, for these things have been discussed meticulously by the splendid and very intelligent gentlemen composing the Ways and Means Committee, as well as by many other earnest, honest, and intelligent Members. It is my purpose to endeavor to explore the subject just a little further and try to take in a bit of new territory.

Someone has said it is not enough to speak, but to speak truly. So let us be reminded it is not sufficient to legislate, but to legislate wisely. In so doing, and to facilitate that purpose, it behooves us to consider not only the character of building we would construct but to examine most carefully the foundation upon which it is to be erected. Let us not repeat the folly of him who built upon the sands but, on the contrary, test the foundation and carefully determine its ability to support the weight to which it is subjected. In my judgment, there is a formula in legislation and government which parallels, and is analogous to, the well-known principle in physics: that we cannot prize up more than we prize down. This being true, it becomes not only important to determine what is to be prized up, or benefited by legislation, but what is to be prized down and depressed. It might be prudent to recognize the fact that there could be a limit to even American enterprise and ability to withstand a constant drain upon its resources. We are even now becoming conscious of the ominous rumblings of uneasiness, if not discontent, caused by the rising of living expenses as a result of processing taxes and other Government activities. Let us not be deluded by the idea that the Government produces anything of value or has magical power—what it gives it must take, and its taking, since we are not a plundering nation, must be from its own subjects, and sooner or later each will be called upon, in some form or another, to bear his proportionate burden. In short, there is a limit to what the traffic will bear.

Of the needs of the old we have heard much. Who is there with feelings so dead and heart so callous as to render it necessary to have his sensibilities stirred by reference to their needs? Who is there with conscience so seared as not to be reached by the outstretched and pleading hands of the unfortunate and helpless, whether old or young? It is all too true that to perceive them one needs but open his eyes to the conditions surrounding us. As was said by the Master, "For the poor always ye have with you * * *." Were it not for our weakness and the instability of our nature, this need not be true. Yet, without giving this consideration, we reckon in vain. Providence has placed within the reach of mankind that with which our every need could be supplied and might be speedily accomplished for every inhabitant of this globe but for the existence of one outstanding trait of human nature—selfishness. The expression occurs in the translated version of the Bible that the love of money is the root of all evil. I contend that this is a misinterpretation of the original text, for beyond question there are things which are evil but have no connection or relation to the love of money. Rape, seduction, and, in many instances, murder might be cited as examples. The original expression must have been, for it is undoubtedly true, "the love of self is the root of all evil." There is nothing evil done by men that is not prompted by the love of self. Although it is the basis for the wickedness and infamy of

mankind, it is likewise responsible for practically all human progress. Even ambition itself is born of selfishness. Selfishness is to humanity what steam is to a locomotive; you cannot operate without it and too much is destructive.

This humanitarian bill recognizes that principle, for by its provisions States are to be induced to provide more liberally for their unfortunates by affording some the opportunity of getting more, or otherwise receiving less, from the Federal Treasury in proportion to their local contributions, thereby coercing them, so to speak, by an appeal to selfishness. If any are too weak or poor to comply with the terms—and it has often been asserted upon the floor of this House that many are—then will it again come to pass, "For whosoever hath, to him shall be given, and he shall have more abundance: but whosoever hath not, from him shall be taken away even that he hath." It might not be irrelevant to suggest at this point that some of the legislation we have already enacted may be operating in this way. In addition to this, and judging from reports, it may be that the small and weaker units of industry have a similar cause for complaint.

The question has often recurred here as to the necessity of Federal legislation upon subjects which the individual States could handle if so desired. This was discussed in the early part of this debate in reference to the unemployment-insurance feature of the bill, and it was explained by saying that where a State imposed the burden of such a tax upon its industries, such industries found it impossible to successfully compete with the industries of other States where similar taxes were not imposed. This seems logical, for the tax necessarily increases the cost of production. Assuming, then, that this is a correct statement of the result as between States of the Union, what will be the result as between the industries of the Nation operating under such tax when their products come into competition with similar products of industries operating in countries which have no such provision. Is it not, therefore, logical to assume that such competition cannot be met and that under these conditions we will be driven from world trade and must become self-contained? If this conclusion is consistent, I then submit to the Members of this House as to whether or not we have earnestly considered and fully estimated the result to American industry. If curtailment of production results, what will be the effect upon those employed in the plants which under the conditions must curtail production, or perhaps close? There is a vicious circle which legislators should ever strive to avoid, for ill-advised remedies are often disastrous. Can this question be answered by saying that other countries have enacted such laws with no harmful results? It may be that such laws could easily be enacted by many countries without danger where their standards of living and wages paid are much lower than ours, even after their cost of production is hiked by such legislation. Let us beware lest we commit the folly of not only discouraging but destroying the spirit of that class of our citizenship which, inspired by a spirit of enterprise and thrift, have contributed so much to the building, in the shortest period, the greatest country of which civilization can boast. Shall we, in an ill-advised moment, while chafing under temporary adversity though still enjoying comforts and even luxuries of which our sturdy ancestors never dreamed, exchange for a mess of porridge the birthright which from them we have inherited?

A most wise and beneficent Providence prepared and gave to us without cost broad acres of fertile plains set with grass to which it was adapted and provided with innumerable reservoirs in the form of lakes to store up and preserve in time of plenty the waters which by relays were brought from the distant seas—may the time never come when we will regret that we did not emulate nature's example in planning—but, with a beclouded vision and an ill-advised hope of wresting from this wonderful soil even greater benefits and profits, our farmers, to increase their acreage, drained these lakes, and not being satisfied with the profits yielded by the greatest of natural pastures, plowed up and destroyed the grass which was the very source of their wealth and income. Heart-rending now are the pictures that are painted of a barren waste swept by devastating winds accompanied by unnatural clouds while the discouraged and frightened inhabitants of this erstwhile prosperous region are broadcasting the appeal, "Come over and help us or we perish."

It is not my purpose to be critical as I am only recalling the facts taken from statements made by the splendid Representatives of these citizens on the floor of this House. Neither would I chide them with their folly, for who is there to boast of a monopoly on wisdom?

Confronted with the results of a similar lack of foresight in the South, where erosion has taken a frightful toll, we should not assume to occupy the seat of the critical, but in sympathetic unison with our brothers of the West, endeavor at least to profit by experiences of the past, the accomplishment of which is the real test of wisdom. But in this connection let us be warned that since we have evidenced at least no stupendous amount of wisdom in our management and treatment of those bountiful gifts of nature, it might be wise not only to stop, look, and listen but to do some real thinking before we go too far in overriding and discarding the prophetlike vision of those who made possible our great inheritance. The foundation of the wealth which we are dissipating, the inherited fortunes which without stint we are mortgaging, were largely produced by those who have gone before. Let us not destroy in the hope of greater immediate gain, as we did with the fertile plains of the West and the rolling hills of the South, the gifts of nature, the products of their toil. How easy it is for benefit to assume the form of bounties which in turn metamorphose into doles, those dread barnacles attaching themselves with disastrous results to the weakened ship of state. Let those who are dissatisfied with reasonable benefits from our National Treasury not delude themselves with the idea that because a grain of a given medicine might benefit the patient, that an ounce of the same would necessarily cure.

I am reminded just here of a story I heard or read in the almost forgotten past, of a subject who applied to his king for a gift from his amassed quantity of gold. The citizen received no rebuff from his king, but on the contrary, after being supplied with a substantial and commodious bag, he was conducted by the representative of the king to the vault wherein was stored in fabulous quantity this most alluring metal and was there informed that the king had concluded to give him all the gold he could carry at one turn from the vault in the bag provided, but only on condition that he should place all he desired therein before he measured by a test of his strength its weight. This seemed fair enough, so with gloating eyes and eager hands, he piled in the precious metal until he began to wonder as to its weight and his ability to carry it. Presently he knew that the bulging sides of the bag indicated much weight, but his avarice would not permit him to desist from adding just a little more, and a little more, until finally, when he did conclude to shoulder his precious burden and go, to his great surprise he could not budge the bag. So under the terms of the bargain he was forced, with hopes dissipated and faltering step, to leave the vault without a penny of its shining wealth. This should remind those who would reach their hands too far and too often into the Public Treasury that even a good thing can be overdone. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. MITCHELL] such time as he desires.

Mr. MITCHELL of Tennessee. Mr. Chairman, in title I of the bill under consideration the Federal Government grants, in aid to the States, pensions to persons who have reached the age of 65 years. The Government will match what the different States put up to the amount of $15 per month to each person. On June 8, 1934, President Roosevelt said in a message to Congress:

> Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the

means and details are in some instances new, the objectives are as permanent as human nature.

Among our objectives, I place the security of the men, women, and children of the Nation first.

The security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes, which cannot be wholly eliminated in this man-made world of ours.

And on January 17, 1935, the President made the following statement to Congress:

The establishment of sound means toward a greater future economic security of the American people is dictated by a prudent consideration of the hazards involved in our national life. No one can guarantee this country against the dangers of future depressions, but we can reduce these dangers. We can eliminate many of the factors that cause economic depressions, and we can provide the means of mitigating their results. This plan for economic security is at once a measure of prevention and a method of alleviation. We pay now for the dreadful consequence of economic insecurity—and dearly. This plan presents a more equitable and infinitely less expensive means of meeting these costs. We cannot afford to neglect the plain duty before us. I strongly recommend action to obtain the objectives sought.

To these sentiments we must all agree. It will be more economical to have the present bill enacted into law than the expensive system of maintaining county poorhouses in the different counties of the States and in the different local communities. Let the States cooperate under this law and thus save expense to State and county governments. One-half is to be borne by the Federal Government and one-half by the States, which will operate to relieve the counties of this burden of taxation. It is most expensive now in many counties of my State in Tennessee to care for the aged and infirm, and to keep them in the different county asylums for the poor. A recent bill was passed by the House of Representatives in Tennessee to relieve the counties of this expense and have the State assume the entire obligation. This shows the growing demand for assistance from the larger jurisdiction—State assistance. In turn, our State greatly needs relief from expenses of this kind if it is possible to get it.

More than 8,000,000 people in the United States are over 60 years of age. Many of them are unable to work.

There should not longer be a poorhouse. This is a relic of another age. It belongs to the past. We have substituted the electric light for the candle, the auto for the horse, the machine gun for the musket, the airship for the buggy—let us be progressive in government also—since the depression set in, when the savings of many old people were swept from under them, and they are now destitute. It was through no fault of theirs. They had worked and saved to provide against a rainy day, but in vain. Their near relatives—sons and daughters—are not able to help them.

The bankers, trust companies, and power companies received the earnings of these aged people and then defrauded them out of it.

I favor this bill because it means a new outlook on life for the aged.

They will face security and happiness in the future instead of hunger, humiliation, and the poorhouse. It will make all people more interested in their Government and its perpetuity. They will want their Government to stand, and they themselves will have something to look forward to when the wintry winds blow and they approach the last day, which is to be the common experience of all.

Many States now have a pension law, and most nations of the world except the United States. We are about to take this most important step—already too long delayed. Let us make the aged and infirm free from care and hunger.

A bill of this kind will brighten the outlook on life.

If depressions come in the future, as they will, then the weak and infirm will know the strong arm of the Government is still behind them.

More love for the flag and greater loyalty to it will be the result of passing this legislation.

No greater service could be rendered by the Government. Those who are in business, young and active, and blessed with good health, will not complain at the tax when they know of the great service it is rendering those in need and those who have sacrificed for them in previous years. They will be glad to pay the debt of gratitude they owe the fathers and mothers of America.

Relief rolls will be done away with under the provisions of this bill. This must be done, if possible.

We must reduce the cost of government.

We must do away with unnecessary boards and bureaus. Too many exist in our Government today. Let us abolish them.

Let us do away with unnecessary offices and officers.

Let us reduce expenses in every branch of the Government.

Let us return to the democratic principle of government, that a people are best governed who are least governed.

The care of the weak, the aged, and infirm is a responsibility of government and a service we should render. Let us enact this law and perform that duty. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, I appreciate this opportunity extended to me to register my views on the pending bill; however, in view of the limited time allotted me, my remarks will necessarily be brief.

I yield to no one in my interest in or zeal for social security, but I am frank to say that the bill under consideration, if not materially amended, will prove to be a dismal disappointment to millions of American citizens who have anxiously hoped to see this Congress enact a measure that would in some substantial degree provide relief for the indigent, aged, and other underprivileged people in our Nation.

In view of the report of the Committee on Economic Security, appointed by the President to investigate and report to him recommendations for legislation on this subject, and in view of the message of the President to the Congress, on January 7 of this year, transmitting the report of his committee, I had fondly hoped that some measure would be submitted to our body which, if enacted into law, would meet the demands of this problem in which the American people are so vitally concerned at this hour. But, Mr. Chairman, after a careful study of the bill before us, which is supposed to have the authorship and backing of the President, and after listening to the discussions that we have had on this measure, I am fully convinced that the bill before us as an instrument of relief is an absolute futility—an idle gesture. Unless this bill is amended giving it more definite and unqualified terms to provide for the people it is heralded to aid, I shudder to contemplate the consternation, the disappointment, and the despair that will follow its enactment.

Mr. Chairman, there are now more than 7,000,000 people in the United States over 65 years of age, and, due to the wide publicity and propaganda that has been given to this subject during the past 2 years, a large majority of them are expecting to receive material benefits under this measure immediately upon its enactment. Judging by the thousands of appealing letters and petitions that I have had on this subject, and the numerous personal contacts that I have had with constituents who are hopeful of becoming the beneficiaries of this legislation, I am sure that a large majority of this vast number are thinking of practically nothing else but the day when this legislation will be enacted into law and they will receive their first check sent them by a generous Government. At this very moment they have their eyes focused on Washington, and their hearts, tender with years, are throbbing with anxiety in anticipation of the passage of a measure which will be of substantial assistance to them by providing some means to acquire the comforts of life in their declining days. I visited the little town in which I live recently, and during the 2 days I spent there scores of old, decrepit, and gray-haired mothers and fathers who had worn out their bodies in honest toil, but who had accumulated little, if any, of this world's goods, approached me and, with the agony of desperation depicted in their haggard faces, inquired of me as to the fate of "their bill", the old-age-pension bill.

Just picture for a moment the utter despair and the consternation of such people as these throughout the length and breadth of the land when they discover that the Congress

of the United States has given them an old-age-pension law which is so complicated and involved in red-tape and joker provisions as to make it practically a downright nullity. When they realize that when they ask their Government for bread it gave them a stone, you can begin to imagine their despondency, and worse still, their resentment and loss of faith in the integrity of constituted authorities.

According to the terms of this bill the Government agrees to give to those over 65 years of age a pension in such amount as may be matched up to $15 per month by the State in which such persons reside. Therefore, only persons in those States that are financially able to meet this condition will be benefitted by this legislation as now proposed. During the course of this debate it has been repeatedly asserted by representatives of what some are disposed to refer to as "backward" States that a large number of States are so beset with financial difficulties that it will be impossible for them to qualify for the benefits of this legislation. What a spectacle it would be, Mr. Chairman, for the Government to be taking care of the aged and helpless in one State while the same class of citizens were denied these benefits in another State, even an adjoining State! The legislature of my own state, Tennessee, has been in session since January 1 and is scheduled to adjourn within the next few days. It will not convene again for 2 years unless convoked in special session by proclamation of the chief executive. No provision has been made by our legislature to anticipate the provisions of this bill and participate in its benefits. The same is doubtless true of many other commonwealths of the Union.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. TAYLOR of Tennessee. Anticipating that this measure will probably pass in practically its present form, it being an administration bill, and realizing its gravity to the indigent aged of my State, I have today wired the Governor of Tennessee as follows:

Hon. HILL MCALLISTER, *Governor, Nashville, Tenn.:*

You are doubtless aware that the so-called "social-security bill" is now being considered by the House of Representatives here. The terms of this proposed legislation as written make mandatory that each State put up an equal amount to that of the Federal Government, the share of the Federal Government not to exceed $15, if the State shall participate in the benefits of the act. If provision is not made by our legislature to comply with this requirement, our aged will receive no benefits whatsoever under the bill proposed. It is therefore manifestly imperative that proper action be taken by our legislature before its adjournment.

J. WILL TAYLOR.

I contend, Mr. Chairman, that it is only common justice that pensions to our aged should start simultaneously in every State in the sisterhood, and this bill should so provide.

Another subterfuge in this bill will be found in the fact that it only carries an appropriation of $49,750,000. As I have previously stated, there are more than 7,000,000 people in the United States over 65 years of age. Suppose only one-half of that number applied. They would only receive the paltry sum of $28.10 per year, which would be $2.35 per month, of 7½ cents per day. A close scrutiny of this measure will reveal many other such ridiculous fallacies. We have heard a great deal about a "pauper's dole" during this discussion. Ye gods, this does not even rise to that dignity, Mr. Chairman. [Laughter.]

In apologizing for the insufficiency of this appropriation, the advocates of the bill point out that provision is made for this year only and that larger appropriations will follow. They attempt to justify this argument by further pointing out that only a very few States will qualify immediately, which to me is the chief abomination of the proposition. The downright injustice of this proposal is perfectly manifest. If we are going to provide for the aged of New York, Massachusetts, and other opulent States, for God's sake let us also provide for the aged in Arkansas, Kentucky, Tennessee, and other less fortunate States at the same time. [Applause.] The aged of every section of the Nation are entitled to the same treatment at the hands of their Government and at the same time. To excite the hopes and aspirations of the aged of our country to have them later disillusioned, as they inevitably will be under this plan, is unworthy of this great Nation, and if we thus trifle with their feelings our act will go down in history as the outstanding crime of the century. [Applause.]

(The time having expired, Mr. TAYLOR of Tennessee was yielded 3 minutes more.)

Mr. TAYLOR of Tennessee. The bill before us today is, in my opinion, a veritable "gold brick", a delusion, and a snare—a hollow mockery of the "purest ray serene"! When this debate is concluded, and we take the bill up under the 5-minute rule, let us strip it of its persiflage, its camouflage, its sophistries, and its subtleties and redeem our admitted obligation to the aged and helpless of our land who on account of penury and infirmity and the vicissitudes of life are unable to take care of themselves. Let us enact a law that will not only be a credit to ourselves but one that will become the dignity and respectability of this, the greatest Nation in the world. [Applause.]

Mr. Chairman, many have seen fit to condemn the so-called "Townsend plan" and have resorted to all sorts of satire, ridicule, and invective in expressing their condemnation of the measure. Some have seen fit to characterize it as "cockeyed", and have referred to it as a "legislative monstrosity." I want to warn you, my friends, that if this bill now under consideration passes in its present form, replete as it is with uncertainties, inequalities, and incongruities, mixed with a certain amount of manifest insincerity, you will do more to popularize and promote the Townsend plan than all that the Townsendites could possibly do to advance their cause. I have about come to the conclusion that the modified Townsend plan is not so bad as it has been pictured, and with a little more amending I might support it myself. Certainly some plan of merit, justice, and integrity must be evolved to meet this most vital and imperative situation.

Mr. LUNDEEN. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. LUNDEEN. Why should we not do something now instead of the distant future?

Mr. TAYLOR of Tennessee. That is exactly what I am insisting upon.

Mr. Chairman, another hardship and inequality in this measure is presented in the section providing for unemployment insurance. I am inclined to favor the principle of unemployment insurance, but what are you going to do with the so-called "unemployables"—those thousands of economic unfortunates between the ages of 45 and 65, who are refused employment in industry solely on account of age?

(The time having again expired, Mr. TAYLOR of Tennessee was yielded 2 minutes more.)

Mr. TAYLOR of Tennessee. I live in a mining community, and I personally know that persons over 45 who apply for a job at the mines are rejected on account of their age regardless of their fitness for work. This policy is not confined alone to the mining industry. It is employed in practically every shop and factory throughout the Nation and is even practiced by the Government itself. It has been estimated that there are approximately 8,000,000 of this class in the United States today. Only yesterday I received a communication signed by 25 citizens of a town in my district who are suffering from this handicap. Their letter to me is as follows:

HARRIMAN, TENN., *April 14, 1935.*

Hon. J. WILL TAYLOR,
Member of Congress, Washington, D. C.

DEAR SIR: We would like for you to inform us what will be done with men over the age of 50 years, since they are out of work and are not allowed any relief.

J. B. Gukes, J. M. Bolt, John Harmon, Nute Wayrick, J. W. Gorden, C. C. Kernes, Horace G. Campbell, Mrs. Mollie Turpen, Cal Goodman, John Harmon, Roe Goddard, A. W. Johnston, W. H. Harmon, J. H. Whaley, T. Broustitter, J. D. Whaley, Fred Pyatt, R. W. McCormack, W. D. Bennett, A. J. Hall, H. W. LaRue, Henry Graham, Charlie Carl, Nick Smith, Joe Landreth.

This situation, Mr. Chairman, is a most serious menace to the welfare of our Nation, and something must be done about it. This bill takes no account of this class, which makes up a very large part of our population. These people would prefer not to have Government relief as such. What they want is an honest-to-God job that will enable them to provide for themselves and their families. [Applause.] It is a sacred obligation of this Government to get behind private industry and stimulate its activities to the end that permanent employment may be afforded to this class. Emergency Government work is all right in its place; but, of course, this can only be temporary. This artificial "shot in the arm" practice should be discarded, and the agencies of the Government should turn their attention to the resuscitation and rehabilitation of private industry. Furthermore, Mr. Chairman, this cannot be accomplished by the Government trying to run everybody's business or by the Government entering into general competition with private enterprise. If there ever was a time when we should have less government in business and more business in government it is now!

(The time having again expired, Mr. TAYLOR of Tennessee was given 10 minutes more.)

Mr. TAYLOR of Tennessee. When Mr. Roosevelt was campaigning for the Presidency in 1932, by public utterance he repeatedly deplored the fact that there were 10,000,000 people in the United States out of work, and solemnly promised, if elected to the Presidency, to immediately find employment for them. He has already been in office 2 years, and, according to statistics compiled by the American Federation of Labor, there are today more than 10,000,000 idle workmen in our country. And I want to say, Mr. Chairman, that if the administration continues its reciprocal treaty negotiations whereby our protective-tariff walls are rapidly being broken down and our home markets, as a result thereof, glutted by the products of the pauper labor of Europe and Asia, very shortly another 5,000,000, now employed in industry, will be added to the ranks of the unemployed in America. The textile industry of this country is today threatened with paralysis on account of the importations from Japan and other countries, where labor is paid only a small percent of what it receives in the United States.

In the Washington Herald this morning there appears a news item under an Atlanta date line, saying that, with demoralization spreading through Georgia textile industry as a result of unsettled conditions over the processing tax and cut-throat Japanese competition, three more mills announced shut-downs yesterday, throwing more than 1,000 operatives out of work. Quite a number of textile mills in that area had previously ceased operation for the same reasons, and the item further stated that a number of other mills, including the Flint River Cotton Mill, employing 400 persons, were preparing to close down. The story further states that "chaotic conditions exist in the industry because cheap Japanese imports which have increased 2,000 percent in the past year are stealing domestic markets." The story further adds that "the flood of Japanese goods are selling at prices far below the cost of manufacturing the same goods in Georgia mills." The same distressful conditions exist in the textile industry throughout the New England States where a large number of plants have discontinued operation, and unless some drastic action is taken to correct the situation this blight of industry will become epidemic throughout the Nation.

This tragic condition, Mr. Chairman, is not confined alone to the textile industry. Other industries are likewise affected and from identical causes. Even the great agricultural industry is not immune to this creeping economic paralysis proceeding from foreign importations. It is illuminating to note that from July 1, 1934, to March 1, 1935, 6,509,998 bushels of corn were imported from abroad, a large portion of which came from Mexico and the Argentine.

It is perfectly apparent that this condition greatly aggravates our already grave unemployment problem and adds materially to our national burden. In the face of this deplorable picture the present administration continues to hug to its bosom the long since exploded fetish of "free trade", oblivious of the brave struggle of trade and industry in the United States for existence. Surely the fallacy and absurdity of such a pied-piper policy is perfectly obvious to even the "wayfaring man though he be a fool."

(The time having again expired, Mr. TAYLOR of Tennessee was granted 2 minutes more.)

Mr. TAYLOR of Tennessee. I apologize, Mr. Chairman, for injecting a tariff argument into this debate, but the protective tariff principle is so interwoven with the subject at hand that its germaneness is beyond challenge.

Again, my colleagues, I was very much disappointed when I found that this bill makes no provision whatever for the hopelessly crippled and blind of our Nation. It seems to me that if there is any part of our citizenship that needs and merits the solicitude and sympathy of our Government it is those who have lost their sight and who are doomed to permanent blindness, and those who must hobble through life on crutches or lay bed-ridden on account of the ravages of disease or as a result of injury.

I regret that my time will not permit me to discuss the other features of this bill. I have spoken at length on the old-age-pension title because I feel very keenly our obligation to the aged. I am greatly interested in child welfare, public health, vocational rehabilitation, and the other problems which this measure is designed to improve and promote. But these problems, my friends, must be dealt with free from technical ambiguity and in straightforward American fashion.

While the American taxpayer is groaning under a burden of taxation never dreamed of by our fathers, I have faith in his philanthropy and patriotism to believe that he will never complain of whatever taxation may be necessary to relieve human misery of every character in America.

And now in conclusion, I wish to make the prophecy that if this measure, without material amendment, is enacted into law it will prove to be the greatest boomerang this or any other administration has ever encountered. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. And, Mr. Chairman, I thank my handsome and distinguished colleague [Mr. TREADWAY] for granting me these few minutes. The only reason that I want them is to put into the RECORD an amendment that I am going to offer when we start to read the security bill today or tomorrow. The amendment which I shall offer is the Lundeen bill, and I shall read it now so that Members who have not read the bill will know just what the bill contains. No one so far has shown any good reason why the Lundeen bill should not be adopted in preference to the bill now before the House. I believe it is far superior to the bill before the House, and when the security bill is read I shall offer the Lundeen bill as an amendment as follows:

Mr. CONNERY offers the following amendment: On page 2, before title I, insert the following as a new title:

"TITLE I

"SECTION 1. The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment insurance for the purpose of providing compensation for all workers and farmers above 18 years of age, unemployed through no fault of their own. Such compensation shall be equal to average local wages, but shall in no case be less than $10 per week plus $3 for each dependent. Workers willing and able to do full-time work but unable to secure full-time employment shall be entitled to receive the difference between their earnings and the average local wages for full-time employment. The minimum compensation guaranteed by this act shall be increased in conformity with rises in the cost of living. Such unemployment insurance shall be administered and controlled, and the minimum compensation shall be adjusted by workers and farmers under rules and regulations which shall be prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act through unemployment insurance commissions directly elected by members of workers' and farmers' organizations.

"SEC. 2. The Secretary of Labor is hereby further authorized and directed to provide for the immediate establishment of other forms of social insurance for the purpose of providing compensation for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability. Such compensation shall be the same as provided by section 1 of this act for unemployment insurance and shall be administered in like manner. Compensation for disability because of maternity shall be paid to women during the period of 8 weeks previous and 8 weeks following childbirth.

"SEC. 3. All moneys necessary to pay compensation guaranteed by this act and the cost of establishing and maintaining the administration of this act shall be paid by the Government of the United States. All such moneys are hereby authorized to be appropriated out of all funds in the Treasury of the United States not otherwise appropriated. The benefits of this act shall be extended to workers, whether they be industrial, agricultural, domestic, office, or professional workers, and to farmers, without discrimination because of age, sex, race, color, religious or political opinion or affiliation. No worker or farmer shall be disqualified from receiving the compensation guaranteed by this act because of past participation in strikes, or refusal to work in place of strikers, or at less than average local or trade-union wages, or under unsafe or unsanitary conditions, or where hours are longer than the prevailing union standards of a particular trade or locality, or at an unreasonable distance from home."

The Lundeen bill will do justice to the masses of the people without laying a heavy burden upon their backs. I hope the House will pass this amendment, which will make life more bearable for the people who have been mercilessly exploited by those who can see only the almighty dollar as their god and have no sympathy for those whose toil brings them all their comforts and luxuries.

COST OF ADEQUATE, GENUINE UNEMPLOYMENT, OLD-AGE, AND SOCIAL SECURITY—SOURCES OF REVENUE FOR FINANCING THE LUNDEEN WORKERS' BILL, H. R. 2827

SUMMARY OF ESTIMATED COST

To determine the cost of the social insurance which would be provided in H. R. 2827 requires several estimates, which should be used with caution. In the first place, the United States has no current basis for ascertaining accurately the number of unemployed.

The second and more important point requiring caution relates to the estimate of the effect of social insurance upon purchasing power, and its consequent results in decreasing the amount of unemployment through stimulation of reemployment. No experience in this country is available to indicate the extent to which an increase in consumers' purchasing power for those in the lower income groups would stimulate production and increase employment.

If it is assumed, however, that the entire amount of benefits paid under the provisions of this bill would appear in the market as new purchasing power, economists have calculated that 60 percent of this total would become available as wages and salaries. Therefore, on the basis of given average wages and salaries, it can be estimated how many persons could be reemployed, and this would result in a corresponding decrease in the number of unemployed eligible for benefits, and therefore in a reduction of costs.

Having in mind the above cautions, it may be said at once that if there be 10,000,000 unemployed, the annual gross cost, after taking care otherwise of those who should receive old-age pensions and those who are unemployed because of sickness or disability, and eliminating those under 18 years of age, to whom the bill does not apply, would be $8,235,000,000. Deducting from this the estimated decrease in the cost of unemployment insurance on account of the reemployment of workers following the establishment of a social-insurance program, $6,090,000,000, and adding to it the cost of old-age pensions, sickness, disability, accident, and maternity insurance, and deducting present annual expenditures for relief amounting to $3,875,000,000, we would have a net annual increase for the Federal Government imposed by the provisions of the bill amounting to $4,060,000,000.

If the number of unemployed be equal to the average number estimated as unemployed in 1934, as 14,021,000, then the annual net increase in cost, after deducting present expenditures for relief and estimating the reemployment which would follow adequate social insurance, would be $5,800,000,000.

The estimate of total costs of the program for social insurance under the bill should be compared with the amount that workers have lost in wages and salaries since the beginning of the depression. According to estimates published in the Survey of Current Business for January 1935, total income paid out to labor since 1929 was as follows (in millions):

	1929	1930	1931	1932	1933
Total income	$52,700	$48,400	$40,700	$31,500	$29,300
Loss from 1929		4,300	12,000	21,200	23,400

The total loss to workers in wages and salaries in the first 4 years of the depression has amounted to $60,900,000,000. It is with these huge losses sustained by American workers during these 4 years that the costs of security provided by the bill should be compared. Furthermore, considering the inadequacy of present relief measures, it must be realized that the cost of truly adequate relief would be the cost of this bill.

AUTHORITY FOR ESTIMATES

These estimates of the cost of an adequate unemployment, old-age, and social-security program are based on the statement of Dr. Joseph M. Gilman, economist of the College of the City of New York, who testified at the hearings held by the House Labor Subcommittee, representing the Interprofessional Association for Social Insurance. In accordance with permission granted me, I will now submit for the RECORD portions of Dr. Gilman's statement, taken from the hearings.

The first excerpt from Dr. Gilman's statement shows the estimated cost of the Lundeen bill on a basis of 10,000,000 unemployed, and may be found on page 585 of the hearings.

Cost of 10,000,000 unemployed

Number of persons unemployed (hypothetical)	10,000,000
Deductions:	
1. Estimated number of unemployed under 18 years of age (basis 1930 census)	320,000
2. Estimated number of unemployed who will replace workers 65 years of age and over retiring on old-age pensions	2,250,000
3. Estimated number unemployed because of sickness or disability	250,000
Balance of unemployed	7,180,000
I. Annual cost of unemployment insurance (7,180,000 by $1,147)	$8,235,000,000
II. Estimated decrease on account of reemployment of workers, following establishment of social-insurance program	6,090,000,000
III. Annual net cost of unemployment insurance	2,145,000,000
IV. Annual cost of old-age pensions	4,535,000,000
V. Annual cost of sickness, disability, and accident insurance	1,200,000,000
VI. Annual cost of maternity insurance	55,000,000
VII. Total annual cost	7,935,000,000
VIII. Present annual expenditures	3,875,000,000
IX. Annual net increase in cost	4,060,000,000

Cost for 14,021,000 unemployed

On a basis of 14,021,000 unemployed in 1934, the estimated cost is as follows:

Average number of persons unemployed in 1934, all ages	14,021,000
Deductions:	
1. Estimated number of unemployed under 18 years of age (basis 1930 census)	550,000
2. Estimated number of unemployed who will replace workers 65 years of age and over retiring on old-age pension (see above)	2,250,000
3. Estimated number unemployed because of sickness or disability (see above)	250,000
Balance of unemployed	10,971,000

Deductions—Continued.

I. Annual cost of unemployment insurance (10,971,000 by $1,147 (see p. 586)	$12,584,000,000
II. Estimated decrease on account of reemployment of workers, following establishment of social-insurance program (see p. 589)	8,699,000,000
III. Annual net cost of unemployment insurance	3,885,000,000
IV. Annual cost of old-age pensions (see p. 586)	4,535,000,000
V. Annual cost of sickness, disability, and accident insurance (see p. 588)	1,200,000,000

Deductions—Continued.

VI. Annual cost of maternity insurance (see p. 588)	$55,000,000
VII. Total annual cost	9,675,000,000
VIII. Present annual expenditures (see p. 589)	3,875,000,000
XI. Annual net increase in cost	5,800,000,000

COST OF DEPRESSION TO LABOR

These estimated costs should be compared with the huge annual losses suffered since 1929 by labor.

Estimated annual wage loss of unemployed in 1934

[Based on average annual wage and salary rates for 1932 in National Income Report[1]]

Industry	Unemployed (in thousands)			Annual wage or salary			Loss of earnings (in millions)		
	Wage earners	Salary earners	Not classified	Wage earners	Salary earners	Not classified	Wage earners	Salary earners	Not classified
Agriculture	1,847			[2] $648			1,196.9		
Mines and quarries	231	18		909	$2,210		210.0	39.8	
Electric light and power and manufactured gas			73			$1,339			97.7
Manufacturing	2,345	643		876	2,241		2,054.2	1,441.0	
Construction	959	108		1,151	2,297		1,103.8	248.1	
Transportation			1,409			1,409			1,985.3
Communication			253			1,320			334.0
Wholesale and retail		2,200			1,245			2,739.0	
Finance		427			1,958			836.1	
Government:									
(a) Excluding public education		99			1,477			146.2	
(b) Public education		185			1,400			259.0	
Service									
(a) Recreation			208			1,382			287.5
(b) Personal			460			1,045			480.7
(c) Domestic			1,123			670			752.4
(d) Professional			373			1,416			523.2
(e) Miscellaneous			79			1,105			87.3
Miscellaneous industries			871			1,235			1,119.2
Total	5,382	3,680	4,849				4,564.9	5,709.2	5,672.3

Total wage and salary loss	$15,996,400,000
Unemployed entrepreneurs (110 at annual average loss, $973)	126,200,000
Total	16,072,600,000
Average loss	1,149

[1] 73d Cong., 2d sess., S. Doc. No. 124, National Income, 1929–32.

[2] 1929 rate; 1932 rate only $352.

COST OF OLD-AGE PENSIONS

The following tables show the number of people eligible for old-age pensions and the estimated cost:

I. (a) Number of persons aged 65 and over (1930 census)	6,634,000
(b) Estimated number of persons aged 65 and over in 1934 (President's Committee on Economic Security Report, p. 24)	7,500,000
II. (a) Number of persons aged 65 and over, gainfully occupied (1930)	2,205,000
(b) Estimated number of persons aged 65 and over who were gainfully occupied in 1934 (average)	2,500,000
NOTE.—II (b) to II (a) in same ratio as I (b) to I (a).	
III. (a) Estimated number of gainfully occupied persons who would be eligible to retire upon enactment of the workers' bill	2,250,000
NOTE.—10 percent allowance for entrepreneurs of substantial means (U. S. Census estimate, letter to Committee, IPA, Dec. 3, 1934).	
IV. (a) Nongainfully occupied persons aged 65 and over (I (b)–II (b))	5,000,000
(b) Estimated number eligible for old-age pensions (males, 1,422,000; females, 3,078,000)	4,500,000
NOTE.—10 percent allowance for those of substantial means.	
V. (a) Number of gainfully occupied persons in III (a) (2,250,000) plus husbands or wives aged 65 and over (777,000, or V (e)+V (g)) or (V (b)+V (c)+V (e)+V (g))[1]	3,027,000
(b) Gainfully occupied males (less entrepreneurs)	1,950,000
(c) Gainfully occupied females	300,000
(d) Gainfully occupied males, married	1,242,000
(e) Gainfully occupied males, married, whose wives are 65 and over (assumed not gainfully occupied)	673,000
(f) Gainfully occupied females, married	104,000
(g) Gainfully occupied females, married, whose husbands are 65 and over (assumed not gainfully occupied)	104,000

[1] All figures in V and VI are estimated from ratios derived from 1930 Census.

VI. (a) Balance of married persons among nongainfully occupied ((d)+(e))	1,237,000
(b) Balance of males (1,422,000−104,000) (IV (b)−V (g))	1,318,000
(c) Balance of females (3,078,000−673,000) (IV−V (a))	2,405,000
(d) Married males in VI (b) whose wives are 65 and over = 1,237,000 above	802,000
(e) Married males in VI (b) whose wives are 65 and over = 1,237,000 above	435,000

Of the 4,500,000 in IV (b), these have been accounted for:

(1) Wives, 65 and over, of gainfully occupied males (assumed not gainfully occupied) (V (e))	673,000
(2) Husbands, 65 and over, of gainfully occupied females (assumed not gainfully occupied) (V (g))	104,000
(3) Balance nongainfully occupied males 65 and over, married (VI (d))	802,000
(4) Balance nongainfully occupied females 65 and over, married (VI (e))	435,000
Not yet accounted for:	
(5) Nongainfully occupied widows, widowers, divorced, single persons, aged 65 and over	2,486,000

ANNUAL COST OF OLD-AGE PENSIONS

A. Number of gainfully occupied workers aged 65 and over, eligible for old-age pensions at annual average rate of $1,200 per annum ($1,199 average annual rate, 1932, 1929–32 National Income Report)	2,250,000
B. Number of married couples nongainfully occupied, husband or both 65 or over	802,000
Annual pension, $676 ($10 plus $3 per week).	
C. Number of unmarried persons 65 or over	2,486,000
Annual pension, $520 ($10 per week).	
Cost of A	$2,700,000,000
Cost of B	542,000,000
Cost of C	1,293,000,000
Total	4,535,000,000

COST OF SICKNESS, ACCIDENT, AND DISABILITY INSURANCE

Class C, 1930 Unemployment Census (persons out of a job and unable to work on account of sickness or disability)	172,661

NOTE.—Would assume 250,000 since census figures are out of line with other experience.

Class D, 1930 Unemployment Census (persons having jobs, but idle on account of sickness or disability)	273, 588
Total	446, 249

NOTE.—According to report of President's Committee on Economic Security, which states that 2.25 percent of all industrial workers are at all times incapacitated, it would seem that the total of 446,249 badly underestimates the amount of sickness and disability.

Class C type	250, 000
Class D type	750, 000
	1, 000, 000
Cost of sickness, accident, and disability insurance (1,000,000×$1,200)	1, 200, 000, 000

NOTE.—$1,199 average annual wage or salary in 1932 (National Income Report 1929–32).

COST OF MATERNITY INSURANCE

Number of gainfully occupied married women between ages 15 and 44 (1930 census)	2, 425, 000
Number of married women between ages 15 and 44 (1930 census)	17, 836, 000
Birth rate per 1,000 population (1930)	18.9
Birth rate per 1,000 married women (above)	137.0
Number of births per annum to gainfully occupied married women (on above basis)	332, 000
Probable number of births	150, 000
Annual cost for 16-week benefit (150,000×$369) ($369=16/52×$1,200)	$55, 000, 000

NOTE.—$1,199 average annual wage, 1932, National Income Report, 1929–32.

PRESENT COST OF UNEMPLOYMENT RELIEF

It should be made clear that the cost of the Lundeen bill will not be over and above present expenditures for relief, but will replace these expenditures. At the present time, according to Dr. Gilman's statement, the costs of unemployment relief are as follows:

I. Federal Government (source of statistics: General Budget Summary, Treasury Department, estimated expenditures for year ending June 30, 1935, schedule 3):	
(1) Federal Emergency Relief Administration	$1, 733, 208, 700
(2) Civil Works Administration	13, 842, 100
(3) Emergency conservation	402, 363, 000
(4) Relief of unemployment	100, 000, 000
Public works:	
(3) Loans and grants to municipalities	166, 300, 000
(5) Public highways	428, 600, 000
Total expenditures of a relief character	2, 844, 313, 800
II. State and city (basis: Federal Emergency Relief Administration reports)	400, 000, 000
Total unemployment relief	3, 250, 000, 000

PRESENT COST OF OLD-AGE RELIEF

Present expenditures by National, State, and local government bodies for old-age relief may also be deducted from the additional cost of the Lundeen bill. Present old-age expenditures are as follows:

1. Federal Government to veterans and widows (report of Administrator of Veterans' Affairs, 1933)	$235, 000, 000
2 State old-age assistance (President's Committee on Economic Security)	43, 000, 000
3. Industrial and trade-union pensions (President's Committee on Economic Security)	100, 000, 000
4. All other (rough estimate)	50, 000, 000
Total	428, 000, 000

PRESENT COST OF SICKNESS, DISABILITY, AND ACCIDENTS

The National Safety Council estimates for 1932 that wage loss from occupational disabilities was $370,000,000. Compensation for such loss is estimated as $200,000,000.

TOTAL PRESENT ANNUAL EXPENDITURES FOR RELIEF

Dr. Gilman's estimate of the total present cost of relief for unemployment, old age, and sickness at the present time is $3,875,000,000. This is based on the tables just presented.

REDUCTION IN COST OF WORKERS' BILL FOLLOWING PASSAGE

The estimates just given of the cost of the workers' bill represent the cost for the first year. The following tables show the estimated decreases in the cost following enactment of the measure, resulting from increased purchasing power.

The first table shows the total national income and the fraction of that income which is paid out in wages. Below that is the ratio of salaries and wages to income produced on a percentage basis.

Year	National income (excluding Government)[1]	Salaries and wages (excluding Government)
1929	$76, 500, 000, 000	$45, 300, 000, 000
1930	63, 500, 000, 000	40, 600, 000, 000
1931	47, 800, 000, 000	32, 900, 000, 000
1932	34, 000, 000, 000	23, 700, 000, 000
1933	36, 300, 000, 000	21, 900, 000, 000

[1] National Income, 1929-32; National Income, 1933; Survey Current Business January 1935.

Ratio of salaries and wages to income produced

1929	0.592
1930	.639
1931	.683
1932	.679
1933	.603
1934 (estimate)	.600
Total insurance benefits payable (annually) under workers' bill (p. 585, I+IV+V+VI)	$18, 374, 000, 000
Present expenditures for relief, old age, etc	3, 875, 000, 000
Increase in purchasing power of lower income classes upon passage of workers' bill	14, 499, 000, 000
Increase in annual demand for consumers' goods (100 percent assumed) (see Brookings Institute, America's Capacity to Consume, p. 84)	14, 499, 000, 000
Increase in annual wages and salaries to meet increased demand for goods (decrease in cost of unemployment insurance) (60 percent of $12,590,000,000) (ratio of salaries and wages to income produced, 1934, above)	8, 699, 000, 000
Annual net increase in cost	5, 800, 000, 000

SOURCES OF FUNDS

Now I wish to answer the question often asked: "Where will you get the money for this program?"

It has been pointed out that an important difference between H. R. 2827, the Lundeen bill, and other proposals is in the source of funds. Other proposals—including the Doughton bill—depend on the building up of reserves in advance of payment of benefits, these reserves to be secured by a tax on pay rolls. Several serious objections are made to this method. In an article in the Annalist, published by the New York Times on February 22, 1935, by Elgin Groseclose, professor of economics, University of Oklahoma, under the title, "The Chimera of Unemployment Reserves Under the American Money System", attention is called to the provisions in H. R. 4120 in these words:

> The Wagner bill, as introduced in Congress, sets up in the Federal Treasury an "unemployment trust fund", in which is to be held all moneys received under the provisions of the act, and directs the Secretary of the Treasury to invest these moneys, except such amount as is now required to meet current withdrawals, in a defined category of obligations of the United States or obligations guaranteed as to both principal and interest by the United States.

The Annalist article summarizes the objections to these reserves for unemployment insurance as follows:

> (1) Financial reserves can be effective only in cases where contingencies can be calculated and determined by actuarial methods and where these contingencies arise in sufficient regularity to permit the arrangement of reserves in accordance therewith. (2) The incidence of depressions are irregular and unpredictable, and hence defy actuarial procedure. (3) Purchasing power cannot be stored up en masse under our money system, which is a system of debt, rather than metallic circulation. (4) The attempt to create unemployment reserve will intensify booms. (5) Unemployment reserves are incapable of mobilization when needed and any attempt to mobilize them will only result in further intensification of depressions.

Testimony before the Committee on Labor on the Lundeen bill (H. R. 2827) brought out the further objection that a tax on pay rolls is a tax on cost of production which is passed on to the consumer in higher prices to all consumers and to workers in lower wages as well as in higher prices to them as consumers. Thus it tends to reduce rather than to expand purchasing power, causing in itself recurrent industrial depression which arises out of the failure of con-

sumption to keep pace with production, or a disproportion between money available for consumers' purchases and funds available for investment in increased production.

Moreover, these reserves, even if they could be accumulated without these disastrous effects upon consumers' purchasing power, and upon the monetary system, would be inadequate to cover more than a fraction of needs. The Commissioner of Labor Statistics and Senator ROBERT F. WAGNER (in radio addresses on Mar. 7) have estimated that if H. R. 4120 had been in effect from 1922 there would have been set aside by 1934 the sum of $10,000,000,000; yet, the figures on the national income published by the Department of Commerce show that in 4 of those years workers lost $60,000,000,000 of wages and salaries. Thus, even if reserves seem to involve saving the Treasury from obligation, as a matter of fact, they leave unsolved the real problem of protecting workers against the destitution of mass unemployment.

As the only adequate solution of the problem, and to avoid the unsound idea of setting aside reserves, the funds required in H. R. 2827 are made an obligation upon existing wealth and current higher incomes of individuals and corporations. These sources may be indicated as follows:

FIRST. INCOME TAXES OF INDIVIDUALS

If the United States were to apply merely the tax rates of Great Britain upon all individual incomes of $5,000 or over, a considerable sum would be available for social insurance. These rates in 1928 would have yielded the Federal Government five and three-fourths billion dollars as against slightly over one billion actually collected. In 1932, a year of low income, we would have collected on the same basis $1,128,000,000, as against the actual receipts of $324,000,000.

SECOND. CORPORATION INCOME TAX

Compared with other countries, also, our corporation tax is very low. Taking a flat rate of 25 percent, we would have raised in 1928 the amount of $2,600,000,000 instead of $1,200,000,000.

THIRD. INHERITANCE OR ESTATES

Here again the United States is very lenient. In 1928, on a total declared gross estate of three and one-half billion dollars, the total collected by Federal and State taxes was only $42,000,000, or a little over 1 percent. If an average of 25 percent were taken, this would have been raised in 1928 to $888,000,000.

FOURTH. TAX-EXEMPT SECURITIES

Exact figures on the total are not available, but here is an important source of large additional returns which should be available for the general welfare.

FIFTH. TAX ON CORPORATE SURPLUS

In 1928, the corporate surplus, representing the accumulation by corporations of funds which had not been distributed to labor and capital, amounted to $47,000,000,000, and even in 1932 it was over thirty-six billions. Made possible as it is by the cooperation of labor and capital, this surplus which is now set aside to meet capital's claims for exigencies certainly should be also a source of funds for labor's social insurance in the exigencies of unemployment. The Department of Commerce has showed in its study of the national income that labor has lost a larger percent of its earned income in the depression than capital has lost in interest charges, because capital has been sustained by drawing both on current income and on accumulated surplus. The great economist, Adam Smith, 150 years ago, called the industrial system a "collective undertaking." Thus it is both logical and just to provide a tax on corporate surpluses as a source for social insurance.

In support of my statements here, I wish again to offer portions of the statement submitted to the House Labor Subcommittee by Dr. Joseph M. Gilman. The first table estimates the funds available for unemployment, old-age, and social insurance. Please note that all figures in this table are in thousands. This table may be found on page 64 of the hearings.

[Figures in thousands]

Source	1933	1932	1928
I. Individual income [1]	$1,129,277	$1,127,773	$5,787,063
Estate tax, 50 percent of gross	1,030,478	1,415,194	1,777,135
Corporate tax, net income 25 percent [2]	626,520	538,278	2,615,273
Corporate tax, net surplus, 25 percent [3]		9,019,881	11,789,046
Expenditures on war preparations	[4] 750,000		
Total		12,101,126	21,968,522
II. Individual income [1]	1,129,277	1,127,773	5,787,063
Estate tax, 75 percent of gross	1,545,717	2,122,791	2,665,701
Corporate tax, net income, 25 percent [2]	626,520	538,278	2,615,273
Corporate tax, net surplus, 25 percent [3]		10,823,858	14,146,855
Expenditures on war preparations	750,000		
Total		14,612,700	25,214,897

[1] Estimated on graduated scale approximating British tax rate but higher than the British rate for incomes from $500,000 to $5,000,000.
[2] This should be a graduated tax averaging 25 percent.
[3] Surplus and undivided profits less deficit: 1932, 36,079 millions; 1928, 47,156 millions.
[4] As of Aug. 1, 1934.

NUMBER OF MILLIONAIRES DOUBLE

The sources of funds from income taxes in the higher brackets is greater today than it was a year ago. This is shown by the income-tax returns published by the Bureau of Internal Revenue. Dr. Gilman's tables, quoted below, show the number of income-tax returns made in the different income classes, and also the total amount of available revenue from that source.

Comparison of net income returns for 1932 and 1933 [1]

Net income classes	Number of returns	
	1932	1933
Up to $5,000	3,420,995	[2] 3,339,602
$5,000 to $10,000	237,273	[2] 219,735
$10,000 to $25,000	77,045	[2] 74,626
$25,000 to $50,000	17,658	18,168
$50,000 to $100,000	5,644	5,927
$100,000 to $150,000	962	1,085
$150,000 to $300,000	589	693
$300,000 to $500,000	136	139
$500,000 to $1,000,000	80	84
Over $1,000,000	20	46
Total returns filed to Aug. 31, 1932	3,760,402	
Total returns filed to Aug. 31 1933		3,660,105

[1] Prepared by the research division of the Interprofessional Association for Social Insurance on the basis of the preliminary report entitled 'Statistics of Income for 1933", submitted to the Hon. H. Morgenthau, Jr., Secretary of the Treasury, on Dec. 3, 1934.
[2] Incomes of less than $25,000 declined in number of returns from 1932 to 1933. All income classes above $25,000 increased in number of returns. Net incomes of $1,000,000 or over increased 130 percent in number of returns.

ESTIMATES OF FUNDS AVAILABLE FROM INCOMES OVER $5,000

Applying the income-tax rates suggested in the table below, $4,622,814,000 additional revenue can be raised each year from individual incomes, and $1,431,273,000 from corporation incomes. The figures for 1928 are as follows:

	Total net income reported	Tax rate	Revenue available
I. INDIVIDUAL RETURNS			
Income classes:		*Percent*	
$5,000–$10,000	$4,282,520,000	16	$685,203,000
$10,000–$15,000	1,953,395,000	22	429,747,000
$15,000–$20,000	1,218,787,000	24	292,509,000
$20,000–$25,000	865,670,000	30	259,701,000
$25,000–$50,000	2,326,503,000	35	814,276,000
$50,000–$100,000	1,857,878,000	40	743,151,000
$100,000–$250,000	1,745,403,000	45	785,431,000
$250,000–$500,000	926,079,000	55	509,343,000
$500,000–$1,000,000	670,861,000	65	436,060,000
$1,000,000–$5,000,000 and over	1,108,863,000	75	831,647,000
Total available			5,787,068,000
Tax collected			1,164,254,000
Additional revenue			4,622,814,000
II. CORPORATION RETURNS			
Income classes:			
Under $1,000–$2,999	181,420,000	10	18,142,000
$3,000–$4,999	119,482,000	15	17,922,000
$5,000–$9,999	211,525,000	25	52,881,000
$10,000–$24,999	467,605,000	25	116,901,000
$25,000–$99,999	1,055,074,000	25	263,768,000
$100,000–$499,999	1,753,943,000	25	438,485,000

	Total net income reported	Tax rate	Revenue available
II. CORPORATION RETURNS—continued			
Income classes—Continued.		Percent	
$500,000 under $1,000,000	$898,405,000	25	$224,601,000
$1,000,000 under $5,000,000	2,119,926,000	25	529,981,000
$5,000,000 and over	3,810,359,000	25	952,589,000
Total			2,615,273,000
Tax collected			1,184,000,000
Additional returns			1,431,273,000

Returns of corporations submitting balance sheets, 1928 (all returns): [1]

Tax-exempt securities	$10,116,160,404
Surplus	52,069,292,140
Net surplus (after deduction of deficit)	47,156,183,422

TAX INCOME, 1932

The following table shows the available revenue from individual incomes for 1932:

	Total net income reported	Tax rate	Revenue available
I. INDIVIDUAL RETURNS			
Income classes:		Percent	
$5,000–$10,000	$1,677,039,000	16	$268,326,000
$10,000–$15,000	595,573,000	22	131,026,000
$15,000–$20,000	329,512,000	24	79,083,000
$20,000–$25,000	235,312,000	30	70,594,000
$25,000–$50,000	629,638,000	35	220,373,000
$50,000–$100,000	393,206,000	40	157,282,000
$100,000–$250,000	216,625,000	45	97,481,000
$250,000–$500,000	73,747,090	55	39,561,000
$500,000–$1,000,000	57,874,000	65	37,618,000
$1,000,000–$5,000,000 and over	35,239,000	75	26,429,000
Total available			1,127,773,000
Income tax collected			324,745,000
Additional revenue			803,028,000

AVAILABLE INCOME FROM CORPORATE INCOMES, 1932

1. Returns of corporations submitting balance sheets for 1932 (all returns): [2]	
Cash (in till or deposits in bank)	$15,917,202,000
Investments, tax-exempt	11,916,864,000
Investments other than tax-exempt	75,630,257,000
Surplus and undivided profits	45,663,746,000
Net surplus (less deficit of $9,584,221,000)	36,079,525,000
2. Returns of corporations showing net incomes (1932):	
Total gross income	[3] 31,707,963,000
Total net income	[3] 2,153,113,000
Income tax	245,689,000
Available revenue at flat 25-percent rate	538,278,000

TAX INCOME, 1933

	Total net income reported	Tax rate	Revenue available
I. INDIVIDUAL RETURNS			
Income classes:		Percent	
$5,000–$10,000	$1,477,827,000	16	$236,452,000
$10,000–$15,000	559,850,000	22	123,167,000
$15,000–$20,000	310,246,000	24	74,459,000
$20,000–$25,000	226,778,000	30	68,033,000
$25,000–$50,000	621,182,000	35	217,414,000
$50,000–$100,000	394,766,000	40	157,906,000
$100,000–$250,000	240,681,000	45	108,306,000
$250,000–$500,000	81,253,000	55	44,689,000
$500,000–$1,000,000	59,511,000	65	37,682,000
$1,000,000–$5,000,000 and over	81,559,000	75	61,169,000
Total			1,129,277,000
Tax collected			372,968,000
Additional revenue			756,309,000

II. CORPORATION RETURNS (TAX INCOME, 1933)

Total net income reported	$2,506,078,279
Income tax	347,649,990
Excess-profits tax	6,266,721
Total	[3] 353,916,361
Available revenue at flat 25-percent rate	626,520,000

[1] Statistics of Income, 1928, p. 32.
[2] Statistics of Income, 1932, p. 160.
[3] Statistics of Income, 1932.

The following tables show revenue available from estate taxes:

Estate tax as source of revenue

	Jan. 1–Dec. 31, 1928	Jan. 1–Dec. 31, 1932	Jan. 1–Dec. 31, 1933
Gross estate	$3,554,270,000	$2,830,388,000	$2,060,958,000
Tax paid	$41,959,000	$23,674,000	$61,415,000
Percent to gross	1.1	0.8	2.9
Net estate	$1,992,503,000	$1,423,437,000	$828,302,000
Tax paid	$41,959,000	$23,674,000	$61,415,000
Percent to net	2.1	1.7	7.4

REVENUE AVAILABLE

	Average 25 percent	Average 50 percent	Average 75 percent
Gross estate:			
1928	$888,567,000	$1,777,135,000	$2,665,701,000
1932	707,597,000	1,415,194,000	2,122,791,000
1933	515,239,000	1,030,478,000	1,545,717,000
Net estate:			
1928	498,126,000	996,252,000	1,494,378,000
1932	355,859,000	711,718,000	1,067,577,000
1933	207,075,000	407,150,000	621,225,000

Comparison of American and European income-tax rates

[Conversion units: 1 pound=$4.86; France, 1 franc=$0.0392; Germany, 1 mark=$0.2382]

	Percent of tax to net income			
	United States	Britain	France	Germany
$1,000	0	0.88	3.38	7.90
$2,000	0	5.57	8.51	15.84
$3,000	0.07	10.38	12.20	18.11
$5,000	2.00	14.22	17.15	21.59
$7,500	3.40	16.29	22.02	26.02
$10,000	4.80	18.62	25.25	29.89
$15,000	6.80	22.95	31.26	34.46
$25,000	10.08	29.47	38.04	39.78
$50,000	17.20	39.30	47.43	45.13
$100,000	30.01	48.10	53.65	47.44
$500,000	52.72	61.58	53.93	49.49
$1,000,000	57.11	63.91	53.97	49.74

Source: New Republic, Jan. 24, 1934.

American and European death taxes

[Source: Preliminary report of Subcommittee on the Committee on Ways and Means, relative to Federal and State taxation and duplication therein (1933), p. 237]

	United States	Great Britain
$1,000	0	1
$5,000	0	3
$10,000	0	3
$15,000	0	3
$25,000	0	4
$50,000	0	5
$100,000	1.5	9
$150,000	3.33	12
$200,000	4.75	14
$300,000	6.50	17
$400,000	7.62	19
$500,000	8.50	21
$600,000	9.25	23
$800,000	10.56	25
$1,000,000	11.75	27
$2,000,000	15.77	33
$3,000,000	18.45	37
$5,000,000	22.99	41
$10,000,000	30.94	51

Conversion: £1=$4.86.

These facts and figures, and the testimony of many other experts and economists and leaders of thought can be found in the hearings on the Lundeen bill (H. R. 2827). They show conclusively that the cost of the workers' bill is well within the ability of the United States Treasury to pay, and if we will raise our income- and inheritance-tax rates to the level of the British rate, we can raise the necessary funds. I hope that Members of this House will study these facts and figures and give their support to the Lundeen workers' unemployment, old-age, and social-insurance bill (H. R. 2827).

[1] 14.1 percent.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentlewoman from California [Mrs. KAHN].

Mrs. KAHN. Mr. Chairman, there is no doubt that in the last few years the whole country has become old-age pension minded, as evidenced by the general interest shown in this part of the bill and by the almost general desire to put over this type of legislation. There is little, if any, dissension of opinion on the facts or principles involved, the difference arising mainly as to methods and amounts. Due to causes over which they have had no control, people who several years ago would have scorned the idea of an old-age pension for themselves are now looking to it as their only salvation. I have always been, and still am, in favor of a liberal old-age pension—one that promises more than a mere existence. However, to raise the hopes of a people to expect a liberal pension, through promises which many of us made on the platform and in speeches, and then to offer them such a plan as that proposed in this bill is nothing short of tragic. A sound, workable scheme is what we want—not one so uneconomic or extravagant that, even were it adopted, would topple of its own weight and plunge its beneficiaries into lower depths of despair, nor do we want one so niggardly as to be positively insulting. We desire neither to beguile with one nor to betray with the other, for to beguile is to betray. So I still maintain that we can support a liberal old-age pension, as outlined in the revised bill of the gentleman from California [Mr. MCGROARTY], or even the substitute, if the parliamentary situation so develops, that is to be offered, I understand, by the gentlewoman from Arizona [Mrs. GREENWAY]. The pittance carried in this bill is an insult to any self-respecting person whom times and circumstances have made a beneficiary of the Government which they have sustained and of the country which they have helped to build. Verily, they ask for bread and ye give them a stone. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 6 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, just after the House convened I asked for 10 minutes' time to talk about trying to save work for the people of this country, trying to get bread and butter for them. I was refused, although the gentleman from New York [Mr. DUFFY] was granted 4 minutes in which to discuss apple pie for his district. Safeguarding employment affects the entire country. This is not a party matter; it is not a sectional matter. I ask you, my friends, do you think it would be possible for me to be sectional when I have known and worked with thousands, literally thousands, of your southern and western veterans as well as my own northern men? Do you not suppose I want to work for the entire country for their sake alone, if for no other?

I am going to speak just for a few minutes upon the question of Japanese imports. From here I go to my office where I hold a meeting concerning a tremendously increasing importation of calf leather from Germany. We have to be on our toes and must be awake to these foreign importations.

I have in my hand a microscope manufactured in Japan. The wholesale price there is 61 cents. After paying our duties, it sells here for $1.25 wholesale and $1.95 retail. Similar instruments of American manufacture wholesale at $7.50 and retail at $12.50. Think of it!

I hold in my hand one rubber-soled tennis shoe that was made in Japan and one that was made in this country. The price of the American shoe is 60 cents a pair. The Japanese wholesale price is 9⅓ cents per pair, and the price landed here, 17 cents. For the American product we have to pay 60 cents, and for the Japanese product only 17 cents. No wonder our people are out of work.

I hold in my hand samples of worsted cloth, made in Japan, and samples of worsted cloth made in America, and, by the way, I know from conversation with people in different parts of the country that very few realize the increasingly large amount of woolen textile cloth that is made in Japan. We have discussed the figures about cotton textile cloth, but not woolen, and when you consider that over one million people are employed in the textile industry, the greatest basic industry in the country, you must realize the danger that is not just around the corner, but that is right here with us. The Japanese wholesale price in America of this cloth is $1.58, while the wholesale price of the American cloth, which compares with it—and I have a wonderful exhibit in the lobby for the Members to see—is $1.77½. Japanese cloth costs in this country $1.58. American worsted cloth, which we do not usually associate with having been made in Japan, $1.58 against our cloth made at $1.77.

I have here something that is very startling. Here are two hinges, one made in this country and one made in Japan. I am shocked but I understand, and this can be verified, that the Japanese-manufactured hinges are used in a Government-built building in this country. I will give you the prices of these hinges. The American wholesale price per pair of hinges is $3.50. The Japanese foreign wholesale selling price per pair, 55 cents; wholesale price, duty paid, $1.25 per pair. The American price is $3.50.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 4 additional minutes to the lady from Massachusetts.

Mrs. ROGERS of Massachusetts. I have in my hands two flashlights. The American wholesale price, with lamp, but without battery, 19 cents. It retails, with battery, for 59 cents. The Japanese wholesale price, with lamp, in Japan, 1¼ cents; landed price here, 1.94 cents. It retails, with battery, at 39 cents. The American article, 59 cents; the Japanese, 39 cents.

Mr. LUNDEEN. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. LUNDEEN. What became of the reciprocal tariff? I voted against it myself.

Mrs. ROGERS of Massachusetts. And I likewise did. I think we all feel the same way about reciprocal-trade agreements and the way they affect us in our industries.

Mr. CITRON. Will the lady yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. CITRON. Is it not true that a great many of these manufacturers, who exploited labor in the past, have gone to Germany and Europe and even to Japan with our money?

Mrs. ROGERS of Massachusetts. I think it is deplorable if they have, but I do not think they have so much. I wish to state to the gentleman that I have the greatest admiration and the greatest respect for the northern manufacturers who stayed in their own country. I cannot yield further. I am sorry.

Japanese matches, the wholesale selling price is 52 cents for 144 boxes. The American selling price is 90 cents. The retail price to the public is 1 cent per box for both matches. I do not have time to give you the landed cost on the Japanese-made matches. I will give the manufacturing costs, which are very important, showing the cost to be 66 cents per gross in this country as against Japanese cost of 15 cents per gross.

This security bill speaks about security of the people after they have no employment. I know there is not a single Member here who does not wish to protect American men and women, whether they happen to have money or whether they represent capital; whether they are working day by day, hoping and praying their jobs will be kept. I give everyone of you credit for wanting to help the entire country. Of course, you are going to fight for your own part of the country. I know you would not ask, if you represented the entire country, as Secretary Wallace does, you would not appeal to the South and to the Middle West as he did, to work against and fight against us, a commercial warfare against other parts of the country. I know you will do everything in your power to have the President act to protect our great American industry, and if he does not act, I know you will pass legislation.

[Here the gavel fell.]

The CHAIRMAN. The Chair desires to call to the attention of the gentlewoman from Massachusetts the fact that it will be necessary for her to receive permission to revise and extend the remarks she made on the floor of the House

in the RECORD. The request of the lady to revise and extend the remarks she made in committee is granted.

Mr. TREADWAY. I yield myself 3 minutes, Mr. Chairman.

I want to supplement what my colleague has just said about the emergency that is very apparent. It was so apparent that this morning, so I am reliably informed, at a press conference at the White House the President had before him two large volumes of evidence in relation to this matter of recent importations, particularly of textiles, from Japan; and that he also submitted a statement from the Secretary of State, who also recognized the emergency that existed, and the importance of taking up this subject immediately. At the close of the press conference the President lifted those two large volumes and said, "These volumes are being now referred to the Tariff Commission with the request that they immediately investigate the subject."

So that I feel, and I am sure my colleagues from New England and all sections of the country feel, that the President of the United States himself now recognizes the great necessity of prompt and immediate action along the lines that have been discussed here in the last few days in connection with the textile conditions; and the large increase of importations from certain countries at the present time.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. JENKINS of Ohio. The pottery people are finding themselves in the same relative position as the textile industry at this time.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I wish to supplement the remarks just made by the gentlewoman from Massachusetts [Mrs. ROGERS] by again stating that the price is affected, very materially, by even a small surplus of these goods from Japan. We must recognize that. I repeat what I said the other day: It has a murderous effect on the whole price structure. If one-half of 1 percent is considered so small, why is it so important to Japan to have it? What great effect or harm would an embargo on such a little amount have on Japan? Why should she object to limitation, or even to embargo? We have heard much about the "forgotten man." Today our people in New England are beginning to believe that it is the "forgotten land." I wish that, instead of receiving letters and petitions, the President and Secretary Wallace might be taken to our piers and see the great freighters bound for Argentina, carrying away 1,500 tons of our finest textile machinery. Do you wonder that the appeal is very strong at the present? Do you wonder that we New Englanders feel we are being discriminated against? I reiterate, if this is so small an amount of import, why is it so important to Japan to have this market for it? The effect is disastrous enough on our own market.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. CARTER].

Mr. CARTER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain tax tables.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CARTER. Mr. Chairman, this is one of the most important measures the House of Representatives has had under consideration for many, many months. My only regret in reference to this matter is that this bill was not brought in under a rule similar to that providing for the consideration of the so-called "bonus bill" that we might have a fair and square vote on a number of these proposals.

Mr. COX. Mr. Chairman, will the gentleman yield at this point?

Mr. CARTER. Mr. Chairman, I regret that I must decline to yield, for I have but a few minutes.

This bill, however, has some good features; it is the work of many months. The President's social-security committee worked on it for weeks and weeks; the membership of the Ways and Means Committee did likewise, and they brought in a bill, not perfect, by any means, but a bill that is the result of their strenuous labors. I agree with my colleague the gentleman from California [Mr. GEARHART] in reference to the old-age pension feature of this bill, for I think it is most inadequate and heartless in this respect. Other bills have been presented on this same subject. Some of them have been criticized because they have been changed from time to time. I have no doubt that the Chairman of the Ways and Means Committee will offer certain amendments to this bill, discovering that changes are necessary in the bill; and when we take into consideration that the Ways and Means Committee had the best talent it could employ to assist in drafting this bill, is it any wonder it has been found necessary from time to time to change considerably some of these other measures? Why criticize and sneer at them because they have been improved? I want briefly to call attention to some of the provisions of the McGroarty bill. In the first place, it is a bill which provides a transaction tax and a slight increase in gift, inheritance, and income taxes for paying the pensions therein provided. It is not necessary to issue bonds to pay the pensions under this bill. It is not necessary to call on the credit of the Government in any manner because, even though the transactions tax and other taxes therein proposed should not provide the amount hoped for, whatever is produced, after the expenses of administration have been taken out, will be prorated and devoted to the payment of pensions. It pays its way as it goes, which is a very commendable feature.

This is a machine age. More and more of our people are being put out of employment by reason of the perfecting of machinery, and I suggest to those here this afternoon that more and more people are going to be put out of employment in the future by reason of the inventive genius of the American people. What are we going to do with these people made idle through no fault of their own?

An answer to this problem is found in the bill submitted by my colleague from California. We have heard, of course, about the shortening of hours of labor. This must be done, and I am for it, but this in itself is not a solution of the problem. In this bill presented by the gentleman from California, we have the proposal that the older persons shall be taken out of gainful employment. I say to you that just as sure as we are here this afternoon we are going to establish that principle in this country. If it is not done through the adoption of this bill, we shall be forced to do it through the adoption of a bill carrying a similar principle.

What else does this bill provide? It provides, also, that the money received as annuities shall be spent within a certain time. I am not an expert on money matters, but I have listened to many men who were rated as experts, and almost without exception they have said that one of the very important things in relation to financial transactions is the velocity with which the circulating medium of the country passes from hand to hand. We can appreciate, of course, that although we had some power of doubling the amount of the circulating medium if it were not put into circulation it would be of absolutely no benefit to the people of this country. Therefore this provision for increasing the velocity of the circulating medium is very much to be desired.

The bill also provides that no person who is a beneficiary under its terms can mantain any able-bodied person in idleness or employ anybody at an unreasonable salary.

The gentleman from Wisconsin, in speaking on the floor of the House a day or two ago, offered another objection to the effect that a large manufacturing concern controlling its own sources of raw material and all the intervening steps and processes which turn the raw material into the finished product would have advantage over another concern which had to buy its raw materials on the open market and have certain operations performed by others, because of the transaction tax provided for in the bill. The gentleman from Oregon [Mr. MOTT], if I remember correctly, interrupted him to say that he was offering an amendment that would cure that particular situation.

This bill, of course, is not perfect. I have been a Member of this body a good number of years and I cannot recall that any bill was ever brought in here that was perfect, or that any bill was ever brought in here that could not be criticized in

some manner. My only hope is that we shall have an opportunity of expressing ourselves on this measure before the final disposition of the bill under consideration.

The taxes collected under this act are deposited in the Treasury of the United States in a separate fund known as the "United States citizens' retirement annuity fund." This money will be collected for a period of 4 months before any payments are made. On the 1st day of the fifth month after the collections are started annuities will be paid out of the money collected the first month to all those who have qualified. In order to qualify a person must first be an American citizen and over the age of 60 years. The annuitant shall not engage in any gainful pursuit and shall further covenant and agree to spend the monthly annuity within 35 days after the receipt of the same.

To prevent the establishing of another bureau, the author of the bill has very wisely provided that the Administrator of Veterans' Affairs shall have charge of the administrative features of this bill. He is given authority to make certain rules and regulations that are necessary for administering the act.

There has been a great deal of argument as to the working of the transactions tax.

In some European countries where a turn-over or transaction tax has been used the tax has been levied upon only the profit involved in the transaction and not upon the dollar value of the transaction.

Careful study and estimates show that a 2-percent transaction tax levied upon the dollar value of the transaction may be expected to result in an increase of about 8 percent to 12 percent in retail prices.

It is obvious that the retirement of millions of citizens over the age of 60 who are now employed and the increased business caused by the spending of the annuities by them, and also by the spending of those younger people who would take the jobs vacated by the retirement of the citizens over the age of 60, will greatly increase business activity. This will result very quickly in a higher level of wages and salaries, to such an extent as to more than offset and to justify any slight price increase resulting from the taxes involved in, and the operation of, this plan.

There is a distinct and important difference in the results to be obtained from a transaction tax as compared with a retail sales tax.

For illustration, note the following:

(a) A retail sales tax does not reach many very large transactions, which do not enter into any retail sales.

(b) Because of the very great variation in the amount and character of materials and labor involved in the production of articles for the retail trade, a flat rate of 2 percent on each transaction of such production will more equitably distribute the tax load than a flat rate of tax based upon the retail sale price of the product. Even by using a great multiplicity of adjusted retail-sales-tax rates, which is utterly impracticable, no such equitable taxation could be effected to compare favorably with the transaction-tax results.

Hence this form of tax makes the best possible spread of the tax load in an equitable manner and does in fact impose the tax upon those who have the ability to pay the tax in proportion to the size and extent of their transactions.

The tables set out below clearly illustrate the operation and effect of this 2-percent transaction tax—liberal profit margin has been allowed:

Wheat converted to bread

[For 1,000 bushels of wheat at $1 per bushel paid to farmer]

Transaction	Sale price	Sale amount	2 percent tax
Wheat sold:			
By farmer	$1.00	$1,000	$20
By buyer	1.10	1,100	22
Flour sold:			
By miller to jobber	1.20	1,200	24
By jobber to store	1.30	1,300	26
By store to baker	1.50	1,500	30
Baker to consumer—on the basis that 1 bushel of wheat produces one 48-pound sack of flour, and this flour produces 72,000 one-pound loaves which retail for 10 cents per loaf		7,200	144
Total		13,300	$266

This total of the 2-percent tax of $266 is derived from six transactions. If it were all added into the retail sale price of the bread, the tax load would be 0.0037 cent per loaf of bread. A retail sales tax of 3.7 percent of the total retail sales dollar value of $7,200 would be required to produce this same tax revenue of $266.

For coal to the retail consumer

[For 1 ton of coal]

Transaction	Sale price per ton	2 percent tax
Producer pays the miner	$1.50	$0.03
Jobber pays producer	5.50	.11
Railroad charges freight	3.00	.06
Retailer pays jobber	9.00	.18
Retailer pays drayage	1.00	.02
Consumer pays retailer	12.00	.24
Total	32.00	.64

This total of the 2-percent tax of 64 cents is derived from six transactions. If it were all added into the retail sale price of the coal, the tax load would be 64 cents per ton. A retail sales tax of 5.4 percent of the retail sales dollar value of $12 would be required to produce this same tax revenue of 64 cents.

This variation in the amount of the retail sales tax rate—3.7 percent for the wheat and 5.4 percent for the coal, as shown by the foregoing tables, for the amount required to collect the same revenue as would be collected by the transaction 2-percent tax, illustrates the variation to be expected as to all other commodities.

The transaction tax method broadens or widens the tax base to include all of the transactions, and various factors tend to compel absorption of the tax by the producer and the middleman in a manner to relieve the consumer of all, or at least a major part, of the tax load at the time of the retail sale.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 2 additional minutes.

Mr. CARTER. Mr. Chairman, there may be some other piece of legislation that has for its object the taking of the people 60 years of age and over off the labor market that is now pending before this Congress, but I am not aware of any such legislation.

I want to suggest to each and every Member of this body in closing that the bill presented by my colleague the gentleman from California, with the amendments that have been suggested, is worthy of the consideration and support of each and every one of us here. I trust that before we come to a final vote on this matter you will peruse this bill and that we may have your support for this most worthy measure. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I have listened to so many fine and illuminating talks on the matter now under consideration that it is with considerable hesitancy that I undertake to say anything at all. I have not a prepared speech, but I do want to comment upon a few things which have come to my mind during the time I have been here on the floor of the House.

May I suggest first to my good friends across the aisle that you do not have a monopoly on all of the humanitarianism in this land of ours. Those of us who sit on this side of the aisle believe that our party, with which we are glad to affiliate, was born out of a spirit of humanitarianism that has not been surpassed by any like spirit in subsequent time. We believe that our party throughout all of its history, and today, stands for human rights as well as property rights. I believe I can say to every Member of this House and to all of our people that, insofar as legislation for old-age pensions and social security is an evidence of an advancing civilization and humanitarianism, the gentlemen on my side of the aisle stand with it and for it. [Applause.]

Mr. Chairman, I have heard much of this talk of human rights as against property rights. The accusation is made

against the gentleman from New Jersey [Mr. EATON], as fine a gentleman as sits on the floor of this House, that he is contending for property rights against human rights, which, of course, is not a correct interpretation of his remarks. Then I hear the gentleman from Massachusetts [Mr. McCORMACK] talking about secondary policies of government in promoting the welfare of the people. There is no difference between the gentleman from New Jersey [Mr. EATON] and the gentleman from Massachusetts [Mr. McCORMACK] in their fundamental beliefs.

The gentleman from Massachusetts [Mr. McCORMACK] says that these benefits must spring from business and industry, and those people who are producing the wealth. The gentleman from New Jersey believes that, too, and I believe it. The only thing that we are asking is, let us make it possible for those producing classes, business and industry, to so operate that the older people of this land, the unfortunates and the dependents, may be given security and a comfortable living.

Mr. Chairman, we have come a long way in this Nation since its birth about 150 years ago. In those early days if a man was unfortunate and became old without having accumulated something to take care of himself, or if he became sick or was injured, he was indeed in a desperate plight. No one took care of him. As we have come down through time our Government has been going into that secondary field of governmental activity, providing a greater measure of security for its people. I stand for such a policy if reasonably pursued, and I want to say here and now that I am for old-age pensions, as liberal as shall be in keeping with economic recovery.

It has been suggested here that the need for an old-age pension has been occasioned by the use of machinery. Do you know my view about that matter? My view is, if we did not have machinery, factories, plants, and equipment, we could not have an old-age pension. Why do I make that statement? I say that by the use of equipment and machinery the younger people of this land are able to produce enough of this world's goods to take care of the deserving older people in security and in comfort. I do not know that we should say that it is the burden of industry and business. I think it is the burden, maybe not the burden, but the privilege, of all of our people, to see to it that the older people when they get to that period in life where they are no longer able to go out and get employment and who have not been able to accumulate an estate, may live in security, peace, and comfort in this great land of ours, a land of plenty.

Mr. Chairman, there are titles in this bill about which I am not sure. It may be a fine thing, in principle, to require the setting up of annuities and to require the building up of reserve funds to take care of unemployment, because we may always have some measure of unemployment. If history repeats itself we will have recurring cycles of ups and downs. I am led to inquire if maybe we are not a little like the man who lived in the house with a leaky roof: When the sun was shining he did not need to fix the roof, and when it was raining it was an awful job to try to fix it. In other words, by these other titles in this bill, which are separate and apart from the old-age-pension feature, the care of dependent children, maternal care, and those things, we are going to say to the working people and to industry, but primarily to the working people, "When you have a job we are going to take so much out of your wages to build up a fund to take care of you when you get old or to take care of you when you do not have your job." Possibly, in view of the fact that it is raining today, we ought to try to fix that roof, because we can see the necessity for it. In connection with that, however, let me drop just this one word of caution. The crying need of the immediate present in this land is economic recovery. I trust that those of us who have charge of the policies of this Government will not go too far afield in the matter of social experimentation or social reforms and so hamper business and industry that we cannot have economic recovery.

It is my honest and steadfast belief that if we could tomorrow put every man who wants a job into a job and give him employment by giving him a legitimate job in legitimate industry and getting him off of the Government pay roll or off of the relief roll, the specter of most of our other troubles would quickly vanish.

I want to reiterate that I favor the principle of old-age pensions and I will work for and support an adequate and reasonable plan.

My good friend the gentleman from California [Mr. McGROARTY], for whom I have developed a fond and sincere affection, is here advocating a plan which has been greatly modified since its introduction, and which we are told will be further modified. I do not know how far Congress will go in providing old-age pensions. Probably it will not make a lot of difference how I vote on it, because if history repeats itself there will be enough votes over there to put it one way or the other and we can vote yea or nay and it will not make a lot of difference. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, while the old-age-pension provisions of the social-security bill are totally inadequate, other provisions of the measure are meritorious. For example, title IV, granting aid to dependent children; title V, granting aid to State services relating to maternal and child welfare, the care of crippled children, and vocational rehabilitation, are so humanitarian in their purpose that the present administration is to be commended in this regard for bringing before Congress legislation which creates a new era in humanitarian legislative principles. The bill should be amended to include the provisions of the revised McGroarty bill, for I believe it will give far more adequate security to our aged. I welcome the opportunity to support this humanitarian legislation, and if there is no alternative I shall vote for the present bill with its old-age pension provisions, because I believe in the principle involved.

As reported by the Ways and Means Committee, individual and separate action must be taken by the legislatures of 48 States, and Congress itself must take further action to provide old-age pensions for the District of Columbia. Before the bill is finally passed by both the Senate and the House fully one-half of the State legislatures will have adjourned, many of them not to meet again in regular session for 2 and, in some instances, 3 years.

In the second place, the very fact that action is required in each State does not insure equality of security for our elder citizens. Every one of the States may set up different requirements within certain general limits outlined in this measure, which requirements may bring about so much confusion as to make proper national administration of the law almost futile.

The third fundamental weakness in this bill as reported, as I see it, is that it does not set forth a definite and precise method for uniform payment of old-age pensions. Its very vagueness spells insecurity.

Ever since I have been a Member of this body I have urged that legislation be passed to guarantee security in old age. During the last two Congresses the Committee on Labor, of which I am a member, has reported favorably on bills providing old-age pensions. But the House has failed to act upon them, although the majority of us probably believed at that time that it was the proper thing to do.

The revised McGroarty bill, H. R. 7514, on the other hand, while undoubtedly having some weaknesses, is more certain of relief than that offered in the present bill. It places the responsibility squarely where it belongs—on the shoulders of the Federal Government. It provides a more certain and uniform security for every aged citizen. It provides for the payment of these pensions immediately—now, when they are needed, not 2 or 3 years hence, when many of these citizens will have passed to the Great Beyond.

There can be no just criticism of government for the enactment of this type of legislation. It is truly among the most humanitarian types of legislation man can evolve, and it should not be made a political football. [Applause.]

I have stated that this is a responsibility properly resting upon the Federal Government. Our economic structure is

today national in scope. Our economic problems and depressions are consequently national in scope. The tendency toward great chain organizations removing the wealth of local communities to large financial centers is already well recognized. The handicap thus placed upon individual communities and States in problems of taxation have been great. Many States have had commissions studying these tax problems for years. If the Federal Government is to permit such conditions to continue, it must, for the safeguarding of its own interests, recognize and assume the responsibilities that necessarily follow. This principal is already well precedented in our Federal public-health laws and administration. We no longer expect a local community to alone suppress an epidemic. Physicians, nurses, and experts of the Federal Government step in because it is recognized that its continuance may be a national calamity. The conditions that have been forced upon thrifty and deserving American citizens by the national economic calamity through which we have been passing is likewise a national problem and national responsibility.

Another factor of major importance in making this a Federal problem is the terrific trend toward the mechanization of all industry. The inventive genius of America has been turned to this with renewed vigor during the years of the depression. Machinery requires youth for its operation. Formerly men had not spent their usefulness before reaching the age of 60. Today, no large employer of labor, including the United States Government itself, will employ men and women who have even reached 45 or 50. With thousands who had provided for their old age having their savings exhausted by the conditions of the past few years, the permanent unemployed in the older age groups will continue with us. It is within the power of Congress to wipe out in large measure the tragedy being wrought in their lives.

I sincerely hope that every Member of this House will give careful and thoughful study to the revised McGroarty bill. We should not be prejudiced against it by hearsay information. We should know its content and understand it.

Whether the revised McGroarty bill, as approved by Dr. Townsend, is substituted for the old-age-pension section of the social-security bill or not, I desire to take this opportunity to point out the deserving credit due Dr. Townsend and the proponents of the McGroarty bill for their success in making us nationally conscious of this responsibility. We should, as representatives of the people, give to all American citizens social and economic security in their declining years. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I ask unanimous consent to extend my remarks and include a letter that has a direct bearing on my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The letter follows:

ALLENWOOD, PA., *April 12, 1935.*

Hon. B. K. FOCHT,
House of Representatives, Washington, D. C.

DEAR MR. FOCHT: I am enclosing a tag taken from a bag of cottonseed meal, purchased at our local feed store here in Allenwood. Positive proof that Pennsylvania farmers are using cattle food raised in China, and processed in and imported from Japan.

What are we coming to? Are the people who are responsible for the policies which permit such things to happen mad? Perhaps they are just plain fools.

In regard to the hog-processing tax. In my humble judgment it should be dropped at once. Pork has become so high that the ordinary consumer cannot afford to buy it. They are turning to substitutes. If the 2½ cents a pound tax was knocked off, it would help. Let us drop all this complicated jumble, and return to common sense and America for Americans.

I have copied the following from the tag which was on a recent shipment of "cottonseed meal" received here in Allenwood, Union County, Pa.

"100 lbs. net.

"Cottonseed meal manufactured only from Chinese cottonseed in Japan. Imported by Ashcraft-Wilkinson Co., Atlanta, Ga.

"Guaranteed analysis:

"Protein, minimum 36 percent; fat, minimum, 4½ percent; fiber, maximum 16 percent; nitrogen free; extract, minimum 25 percent. Paramount Brand."

With best regards, I am, respectfully yours,

C. V. MICHENER.

Mr. FOCHT. Mr. Chairman, ladies and gentlemen of the Committee, we were all deeply impressed by the impassioned speech of the gentleman from Massachusetts [Mr. McCORMACK].

I hesitate to mention it, but it so happens that 20 years ago I delivered an address on the floor of this House advocating an old-age-pension law. One year later I introduced a bill for that purpose. Both of these instances are a part of the records of the House.

Civil government is made necessary for self-defense and for the control of the conduct of our citizens.

Now, my friends, there is one thing about this if we understand it, and we do have a perfect understanding that something is going to pass in the shape of an old-age pension. I, of course, will vote for it, but like some others here, I am constrained to call attention to one important and essential thing.

Since the matter has been practically settled by voices expressed here on the floor that the bill will pass, the question then arises—and that seems to voice the same thing the gentleman from Massachusetts [Mr. MCCORMACK] spoke of—this is not a political question but a humanitarian and economic one, in fact, something closer and akin to the religious or spiritual.

You have heard of the invasion of New England by Japan with some of her products. They have come to my district where they have a rayon works which has employed 7,000 people. These foreign goods have virtually closed that factory, and the employees are walking the streets.

[Here the gavel fell.]

Mr. FOCHT. Can I have a little more time?

Mr. TREADWAY. I can give the gentleman 1 minute more, but I will have to take it out of someone else's time.

Mr. FOCHT. I had rather give 10 minutes to somebody else than to take any of their time. I will say that I tried to get time, but I have been treated discourteously in regard to it.

Mr. TREADWAY. I object to that statement. I have not treated the gentleman discourteously, and I do not propose to stand for it.

Mr. FOCHT. I have tried to get time and I have been denied it.

Mr. VINSON of Kentucky. Mr. Chairman, a point of order. This is a security bill. [Laughter.]

Mr. TREADWAY. We will take care of things on this side, and you take care of things on your side.

Mr. FOCHT. We now have an invasion of my home county of Union, in Pennsylvania, by the Chinese, which is quite as bad as the rayon importations into this country. Under a tariff duty of three-tenths of 1 percent, cottonseed meal stock feed to the extent of 44,890,000 pounds was imported in 1934 into the United States. Some of this cottonseed meal reached Allenwood, which coincidentally is the only township in Union County that went Democratic in 1934. It was billed through a firm in Atlanta, Ga. We will reserve for another time, when we are given better opportunity to discuss the matter of imports from Japan, of bleached cotton cloth, which has increased from 3,960 square yards in January 1934 to 4,347,739 square yards in February 1935.

Mr. TREADWAY. I yield 3 minutes to the gentleman from Pennsylvania [Mrs. RICH].

Mr. RICH. Mr. Chairman, when the gentleman from Massachusetts [Mr. MCCORMACK] was speaking this afternoon I admired the spirit in which he tried to speak of this social-security bill. It was not a purpose of mine in any way to speak of the bill as a political bill, but I felt it my duty because of the fact that the Democratic Party is in power to call their attention to the promises they have made to the American people, to the platform they have adopted, which was a covenant with the people, which they promised to carry

to completion, and which the President of the United States said that he would carry out 100 percent, and which promises have not been fulfilled. It is a question of misplaced trust by the Democratic Party. I believe this country today is best operated by two major parties, and it is necessary for the party in power to carry out those principles and promises inculcated in its platform, and which it has promised to the American people. Why should not the Democratic Party carry out its platform to the letter rather than do the opposite from what it promises?

Then I call the attention of the House to the fact that the Speaker, Mr. BYRNS, yesterday said he thought we could reduce taxation on small industry. I also call attention to the remarks made by Mr. SAMUEL B. HILL in referring to the fact that the Budget is practically in balance. Not so, according to Government Treasury statements. I say to the Democratic Party, Where are you going to get the money for these exorbitant expenses? Where are you going to get the money to balance the Budget? I say to you and to Members of this Congress that if you do not recognize that fact and assume your responsibility in trying to balance the Budget you are going to find out that instead of assisting these people to receive old-age pensions you will not only cause them to have greater misery and suffering but you will wreck this country. I tell you again it is your duty and responsibility to balance this Budget, and when the gentleman from Washington [Mr. SAMUEL B. HILL] says we are about balancing the Budget, I say to you that if this Budget is balanced at the end of this year I shall ask this small minority of Republicans to give you, our Democratic colleagues, the best banquet that can be had in any banquet hall in Washington, and we will permit you to write your own menu, and all this we will do if you will only balance the Budget. We would do it if we were in power. This is your responsibility. Assume it. Do it now before it is too late.

The President ran New York State into the greatest debt of its history, and he has already accomplished the same feat for the country. Will you let him continue this orgy of ruthless spending?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. TREADWAY. Mr. Chairman, I yield now to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, since the revised McGroarty bill, H. R. 7154, was introduced on April 1, a number of clarifying and perfecting amendments, some of them of considerable importance, have been made to it. Several gentlemen, including myself, desire to discuss that bill when it is offered under the 5-minute rule tomorrow. In order that all Members may have an opportunity to read the bill with the amendments, in the form in which it will be offered as a substitute for the old-age pension provisions of the administration bill, I ask unanimous consent to extend my remarks in the RECORD by including therein at this point the text of the revised McGroarty bill, with the amendments.

The CHAIRMAN. Is there objection?

There was no objection.

The bill, with amendments, is as follows:

[74th Cong., 1st sess.]

H. R. 7154

In the House of Representatives

Mr. MCGROARTY introduced the following bill, which was referred to the Committee on Ways and Means and ordered to be printed

[Omit part enclosed in brackets and insert part printed in italic]

A bill to provide for the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power, retiring certain citizens from active gainful employment, improving and stabilizing gainful employment for other citizens, stimulating agricultural and industrial production and general business, and alleviating the hazards and insecurity of old age; to provide a method whereby citizens shall contribute to [the purchase of] and receive a retirement annuity; and for the raising of the necessary revenue to operate a continuing plan therefor; and to provide for the proper administration of this act; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled—

DEFINITIONS

SECTION 1. The term "transaction" for the purposes of this act shall be defined so as to include the sale, *transfer,* barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time or only then agreed to be made and whether under executed or executory contract or otherwise; also including all charges for interest, rent commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service, also transportation by any means, and telephone, telegraph, radio, amusement, recreation, education, art, advertising, any public utility, any water rights, and/or any and all other service of any and every kind whatsoever, but excepting and excluding therefrom any single isolated transfer of property of fair value less than $100, *or any other isolated transaction of the fair value of $50 or less,* which does not arise or occur in the usual course of an established [commercial] business, *trade, or profession,* and excluding any loan, deposit, withdrawal from deposit, hypothecation, or pledge of property or money.

The word "person" shall include any corporation, firm, copartnership, or association.

The term "transfer" for the purposes of this act shall be defined to mean the passing of property, real or personal, or the title ownership or beneficial interest therein, from one person to another, and also includes the rendition of service in connection with the transfer.

A purchase obligation is not a loan under this act.

Barter and/or exchange is defined as a plurality of transactions to the extent of the fair value of the property and/or service transferred or rendered other than money.

The term "income" for the purposes of this act shall be defined so as to include the gross amount of any and all money or its equivalent received from or for any service performed or from or for any proceeds or profit from any transaction, inheritance, or gift whatsoever.

The term "net income" for the purposes of this act shall be defined so as to include all money and/or commercially valuable benefit or its equivalent actually received by the annuitant, after deducting only such charges and expenses as are directly incident to producing such net income.

The term "gainful pursuit" for the purposes of this act shall be defined so as to include any occupation, profession, business, calling, or vocation, or any combination thereof, performed for monetary or other commercially valuable consideration, remuneration, or profit.

The term "annuity" and/or "annuities" for the purposes of this act shall be defined so as to include the various sums and/or amount of money distributed and paid pro rata and otherwise to the various persons who shall become and be the beneficiaries under this act.

The term "executory contract" for the purposes of this act shall be defined so as to include any and all conditional sale agreements and contracts, and all other agreements and contracts the completion of which is or may be delayed to sometime subsequent to the time of making thereof.

The term "gross dollar value" for the purposes of this act shall be defined so as to include the sum representing the total fair value of the entire property or service transferred or proposed to be transferred, without deducting any amount of encumbrance or offset of any kind, *except a mortgage encumbrance of record upon real property.*

TAXES AND COLLECTION THEREOF

SEC. 2. (a) There is hereby levied a tax of 2 percent upon the fair gross dollar value of each transaction done within the United States and Territories; also, in addition to all other taxes, a tax equal to one-tenth of the tax levied upon all incomes under the provisions of the Revenue Act of 1934 or any amendment thereto; also, in addition to all other taxes, a tax of 2 percent upon the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition or legal descent and distribution of property, as now *are* or hereafter *may be* taxable under the [provisions of the Revenue Act of 1934 or any amendment thereto:] *laws of the United States;* and also, in addition to all other taxes, a tax of 2 percent upon the fair gross dollar value of every gift in excess of the fair value of $500: *Provided, That said taxes shall not be levied upon such transactions involving the issuance, sale, or transfer of Federal, State, or municipal bonds or other securities as would be otherwise exempt from Federal taxation under existing law, and shall not be levied upon any transaction done by the Federal or by a State or municipal Government which would be otherwise exempt from Federal taxation under existing law.*

(b) Except as hereinafter otherwise provided, all tax returns for the taxes imposed by this act shall be made by, and the tax shall be paid by, the grantor, vendor, lessor, and/or legal representative thereof, and by the legal entity by whom the service is furnished, for each and every transfer of property and/or rendition or performance of service, and for all transactions arising under executory contract the return shall be made and the tax shall be paid as of the date such executory contract is entered into, regardless of the time of the completion thereof: *Provided,* That in every case of compensation for personal service other than for professional service, the person or legal entity by whom such payment is made shall deduct the amount of the tax and withhold it out of such compensation and shall make the return and the payment of the tax for such cases in lieu of the return and payment by the person who performed the service.

(c) All taxes imposed by this act shall be deemed levied and shall become payable upon all taxable transactions beginning and occurring on and after 30 days after this act takes effect.

(d) Every return of taxes, together with the payment of the taxes, as required by this act, shall be made to the collector of internal revenue of the United States, or to such other person as may be designated by rules and regulations issued under this act, for the district from which such return is made, as of the end of each calendar month during which such taxes become fixed and chargeable, and shall be delivered and paid to said collector of internal revenue or other person not later than 10 days after the expiration of the calendar month for which such return is made.

(e) The Secretary of the Treasury shall enforce the payment of the taxes required by this act to be paid, and shall promptly deposit in the United States Treasury all funds received by him through or from the collection of such taxes, all as required by rules and regulations to be issued and promulgated by the Secretary of the Treasury of the United States.

(f) Within the limitations of sections 1 and 2 of this act the Secretary of the Treasury shall by rules and regulations prescribe what shall constitute a taxable transaction within the meaning of this act, in any particular case, and may determine and prescribe the number of transactions to be taxed in the course of the production, distribution, and sale of any article or commodity. He shall also create and maintain a Board of Review which shall have jurisdiction to hear and determine any claim arising out of the administration of sections 1 and 2 of this act, upon the part of anyone paying or liable for the payment of any of the taxes imposed herein. Said board shall consist of not more than five members who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary to be fixed by the President, not exceeding $10,000 per year. The decisions of said board shall be subject to appeal to the District Court of the United States of the district where the claim arises, in the manner prescribed by law for appeals in income-tax matters.

In making the rules and regulations herein provided for the Secretary of the Treasury shall be governed by the following basic rules, which are hereby declared to be the policy of the United States with regard to the levy and collection of said taxes:

(1) Where the transaction involves the physical transfer of property, or the ownership, title of beneficial interest therein, the tax shall be levied upon the gross dollar value of the property so transferred; except that in the transfer of real property under a contract of purchase, purchase-money mortgage, or other purchase obligation the tax shall be levied and collected upon the amounts paid under such obligation as and when the same are paid.

(2) Where the transaction consists of the rendition of service only in connection with the transfer the tax shall be levied and collected upon the gross dollar value of the service rendered.

(3) The gross dollar value in either case shall be the price actually charged for the property or service, unless it shall appear to the Secretary of the Treasury that such price is obviously inconsistent with the fair value thereof, in which case the Secretary of the Treasury shall determine the fair value and levy the tax thereon accordingly.

(4) A transaction done by a broker, commission merchant, carrier, bailee for hire, or warehouseman in the ordinary course of his business as such in connection with personal property, shall be deemed to be a service transaction.

(5) Where several transactions are done in the course of the production, manufacture, distribution, and sale of personal property and/or service rendered in connection therewith, all of such transactions, if otherwise taxable hereunder, shall be taxable whether said transactions are done in whole or in part by, within, or under the control of a single person, firm, corporation, copartnership, or association, or whether they be done in whole or in part by separate persons, firms, corporations, copartnerships, or associations; the purpose of this clause being to prevent avoidance by larger business firms and combinations of payment of the same tax for which smaller or independent businesses would ordinarily be liable under this act.

(6) Where articles are manufactured in whole or in part by the process of assembling together such component parts thereof as are ordinarily purchased from other manufacturers, such, for example, as automobiles, machinery, furniture, and so forth, the transaction tax herein provided shall be levied upon the gross dollar value of such component parts regardless of whether the same were made by the manufacturer of the assembled or completed article or whether they were purchased by such manufacturer from another, and where the manufacturer of an article upon which a transaction tax is payable hereunder is the producer of the raw material or other material from which said article in whole or in part is made, then the transaction tax upon such material, if the same has not been paid and would be otherwise taxable hereunder, shall be paid by such manufacturer.

(7) Every person engaged in the sale of goods at retail shall be deemed for the purposes of this act to be an independent operator and not the agent or employee of any producer, manufacturer, wholesaler, or distributor of such goods.

A SEPARATE FUND

SEC. 3. There is hereby created in the Treasury Department of the United States a fund to be known and administered as the "United States citizens' retirement annuity fund." All revenue derived from the taxes levied in and under this act shall be deposited by the Secretary of the Treasury in this United States citizens' retirement annuity fund, and shall be disbursed only for the payments of the sums expressly authorized by this act to be paid therefrom, and for no other purposes.

ONLY UNITED STATES CITIZENS ARE ELIGIBLE

SEC. 4 (a) Every citizen of the United States 60 years of age and over, or who shall attain the age of 60 years after the passage of this act, shall be entitled to receive upon filing application and qualifying as hereinafter provided an annuity payable monthly during the life of the annuitant, in a sum to be determined as hereinafter provided in this act.

(b) The right of any person to receive an annuity under this act shall date from and begin on the date of proper filing of an application therefor, when and if such application is supported by proper and sufficient proofs in compliance with rules and regulations issued pursuant to the provisions of this act, but subject to the limitations upon time and manner of payment as hereinafter provided by this act. *In such application the applicant shall disclose the nature and extent of any annual or monthly income then being received or due to be received by the applicant.*

(c) The annuitant shall not engage in any gainful pursuit.

(d) The annuitant shall covenant and agree to expend, and shall spend, all of each month's annuity during the current calendar month in which it is received by the annuitant, or within [5 days] *1 month* thereafter, within the United States of America or its Territorial possessions, in and for the purchase of any services and/or commodities, and/or a home or an equity in or lease of a home, or for the payment of any indebtedness lawfully arising for any such purchase: *Provided, however,* That the annuitant shall not directly or indirectly expend a total of more than 10 percent of any such monthly annuity for gifts or contributions to any person or to any public or private institutions, associations, or organizations.

(e) This annuity shall not be payable to any person who directly or indirectly receives from any source a net income of any kind or nature in excess of [$2,400 per year] *the amount of the annuity to which he would be otherwise entitled under this act.*

(f) Any person otherwise qualified to receive an annuity hereunder and who at any time receives any net income of any kind or nature [not arising from personal services of such person and which in total amount is less than $2,400 per year] shall promptly make full and complete disclosure in writing under oath, as required by rules to be issued under this act, fully disclosing the amount and source of any and all such income, and thereupon the pro rata monthly amount of any such annual income not arising under this act shall be prorated over the year and shall be deducted monthly from the monthly annuity payment to which such person under this act would otherwise be entitled, and the remainder shall be the annuity of such annuitant payable under this act: *Provided, however,* That all of the income of any such annuitant, whether arising under this act or otherwise, shall be expended as required for annuity paid under the provisions of this act.

ADMINISTRATION PROVISIONS

SEC. 5. (a) The Administrator of Veterans' Affairs shall create and maintain boards of review within the several States as he may deem necessary to carry out the provisions and purposes of this act, and he shall issue and promulgate and enforce proper and suitable rules and regulations governing the manner and place of registration by applicants for the annuities provided for under this act, and the method of identification of and registration by such annuitants, also to require and secure the proper spending of the annuity money by the annuitant as required by this act, and adequate and sufficient accounting thereof, and such other rules and regulations as he may deem necessary, all in accordance with the intent and purposes of this act; and he shall cause to be paid at regular monthly intervals, to each person who lawfully qualifies to receive annuities under this act, such amount as shall become due the respective annuitants lawfully qualifying under this act.

(b) Proper and suitable boards shall be established by the Administrator of Veterans' Affairs, within each State as he shall deem necessary, such boards as have exclusive jurisdiction to hear and determine all issues arising under this act, subject to rules and regulations issued and promulgated under this act, concerning annuitants residing within the jurisdiction of the boards, respectively, but subject to the right of either party to have the decision of any such board reviewed by the State court having general jurisdiction over the area in which that board is situated.

APPORTIONMENT AND DISTRIBUTION OF FUNDS

SEC. 6. From and out of the proceeds of such taxes collected and accumulated under the provisions of this act, disposition and disbursements shall be made in the following manner and order, to wit:

(a) All proper and necessary expense of administering this act shall first be paid or provided for, and upon a monthly basis whenever practicable.

(b) A reserve fund shall at all times be maintained sufficient to protect and provide proper payment of any and all annuities the payment of which for any cause is deferred because of delay in approval of application for the annuity or otherwise.

(c) All other money available in any month or period, from or out of said tax collections or any undistributed residue thereof, as hereinafter referred to, shall be distributed and paid monthly, pro rata, except as hereinafter provided, to all qualified annuitants who are of record on the last day of the calendar month period or longer first period as hereinafter specified, during which the tax collections and/or residue are accumulated for distribution, in such amount

[not exceeding $200 per month,] as may properly be paid from the funds accumulated during that period, and in the following manner, to wit:

(d) First. The total amount available for distribution shall be divided by the total number of the annuitants entitled to share therein, and except for cases where deduction is to be made as hereinafter referred to, the result shall be the pro rata annuity amount.

Second. The proper deductions provided for by section 4, paragraph (f), of this act shall then be made from the pro rata amount so determined, as to all persons who have any income not arising under this act as annuity.

Third. The amount so determined to be due each of the annuitants shall then be paid in manner and by method as follows, to wit:

(e) The total amount of the deductions made as provided in section 4, paragraph (f), of this act shall constitute a residue which shall be carried over into the next following month and be merged into and become a part of the fund available for that month for distribution to qualified annuitants as provided for in this act.

(f) All of the funds accumulated under this act during the period extending from the time this act goes into effect and to the end of the first full calendar month after this act takes effect and hereby designated as the "first period", shall be promptly paid for and as of the first day of the fifth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such "first period" and as hereinbefore provided for in section 6, paragraph (c), of this act.

(g) All of the funds accumulated under this act during the second full calendar month after this act takes effect, hereby designated the "second period", shall be promptly paid for and as of the first day of the sixth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such "second period" and as hereinbefore provided for in section 6, paragraph (c), of this act.

(h) Subsequent monthly payments to the annuitants shall be made by this same method, monthly, as follows:

Accumulation of third period to be paid on first day of seventh month.

Accumulation of the fourth period to be paid on first day of eighth month.

Accumulation of the fifth period to be paid on the 1st day of the ninth month, etc.

And continuing so long as any funds are available therefor under this act, to the annuitants identified monthly in accordance with section 6, paragraph (c), of this act.

RULES AND REGULATIONS

SEC. 7. All administrative details not specifically otherwise provided for in this act shall be governed by rules and regulations issued and promulgated by the Administrator of Veterans' Affairs.

APPROPRIATION FROM THE FUND

SEC. 8. The Secretary of the Treasury, upon demand by the Administrator of Veterans' Affairs, is hereby authorized and directed to pay from money or moneys available in said United States citizens' retirement annuity fund the money necessary to cover the monthly annuities as designated by said Administrator to be paid to qualified annuitants, and for other purposes, in a total amount as elsewhere provided in this act, but in any event not to exceed at any time the amount on deposit in said fund; and there is hereby authorized to be appropriated such sum or sums as may be necessary to establish and maintain this act, subject to reimbursement out of funds collected hereunder, pursuant to the provisions of this act.

PENSIONS NOT SUBJECT TO GARNISHMENT, ETC.

SEC. 9. Any annuity granted under this act, and the money proceeds thereof due or in the hands of the annuitant, shall be wholly exempt from attachment, garnishment, execution, levy, and/or any other judicial process.

DISQUALIFICATIONS

SEC. 10. No annuity shall be paid under this act to any person who is not at the time of payment domiciled within the United States or its territorial possessions.

SUSPENSION AND FORFEITURE

SEC. 11. The right of any person to receive an annuity under this act may be suspended and/or forfeited for any of the following causes:

(a) For engaging in any gainful pursuit.

(b) For violation of any of the provisions of this act.

(c) For unreasonable and unnecessary maintenance of any able-bodied person in idleness and/or for unreasonable and unnecessary employment of a person or persons or the payment to any person of any salary or wages or any other form of compensation in disproportion to the service rendered.

(d) For willful failure or refusal to obey any rule or regulation issued under this act.

(e) For willful refusal by any annuitant to pay any just obligation.

DELAY IN PAYMENT—REMEDY

SEC. 12. If in any case the payment of an annuity to any person is delayed to an extent which causes an accumulation of 2 months or more of annuities, then, and in that event, the expenditures by the annuitant for the amount of any such accumulation shall be made upon the basis of 2 months for every month of such accumulation.

CERTAIN OFFENSES A FELONY—PENALTY

SEC. 13. It shall be a felony, and punishable as such, for any applicant for an annuity, or for any annuitant, or any person required by this act to make any return for the payment of any tax, to make any false statement, or to knowingly withhold any facts material to the proper administration of this act, with intent to defraud the United States, under a penalty of a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

CONSTRUCTION OF THIS ACT

SEC. 14. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act or the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, we have in the State of New York an old-age-pension system, and we have a pension system for widowed mothers and children and have just passed at this session of our legislature a bill to provide for unemployment insurance. We should have established insurance many years ago. I am so much interested in all of those subjects that at the beginning of this session I introduced an unemployment insurance bill. I think that my bill is better than the one before us, and I am in hopes, before this bill is considered finally, we may get a change in the bill along the lines of the bill which I introduced. My bill provides that the employer and the employed and the Federal Government shall share equally in the cost of the insurance. My reason is that a person who gets an annuity should have some part in the creation of that annuity. To get the most out of an annuity a person should help create it. I hope we may be able to amend the bill before the bill is passed.

One statement has been made to us here to the effect that the employer cannot afford to pay the expense. I think that is true. It will add a burden of 9 percent to all of the employers, but we must also consider the fact that the employer will pass that on; and my question is, Can the people at large afford to pay this added expense? There is a class of people who are not going to be protected, the farmer and domestic and various others, who do not come under the insurance. How is it going to look to them when some man loses his job and gets unemployment insurance, while his neighbor who has helped pay for that insurance does not get any relief whatever? That is what may happen in our rural communities, and that is what may happen to our domestics and farmers. They will contribute under this bill just as much toward creating an unemployment insurance fund as the man who receives the money. That is something to consider seriously—and this is why I contend that the employee should contribute an equal amount along with the employer.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. LORD. Yes.

Mr. VINSON of Kentucky. Under the New York State law are farmers included in the unemployment insurance?

Mr. LORD. No; the New York State bill is the same as the bill before us, and that is the bad part of it. I believe we should have a pension for our old people and one that is adequate, built up over a period of years. We should have security for women and children, and insurance for all unemployed. I hope that we can work out of this bill a just and adequate measure for all of the people, and one to be paid for by and for the benefit of all, including the farmer and domestic.

Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield the balance of my time, 26 minutes, to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the economic security bill now before us raises grave constitutional questions. More and more as the proposals of this administration are presented and the motives behind them are revealed, thoughtful citizens turn to the Supreme Court as the one

dependable instrumentality of Government to hold the rudder of the Constitution true.

Recent decisions of this great bulwark of liberty and justice have inspired new hope in the hearts and minds of those who believe in the principles of constitutional government.

Two comparatively recent and notable decisions of the Supreme Court ought to exert a restraining influence on the Congress as well as the executive branch of the Government. The economic security bill now before us is evidence that another attempt is to be made to evade constitutional limitations and invade the rights reserved to the States. This Congress, under irresponsible executive leadership, has already attempted to delegate its legislative power in violation of the Federal Constitution, and under the same leadership it has attempted to repudiate the promises of the Government to its citizens. The same leadership that has brought the stigma of repudiation upon this Congress may be satisfied to dismiss this ugly word by issuing a statement from the White House that "the President is gratified", but the responsibility for this injustice to the citizens of the Nation rests upon Congress.

The executive branch of the Government for the past 2 years has made a spineless rubber stamp of this legislative body, and it has done so to the humiliation of the self-respecting Members of Congress and to the detriment of the Nation.

It may require a more blistering rebuke from the Supreme Court and the pressure of an aroused and enraged public opinion to restrain this Congress from continuing to be the tool of those who would destroy the Constitution; but the time is not far distant when those who believe in constitutional government will speak with force and with finality.

There are times when I enjoy to turn back the pages of our history and examine the philosophy of those who framed the Constitution, and to compare it with the philosophy of the ardent advocates of the new deal who have all but destroyed it.

One of the framers of the Federal Constitution, in commenting on the advantages to be derived from having two branches of our National Legislature, made these interesting observations:

> Each House will be cautious and careful and circumspect in those proceedings, which they know must undergo the strict and severe criticism of judges, whose inclination will lead them, and whose duty will enjoin them, not to leave a single blemish unnoticed or uncorrected.
>
> Every bill will, in some one or more steps in its progress, undergo the keenest scrutiny. Its relations, whether near or remote, to the principles of freedom, jurisprudence, and the Constitution will be accurately examined; and its effects upon laws already existing will be maturely traced. In this manner rash measures, violent innovations, crude projects, and partial contrivances will be stifled in the attempt to bring them forth.

When the distinguished statesman and jurist made this statement he did not have in contemplation the time when a Chief Executive would usurp the functions of Congress, bend it to his will, make the legislative committees subservient to him, formulate the legislative program, draft the bills both as to substance and form, and then demand enactment of them into law without change. It did not occur to him, I venture to say, that legislators elected to the Congress of the United States would ever become so servile. Moreover, I dare say the thought never entered his mind that a Chief Executive would engage adroit counsel and assign to them the specific task of so formulating legislative measures as to evade the spirit and intent of the Federal Constitution. Few bills that have come before Congress, I am sure, have had more time spent upon them by legal talent in an attempt to evade and circumvent constitutional barriers than has the economic-security bill now before this House.

The provisions have been cut, carved, sawed, assembled, and reassembled in an effort to make it constitutionally presentable to the Supreme Court. A resort has finally been had to an ingenious mechanical arrangement of title II and title VIII as the most likely means of diverting the attention of the Supreme Court from the real issue, viz, that these two titles are the same in purpose, spirit, intent, and substance. This clever scheme may succeed, but I do not believe this mechanical subterfuge will deceive the Court. If the purpose sought to be accomplished does escape the scrutiny of the Court because of the mere juggling of titles, then other police powers reserved to the States may in the same manner be taken over and operated by the Federal Government without let or hindrance.

But, Mr. Chairman, the courts are not dumb when it comes to detecting legislative subterfuges, even when such attempted evasions are drawn by the "brain trust" counselors. We have evidence of this in a recent opinion written by Federal Judge Charles I. Dawson in support of a decision adverse to new-deal legislation. The language and the logic expressed in the opinion are appropriate and applicable to title II and title VIII in the bill before us. Judge Dawson writes:

> It is impossible for anyone who has any respect for constitutional limitations to contemplate this law with complacency. * * *
>
> It is the plainest kind of an attempt to accomplish an unconstitutional purpose by the pretended exercise of constitutional powers.

In this same opinion Judge Dawson said that if the act itself shows that—

> Subterfuges were resorted to to circumvent constitutional limitations, no judge who respects his oath to support and defend the Constitution will hesitate to strike it down, it matters not how great may be the demand for such legislation.

Executive domination is responsible for including in this economic-security bill subject matter that should have been brought in under separate measures. Never under any circumstances, except under present dictatorial pressure, would the Ways and Means Committee have brought a bill in here loaded down with subject matter some of which ought to receive profound study before being launched in perilous times like these. There would be little if any opposition to Federal aid to the humanitarian subjects, such as adequate aid to the aged, grants to States for dependent children, grants in aid of maternal and child welfare, grants to maternal and child-health service, grants to aid crippled children, aid to child-welfare services, support to vocational rehabilitation, and to public-health work.

But there is included in this bill, by the direction and at the command of the President, the compulsory contributory old-age-annuity provision. As I have stated, it raises a grave constitutional question, and, beyond all this, it lays a heavy tax burden on employers and employees alike when they are least able to bear it, not to meet an emergency or to furnish immediate relief to those in need. Titles II and VIII, I repeat, were placed in this bill and kept in this bill because you were ordered and commanded to do it by the President.

This measure, like so many complex bills that have preceded it, was not brought here, and you did not dare bring it here, until it had run the gamut of administration approval. First it had to satisfy the "brain trust." Next it had to receive the benediction of the President. When the press announced that the majority members of the Ways and Means Committee had been to the White House to obtain the consent of the President to bring the economic-security bill before the House of Representatives for consideration, I was reminded of the truth that history repeats itself. Almost six centuries ago, when the King of England convened Parliament, the sole duty of the Commons was to consent to taxes. Later on, in 1354, Edward III, for some reason not revealed, asked the Commons their opinion of the French war which he was then carrying on, and this was their reply:

> Most dreaded lord, as to this war and the equipment needed for it we are so ignorant and simple that we do not know how nor have we the power to decide. We, therefore, pray your grace to excuse us in the matter.

The parallel is in the procedure only—not a reflection upon the intellectual capacity of my colleagues. I want it distinctly understood that I have a profound admiration and respect for the character and intelligence of my associates on the Ways and Means Committee. What I deplore is the lack of legislative independence so much needed to prevent constant dictatorial Executive interference with the legislative branch of the Government. A great statesman has said:

The true danger is when liberty is nibbled away for expedients and by parts.

The centralization of power in the executive branch of the Government is a menace of major proportions.

I know that the admonitions of George Washington on this point will fall on deaf ears, but I hope you will indulge me while I quote from his Farewell Address:

It is important likewise—

He said—

that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism.

A just estimate of that love of power and proneness to abuse it which predominate in the human heart is sufficient to satisfy us of the truth of this position.

The necessity of reciprocal checks in the exercise of political power by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments, ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them.

If in the opinion of the people the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation, for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can anytime yield.

Again let me remind the members of the majority that even though you enact title II and title VIII as commanded by President Roosevelt the responsibility for an adverse decision by the Supreme Court as to the constitutionality of these two titles will rest upon you. It will not relieve you from it to say: We obeyed our master's voice. Will he come to your rescue? Not at all. What will his answer be? Is he not in a position to say this, "My fellow countrymen, I made my position clear on this subject when I was Governor of New York State. In a radio address broadcast on March 2, 1930, I then said"?—

As a matter of fact and law the governing rights of the States are all of those which have not been surrendered to the National Government by the Constitution or its amendments. Wisely or unwisely, people know that under the eighteenth amendment Congress has been given the right to legislate on this particular subject (prohibition); but this is not the case in the matter of a great number of other vital problems of government, such as the conduct of public utilities, of banks, of insurance, of business, of agriculture, of education, of social welfare, and of a dozen other important features. In these Washington must not be encouraged to interfere.

Federal Government costs us now $3,500,000,000 every year, and if we do not halt this steady process of building commissions and regulatory bodies and special legislation like huge inverted pyramids over every one of the simple constitutional provisions, we will soon be spending many billions of dollars more.

Mr. Chairman, what is the situation? It is this: Five years ago in the broadcast from which I have quoted, Governor Roosevelt stressed his opposition to the type of Federal legislation which you now seek to enact. His reasons then given were, viz, that—

The governing rights of the States are all those which have not been surrendered to the National Government by the Constitution or its amendments.

That among the governing rights of the States not so surrendered are insurance, social welfare, business, and others.

You on the majority side say that you cannot understand our position with reference to title II and title VIII. I venture to suggest that the minority has a clearer conception of where the President stands with reference to the unconstitutional aspects of titles II and VIII than do you on the majority side. The position taken by President Roosevelt, when he was Governor of New York State, as to the constitutional questions involved in legislation of the character of the bill now before us, was sound then, and it is sound now, and you know it and he knows it. We know it, and under our oath of office we shall support the Constitution.

You may manipulate, distort, and butcher this bill in an endeavor to evade the fundamental law of the land, but you cannot change the fundamental purpose, the facts, nor the law.

The tenth amendment to the Constitution provides that the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

The fourteenth amendment does not take from the States police powers reserved to them at the time of the adoption of the Constitution. Furthermore, the Supreme Court of the United States has steadfastly adhered to the principle that the States possess, because they have never surrendered, the power to protect the public health, morals, and safety by any legislation appropriate to that end, which does not encroach upon the rights guaranteed by the National Constitution. What is more, as stated by Judge Cooley in his great work, Constitutional Limitations:

In the American constitutional system, the power to establish the ordinary regulations of police has been left with the individual States, and it cannot be taken away from them, either wholly or in part, and exercised under legislation of Congress.

Neither can the National Government, through any of its departments or officers, assume any supervision of the police regulations of the States.

Furthermore, the distinguished author makes this additional observation:

And neither the power (police power) itself, nor the discretion to exercise it as need may require, can be bargained away by the State.

Aside from insurmountable constitutional objections, there are practical reasons that ought to deter you from enacting titles II and VIII. Under these two titles the Congress proposes to compel the employers and employees to assume a financial burden that will ultimately amount to over $32,000,000,000. It is proposed to set up a bureaucratic scheme like this when 12,000,000 wage earners are without employment, when one-sixth of our population is on the relief rolls, when our national and State debts are appalling, and in face of the fact that it will be years before benefits will be paid.

Mr. Chairman, speaking of the present plight of the country brings me to a discussion of title III and title IX, which deal with unemployment insurance. This is another compulsory pay-roll tax. The system that is proposed to coerce the States to adopt by means of a 3-percent pay-roll tax, imposed on employers who employ 10 or more persons, is a State function as distinguished from a Federal function. The States may or may not set up an unemployment system, but in a State that fails to do so the employers who fall within the purview of titles III and IX will receive no unemployment benefits for their employees from the 3-percent tax imposed. In such a case it is not a tax but a penalty, and, therefore, discriminatory as well.

The problem before the Nation today is to find work—not public work paid out of the taxpayers' money—but work in private industry. Private business and industry should be encouraged, not discouraged. What has been the philosophy under which our Government has operated for the past 150 years, until recently? It has been the nonintervention of government in competition with private business. When social or economic legislation has been presented the practice heretofore has been for Congress to ascertain whether the ideas proposed would produce useful or injurious results, without troubling about their theoretical value. Now all this is reversed by the apostles of Government intervention, who maintain that the brain trust, by reason of the intellectual superiority of its members, ought to control the whole complex of the Nation's industrial and commercial activities, even though it may deprive the citizen of initiative and therefore of liberty.

The gradual replacement of private initiative by that of Government domination is apparent to those whose intellectual and moral senses have not been dulled by Federal doles and assurance of "a more abundant life."

Steadily and gradually, under the powers granted by Congress to the executive branch of the Government, it is beginning to direct everything, manage everything, and monopolize everything. Day by day the Government will intervene more and more in the most trivial activities of its citizens.

The Congress has appropriated millions of dollars, in fact billions of dollars, of the taxpayers' money and made them available to Government functionaries to spend in developing Government plants and commercial activities to compete with private enterprise.

The United States of America, under constitutional government, has for 144 years, until the advent of the "new deal", surpassed every other Nation in the creation of wealth and in the wide distribution of it among the masses. The American philosophy of government has permitted the activity of the individual to reach its maximum and that of the Government to be reduced to a mimum. It is proposed now to reverse the American policy of private initiative and, instead, to make the Federal Government preponderent in the daily affairs of every individual.

Unemployment insurance is dependent on the pay rolls of private industry, not on Government pay rolls. Private pay rolls are a condition precedent to the success of the plan embodied in titles III and IX of the bill before us.

It has been truly said that—

> The man who is trying to make a living for his family and pay taxes to city, State, and Nation, always loses if he has a government for a competitor.

Mr. Chairman, the small-business man, the one who falls within the purview of titles III and IX is sorely pressed at the present time to maintain his solvency. These small concerns can meet this new burden of taxation only by either going out of business or by cutting expenses. How will the man employing 12 or 15 men reduce his expenses? He will, if possible, reduce the number of his employees to 9 to escape the tax burden.

Much has been said about the unemployment systems of foreign governments; that the United States is a backward nation in this field of social legislation. The experience of some of the other nations with unemployment insurance demonstrates clearly that if such a system is launched on a large scale during a period of depression, all that can save it from financial disaster is the Treasury of the Federal Government. The burden of keeping the system solvent will first fall on the wage earner.

Gustav Hertz, German labor economist, in a recent work on social insurance, states this:

> In Germany no one any longer doubts the fact that the employer's share of the premium is taken from the workman's wages. What the employer pays as his contribution to social insurance he cannot pay the workmen in the form of wages.

The author further adds:

> Some years ago a well-known trade unionist even had to admit that countries without social insurance have higher real wages than Germany (United States, Holland, Scandinavia), while another said: "High wages are the best social policy."

In other words—

Says Mr. Hertz—

> social insurances handicap wage development. But not only this, they also intensify wage struggles.

Mr. Hertz states that under the German system—

> Premiums started on a modest basis. The first were 1½ percent for employee and three-fourths of 1 percent for employer. Today the entire premium averages almost one-fifth of the amount of the wages, and for miners it is nearly 30 percent.

Mr. Chairman, I am not hostile to unemployment insurance, but I do maintain that such a system, to succeed, must be put in operation when the unemployment fund can be built up without retarding recovery.

British experience with unemployment insurance demonstrates the advantage of starting such a plan under auspicious circumstances. The British National Insurance Act went into effect December 16, 1911. It covered only 2,000,000 manual workers in "seven of the more unstable industries." After the outbreak of the World War, 1,500,000 were added to the insurance list. The scheme operated successfully from 1911 up to 1920. It could not do otherwise, because during that time there was practically no unemployment. Because of the war activities, it was almost impossible to find men to fill available jobs.

In November 1920 the unemployment scheme was expanded to cover a total of 12,000,000 workers. Then came the depression of 1920, followed by unemployment. What happened?

The fund of £22,000,000, accumulated prior to the depression, was exhausted by the middle of 1921. Then the unemployment system had to borrow from the Treasury, and by 1922 a debt of £14,300,000 had been incurred.

The employment-fund debt in March 1927 had increased to £24,710,000, more than twice what it had been the previous year.

Then contributions were increased and benefits reduced.

It became necessary in 1929 to borrow £10,000,000 more from the Treasury.

The annual cost in 1930 increased £13,000,000 more. The debt doubled in the next 12 months, and in March 1931 stood at £73,600,000—all this drawn from the Treasury and as an added burden to the taxpayers.

The indebtedness of the unemployment fund increased steadily at the rate of £1,000,000 a month.

In September 1931 the debt had reached £101,910,000.

Mr. Chairman, is this record and this experience of Great Britain to be ignored by the Members of this House? Theorists may do so, but ought we, as responsible representatives of the people, to do so?

It cannot be successfully disputed that the national budgetary crisis of Great Britain in 1931 was largely due from financing the unemployment system.

I want to impress on the Members of the House that during the calendar year 1931 the British Treasury paid out £16,000,000 in contributions, £28,000,000 in transitional benefits, and also loaned in addition to these sums fifty million to the unemployment fund.

Mr. Chairman, only last year, 1934, one of the great problems of the British Parliament was to find some way to establish the unemployment system on a solvent and self-supporting basis. It still remains an unsolved problem in Great Britain.

I urge you not to disregard the facts. The greatest boon that can come to the wage earners of this Nation is industrial and business recovery. The unemployed want jobs and not doles. Recovery cannot come by plunging the Nation further and further into debt by increasing Government bureaus and commissions and by imposing taxes. The way to confidence and recovery is not by squandering money on experiments that have been tried and that have failed.

Let us replace experiments with experience. "Experience," says Wendell Phillips, "is a safe light to work by, and he is not a rash man who expects success in the future by the same means which secured it in the past." [Applause.]

Analysis of Social Security Bill

Title I. Grants to States for old-age assistance

(a) Appropriation: $49,750,000 in fiscal year 1936, and so much as may be necessary in future years.

(b) Appropriation made out of Treasury; no special tax levied.

(c) Federal Government pays one-half cost of State old-age pensions, with limit of $15 per month per person. Example: If rate is $20 per month, Federal Government will pay $10; if $30 or more, Federal Government will pay $15.

(d) To qualify for Federal assistance, State's old-age-pension law must meet certain Federal standards of administration, and must not—

(1) Have an age requirement in excess of 65 years, except until January 1, 1940, when it may be 70 years.

(2) Have a residence requirement in excess of 5 years out of the last preceding 9 years, including the year immediately preceding the date of application.

(3) Deny a pension to a person otherwise eligible who is a citizen of the United States.

Title II. Federal old-age benefits (compulsory contributed annuities)

(a) Money required under this title to be raised by tax on beneficiaries and their employers under title VIII.

(b) Provides for payment of retirement annuities at age 65 to workers subject to the tax under title VIII.

(c) To qualify for retirement benefits—

(1) The worker must be 65 years of age or over.

(2) The total amount of taxable wages paid to him after December 31, 1936, and before he reached the age of 65 must not be less than $2,000.

(3) He must have received such wages in each of 5 or more calendar years after December 31, 1936, and before he reached the age of 65.

(d) The amount of retirement annuity is based upon the cumulative wages paid to the worker over a period of 5 or more years on which taxes have been paid. Where the total tax-paid wages have been between $2,000 and $3,000 the monthly annuity is one-half of 1 percent of such total wages. If the cumulative wages were more than $3,000, the monthly annuity would be computed as follows: One-half of 1 percent of the first $3,000, plus one-twelfth of 1 percent of the amount between $3,000 and $45,000, plus one twenty-fourth of 1 percent of the amount in excess of $45,000. In no case may the monthly annuity exceed $85.

Following are examples of how this method of computation will work out:

Total tax-paid wages over period of years:	*Monthly annuity*
$2,000	$10.00
$3,000	15.00
$5,000	16.67
$10,000	20.83
$20,000	29.17
$30,000	37.50
$45,000	50.00
$60,000	56.25
$80,000	64.58
$100,000	72.92
$125,000	83.33
$129,000 or more	85.00

(e) Where a person has paid taxes with respect to his wages, but at age 65 cannot qualify for a monthly annuity, he is reimbursed in an amount equal to 3½ percent of the amount of his total wages with respect to which taxes have been paid under title VIII.

(f) In case a worker dies before reaching the retirement age, his estate is paid an amount equal to 3½ percent of his tax-paid wages.

(g) For rates of tax, see title VIII.

(h) Exemptions from benefits: The persons exempted from the benefits under title II correspond exactly with the persons exempted from the tax under title VII, which see.

TITLE III. GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION ADMINISTRATION

(a) Appropriation: $4,000,000 in fiscal year 1936 and $49,000,000 thereafter.

(b) To be used by States to meet cost of administration of their unemployment compensation laws.

(c) Money to be allocated on basis of, first, population; second, the number of persons covered by the State law; and, third, such other factors as the social-security board may deem relevant.

(d) In order to qualify for assistance, States must enact unemployment-compensation laws meeting certain Federal standards of administration, including acceptance by the State of the provisions of the Wagner-Peyser Act. The bill does not lay down any standards respecting the waiting period, the amount of unemployment compensation, nor the length of time it will be paid.

(e) No part of the Federal appropriation will be used in paying unemployment benefits.

(f) The money will be appropriated out of the general funds of the Treasury, but sufficient revenue will be derived from the pay-roll tax under title IX to cover the cost.

TITLE IV. GRANTS TO STATES FOR AID TO DEPENDENT CHILDREN

(a) Appropriation: $24,750,000 for fiscal year 1936 and such sums as may be necessary thereafter, paid out of general revenues of Treasury.

(b) Federal Government will match State appropriations for same purpose on basis of $1 for each $2 spent by State.

(c) Limit of Federal contribution would be $6 per month for first child and $4 for each additional child in family.

(d) To qualify for Federal assistance, States must submit and have approved by social-security board their plans for caring for dependent children. Plan must meet certain Federal standards.

TITLE V. GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

Part I. Maternal and child health services

(a) Appropriation: $3,800,000 for each fiscal year, beginning with the fiscal year 1936.

(b) To be used by States in extending and improving services for promoting health of mothers and children.

(c) Allotted by Children's Bureau on basis of $20,000 to each State and $1,800,000 on basis of number of live births within each State. These allocations must be matched by the States on a dollar-for-dollar basis. Remaining $980,000 to be allocated on basis of need and live births and not to be matched.

(d) To qualify for assistance, States must submit and have approved by Children's Bureau their plans for maternal and child services.

Part II. Services for crippled children

(a) Appropriation: $2,850,000 for each fiscal year, beginning with the fiscal year 1936.

(b) To be used by States in caring for crippled children.

(c) Allocated by Children's Bureau on basis of $20,000 to each State and the remainder on the basis of need. Allocations must be matched by States on dollar-for-dollar basis.

(d) To qualify for assistance, States must submit and have approved by Children's Bureau their plans for caring for crippled children.

Part III. Child-welfare services

(a) Appropriation: $1,500,000 for each fiscal year, beginning with the fiscal year 1936.

(b) To be used by States in establishing and extending public-welfare services for the protection and care of homeless, dependent, and neglected children.

(c) Allocated by Children's Bureau on basis of $10,000 to each State, and balance on basis of ratio of rural population to total rural population in the United States. This appropriation is not required to be matched by the States.

Part IV. Vocational rehabilitation

(a) The present authority for appropriations for vocational rehabilitation must be renewed every 3 years. It expires at the end of the fiscal year 1937.

(b) The bill authorizes the appropriation of an additional $841,000 in the fiscal years 1936 and 1937 and authorizes a permanent appropriation of $1,938,000 for each succeeding fiscal year.

(c) In addition, the bill provides $22,000 for administration expenses during 1936 and 1937 and $102,000 thereafter.

Part V. Administration

(a) Appropriation, $425,000 for fiscal year 1936.

(b) To be used by Children's Bureau for additional expenses incurred in administration of title V.

TITLE VI. PUBLIC-HEALTH WORK

(a) Appropriation, $10,000,000 for each fiscal year beginning with the fiscal year 1936.

(b) Eight million dollars to be allocated to States, $2,000,000 to be used by United States Public Health Service.

(c) Grant to States to be used in establishing and maintaining adequate State and local public-health services.

To be allocated by Surgeon General of Public Health Service on basis of, first, population; second, special health problems of the State; and third, financial need. No matching required.

(e) Additional appropriation for United States Public Health Service to be used in investigation of disease and problems of sanitation.

TITLE VII. SOCIAL-SECURITY BOARD

(a) Social Security Board set up to administer provisions of bill relating to old-age pensions and to dependent children, contributory annuities, and unemployment compensation.

(b) Composed of three members appointed by President by and with advice and consent of Senate to serve for 6 years at compensation of $10,000 per annum.

(c) Board to be independent agency.

(d) Bill authorizes appropriation of $500,000 for expenses in fiscal year 1936.

TITLE VIII. TAXES WITH RESPECT TO EMPLOYMENT

(a) This title should be considered in connection with title II, since the tax and the benefits are all part of one scheme. The provisions are separated into two different titles for the purpose of lending a color of constitutionality. If they were incorporated in a single title, they would clearly be unconstitutional, since the Federal Government has no power to set up a social-insurance scheme under the guise of a tax. Even with the two titles separated, there is still a grave doubt as to the constitutionality of the scheme.

(b) Title VIII levies a tax on certain employees and their employers for the purpose of setting up a fund out of which to pay the retirement annuities to such employees under title II.

(c) A separate tax is imposed on the wages received by workers and on the pay roll of their employers. The tax applies only to the first $3,000 of the employee's annual wage, that portion of the wage in excess of that amount being exempted. Thus if the annual wage were $2,500, it would all be taxed, and if it were $5,000 or $10,000, only $3,000 of it would be taxed.

(d) The rates of tax on employer and employee are as follows: 1 percent on each in 1937, 1938, and 1939; 1½ percent on each in 1940, 1941, and 1942; 2 percent on each in 1943, 1944, and 1945; 2½ percent on each in 1946, 1947, and 1948; 3 percent on each in 1949 and subsequent years.

(e) The following classes of employees are exempt from the tax, and therefore from the benefits under title II:

(1) Agricultural labor.

(2) Domestic service in a private home.

(3) Casual labor not in the course of the employer's trade or business.

(4) Service performed in the employ of the United States Government or instrumentalities thereof.

(5) Service performed in the employ of a State or political subdivision or instrumentalities thereof.

(6) Service performed in the employ of a church, school, hospital, or similar religious, charitable, scientific, literary, or educational institution not operated for private profit.

(7) Offices and members of the crew of American or foreign vessels.

(f) Wages paid to employees over the age of 65 would not be taxed.

TITLE IX. TAX ON EMPLOYERS OF 10 OR MORE

(a) The purpose of this tax is to force the States to enact unemployment-insurance laws.

(b) The object is achieved by levying a pay-roll tax on employers of 10 or more persons during any portion of 20 or more weeks during the year. Against this tax, a credit would be allowed, up to 90 percent thereof, for any contributions paid to a State unemployment-insurance fund. No credit would be allowed for private unemployment funds set up by the individual employer.

(c) The rate of tax is 1 percent of the pay roll in 1936, 2 percent in 1937, and 3 percent in 1938 and subsequent years.

(d) The exemptions from the tax, in addition to employers of less than 10 persons, include the following classes of employment:

(1) Agricultural labor.

(2) Domestic service in a private home.

(3) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 in the employ of his father or mother.

(4) Service as an officer or member of the crew of a vessel on the navigable waters of the United States.

(5) Service in the employ of the United States Government or instrumentalities thereof.

(6) Service performed in the employ of a State or political subdivision or instrumentalities thereof.

(7) Service performed in the employ of a church, school, hospital, or similar institution not operated for private profit.

(e) In order for an employee to be able to credit against the Federal tax his contribution to a State unemployment-insurance fund, the State law must have been approved by the Social Security Board as meeting the standards laid down in the bill.

Example of application of unemployment taxes

(Based on pay roll of $100,000 per annum)

1. Federal tax of 3 percent, State tax of 3 percent payable entirely by employer:	
State tax	$3,000
Federal tax before credit	3,000
Credit against Federal tax (not to exceed 90 percent of Federal tax) for State tax paid	2,700
Net Federal tax	300
Total Federal and State taxes	3,300
2. Federal tax of 3 percent, State tax of 2.7 percent, payable entirely by employer:	
State tax	2,700
Federal tax before credit	3,000
Credit against Federal tax for State tax paid	2,700
Net Federal tax	300
Total Federal and State taxes	3,000
3. Federal tax of 3 percent, State tax of 3 percent, payable one-half by employer and one-half by employees:	
State tax on employer (1½ percent)	1,500
Federal tax before credit for State tax paid by employer	3,000
Credit against Federal tax	1,500
Net Federal tax	1,500
Total Federal and State taxes on employer	3,000

TITLE X. GENERAL PROVISIONS

(a) This title includes general definitions, provisions for the establishment of rules and regulations, and so forth.

(b) "State" and "United States" are defined to include Alaska, Hawaii, and District of Columbia.

Appropriations provided for in the economic-security bill

Purpose	Appropriation	
	Fiscal year 1936	Succeeding years
Old-age pensions	$49,750,000	(1)
Administration of State unemployment insurance	4,000,000	$49,000,000
Dependent children	24,750,000	(1)
Maternal and child welfare	3,800,000	3,800,000
Crippled children	2,850,000	2,850,000
Child welfare	1,500,000	1,500,000
Vocational rehabilitation	841,000	1,938,000
Administration expenses	22,000	102,000
Public health	10,000,000	10,000,000
Social Security Board (administration)	500,000	----------
Children's Bureau (administration)	425,000	----------
Total	98,438,000	----------

[1] Indefinite.

Total taxes on employers and employees under social-security bill

Effective date of tax	On employers					On employees (title VIII)		Grand total on employers and employees	
	For unemployment insurance (title IX)		For employees' annuities (title VIII)		Total on employers				
	Amount	Rate	Amount	Rate		Amount	Rate	Amount	Rate
	Mills. of dols.	*Per-cent*	*Mills. of dols.*	*Per-cent*	*Mills. of dols.*	*Mills. of dols.*	*Per-cent*	*Mills. of dols.*	*Per-cent*
Jan. 1, 1936	228	1	----------	------	228	----------	------	228	1
Jan. 1, 1937	501	2	279	1	780	279	1	1,059	4
Jan. 1, 1938	786	3	280	1	1,066	280	1	1,346	5
Jan. 1, 1939	803	3	283	1	1,086	283	1	1,369	5
Jan. 1, 1940	820	3	357	1½	1,177	357	1½	1,534	6
Jan. 1, 1941	833	3	432	1½	1,265	432	1½	1,697	6
Jan. 1, 1942	846	3	437	1½	1,283	437	1½	1,720	6
Jan. 1, 1943	855	3	514	2	1,369	514	2	1,883	7
Jan. 1, 1944	863	3	593	2	1,456	593	2	2,049	7
Jan. 1, 1945	872	3	598	2	1,470	598	2	2,068	7
Jan. 1, 1946	879	3	680	2½	1,559	680	2½	2,239	8
Jan. 1, 1947	886	3	762	2½	1,648	762	2½	2,410	8
Jan. 1, 1948	892	3	768	2½	1,660	768	2½	2,428	8
Jan. 1, 1949	899	3	853	3	1,752	853	3	2,605	9
Jan. 1, 1950	906	3	939	3	1,845	939	3	2,784	9

Mr. DOUGHTON. I yield the remainder of my time, 1 hour, to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, it is always a pleasure to hear the distinguished gentleman from New York [Mr. REED] upon any subject. He is one of the most capable members of the minority on our committee of the House of Representatives. He is a splendid lawyer. I endeavored to hear every utterance he made. I assume from his remarks that the constitutionality of title III and title IX is not involved in this discussion. As I heard the gentleman, the constitutionality of those titles was not attacked. The gentleman from New York dealt with title III and title IX as a question of policy. As I understood the gentleman, he favored the humanitarian titles in the bill. If I caught his statements, he favored title I, the old-age pension phase of the bill, and title IV, which deals with dependent children; title V, maternal and child welfare; and title VI, public health. He attacked title II and title VIII upon the ground of unconstitutionality.

While I have great faith in the gentleman from New York, I have confidence in his judgment, I submit to the House that his statements referring to the unconstitutionality of titles II and VIII were generalities and conclusions, and while I have confidence in the gentleman's judgment, I prefer, after the study I have made, to follow the opinion of the Department of Justice that the House of Representatives, the Congress of the United States, should not be deterred from the passage of titles II and VIII because of fear of unconstitutionality.

Further, in that connection, I submit to the House that the reasons the gentleman assigned for the unconstitutionality of titles II and VIII can, with more force, be applied to the titles of the bill which the gentleman supports.

It is a difficult matter, when a bill is under attack from so many sectors, to know just wherein the real attack lies. We have our friends on the minority saying we should do this and we should do that. Some say that the benefits under the bill are not sufficient; others say that the moneys necessary to pay the benefits provided in the bill will bankrupt our Government; that to pay the benefits under the bill, too heavy a burden will fall on industry.

I dare to state that this pioneer in the White House is the cause of bringing to the floor of the American Congress legislation affecting humanity, legislation affecting folks, legislation affecting people, old people, young people, afflicted people. I can say without chance of contradiction that since my sojourn in this House, in former days it was legislation for vested interests; it was legislation affecting property rights that always had the right-of-way. No legislation of this character was ever conceived or considered.

No criticism or attack can detract from the glory that will come to this great humanitarian who occupies the White House; no partisan criticisms can detract from this Congress when they write upon the statute books this legislation affecting men, women, and children. [Applause.]

It is pioneer legislation for this country. In this character of legislation this country has been backward. It has been out of step with the world when it comes to humanitarian legislation. It is a happy day when the Congress of the United States takes under consideration legislation that will reach out into every nook and corner of this country, benefiting the unfortunates who are citizens of our country.

The gentleman from Massachusetts [Mr. TREADWAY] would have you, and the country, believe that the only people appearing before the committee during the hearings and the only people favoring this legislation were those connected with the new deal administration of President Roosevelt—" new dealers ", as he termed them.

Let us examine the record and see what the facts are. A total of 103 witnesses were heard by the committee. Seven others either filed letters, telegrams, or briefs, making in all a total of 110. Of this number, only 11 persons connected with the administration were heard, namely, the Secretary of the Treasury, Mr. Morgenthau; the Secretary of Labor, Mrs. Perkins; the Assistant Secretary of the Treasury, Miss Roche; Second Assistant Secretary of Labor, Mr. Altmeyer; Federal Relief Administrator, Mr. Hopkins; Surgeon General United States Public Health Service, Dr. Cummings; Assistant Surgeon General Public Health Service, Dr. Waller; Chief of the Children's Bureau, Miss Lenroot, daughter of Ex-Senator Lenroot, Republican, of Wisconsin; Chief Economic Analyst, State Department, Mr. Hansen; Chairman Railroad Retirement Board, Mr. Latimer; and Chairman National Mediation Board, Mr. Leiserson.

In addition to those directly connected with the administration, there were 10 Members of Congress who testified, including the following Republicans: Senator HASTINGS, chairman Republican Senatorial Campaign Committee; Representative BURNHAM, of California; Representative COLLINS, of California; and Representative MOTT, of Oregon.

Only 15 of those comprising the 14 advisory groups working with the President's committee were witnesses during the hearings, and, of course, these men and women cannot be classed as being connected with the administration, except insofar as they are with the administration in advocating and supporting this legislation.

It might be well to devote a little attention to the manner in which this legislation reaches the floor of the House. It has not been hastily prepared or hastily considered by your committee.

In the last Congress a subcommitee of the Ways and Means Committee spent weeks upon one very important phase of it, unemployment compensation. We realized it should take more time and should have more study, and the President of the United States appointed the Economic Security Committee. One hundred and sixteen men and women, in every walk of life, served in an advisory capacity on that committee. Industry, labor, farmers, insurance, social workers—every phase of our life was represented. The President's committee was composed of four members of the Cabinet, Secretaries of Labor, Treasury, and Agriculture, the Attorney General, and the Relief Director. This committee worked for 6 months, with the experience of the world behind them.

Opportunity was given for anyone to testify before that committee. They made their report. Then the original bill, H. R. 4120, was introduced.

I wish time would permit calling the attention of this Congress to the difference between H. R. 4120 and H. R. 7260. I would not have you think for a split second that the central theme running through H. R. 4120 is not in H. R. 7260, the bill under discussion. The central theme, security for unfortunates, is embodied in H. R. 7260 from beginning to end. One hundred and ten witnesses ap-

peared before our committee, 103 in person and 7 filed briefs. Only 11 people connected with the administration were numbered among those witnesses. It was a splendid array. In the hearings we have something that can go forth to the 48 States in regard to social security that will be of benefit to mankind the rest of the way out.

I listened with a feeling almost of shame when I heard a member of that committee, the gentleman from Minnesota [Mr. KNUTSON] say that those who constituted the advisory committee of the President "had never earned an honest dollar in any day of their lives."

Let us examine this list and see the character of citizens the gentleman from Massachusetts sarcastically refers to as "new dealers", and who the gentleman from Minnesota [Mr. KNUTSON] says "are not yet dry behind the ears and have never earned an honest dollar in their lives."

Who are these dishonest people? Examination of the list of those comprising these groups, shown on pages 39, 40, and 41 of the report, discloses the following men and women in this group who, with the others, formulated a general policy that is going to be of never-dying benefit to the aged, to women, and children—America's unfortunates: Frank P. Graham, president University of North Carolina; Gerard Swope, president General Electric Co.; Walter C. Teagle, president Standard Oil Co. of New Jersey; Marion B. Folsom, assistant treasurer Eastman Kodak Co.; William Green, president American Federation of Labor; George M. Harrison, president Brotherhood of Railway and Steamship Clerks; George Berry, president International Printing Pressmen and Assistants Union; Monsignor John R. Ryan, director department of social action, National Catholic Welfare Conference; Grace Abbott, University of Chicago, and former Chief of Children's Bureau; George H. Nordlin, chairman grand trustees, Fraternal Order of Eagles; John G. Winant, former Republican Governor of New Hampshire; Louis J. Taber, master National Grange; M. A. Linton, president Provident Mutual Life Insurance Co.; Louis I. Dublin, vice president, Metropolitan Life Insurance Co.; Dr. Walter L. Bierring, president American Medical Association; Dr. A. L. Chelsey, secretary Minnesota Board of Health; and many other equally patriotic and public-spirited citizens whose integrity and honesty need no defense.

Some say the old-age pension in title I is too small. Others say it is too large. I say that whatever amount is paid in grant to any State in the Union for old-age pensions is more than has ever been paid by the Federal Government under any former administration. Am I right or wrong? Any dollar that goes in grant to the States under title I for pensions to the unfortunate aged is more than has ever been paid under any administration.

It is said that $30 a month is inadequate. There is nothing in this bill that would prevent any State from making the pension to its citizens more than $30.

Distinguished men on this floor have attempted to say that the cost of administration under title II is 41⅔ percent of the money paid by employers, when, as a matter of fact, the cost of administration will not exceed 5 percent of the benefits paid. The difference the gentleman [Mr. TABER] had in mind goes to the men and women of this country in the form of unearned annuities.

My friend, the gentleman from Ohio [Mr. JENKINS], in his opening remarks, said that 90 percent of this bill was good. Ninety percent of it. This is a pretty good record; this would be a pretty good batting average if you were playing on a baseball team—9 hits out of 10 times at bat, hitting 0.900; this is better than the President of the United States in one of his early messages said he would be satisfied with. The gentleman from Ohio [Mr. JENKINS] is a splendid lawyer, one of the best in this House. While he feared unconstitutionality, I had not heard him, the gentleman from New York [Mr. REED], or any other Member on this floor attempt to put his finger on the point that involved unconstitutionality; no single case from any court is cited as authority for its unconstitutionality.

The gentleman from California [Mr. MCGROARTY] stated that the President of the United States never advocated titles I and II of this bill.

If he did not advocate titles I and II, why should we be chastised and criticized by Members who say that, except under the lash of the President, title II would not be in the bill? I think I can say that the President of the United States approves the purpose, the policy, the effect of H. R. 7260. I feel that I can say that the President of the United States believes in title II of this bill. In many respects it is the strongest part of the bill. The trouble with lots of folks is that they quit reading the bill before they get to title II, and I say this with all charity and tolerance. I do not want to be intolerant; it is so easy for a person to be intolerant. I recognize that those of us who have eaten breakfast, dinner, and supper with this bill, and slept with it for 3 solid months, might be prone to intolerance, but I trust I shall not be.

TITLE I. OLD-AGE PENSIONS

The sufficiency of the $49,750,000 provided in title I has been questioned. Suffice it to say that if you match $50,000,000 with $50,000,000 raised by the States, you have $100,000,000 to be spent the first 12 months. This is three and one-third times the amount of money that was paid out in old-age pensions throughout the entire United States in the year 1934.

The original bill placed a limit at $125,000,000 the second year and the years thereafter. The bill under consideration authorizes the appropriation of such amount as is necessary to match the States $15 per individual. The payments are made to the States. There is no trouble about the initial amount. If it does not meet the demands for the first 6 months of the next fiscal year, Congress will then be in session to meet the needs.

We have had many Federal grants in aid to States, but let me say to the House—and this is a statement that cannot be contradicted—that the powers under this bill that rest in the State are greater than those resting with the States in any other statute granting aid to States. Perhaps I should put it the other way around and say that under this bill there is less Federal power to be exercised in the administration of the act than in any grants-in-aid statutes on the books. We made it a point to preserve the rights of the States. You will find that in the question of administration the selection, the tenure, the salary, all that went with personnel, is left to the States.

There is no yardstick laid down in this bill by the Federal Government with respect to the aged who will get the benefits under title I. The States have that power; it is theirs under the Constitution of the United States. No effort was made to deprive them of it. One State may have one yardstick, and a second State may have another yardstick; only subject to the age limit of 65 or 70, up to 1940, the question of 5 years' residence within the States during the preceding 9 years, the last year of which must have been spent in the State immediately prior to time the application was made; and thirdly, that no citizen of the United States can be excluded from the provisions of the act.

The question is raised that $15 per individual per month is not a sufficient amount. Will gentlemen who oppose the bill because they say it is not enough join with those who oppose the bill because they say it is too much and defeat the purpose of the bill?

I shall read a few lines from the message of the President of the United States which he issued 3 months ago today as the foundation rock upon which you can build this structure. The pending measure is not proposed as a perfect bill. In the committee we had contests, and they were honest-to-God contests. The minority joined in and they were quite helpful up to the time they had the Republican conferences, and then, instead of voting their judgment, they voted "present."

Why, at the time my friend the gentleman from New York [Mr. REED] read from that message which was written 600 years ago to the King when the representatives of the House of Commons bowed in obeisance and wanted to know what he would have them do, I could not keep from thinking that if it had been in this day, and they had received advice from the Republican conference, they would have received the mandate, to vociferously vote "present." Think about it. There were 3 months of open hearings and executive sessions. All the time they helped a lot. They made intellectual contributions to this measure in order to perfect it the best we could, and then after voting affirmatively to report out every title in this bill except titles II and VIII, most of the time unanimously, when it came to the scratch, they very loudly voted "present."

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. How could a man, in keeping with his conscience, who is opposed to titles II and VIII, vote any other way at that time except to vote "present"? He has no other alternative.

Mr. VINSON of Kentucky. I may say to the gentleman from Ohio that he was one of those who from the beginning objected to titles II and VIII. His conscience was squarely fixed early in the game. However, there were some other gentlemen on his side of the aisle that did not make up their minds to vote "present" until the Republican conference. I think the gentleman will bear me out in that statement.

Mr. MOTT. Will the gentleman yield?

Mr. VINSON of Kentucky. I must go along.

Mr. MOTT. I think the gentleman made a misstatement which he himself will correct.

Mr. VINSON of Kentucky. As the gentleman suggests a misstatement, I yield to the gentleman from Oregon.

Mr. MOTT. The gentleman stated that Members on the Republican side objected that the amount of the old-age pension provided in this bill was too large. I would like to have the gentleman state who on the Republican side, or even on the Democratic side, made such a statement.

Mr. VINSON of Kentucky. The gentleman from Pennsylvania [Mr. RICH] was quite emphatic in asking where we were going to get the money. Many gentlemen on the Republican side have asked that same question. Some other gentlemen have made that statement, and then in the next breath said that the amount was inadequate.

Mr. MOTT. With reference to title I?

Mr. VINSON of Kentucky. Title I; yes.

Mr. MOTT. I never heard such a statement made.

Mr. VINSON of Kentucky. I cannot help it if the gentleman has not heard the statement.

Mr. MOTT. I have been here continuously since the debate started.

Mr. VINSON of Kentucky. Then something is wrong with the gentleman's hearing.

Mr. Chairman, I want to read a paragraph from the President's message which should guide us in framing this bill. This is the first time that the Congress of the United States ever attempted legislation of this kind. I say in all seriousness that we must be cautious in the laying of the foundation rocks upon which this structure will be built. I quote from the President's message:

> It is overwhelmingly important to avoid any danger of permanently discrediting the sound and necessary policy of Federal legislation for economic security by attempting to apply it on too ambitious a scale before actual experience has provided guidance for the permanently safe direction of such efforts. The place of such a fundamental in our future civilization is too precious to be jeopardized now by extravagant action. It is a sound idea—a sound ideal. Most of the other advanced countries of the world have already adopted it, and their experience affords the knowledge that social insurance can be made a sound and workable project.

Mr. Chairman, as I have stated previously, other countries have had old-age pension laws. There is an old-age pension law on the statute books of Canada. There they have an average monthly payment of $18.61. The maximum pension allowed in Canada is $20. May I say that when you provide an old-age pension of $30 a month it is more than any legislative body of any country has ever paid to its unfortunate people.

I insert herewith table showing the operation of the Canadian old-age-pension system.

TABLE 1.—*Operation of the Canadian old-age-pension act, Dec. 31, 1934*[1]

Province[2]	Pensioners	Average monthly pension	Percent pensioners to total population	Percent pensioners to population 70 years and over
Total	98,111	[3] $17.63		
Alberta	6,947	17.69	0.90	41.80
British Columbia	8,893	19.29	1.23	36.43
Manitoba	9,995	18.61	1.37	48.52
Nova Scotia	11,970	14.40	2.27	45.29
Ontario	48,699	18.42	1.37	31.78
Prince Edward Island	1,496	9.91	1.68	26.34
Saskatchewan	9,904	16.30	1.02	48.71
Northwest Territories	7	18.98	.07	7.86

[1] Source: The (Canadian) Labour Gazette, February 1935, p. 142. Based on 1934 estimates of population.
[2] Quebec and New Brunswick are the only major areas where pension legislation is not in operation.
[3] Computed by weighting the average monthly pensions for each Province by the respective number of pensioners.

I likewise insert herewith table showing the amount of old-age pensions in foreign countries (noncontributory systems).

TABLE 2.—*Amount of old-age pensions in foreign countries (noncontributory systems)*[1]

[Maximum monthly pension (exchange at par)]

Country:	
Australia	$18.42
Canada	20.00
Denmark:	
Men	[2] 9.00 to 15.17
Women	[2] 8.42 to 14.33
Married couple, both over age 65	[2] 13.42 to 22.50
France	3.92
Great Britain	10.53
Irish Free State	10.53
Newfoundland	4.17
New Zealand	[3] 18.42
South Africa, Union of:	
White persons	12.17
Colored persons	7.33
Uruguay	14.01

Great concern has been shown over the number of persons that would come under the benefit of the old-age-pension title. I have disposed of any reasonable fear as to the sufficiency of the amount. But I would refer to the error as to the number that would be affected. There are 7,500,000 persons in the United States above the age of 65; 2,200,000 are gainfully employed. The best figures that we can get is that there are now 1,000,000 persons in the United States above the age of 65 on the relief rolls; there may be 1,225,000 or more persons that may be eligible for the old-age pension. It is a difficult matter to say just what number would qualify from those eligible. In the State of Ohio, with 414,000 eligibles under their State law, only 24,000 qualified after about 9 months' operation.

It might be interesting to know the number of old-age pensioners in foreign countries and the number of persons of eligible age. We insert herewith table setting forth this picture.

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[1] Metropolitan Life Insurance Co., Old-Age Dependency, Monograph 2 (March 1933), chart VIII.
[2] Varying according to locality.
[3] Maximum pension is increased to $23.67 a month if pensioner has dependent children.

TABLE 3.—*Number of old-age pensioners in foreign countries and number of people of eligible age*
[Contributory and noncontributory systems]

Country	Date of law	Type of law	Age requirement	Old-age pensioners		Number of eligible age	Percentage of pensioners to number of eligible age
				Number	Year		
							Percent
Australia	1908	Noncontributory	[1]	83,317	1932	507,755	36.1
Austria	1927	Contributory	[2] 60	68,366	1929–30	790,689	8.6
Canada	1927	Noncontributory	70	98,111	1934	[3] 268,030	36.6
Denmark	1891	do	65	99,830	1932	[4] 222,937	44.8
France [5]	1905	do	70	369,977	1930	2,167,492	17.1
Germany	1889	Contributory	65	2,126,336	1932	[5] 3,593,613	59.2
Great Britain	1908	Contributory and noncontributory.	65	2,279,791	1932–33	3,418,269	66.7
Greenland	1926	Noncontributory	55	500	1929	[6] 981	51.0
Iceland	1909	do	60	2,466	1928	9,708	25.4
Irish Free State	1908	do	70	112,059	1928	170,468	65.7
Italy	1919	Contributory	65	189,698	1933	3,005,444	6.3
Luxemburg	1911	do	65	1,423	1928	18,071	7.9
Netherlands	1913	do	65	330,666	1929	404,000	81.8
New Zealand	1898	Noncontributory	[1]	34,932	1933	108,911	32.1
South Africa, Union of	1928	do	65	46,997	1933	98,002	48.0
Sweden	1913	Contributory	67	[7] 269,606	1932	[8] 496,193	54.3

[1] Men, 65; women, 60.
[2] Unless employed.
[3] Aged population of the 8 Provinces which have adopted old-age-pension legislation.
[4] Census of 1921.
[5] These figures are only for the gratuitous pensions. There are a number of other special schemes for miners, railroad workers, seamen, and employed persons in Alsace-Lorraine, in effect at this time. However, for these, age requirement varies too widely to be included here.
[6] Estimated.
[7] Estimated number of people 65 and over in receipt of invalidity or old-age pensions.
[8] Population 65 years and over in 1920.

TITLE II. OLD-AGE BENEFITS

I go now to title II, Federal old-age benefits.

It has been said that ingenuity was exercised in the preparation of titles II and VIII. We have been charged with the crime of endeavoring to write provisions of law that were constitutional. That is what the charge amounted to. They say much effort has been made to make titles II and VIII constitutional. Is that a crime? Is it not the province and duty of a Member of Congress, and especially a committee, to bring to Congress a bill that is constitutional? May I say, with reference to this question, that the same constitutional basis for title I underlies title II.

I do not believe that anyone can question the constitutionality of title VIII. Mr. Chairman, title VIII is a tax. Congress has the power to tax. Title VIII has two sorts of taxes, an income tax and an excise tax, and no lawyer here, able as they are, has pointed to anything that would indicate that title VIII is unconstitutional.

Mr. JENKINS of Ohio. Will the gentleman yield for a question?

Mr. VINSON of Kentucky. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Would title VIII be of any benefit in this bill if title II is stricken out?

Mr. VINSON of Kentucky. If title II is stricken, the money would be collected under title VIII under the power of the Congress to levy taxes. You would have the excise taxes collected. You would have the income taxes collected. What would become of them? The same thing would happen to that money that will happen under this bill, namely, the money will be covered into the Treasury of the United States. The money raised under title VIII goes into the general fund in the Treasury. That tax money does not go into the old-age reserve account, but goes into the Treasury of the United States.

I say that we have the same power to enact title II that we have to legislate with reference to titles I, IV, V, and VI. May I say, incidentally, that similar legislation to title V has been upheld by the Supreme Court of the United States in the Sheppard-Towner decision.

Title II is complementary to title I. It is a complement to the old-age pension. I submit that we have the power to appropriate moneys called for in title II. The old-age reserve account is built up by regular annual appropriations. The collection of the tax is one operation under taxing power. The expenditure of regular appropriations for benefits under title II is another operation—under other powers.

You have in title II the purpose effectuated that the gentleman from Pennsylvania [Mr. RICH] wants. He said, "Why do you not balance the Budget?"

Title 2, in setting up the old-age reserve account and payments thereunder purposes to relieve from taxation, and not only relieve the Federal Government from taxes in taking care of the aged under the old-age pension plan, or direct relief, but it purposes and will relieve the States and the units of the States from taxation. It purposes to balance the Budget on that particular line and to have a businesslike, self-sustaining policy with respect to the aged.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. McCORMACK. And to assure security in old age, as a matter of right.

Mr. VINSON of Kentucky. The gentleman is correct.

The taxes under title 8 are not added taxes. In the years that have gone by the aged, the destitute, the young, the crippled have been taken care of somehow. They have not been taken care of as they should have been, or as they will be under this bill. But you have had local taxation, you have had State taxation, you have had Federal taxation to take care of that burden and you have such burden today. I say to you that in my opinion title 2, in building up this reserve account, is in aid of the taxpayer of this country, in the very aid of industry who has not complained of it.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. SAMEUL B. HILL. On that same point, as shown by the testimony of the experts, in the course of time, when they get this reserve fund built up, it will save the Federal Treasury $800,000,000 a year that otherwise would have to be paid out in old-age pensions.

Mr. VINSON of Kentucky. The way I understand it, it is about $1,000,000,000 a year, and at the same time it saves the States untold added millions.

Now, under the original bill that came in here—and I wonder what our friends of the opposition would have said about it—when it was submitted to us, title 2, providing for old-age benefits, was not self-sustaining. They would have used the money put into the reserve account to pay the unearned annuities provided therein. In 1980 there would have been a burden of $1,400,000,000 on the Federal Treasury every year for old-age benefits and $500,000,000 for old-age pensions. We would have saddled upon the Federal

taxpayers of that time a burden of almost $2,000,000,000 annually.

Now, our friends on this side of the aisle state there is a 9-percent pay-roll tax. Well, 3 plus 3 plus 3 does make 9, but you know they mix it up. They did not do it intentionally. You have not heard much about that in the last 2 or 3 days, because they have squared off and now understand it is not a 9-percent pay-roll tax until 1949, or 15 years from now, during which time you will have something like six Congresses to relieve, if this burden becomes too heavy upon industry. However, only 6 percent is paid by employers—3 percent is paid by employees.

The tax under title 8 starts on January 1, 1937. For 3 years it is 1 percent, 1937, 1938, and 1939. Then in 1940, 1941, and 1942, it is 1½ percent; in 1943, 1944, and 1945 it is 2 percent; in 1946, 1947, and 1948 it is 2½ percent; and in 1949 and following, it is 3 percent, both on employer and employee.

We had no testimony from any witness, as I recall, except Mr. Emery, inveighing against the levying of this tax. We were told, on the other hand, that there were private concerns today that paid as high as 9 percent on pay rolls for private pension funds; that the employer paid 9 percent on pay rolls for private pension funds, and that the employees paid 5 percent under these private pension plans or a total of 14 percent, as contradistinguished to the total of 6 percent 15 years from now.

I call to your attention that Federal employees under civil service have a retirement fund. I call to your attention that the railroad workers of this country fought for years to get Congress to give them the right to set up a retirement fund, to give them the right to participate in such a fund, to pay a pay-roll tax. So persistent were they that they finally won their fight in the Congress. Today the measure is in the Supreme Court, where the railroad workers of this country are fighting to uphold and maintain the Railway Pension Act, providing benefits for them, benefits for their wives, and benefits for their children; fighting in the courts to be permitted to help build up a retirement benefit for himself and dependents.

Tell me that the working man of this country is not entitled to an opportunity to construct a bill upon this plan in order that his widow and his children may be better cared for when the breadearner is gone!

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. BEITER. The gentleman is making a very enlightening address. Can he inform the House what will happen to the funds in private companies that are now carrying a pension fund?

Mr. VINSON of Kentucky. There is nothing in this bill that affects them. They can continue to have their private pension plans. The employer and the employee will be under the provisions of the law. There is a real question as to the treatment of those concerns that have private pension plans.

But it was thought best in this initial legislation to build the structure as we have, then look at it with the experience of years and meet that problem at a later date.

TAX-EXEMPT SECURITIES

Criticism has been directed to this old-age reserve account. The statement was made here in the early hours of debate that this reserve would continue a public debt of $32,000,000,000 when the reserve account meets that figure. It takes many years for the reserve account to reach the figure of thirty-two billion, but I submit to you, on both sides of the aisle, and it seems to me this would be attractive to the gentleman from Massachusetts [Mr. TREADWAY], who has introduced a resolution calling for a constitutional amendment for the prohibition and abolition of tax-exempt securities, that in this old-age reserve account and the unemployment trust fund there is an answer to that problem. It will take some years to build up this old-age reserve account, but the Secretary of the Treasury is directed to invest the funds above the current needs in Government bonds and bonds the principal and interest of which are guaranteed by the Federal Government.

I say to those who have inveighed against the existence of tax-exempt securities you will not have to have any constitutional amendment. Build up this old-age reserve account, and you will see the withdrawal of tax exempts. There is no trouble about that. If, finally, the reserve account gets large enough and you have not Government bonds to withdraw, I take it some future Congress will provide that the Secretary of the Treasury be authorized to buy State tax-exempt securities yielding a proper rate of interest, in order to have the money there for the aged when they reach 65 years.

TREASURY FINANCING

The question of financing is an important thing. The saving of millions of dollars in interest is involved in the old-age reserve fund. Discretion is lodged in the Secretary of the Treasury to invest this money in Government bonds, if the time is ripe, under the unemployment trust fund—and I hope a similar provision will be incorporated in title II—he may use a special obligation if the interest rate on governments is not sufficient.

We have been told that the Secretary of the Treasury has full and complete authority, under existing law, to invest the appropriations placed in the old-age pension reserve account in special obligations; that heretofore other funds have been invested in similar manner to the funds which are to be deposited in the old-age reserve account; that such funds as those in the adjusted-service-certificate fund, the civil-service retirement fund, the Foreign Service retirement fund, and the Canal Zone retirement fund have been invested in such manner. In order to provide a security which meets the requirement of this fund, the Secretary of the Treasury issues special obligations direct to the fund, bearing interest at the rate specified in the basic law. While it may not be necessary, it seems to me to be the practical thing to give express directions to the Secretary of the Treasury to issue these special Treasury obligations direct to the old-age reserve account at an annual interest rate of 3 percent. We feel that this is particularly fitting due to the obligation assumed by the Federal Government to have a yield of at least 3 percent on the appropriation made to the account in order to build up the reserve required under the law.

Mr. HARLAN. If the gentleman has time, I would like to have him tell the committee why the old-age annuity is distributed directly by the Federal Government and not through State agencies, as the unemployment insurance.

Mr. VINSON of Kentucky. Of course, the gentleman recognizes that you have something like ten or twelve milion persons involved. It runs over a period of from 20 to 65 years, a period of 45 years, and it was thought best that the tax money paid under title VIII should go into the Treasury of the United States. These benefits are not paid from the money but from moneys appropriated to the reserve account. That money must be invested by the Secretary of the Treasury, and that fund should be kept intact. The matter of security is involved. There must be no doubt that the aged should have that money when the proper time came. I think if the gentleman will think his question through he will see that security of payment should be the first thought in respect to the obligation of the Federal Government toward the aged in this respect, and that the Federal Government is the best agency to that end.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. McCORMACK. I also call the attention of the gentleman from Ohio [Mr. HARLAN] to the fact that the contributory annuity is different in its administration from the other titles; that there is no social feature involved therein that there is in noncontributory old-age pensions, and we wanted to have our dual system of government preserved by having the noncontributory pensions administered by the local authorities, who would be responsive to local public opinion, which is the best medium of expression under our

dual system of government. The contributory annuity is uniform. It has none of the sound service characteristics of noncontributory old-age pensions and administrative features where the State should be protected against encroachment by the Federal Government. It is best that the duty of administering this title should reside in the Federal Government. We have none of those questions that arise in the case of a gratuitous gift by the Government.

Mr. VINSON of Kentucky. I might suggest that under the unemployment-insurance title of the bill the Federal Government pays the moneys back to the States, and the unemployment-insurance benefits are paid out through the reemployment agencies in the State. Hooked up with this payment of unemployment insurance is the thought that when the reemployment agencies throughout the State know that a person is drawing unemployment insurance, they may be able to provide a job for that man so that he can earn a living wage.

I suggest that we ought not to have fears as to the effect of this pay-roll tax under title VIII.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. CONNERY. That is the point I wanted to ask. How can the gentleman figure by any process of imagination that a pay-roll tax will not be handed on to the consumer and result in a reduction of wages by the employer?

Mr. VINSON of Kentucky. I would answer the gentleman from Massachusetts that it could have no more effect than the taxes now levied and collected in local communities, the taxes levied and collected by State governments, the taxes levied and collected by the Federal Government to do the thing that these benefits do—to care for these unfortunates.

The very able gentleman from Massachusetts [Mr. CONNERY], the distinguished Chairman of our great Committee on Labor, knows that we have unemployment and old-age burdens. We have had it for years. We have it now. We will have it in the future. Consequently, as I said a moment ago, the taxes levied under title VIII are not additional tax burdens, but, as I see it, they are in great part in lieu of present tax burdens.

Mr. DOUGHTON. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. DOUGHTON. Conceding for the sake of argument that it did have the effect which the gentleman from Massachusetts [Mr. CONNERY] says, the employee would have the benefit of it. If he paid it he would get it back, together with an equal amount paid by the employer. So that where he lost $1, he would get that dollar back and get an additional dollar from the employer.

Mr. VINSON of Kentucky. I will say to the gentleman from Massachusetts [Mr. CONNERY] that it will have much less effect, there will be much less burden on the worker and the consuming public than would be if a certain plan that is proposed by the gentleman from Massachusetts were enacted into law. In other words, I heard someone say that the proposition which the gentleman from Massachusetts intends to offer calls for a burden of $10,000,000,000 annually. Now, how can the gentleman say that that tax burden, paid by somebody, will not finally be passed on to the consuming public?

Mr. CONNERY. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. CONNERY. If the textile man or the shoe man or the United States Steel Corporation man, out of his income, has to pay for everybody in the United States on unemployment insurance, he cannot take that out of his worker right there in his steel plant.

Mr. VINSON of Kentucky. I am fearful that the gentleman misunderstands what will happen. I am fearful that if his proposal is enacted into law there would be an increase of about a dollar per pair of shoes in order to take care of this burden.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. COOPER of Tennessee. I invite the attention of the gentleman from Massachusetts to the fact that when Mr. Green appeared before the committee, speaking for labor, he specifically and definitely approved this very method of dealing with the question of unemployment insurance.

Mr. VINSON of Kentucky. And, as a matter of fact, as the bill was originally drawn, it called for one-half of 1 percent per year on employer and employee, and Mr. Green insisted that the initial rates be increased, in order to build up this fund quickly, in order that the benefits would be certain to be there for the workingman.

Now, in regard to the burden that comes from this pay-roll tax; I will not have time to read this entire table, but I want to say to the gentleman from Massachusetts [Mr. CONNERY] that according to this table, boots and shoes would have a burden of a little more than one-fourth of 1 percent, if we had a 1-percent pay-roll tax it amounts to eighty-seven hundredths of 1 percent for the 3-percent pay-roll tax. I am speaking of the employer. Certainly he cannot charge the employees' part up to the employer, but when the gentleman from Massachusetts votes for this bill on final passage, I feel certain that his working men friends, and they are legion, and rightfully so, will place a star in his crown. They and their children will rise up to call him blessed. [Applause and laughter.]

I will say to the gentleman that when the 3-percent tax, the maximum tax on the employer under title VIII for old-age benefits, is reached it would have little effect upon the sale price. The average increase on all commodities per 1-percent tax is twenty-one hundredths of 1 percent. Let me say again to my beloved friend from Massachusetts—and he is my friend—he is a splendid type of American citizenship. [Applause.] Let me say to him that in 1980, from this old-age reserve account there will be expended approximately $4,000,000,000. One billion dollars of that is annual interest increment, due to these payments throughout the years. That is a real economic stabilizer in buying power—a godsend to your worker friends.

TABLE 4.—*The cost of a 1-, 3-, and 6-percent tax on pay rolls of wage earners and salaried workers [1] for selected industries in terms of value added by manufacture and total value [2] of products*

Industry	Earnings (wages plus salaries [1]) (in thousands)	Total value of products (in thousands)	Value added by manufacture (in thousands)	Cost of pay-roll taxes per dollar of value of product		
				1936, 1-percent tax	1937, 3-percent tax	1949, 6-percent tax
Total	$6,618,109	$31,358,840	$14,610,401	$0.0021	$0.0063	$0.0126
Food and kindred products	771,829	6,604,036	2,393,021	.0012	.0036	.0072
Beverages	19,480	111,297	69,424	.0017	.0051	.0102
Bread	221,683	919,778	491,313	.0024	.0072	.0144
Butter	20,507	385,512	68,669	.0005	.0015	.0030
Preserves	54,834	439,988	171,568	.0012	.0036	.0072
Cereals	9,065	111,026	56,011	.0008	.0024	.0048
Confectionery	29,614	211,833	97,669	.0014	.0042	.0084
Flour	31,373	574,210	135,539	.0005	.0015	.0030
Malt liquors	41,780	342,947	266,753	.0012	.0036	.0072
Distilled liquors	3,071	60,850	36,934	.0005	.0015	.0030
Meat packing	144,954	1,490,095	287,546	.0010	.0030	.0060
Textile products	1,154,186	4,811,238	2,351,403	.0025	.0075	.0150
Bags	9,526	92,115	33,578	.0010	.0030	.0060
Wool rugs	20,863	71,425	41,393	.0029	.0087	.0174
Women's clothing	147,107	846,300	389,876	.0017	.0051	.0102

[See footnotes at end of table]

TABLE 4.—*The cost of a 1-, 3-, and 6-percent tax on pay rolls of wage earners and salaried workers for selected industries in terms of value added by manufacture and total value of products*—Continued

Industry	Earnings (wages plus salaries) (in thousands)	Total value of products (in thousands)	Value added by manufacture (in thousands)	Cost of pay-roll taxes per dollar of value of product		
				1936, 1-percent tax	1937, 3-percent tax	1949, 6-percent tax
Textile products—Continued.						
Men's clothing	$105,813	$445,220	$230,580	$0.0024	$0.0072	$0.0144
Cotton goods	232,240	861,170	457,734	.0027	.0081	.0162
Dyeing and finishing	71,971	278,942	136,140	.0026	.0078	.0156
Hats	13,744	40,600	21,462	.0033	.0099	.0198
Knit goods	148,487	498,350	269,689	.0030	.0090	.0180
Shirts	29,287	119,717	60,060	.0024	.0072	.0144
Silk and rayon goods	82,086	290,578	146,967	.0028	.0084	.0168
Forest products	341,982	1,127,405	618,223	.0030	.0090	.0180
Furniture	92,389	297,730	155,143	.0031	.0093	.0186
Mechanically processed wood	11,942	41,523	23,777	.0029	.0087	.0174
Paper and allied products	219,037	1,172,743	518,696	.0019	.0057	.0114
Bags	7,158	49,379	20,083	.0014	.0042	.0084
Boxes	47,552	223,004	96,678	.0021	.0063	.0126
Paper	100,440	560,963	249,196	.0018	.0054	.0108
Printing and publishing	582,430	1,733,437	1,355,592	.0034	.0102	.0204
Book binding and blank books	20,038	56,011	40,325	.0036	.0108	.0216
Printing:						
Books, music	169,924	519,990	378,751	.0033	.0099	.0198
Periodicals and newspapers	332,352	1,004,999	820,299	.0033	.0099	.0198
Chemicals and allied products	311,540	2,117,513	1,149,040	.0014	.0042	.0084
Druggists' preparations	20,969	146,776	103,205	.0014	.0042	.0084
Paints and varnishes	36,607	289,442	136,416	.0008	.0024	.0048
Patent and proprietary remedies	15,003	138,145	99,913	.0011	.0033	.0066
Rayon and allied products	43,706	156,932	112,901	.0028	.0084	.0168
Soap	20,451	200,128	106,621	.0010	.0030	.0060
Products of petroleum and coal	201,719	1,871,494	585,933	.0009	.0027	.0054
Gas (manufactured)	68,129	295,480	216,291	.0023	.0069	.0138
Refining	111,360	1,378,637	314,200	.0008	.0024	.0048
Rubber products	125,440	472,744	261,347	.0027	.0081	.0162
Other than tires and shoes	37,183	131,411	73,530	.0028	.0084	.0168
Tires and tubes	70,648	299,313	159,921	.0024	.0072	.0144
Leather and its manufactures	254,071	996,773	452,036	.0025	.0075	.0150
Boots and shoes	159,884	553,425	267,122	.0029	.0087	.0174
Leather, finished	48,909	237,202	99,025	.0021	.0063	.0126
Stone, clay, and glass products	175,818	608,699	396,544	.0029	.0087	.0174
Cement	18,280	86,921	59,989	.0021	.0063	.0126
Glass	54,858	191,948	128,538	.0029	.0087	.0174
Pottery	21,001	43,718	31,539	.0048	.0144	.0288
Iron and steel and their products (not including machinery)	612,296	2,463,001	1,062,171	.0025	.0075	.0150
Blast furnace products	13,774	213,685	29,729	.0006	.0018	.0036
Bolts, etc	9,762	32,874	17,524	.0030	.0090	.0180
Steam and hot-water apparatus	25,693	69,234	49,173	.0037	.0111	.0222
Rolling-mill and steel-work products	304,099	1,143,889	451,800	.0027	.0081	.0162
Tin cans	27,604	207,946	70,900	.0013	.0039	.0078
Nonferrous metals and their products	212,723	1,068,753	427,526	.0020	.0060	.0120
Aluminum products	14,862	61,464	27,436	.0024	.0072	.0144
Jewelry	14,344	42,652	25,869	.0034	.0102	.0204
Machinery (not including transportation equipment)	695,549	2,069,419	1,280,230	.0034	.0102	.0204
Agricultural implements	12,936	30,539	18,561	.0042	.0126	.0252
Electrical machinery	163,874	553,431	340,917	.0030	.0090	.0180
Machine tools	18,736	41,434	30,590	.0045	.0135	.0270
Radios and phonographs	37,903	121,802	63,281	.0031	.0093	.0186
Textile machinery	23,855	60,323	41,945	.0040	.0120	.0240
Transportation equipment	388,746	2,058,195	765,905	.0019	.0057	.0114
Aircraft and parts	13,824	26,460	18,503	.0052	.0156	.0312
Motor-vehicle bodies and parts	174,188	761,225	321,592	.0023	.0069	.0138
Motor vehicles	129,262	1,096,946	329,179	.0012	.0036	.0072
Ship and boat building	41,381	92,696	61,524	.0045	.0135	.0270
Miscellaneous industry	258,566	2,312,635	679,043	.0011	.0033	.0066
Cigars and cigarettes	51,054	777,148	200,999	.0007	.0021	.0042

[1] Excluding officials.

[2] Census of Manufacturers, 1933, release of Jan. 23, 1935.

EXEMPTION FROM TAXATION

Now, I want to deal with the exemption features in title VIII. We have been actually criticized because agriculture, casuals, and domestics, and certain other people have been exempted from title VIII. I would like to know, and I am willing to yield in my time for reply, what Member of this House is willing to stand on this floor and say that agriculture, domestics, and casuals should be taxed for old-age benefits.

Mr. LUNDEEN. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. LUNDEEN. I would like to say that the millionaires and billionaires and the men who have fortunes and incomes over $5,000 ought to be taxed.

Mr. VINSON of Kentucky. Oh, yes; and the gentleman would talk loudest and longest if the farmers of his section had to pay a tax under title VIII. Am I right or wrong?

Mr. LUNDEEN. If there is a farmer who has an income of over $5,000, I would tax him.

Mr. VINSON of Kentucky. Oh, no. I am not talking of incomes over $5,000. Do not dodge it, my friend. The amount of income is not involved in title VIII. If farmers were subject to the tax under title VIII, he would pay $1 for each $100 he earned; if it were $10 he would pay 10 cents. Does the gentleman from Minnesota assert that the farmer of his district should pay that tax? [After a pause.] The gentleman is eloquent as usual, but it is the eloquence of silence. I say to you there were real reasons why those exemptions were made.

Mr. LUNDEEN. Will the gentleman yield?

Mr. VINSON of Kentucky. I gave the gentleman an opportunity to answer. If I am wrong, I will give the gentleman time to answer it.

Mr. LUNDEEN. The gentleman will hear from me later on.

Mr. VINSON of Kentucky. The farmer, the casual, and the domestic were not taxed in this bill, because we knew that the House and Senate would not keep it in the bill. Nobody would want a farmer to pay a dollar a year for 45 years, with all of the nuisance features attached thereto, with all of the cost of administration. Suppose a man plowed for a farmer for a day, and he paid him a dollar a day, the employer would have to take out a penny and give him 99 cents for his day's work.

Then at the end of the road he would not have accumulated enough money to have paid for any substantial old-age benefits.

This bill exempts the farmer, exempts casuals, and exempts domestics, because the amount of the tax would be inconsiderable and its collection would be such a nuisance and cause such a clamor that the very ideal of the struc-

ture—the ideal to which the President refers—would be endangered. It would be too ambitious; no comparable benefits would come from it. No Member on the floor of this House, seriously understanding the bill, is going to complain about not taxing the farmer, the domestic, and the casual and the others exempted under the bill.

Mr. LEWIS of Maryland. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. VINSON of Kentucky. I yield.

Mr. LEWIS of Maryland. Did not the administrative authorities, in fact, the present Secretary of the Treasury, appeal to us not to extend it into those fields at this time because he felt that its administration would break down?

Mr. VINSON of Kentucky. Yes, sir. He said that in his opinion it would be very difficult if not impossible of administration. In other words, I repeat, if you had put that in there, it would have been analogous to the situation that obtains in regard to the ambitions of certain folks under the N. R. A. legislation. You would have such confusion and such clamor that the good in the legislation well might be destroyed.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. BUCK. Will not the gentleman add to his statement also that for the same reasons seamen were exempted?

Mr. VINSON of Kentucky. They were exempted in unemployment insurance because there is no power under State law to collect the tax from them. They come under maritime or admiralty jurisdiction, and the State sovereigns have not the power to collect the taxes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. McCORMACK. Seamen are exempted under the employment-compensation title because of constitutional reasons that do not apply to the contributory annuities.

Mr. VINSON of Kentucky. That is what I just said. They were exempted under title VIII because of administrative difficulties.

Mr. McCORMACK. If the gentleman will yield for one suggestion, I would like to point out that the pending bill provides that should a person die before reaching the age which entitles him to participate in the benefits, that 3½ percent of his salary is payable to his estate. So, in effect, he gets it back.

Mr. VINSON of Kentucky. That is correct. Now, let us see what these benefits are. I made the statement when I was discussing title I that more liberal benefits could come from title I, more liberal and larger old-age pensions could come from title I, than any citizen of any other country of the world has ever received as an old-age pension. I make the statement that in some of the countries of Europe for more than 50 years have had the contributory annuity system. Germany started hers in 1881. There are 15 or 20 countries throughout the world which have contributory systems, and only 2 of which also have noncontributory systems, these 2 being France and England. In days past other countries had the noncontributory system that is similar to our title I, old-age pensions, but that broke down and they were compelled to come to the contributory system. I say to you here and now that benefits under title II are larger, in many instances several times larger, per month than the benefits other countries give to their citizens.

I come now to the maximum of $85 a month. It is very simple in computation; anyone can know what their benefits will be simply by knowing the total wages he has earned from January 1, 1937, to the time he reaches age 65. If you have earned $3,000 annually during a period of 5 years, your benefit will be one-half of 1 percent per month the rest of your life—in other words, $15 per month. This compares splendidly with benefits paid by European countries. But we do not stop there. Between the total wage of $3,000 and $45,000 you add to that $15 per month one-twelfth of 1 percent of $42,000, or $35 per month. If a person earned over a period of 40 years $42,000—counting in no one year more than $3,000—he would have an annuity of $50 a month. Now, if it goes up to the maximum of $3,000 a year for 45 years, the annuity is $85 a month.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. DONDERO. Would a person be entitled to both old-age insurance and benefits under this particular title after he reached the age of 65?

Mr. VINSON of Kentucky. Undoubtedly, if the benefit under title II were not sufficient under the law of the State where the person lived he would be entitled to supplement the benefits under title II with the old-age pension under title I.

VOLUNTARY ANNUITIES

At one time we had what we called the "voluntary annuity plan." I may say that in the original bill, H. R. 4120, those who earned more than $250 a month were not entitled to the benefits under what would be title II of this bill, but that the plan was changed and the basis adopted was the first $3,000 per year of total wages. If a man earns $10,000 a year, he pays a tax upon $3,000, under title VIII. Only $3,000 is counted in wages earned.

Now, as suggested by the Economic Security Committee, voluntary annuities up to $50 a month were suggested. Some thought that would be an invasion of private business in the insurance field. In connection with this new arrangement, there is not such particular need for the voluntary annuity plan, since you include many who would have been excluded originally, and you can have an annuity of $85 a month. Many of us think the time will come when the voluntary annuity plan which rounds out the security program for the aged will be written into law.

TITLES III AND IX.—UNEMPLOYMENT COMPENSATION

Two titles of the bill deal with unemployment compensation, less accurately called "unemployment insurance." Title III provides Federal grants in aid to the States for the administration of unemployment-compensation plans. Title IX levies a tax upon employers against which contributions to State unemployment-compensation plans may be credited up to 90 percent of the Federal tax. This tax is designed to remove the principal obstacle to the adoption of State unemployment-compensation systems by providing a uniform tax upon employers throughout the country for this purpose. The principal features of this tax are as follows:

First. Coverage: Employers of 10 or more employees within 20 weeks of any year, with the same exemptions as the tax, to pay for old-age benefits.

Second. Rates: 1936, 1 percent; 1937, 2 percent; 1938, and thereafter, 3 percent.

Third. Credit of up to 90 percent of tax allowed for payments to State unemployment-compensation plans under the following conditions:

(a) Compensation to be paid through public employment offices.

(b) No compensation to be payable until after 2 years.

(c) State unemployment fund to be deposited with the unemployment trust fund of the United States Treasury.

(d) State fund to be used exclusively for unemployment compensation.

(e) Compensation not to be denied any eligible person for refusal to accept work if, first, the position vacant is due to a strike, lockout, or labor dispute; second, the wages, hours, or conditions of work are substantially less favorable to the worker than those prevailing in the locality; or, third, if the worker would be required to join a company union or to refrain from joining a bona fide labor organization.

(f) State to retain the right to repeal or modify its system.

(g) The State unemployment-compensation fund must be a general, State-wide, pooled fund.

Federal aid to the States for the administration of unemployment-compensation plans is provided in title III of the bill. It is assumed that this will be sufficient to pay the cost of administering the State unemployment-compensation plans, no matching by the State being required. The 10 percent of the Federal pay-roll tax for unemployment compensation, which is not subject to a credit and must be paid into the United States Treasury, will about equal the Federal

aid for this purpose. In order to qualify for this aid the State plans for unemployment compensation must conform to the following conditions:

First. "Such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be reasonably calculated to insure full payment of unemployment compensation when due";

Second. Payment of unemployment compensation through public employment offices in the State;

Third. Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied;

Fourth. The payment of all money received in the unemployment fund of such State to the Secretary of the Treasury to the credit of the unemployment trust fund established in the United States Treasury;

Fifth. Expenditure of this money exclusively for unemployment compensation;

Sixth. The making of reports to the Social Security Board;

Seventh. Making available employment records of individuals to any agency of the United States charged with the administration of public works or assistance.

If the Social Security Board finds that a State is failing substantially to conform to these conditions it may, after notice and opportunity for hearing, refuse to certify a State for further grants-in-aid for this purpose.

These two measures are designed to encourage the States to enact unemployment-compensation legislation. The uniform tax throughout the country will remove the principal obstacle. The Federal aid will permit a necessary minimum of Federal assistance and supervision.

TITLE IV—DEPENDENT CHILDREN

For the first time in the history of our Federal Government it is proposed to assist the States in the preservation of the home. It has been and it is now recognized to be the primary function of the State. The home is the foundation rock of our Government. Under existing State laws, approximately 109,000 families with 280,500 children are now provided some mothers' assistance. Three and one-half times this many families fall within a group roughly comparable to the mothers' pension group, namely, families of widowed, separated, or divorced mothers with dependent children under the age of 16 years, which are estimated to be receiving emergency relief. In the 358,000 relief families of this type, it is estimated that there are 719,000 children under the age of 16 years. Many other thousands of children are in orphan asylums and children's homes, separated from their mothers or close relatives who could act in loco parentis except for financial need.

It occurs to me that it would be a waste of effort to stress the benefit that will come to the dependent children in the enactment of this title. The gentleman from New York, Dr. SIROVICH, portrayed the picture and the benefits flowing from the legislation in such an eloquent and forceful manner that it seems unnecessary for me to urge it further.

The approximate annual expenditures for mothers' pensions is $37,200,000, of which about $6,000,000 comes from State funds, the remainder coming from local governmental units. Crude estimates of expenditures from emergency relief funds, of which approximately three-fourths comes from the Federal Treasury, for relief of families headed by widowed, separated, and divorced women, total $120,000,000; more than three times the amount spent for mothers' pensions.

This bill authorizes an appropriation of $24,750,000 for the first fiscal year and for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The President's committee was of the opinion that it would require an estimated sum of $25,000,000 for the second fiscal year and not more than $50,000,000 per year thereafter as the program developed. This is an inconsiderable sum in comparison with the benefit upon the children of today who have suffered so horribly in the depression years.

The Federal Government, under this legislation, will pay to each State which has an approved plan for aid to dependent children a sum equal to one-third of the total amount expended by said State with respect to any dependent child. The maximum Federal payment is $6 per month for the first dependent child and $4 for other dependent children. This insures a maximum benefit of $18 per month for the first child and $12 per month for each additional child.

At the present time 45 States of the Union have mothers' aid or mothers' pensions, but in many of these States the law is only partially operated—effective only in the richer counties. The State of Connecticut, which provides an average monthly grant per child of the sum of $18.70, is the only State in the Union which at the present time has a grant more than $18 per child per month. New York pays $17.30, Massachusetts $17.20. While the payments are made to the States on a matching of $2 on the part of the State to $1 Federal grant, State participation in this work in materially increased amounts would provide real home life for these unfortunate children.

The enactment of this title would not involve any larger expenditures than the Federal Government has been making for the support of these families on relief, but will very materially aid the States in caring for this group of their unemployables, for whom they must now assume responsibility.

I insert herewith table furnished me by the Economic Security Committee, which gives a comprehensive picture of the present status of State laws affecting dependent children.

TABLE 5.—*Estimated average monthly grant in areas granting mothers' aid, based on annual or monthly expenditures from mothers' aid grants during 1933 and 1934*

State	Average monthly grant per family	Average monthly grant per child
Alabama	[1]	
Alaska	[2]	
Arizona	$16.46	$4.60
Arkansas	[2]	
California	26.89	14.80
Colorado	22.60	8.69
Connecticut	44.41	18.70
Delaware	22.26	9.05
District of Columbia	60.14	
Florida	9.76	3.01
Georgia	[1]	
Hawaii	[2]	
Idaho	18.08	4.89
Illinois	24.62	10.35
Indiana	22.03	7.61
Iowa	17.01	6.54
Kansas	[4] 14.05	3.16
Kentucky	[3] 38.26	14.72
Louisiana	8.81	3.39
Maine	29.60	12.16
Maryland	36.66	14.10
Massachusetts	51.83	17.28
Michigan	28.31	11.32
Minnesota	26.37	10.35
Mississippi	[3]	[3]
Missouri	[5] 26.22	8.91
Montana	24.00	9.04
Nebraska	13.62	5.27
Nevada	17.98	7.06
New Hampshire	26.42	9.03
New Jersey	26.43	8.60
New Mexico	[6]	[6]
New York	42.77	17.30
North Carolina	15.93	5.17
North Dakota	22.07	7.51
Ohio	19.77	7.21
Oklahoma	[4] 7.29	1.99
Oregon	19.80	9.12
Pennsylvania	34.61	11.80
Puerto Rico	[3]	
Rhode Island	47.00	13.37
South Carolina	[1]	
South Dakota	[4] 21.78	7.17
Tennessee	[7] 24.91	9.48
Texas	[4] 12.07	4.25
Utah	10.64	[6]
Vermont	17.86	8.49
Virginia	20.76	5.18
Washington	17.35	5.53
West Virginia	13.20	4.77
Wisconsin	25.82	10.13
Wyoming	[5] 22.55	4.17

[1] No mothers' aid law.
[2] No report.
[3] Aid discontinued.
[4] Average grant in 1931.
[5] Mothers' aid available only in Jefferson County.
[6] Law not in operation.
[7] Mothers' aid available only in Knoxville and Memphis.
[8] $4.05 plus.

MATERNAL AND CHILD WELFARE (TITLE V)

Maternal and child health

Part 1 of this title provides for Federal grants and aid to States to help them extend and improve their service in promoting the health of mothers and children. Twenty thousand dollars is to be allotted by the Secretary of Labor to each State, and $1,800,000 is to be divided among all the States on the basis of the number of live births in each State in proportion to the total number of live births in the United States. The remaining $980,000 is to be allotted by the Secretary of Labor according to the financial need of the States for assistance in carrying out the State plan. All State allotments, except those on the basis of need, are to be granted on an equal-matching—50-50—basis.

The able Chief of the Children's Bureau, Miss Katherine Lenroot, presented the experiences of that Bureau in previous administration of Federal aid in maternal and child-health work. This work presents no new departure. Experience has indicated that it is needed. Before the depression the infant death rate had been markedly reduced in every State in the Union. However, during the depression, between 1932 and 1934, there has not been the usual annual decrease—the rate remaining stationary.

The maternal-mortality picture is similar, but it is well known that the death rate among mothers has not decreased in anything like the proportion that the death rate among infants has decreased. This causes us to feel that increased facilities for maternal care and maternity nursing services are essential, not only for saving the lives of mothers, who are so necessary, both for their new-born and the older children in their family. The most effective way of reaching the problem of infant and maternal mortality is the development of public-health nursing services in connection with the public-health departments. All of the work under this title is done through State departments of health and the entire control of policies is reserved to the States.

In the following table, I am showing the amount which will be granted to each State per million dollars of appropriation.

TABLE 6.—*Apportionment under title V, Maternal and Child Health, secs. 501–505*

[Apportionment of $1,000,000 distributed on the basis of live births reported in 1933. Alaska apportionment based on live births reported for the 2-year period 1931–32; Hawaii and Puerto Rico, 1932]

Total	$1,000,000.00
State:	
Alabama	27,478.45
Alaska	592.75
Arizona	3,762.55
Arkansas	16,578.39
California	34,747.93
Colorado	7,955.77
Connecticut	10,390.20
Delaware	1,816.21
District of Columbia	4,610.00
Florida	11,885.50
Georgia	28,240.68
Hawaii	$4,859.14
Idaho	3,962.61
Illinois	49,971.34
Indiana	23,376.45
Iowa	18,326.53
Kansas	14,242.13
Kentucky	25,620.09
Louisiana	18,406.64
Maine	7,003.21
Maryland	12,707.01
Massachusetts	29,380.33
Michigan	37,474.10
Minnesota	20,613.70
Mississippi	20,502.56
Missouri	26,524.03
Montana	4,145.99
Nebraska	11,199.67
Nevada	626.55
New Hampshire	3,419.87
New Jersey	25,960.92
New Mexico	5,697.78
New York	86,669.77
North Carolina	34,926.63
North Dakota	6,107.61
Ohio	44,355.52
Oklahoma	20,235.36
Oregon	5,660.27
Pennsylvania	72,725.40
Puerto Rico	30,764.02
Rhode Island	4,793.84
South Carolina	18,671.06
South Dakota	5,954.79
Tennessee	23,222.71
Texas	49,989.86
Utah	5,515.32
Vermont	2,839.16
Virginia	23,734.88
Washington	9,670.11
West Virginia	16,792.80
Wisconsin	23,343.57
Wyoming	1,948.19

Crippled children

Part 2 of the title provides for services for crippled children and authorizes Federal grants to help the States extend and iimprove their services for discovering crippled children, and providing such children with medical, surgical, corrective, and other services and care in connection with their physical disability.

I am personally familiar with this type of service. In my State it has been under the supervision of the crippled children's commission, of which former United States Senator Ben Williamson has been chairman since its creation. Hundreds of children who were permanently disabled have been so far restored that they have been able to walk and play and to return to school to take their part in normal life. Careful surveys have shown that in Kentucky, and most other States, less than 40 percent of the crippled children who are in need of correction cannot be served on account of the limitation of funds. These additional grants-in-aid will restore hundreds of crippled children to usefulness and happiness.

TABLE 7.—*State and local public funds for care of crippled children*[1]

State	Total	State funds for		Local funds supplementing State funds	Public expenditure per 100,000 population[2]	Agency administering
		Clinics, treatment, and rehabilitation	Maintenance of State hospital service			
Alabama	$5,000	$5,000			$189	State board of education.
Arkansas	9,250		$9,250		499	Trustees of Children's Home and Hospital.
California	36,478	10,000		$26,478	643	State department of health.
Connecticut	84,000		[3] 84,000		5,227	Board of trustees of Newington Home for Crippled Children.
Florida	50,000	50,000			3,300	Commission for crippled children.
Illinois		([4])	[5] 89,558			Department of health.
Indiana			([6])	([6])		State university hospital.
Iowa			([7])			Do.
Kansas		5,000	([7])			Crippled children's commission.
Kentucky	110,000	110,000			4,207	State board of health; crippled children's commission.
Maryland		([8])	[9] 26,000	[9] 48,889		Board of State aid and charities; department of health.
Massachusetts	180,824	[4] 5,000	175,824		4,255	Department of public welfare.
Michigan		51,000	[9] 500,000			Crippled children's commission; State university hospital.
Minnesota			[10] 201,750			State department of institutions.
Mississippi	17,500	[11] 17,500			871	State board of education.

[See footnotes at end of table]

TABLE 7.—*State and local public funds for care of crippled children*—Continued

State	Total	State funds for		Local funds supplementing State funds	Public expenditure per 100,000 population	Agency administering
		Clinics, treatment, and rehabilitation	Maintenance of State hospital service			
Missouri	$50,000		$50,000		$1,378	State university hospital.
Montana	13,200	$13,200			2,455	Orthopedic commission.
Nebraska	145,114		145,114		10,531	University hospital.
New Hampshire	3,000	3,000			645	Department of public welfare.
New Jersey	115,850	15,000		$100,850	2,867	Department of health; crippled children's commission.
New York	1,135,970	321,405	493,160	321,405	9,024	Department of education; department of health.
North Carolina	108,800	8,000	100,800		3,432	Department of health; State orthopedic hospital.
North Dakota [12]						State board of control.
Ohio	295,836	17,772		[13] 278,064	5,433	Department of public welfare.
Oklahoma	179,188		179,188		7,438	State University Hospital.
Oregon			([6])	([6])		Do.
Pennsylvania	123,210	25,000	98,210			Department of public welfare; department of health.
South Carolina	10,112	10,112			582	State department of health.
South Dakota	2,500	2,500			361	State board of health.
Tennessee	[14] 10,000	[14] 10,000				Department of institutions.
Texas	45,300	20,000	25,300		675	State orthopedic hospital (University Hospital) department of education.
Vermont	8,000	8,000			2,224	Department of public health.
Virginia	25,000	25,000			1,032	State board of health.
West Virginia	85,000	85,000			4,916	Department of public welfare.
Wisconsin			([6])	([6])		State orthopedic hospital; board of control; department of education.

[1] Figures given are appropriations except in Massachusetts and New York, and local funds in California, which are expenditures. Figures for the year 1933 used for 15 States and for 1931, 32 or 34 in others. (Exclusive of vocational rehabilitation funds.)
[2] Rate calculated only when public expenditures were known to be fairly complete.
[3] State aid given to private hospital.
[4] Amount not known.
[5] This figure to be verified.
[6] Care provided in State university hospital, cost paid entirely or partly by counties.
[7] Care provided in State university hospital, cost paid by State.
[8] State aid and local contributions to two orthopedic hospitals.
[9] Estimate based on total appropriation for both ill and crippled children.
[10] In addition some children receiving care in State university hospital paid for jointly by State and county.
[11] Includes medical care of crippled adults.
[12] No funds available in 1934.
[13] Exclusive of Cuyahoga County.
[14] Approximate expenditures.

Child welfare

Part 3 of the title authorizes the appropriation of $1,500,000 to enable the United States, through the Children's Bureau, to cooperate with State public-welfare agencies in the work of establishing and extending public-welfare services for the protection and care of dependent, homeless, and neglected children, and children in danger of becoming delinquent.

The money authorized hereunder is to be divided as follows:

Ten thousand dollars is to be allotted to each State and the balance to be divided among the States in the proportion which the rural population bears to the total rural population of the United States.

State welfare agencies are required to investigate many conditions requiring special welfare service for children, such as situations of extreme neglect in homes, feeblemindedness in parents and children, cruel and abusive parents, illegitimate children without competent guardians, children who are delinquent and come before the juvenile court, and many other types of problems.

The basic service necessary to deal with these situations is a child-welfare service which makes available skilled investigation as to the needs of the child and the use of whatever agency in the community or the State may be adapted to the particular situation. The development of such social service is of extreme importance, especially in the rural areas and in the areas suffering from extreme distress and destitution.

Vocational rehabilitation

Part 4 of this title provides permanent legislation for the work which has been undertaken by the Federal Government under temporary authority extended from time to time.

This is in no sense new work, but continues and expands worthy work which has been prosecuted quite successfully.

TITLE VI. PUBLIC HEALTH

Mr. Chairman, when we come to the consideration of title VI, we are speaking of work which is not in any sense experimental, work for the folks about which I know something personally. I wish every Member of Congress could have had the opportunity to see this work at first hand as I have had. I am carefully weighing my words when I say that no dollar of the taxpayer's money, local, State, or Federal, in my opinion, receives as much dividend as the money that is appropriated for the support of county health units.

I lived in Kentucky before we had county health units. I have lived there while they have been operating, and I live there now. It is the most remarkable piece of work for humanity that I have ever had the opportunity to observe, and I want to repeat that I know of no dollar of the taxpayer's money that gets the results in Kentucky as this particular money; that is, if health and life have any value—to me they have.

This plan of full-time county health departments was first developed in Kentucky, and the first county health unit in the United States was established in Jefferson County in 1907 and 1908. In 1911 similar departments were developed in North Carolina and the State of Washington, and the second department in Kentucky was in Mason County, which is in my district; and the fourth was in Boyd County, which is also in my district. Nineteen of the 20 counties in my district now have fully developed and active health departments. Seventy-eight of the 532 full-time county health departments in the United States are in Kentucky. There remain 2,468 counties in the United States without county health departments. Ohio, North Carolina, Maryland, Oregon, Montana, Alabama, and other States have made similar progress, and the great States of Pennsylvania, Vermont, and New York have had like development in the form of public-health districts.

All of these departments, in all of the States, have been developed under the supervision of the United States Public Health Service, with Federal aid or aid from the Rockefeller Foundation. However, in their development there has been no weakening of State and local authority. That this title is developed along sound lines, after years of research and demonstration, is indicated by the monumental report of the New York State Health Commission to its then Governor, the Honorable Franklin D. Roosevelt, entitled "Public Health in New York State", and published in Albany in

1932. In appointing this committee, Governor Roosevelt said:

As an agency for serving the needs of the people, government should not be a static force, but should evolve to meet a changing and developing body of knowledge. This is particularly true in the field of public health in which, during the past decade or two, the far-reaching development of scientific facts upon which governmental action is based makes particularly necessary a periodic examination of the extent to which the State is meeting the needs of the people in this vital field.

He further quoted, with approval, a statement made by the respected Dr. William H. Welch, late dean of American medicine:

While public health is the foundation of the happiness and prosperity of the people and its promotion is recognized as an important function of government, how wide is the gap between what is achieved and what might be realized; how inadequate is the understanding of the public concerning the means adopted to secure the best results?

He requested this commission—

to take into consideration the activities of State and local health authorities and their relations one to another, the recent progress in public health in other States and abroad, and to examine critically the extent to which the health needs of the people were being met.

The recommendations of the Roosevelt New York commission in regard to State aid are not only so pertinent to the discussion of that important policy, but apply so forcefully to the whole question of Federal aid, that I am quoting it in its entirety, substituting "Federal" for "State":

Careful consideration has been given to the policy of Federal aid in public health which has been in operation for more than a decade. The conclusion has been reached that Federal aid is a necessary policy, particularly for rural areas and in the development of new health activities.

Public health problems are never wholly local. For example, the existence of a communicable disease threatens other communities besides that in which it arises. There are very practical reasons, therefore, why the United States should give financial and technical advice to stimulate better local health conditions should precedent for it be found in other phases of community welfare. In fact, the commission is of the opinion that the only alternative to Federal aid for rural health service is operation by the Federal Government itself of direct health services to the people. Those who believe that Federal aid is undesirable must concede that its inevitable alternative is even less desirable from the standpoint of preserving local responsibility in the administration of health work.

Under the present conservative policies of granting Federal aid for county nursing services and county health departments in rural areas and similar health services, much has been accomplished in promoting the public health which otherwise would not have been done.

The commission recommends, therefore, that Federal aid be continued for the development and operation of local health activities.

The whole matter of local health service is summed up by the New York commission briefly and forcefully as follows:

Three successive legislative enactments indicate an increasing official recognition that the care of the public health is a responsibility of government and that it is more than a local responsibility.

Equally well said:

In the modern health program, qualified health officers, nurses, engineers, laboratorians, and other professional personnel on a full-time basis are essential if satisfactory service is to be expected.

In summing up its recommendations in regard to local health service, the Roosevelt commission said:

The United States Public Health Service, as a result of exhaustive studies of rural health needs, for many years has actively sponsored the county health idea through financial aid to demonstration counties and otherwise. This program has received the endorsement of the physicians of the country through resolutions of the house of delegates of the American Medical Association.

The Rockefeller Foundation, created "to promote the well-being of mankind throughout the world", has directed the major energies of its international health division to the development of local health departments on a county basis with full-time qualified personnel. It is significant that this great philanthropic organization, with the world as its theater of action and with the well-being of mankind its concern, centers its activities so largely upon health and its health activities so largely upon the county health unit.

The recent White House conference on child health and protection, after reciting the needs of childhood in health education and welfare, concludes its "children's charter" with a forceful statement of the organization necessary to give effect to the principles of child-health conservation: "To make everywhere available these minimum protections of the health and welfare of children, there should be a district, county, or community organization for health, education, and welfare, with full-time officials, coordinating with a State-wide program. * * * This should include trained full-time public-health officials, with public-health nurses, sanitary inspectors, and laboratory workers * * *." The health section of the League of Nations has devoted much consideration to the rural health problems of the world and has done much to promote local health service and improve the qualifications of health officers in many different countries.

The national leaders of both political parties have expressed approval of the plan.

There is authorized under this title an annual appropriation of $8,000,000 to be allotted to the States for the purpose of developing local health services through the State health departments.

The amount of the allotments are to be determined on the basis of first, population; second, special health problems; third, financial need of the respective States.

I have heretofore testified as to the splendid services performed by the county health departments of my State. Those who do not have such units cannot appreciate the real value of such work. With your permission, I insert excerpts from the testimony before the committee with reference to this splendid work.

STATEMENT OF DR. C. E. WALLER, ASSISTANT SURGEON GENERAL, UNITED STATES PUBLIC HEALTH SERVICE

Mr. TREADWAY. You are assistant to Surgeon General Cumming?

Dr. WALLER. Yes, sir; in charge of the State's Relations Division of the Public Health Service.

Before I start on the functions of a county health unit, Mr. Chairman, I think I have approximately the answer to the first question that Mr. Vinson asked. He wanted to know what percentage of our total appropriation goes for health work. I may say that it is slightly over a million dollars, or a little over one-tenth of the total appropriation to the Public Health Service.

Mr. VINSON. That actually goes into public-health work?

Dr. WALLER. Yes, sir.

With respect to the functions of a county health unit, I should like to say, in the beginning, that the work of a county health unit is preventive in character. It is not for the purpose of providing medical care. In that respect it does not interfere in the slightest degree with the medical profession.

Mr. TREADWAY. You mean the local medical profession?

Dr. WALLER. The practicing physician. In fact, it has the opposite effect. The educational activities of a county health unit make more work for the practicing physician in that they bring our needs for medical care that otherwise would not be discovered, and direct cases into the hands of the private physicians.

The education work carried on by these units stimulates parents into having their children vaccinated against diphtheria, typhoid fever, and smallpox, and this work is added to the work that the practicing physician is called upon to do.

The personnel of a county health unit consists, first, of the full-time medical health officer, who is the director of the unit. This health officer is not just an ordinary practicing physician. He has to have special training in preventive work. That is his specialty, and it is just as much a specialty as is the specialty of practice on the eye, ear, nose, and throat, or the specialty of surgery.

In addition to this director of the unit, we have public-health nurses on the staff. We also have sanitary engineers or sanitary inspectors as members of the staff, and then, finally, we have the clerical personnel that must be particularly skilled in the handling of vital statistics, records, and so forth.

As to the functions of the unit, one of the primary functions is the control of communicable diseases. The health officers and nurses carry out the quarantine procedures in the control of cases of communicable diseases, to prevent the further spread of these diseases from cases that have occurred.

One of the most effective means that they employ in the control of communicable diseases consists in urging parents to have their children vaccinated against diphtheria, scarlet fever, typhoid fever, smallpox. Typhoid fever and diphtheria today are almost entirely preventable, and it is now regarded almost a disgrace for any community to have an outbreak of either of these diseases.

Just lately we have also discovered a means of immunizing children against scarlet fever. We have a new immunizing agent that can be used successfully for this purpose. It has been shown by officers of the Public Health Service to be almost as effective as the toxoid against diphtheria.

Mr. VINSON. Your statement, Doctor, is eminently true, but it is a statement in generalities. It does not paint the picture that I want to present to the committee. I wanted you to tell this committee and the House just how they operate in these county health units. I should like the committee to know how they get into their automobile and travel out into the school districts, and hold

a clinic out there for these vaccinations and innoculations. They go through the districts and get samples of the water supply, and all that sort of thing. Those are the things that actually do the work.

Of course, what you said was true, as far as it went.

Mr. TREADWAY. Suppose we put the gentleman on the stand.

Mr. VINSON of Kentucky. I am perfectly willing to testify, because I have had personal observation and knowledge of how those things work in my own country. It is the hardest-working crowd that I know about. They go out into these school districts and they vaccinate all the children that have not been vaccinated. Of course, that is a continuing proposition.

Then they go back and give them a second vaccination or a third vaccination, whatever the number of times is that they have to vaccinate these children. In other words, they carry this preventive medicine into the roots of our rural society and, to my mind, it is the most splendid work that the Federal Government participates in. In Kentucky it is done in cooperation with the medical profession, I am very happy to testify.

Mr. TREADWAY. May I ask Mr. VINSON, or let me ask the doctor, whether the testimony that our colleague has just given correctly represents the work of the public-health units in the 580 counties that cooperate with the Federal Government?

Dr. WALLER. Yes, sir.

Mr. TREADWAY. That is a correct picture, is it not?

Dr. WALLER. Yes, sir.

Mr. TREADWAY. Therefore you are willing to corroborate the testimony given by our colleague, and you are willing to have it made a part of your own testimony as a description of the work of the Public Health Service?

Dr. WALLER. I think, so far as he has gone, he has told the story better than I could tell it.

Mr. TREADWAY. I thought perhaps you would say that.

Mr. VINSON of Kentucky. Let us testify some more. Not only do they do these things, but they make examinations of children who otherwise would not be examined for physical defects, and call that condition to the attention of their parents. You have mentioned how they bring these matters to the attention of the parents. Not only is the child improved when the defect is corrected, but you have the happiness of parents, all growing out of that activity.

Dr. WALLER. Exactly.

The CHAIRMAN. In that connection, it is also part of their work frequently to look after the dental needs of the children, is it not?

Dr. WALLER. That is quite an important part of the work.

The CHAIRMAN. I know it is in the country where I live.

Dr. WALLER. That is an important part of the health program of these units in the schools.

Mr. TREADWAY. Doctor, I am glad to know that we have one expert on this committee in connection with a part of this bill at least. I wish we were sure we had experts on all of it.

THE WORK OF THE COMMITTEE

Mr. Chairman, I desire to express again my appreciation to the House for the privilege of serving on the Ways and Means Committee, particularly during the 3 months that have been so intensely devoted to a study of what history will probably consider the greatest piece of humane legislation that has been before any one of the 74 Congresses since the Constitution was adopted. During these 3 months I have had the pleasure of that close personal contact with our able and distinguished chairman and members of the committee that has enabled me to properly appreciate and evaluate their interest and their worth. As we approach the termination of general debate on this epochal measure, I wish to pay particular tribute to the great Chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON]. Sprung from the soil of the rugged mountains of North Carolina, acquainted with the rugged simplicity of mountain life, and knowing the problems of the folks on the hillside and in the hollows along the creeks, he has approached the consideration of the several titles of this bill with a profound knowledge of the real folks who sent him to represent them in Congress. In my whole public experience I have never known more devoted service. Sincere, interested, impartial, unbiased, capable, he has proceeded in extracting his real views from every witness; and in trying to make this measure as broad and as useful to the folks back home as was intended when our great President wrote the message which provided the underlying philosophy for this legislation. The gentleman from North Carolina is a most distinguished statesman, coming from a State which has produced leaders since the days of the Revolution, and he has earned the confidence and gratitude not alone of the people of his own district and State, but of every district and State in this Union.

Being a mountaineer myself, I particularly enjoyed the fine, humane philosophy of two great mountaineers on this committee—the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from Maryland [Mr. LEWIS]. Mr. LEWIS was the chairman of the subcommittee in the last session which held extended hearings on the subject of unemployment compensation. I am sure that I represent the attitude of every member of the Ways and Means Committee when I testify to the tremendous value, not only of those hearings, but of the learning and interest displayed by these gentlemen in the perfection of the bill. You have heard their great addresses before this Committee of the Whole House and to what they have said on these subjects, but little can be added.

I desire also to pay a particular tribute to all the other members of the committee. They have been constant in their attendance at the meetings of the committee and took an active part in the formulation of the legislation and the reports bearing upon it.

In my sincere judgment no bill ever received more intensive study and effort by any committee in any Congress than has this measure.

I also desire to express the profound appreciation which the committee feels to its permanent staff and to the legislative counsel and the technical staff of the Joint Committee on Internal Revenue and Taxation who, because of their expert knowledge, have been of invaluable assistance in the preparation of this bill. I would not overlook Tom Eliot, Assistant Secretary of Labor, who rendered most valuable service.

Mr. Chairman and gentlemen, for 3 months we have been laboring during most of the hours of the day and during many of the hours of the night in consideration of the tremendous accumulation of information, the study of which has been necessary to enable us to prepare and support this legislation. It is presented to you as the first great step toward economic security for the masses of America.

TRULY A SECURITY BILL

This measure, H. R. 7260, comes to the Congress with two messages from our President. On June 8, 1934, with a message that resounded throughout our land—the great security message—the President said " among our objectives, I place the security of the men, women, and children of the Nation first.

Security is the central theme of this program. Security is the name of each corner rock which upholds this structure. We see security for the aged in pensions and benefits, security for children in those sections dealing with dependent children, crippled children, and child welfare. Caring for each end of the life span, the youth and the aged, we next find in this measure, security in health in the maternal and child-health sections thereof, and also in the separate title that treats of the development of local health units together with the research activities that will mean added health security to the citizenship of our country. Then we find titles looking toward security in employment, which with the benefits provided for the aged, not only perform a humane obligation, but provides a stabilizer and gives added security to the economic future of our country.

Security is the thread that runs throughout this legislation. The philosophy that the strong will care for the weak, that the more fortunate will lend a helping hand to their less fortunate brothers and sisters.

For the first time in the history of our American Government there is presented for consideration a well rounded out social-security program. We recognize that the experience of the years will call for supplementary legislation, yet we urge its passage as the first substantial step toward a worthy goal.

We urge with all the seriousness at our command that our colleagues hesitate long before they strike at its just and carefully considered provisions. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein an analysis of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LUNDEEN. Mr. Chairman, I ask unanimous consent to extend my remarks and to include a statement concerning constitutionality as published in the Labor Committee hearings.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.,

TITLE I—GRANTS TO STATES FOR OLD-AGE-ASSISTANCE

APPROPRIATION

SECTION 1. For the purpose of enabling each State to furnish financial assistance assuring, as far as practicable under the conditions in such State, a reasonable subsistence compatible with decency and health to aged individuals without such subsistence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $49,750,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Social Security Board established by title VII (hereinafter referred to as the "Board"), State plans for old-age assistance.

STATE OLD-AGE-ASSISTANCE PLANS

SEC. 2. (a) A State plan for old-age assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim for old-age assistance is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and (7) provide that, if the State or any of its political subdivisions collects from the estate of any recipient of old-age assistance any amount with respect to old-age assistance furnished him under the plan, one-half of the net amount so collected shall be promptly paid to the United States. Any payment so made shall be deposited in the Treasury to the credit of the appropriation for the purposes of this title.

(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for old-age assistance under the plan—

(1) An age requirement of more than 65 years, except that the plan may impose, effective until January 1, 1940, an age requirement of as much as 70 years; or

(2) Any residence requirement which excludes any resident of the State who has resided therein 5 years during the 9 years immediately preceding the application for old-age assistance and has resided therein continuously for 1 year immediately preceding the application; or

(3) Any citizenship requirement which excludes any citizen of the United States.

PAYMENT TO STATES

SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing July 1, 1935, (1) an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan with respect to each individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (2) 5 percent of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of clause (1) of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such clause, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of aged individuals in the State, and (C) such other investigation as the Board may find necessary.

(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State under clause (1) of subsection (a) for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified, increased by 5 percent.

OPERATION OF STATE PLANS

SEC. 4. In the case of any State plan for old-age assistance which has been approved by the Board, if the Board, after notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

(1) that the plan has been so changed as to impose any age, residence, or citizenship requirement prohibited by section 2 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 2 (a) to be included in the plan;

the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State.

ADMINISTRATION

SEC. 5. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $250,000, for all necessary expenses of the Board in administering the provisions of this title.

DEFINITION

SEC. 6. When used in this title the term "old-age assistance" means money payments to aged individuals.

Mr. SNELL (interrupting the reading). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SNELL. As I understand it, the Clerk is reading title I, and when he completes the reading of title I the Committee will rise?

The CHAIRMAN. The gentleman is correct.

Mr. LUNDEEN. Mr. Chairman, that will not preclude anyone from offering amendments tomorrow?

The CHAIRMAN. It will not.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. When the Committee rises that will not preclude the offering of an amendment, which will be offered in the form of a new title before title I?

The CHAIRMAN. It will not.

The Clerk concluded the reading of title I.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 7260, the social-security bill, had come to no resolution thereon.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. SNELL. Mr. Speaker, I am sorry, but I shall have to object.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks by including in the speech that I made today a statement of the cost of the Lundeen plan.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I make the same request as the gentleman from Massachusetts [Mr. CONNERY] to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SOCIAL-SECURITY BILL

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to extend my remarks upon the social-security bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, I do not feel the need of making a speech for "home consumption" on this present bill for social security. The people of the First Congressional District of the State of Washington, whom I have the privilege of representing, know how I feel about such legislation. I have before me my campaign pamphlet from the 1932 campaign, wherein I promised to fight for social insurance covering accidents, sickness, old-age, and unemployment. In 1934 the keynote of my campaign was that economic planning of consumption rather than production was the paramount issue of this day; that we must see that every person who is willing to work must be guaranteed a security of income and the purchasing power of the people must be increased to insure permanent prosperity; that social insurance covering accidents, sickness, old-age, and unemployment must be regarded as a matter of right rather than a matter of favor—because there is plenty for all if we only work out a sane and sensible scheme of distribution.

But at the same time I promised to fight for increased gift, income, and inheritance taxes in the higher brackets to break up huge incomes and thus equalize the distribution of wealth. I also promised to fight against sales taxes.

Now, Mr. Chairman, I feel that I am compelled to vote for the final enactment of this bill because of the broad recognition of at least partial responsibility for taking care of the aged, unemployed, dependent children, maternal and child welfare, crippled children, vocational rehabilitation, and public health. Such a recognition is a great step in itself, but my vote for this present bill does not mean that I approve of many of its provisions. The fact of the matter is that I do not approve of this bill in many respects, and feel it to be my duty in my representative capacity to point out what, in my opinion, are its defects, and at the proper time to try to help improve it by way of amendments.

My chief criticism of this so-called "social-security bill" is that it does not place the burden where it properly belongs; that is, on the higher income group of our Nation and on those receiving large gifts and inheritances. The fact of the matter is that the burden is placed on the lowest income groups in this bill. The ultimate 6-percent tax on pay rolls will be passed on to the consumer, of which the working classes compose approximately 80 percent. This type of taxation in effect amounts to a sales tax, just the same as the processing tax has resulted in increased prices, and, despite its name, it has proven itself to be a sales tax nevertheless. The additional 3-percent tax on the employee, which is deducted from his wages and paid over by the employer to the Government, decreases the employee's buying power in just that amount. Such taxes are wrong in principle and can only aggravate our distressing economic mess. It seems that every measure that is coming before Congress today is still based upon the economy of scarcity rather than the economy of abundance.

I feel that the old-age pensions that are not to exceed over $30 a month are miserly and inadequate. Just what can an aged person do with merely $30 if he has no other source of income or relatives to support him? It would require at least $15 a month for rent alone, and that would leave but $15 a month for food and clothing. Think of it—50 cents a day. To me this sounds like anything but social security. The $30-a-month pension is particularly inadequate from a Federal standpoint, when the Federal Government is to match State funds on a 50-50 basis, the Federal responsibility at no time amounting to more than $15 a month. In my opinion, the Federal Government should provide the entire amount of an adequate pension necessary to give the aged the necessaries and comforts of life as a matter of right, looking upon these pensions as merely deferred payments to the aged, for everyone knows that those people produced a great deal more in their productive years than they ever received for their work in wages.

The provision in this bill that a person must be 65 years of age or over is entirely too high, and I for one am going to do what I can to reduce it to 60 or even 55 years. It is virtually impossible for a man of 50 years to obtain gainful employment under our present industrial system, and would it not be better to provide adequate pensions for all those of 55 and over, and remove them from the labor market, and thus make room for the young people who today find themselves unemployed?

The provisions in this act for unemployment insurance are totally inadequate and in no way provide for insurance or relief for the present unemployed. According to experts, technological unemployment under our present profit system will be a constant and ever-increasing problem. Labor saving devices and machinery today are displacing workers by the thousands, and, according to those who have studied this problem, if we were to increase our production to that of 1929 we would still have from six to eight million unemployed.

The remedy for this depression is not unemployment insurance. Employment is the only solution, and if those who own and control the means of production have not the sense and social vision to adjust their profits, interest, and dividends, and get a more reasonable balance between consumption and production, then it is high time for the Government to step in and do it for them. In the interest of maintaining order, as well as providing a good life for all the people, our minimum program must be that every man and woman who is able and willing to work must be given employment at a wage that will get for him and for her the necessities, comforts, and some of the luxuries of life, for there is plenty for all if we but work out a sane and sensible scheme of distribution. In my humble opinion, any government that does not do just that does not justify its existence.

THE SOCIAL-SECURITY BILL

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'NEAL. Mr. Speaker, it is not difficult for critics to pick flaws in proposed legislation, especially when it traverses new fields and deals with such enormous problems as those in this bill. I compliment the committee upon this example of sincere study and high intelligence. The comments I make are in no sense critical of the committee but are mere "obiter dicta", and because of the character of the men and their intense application to this subject, it is my inclination to support their recommendations. But I feel impelled to make some random comments, for I cannot help but feel that the best unemployment insurance is to aid business, the employer, and I am concerned about the recurring effort to have our Government attempt to cure all national ills. It is well to reflect upon the demands of all groups and classes upon our Federal Government and to consider not only the worthiness of the cause but the ability of our Government and its citizens to carry the load and the far-reaching effect upon the character of our people.

We are prescribing remedies for all of our country's maladies, and the medicines, no doubt, are efficacious as far as the disease is concerned, but the doses are so numerous and heroic that I fear for the patient, our country.

One thing is encouraging to observe in the treatment of social security, and that is the unanimous sentiment of sympathy for the aged, the unemployed, the afflicted mothers and children, and the other unfortunates to whom life has willed misery and misfortune. Every man in this Congress is interested in aiding the casualties of the strife of life, and to that extent all is well. Even this much idealism is a basis of hope for our country, but beyond the generous spirit of sympathy for the unfortunates, certain characteristics arise in our midst which are less idealistic and quite contrary to the Golden Rule so well exemplified in our sympathies.

Through failure to analyze ourselves, through mistaken loyalties to groups to which we belong, to intense State and partisan devotions, we sometimes forget American traditions and lose our fundamental ideas of American justice and liberty. The greatness of our country and the inheritance of the rare gift of American citizenship have been due to the wisdom and conscience of the founders of our country and their successors. They kept uppermost in their minds the freedom of its citizens and that no citizen might be deprived of life, liberty, or property without due process of law and without just compensation. Imposition of an unequal or too heavy tax is closely akin to attainder and confiscation.

Our forbears enjoyed the greatest liberty ever granted to mankind because the conscience of America and its leadership kept ever in mind the sacred rights of the individual to work, to improve his condition, to be provident and to retain that which he won by effort, character, and self-denial. When work and ambition in America, as we knew it, drove men on to greater achievement, there seemed to be less class and group selfishness, and men scorned to seek or accept that which belonged to another. There was pride in every American that he could carry his part of the burden and he asked favors of no man, and did not seek to place his obligations upon another. In my opinion, that spirit of independence made America great, and the loss of it will mean that our country, as we knew it, will be no more. So it is of the greatest importance in passing legislation that we think not only of the condition to be corrected, but also of the far-reaching alterations of citizen character and individual morale. The greatness of America was built upon stern reality, courage, and conscientious work. Today there seems to be a class philosophy of jealousy of those who have succeeded, a weakening of moral fiber, an ambition to avoid work, and a group selfishness which breeds disunion and the death of American ideals.

It appears to me that we, in Congress, should strive to foster the true American spirit of personal pride and independence, and be careful that we do not develop a national weakness of character. It should be brought home to the people that our Government will be fair to every group of its citizens; that special privilege shall not be granted to individuals or to groups; that the malingerer cannot live at Government expense; and that the care of our unfortunates is the obligation of every citizen in the United States.

We hear much these days of the socialization of America. In my opinion, when you arbitrarily place a tax on business or the individual without considering their ability to pay nor the justice of making them carry the common load, you are breaking with American experience and American tradition. Our country's trials are grievous at this time, and they challenge America for a solution. But we cannot solve the problem by arbitrary seizures against business or other singled-out groups of our citizens. In order to preserve America we must attack our problem "with malice toward none" and charity, or, at least, justice, to all.

There was a time when one's country was aroused at the favors granted to special interests through special privileges. America awakened and has remained awake to the menace of great corporations and great wealth which took advantage of the people. In a different way our citizens have now divided, and many groups are seeking special privileges from our country, which is not true to the American tradition of equality before the law. This problem will never be solved by hating, and much of our proposed legislation is born of temper and nourished by fancied wrongs. The attack too often is punitive and not guided by equitable principles. When America disunites to give special advantages to one or to place common burdens on the back of another, it is un-American and confusion or worse will result. Let groups in America seek to do equity and each assume its just burden. When that is again the rule, our country will have regained its birthright.

I do not believe that we have given sufficient consideration to, nor correctly analyzed, the place of business in American life. It is the keystone of America as we know it. We who believe in the profit motive as a fundamental of human character and happiness believe that there would be no profit motive without business. Therefore, it should be encouraged, and interfered with as little as possible. The products of the farmer, the labor of the worker, the existence of the professions are indissolubly linked with business. Our country would not be what we have cherished should it become the employer. Our socialistic theorists would find the result to be a national flabbiness, deteriorating into moral paralysis. The only cure for unemployment is employment, and business is the employer, and honest work is the salvation of every man. In our legislation we should recognize that business must be treated justly and freed from oppression, or even fears of oppression, if all of the rest of America is to labor and prosper.

We draw our laws with little thought as to the psychology of our people, whereas we should consider their effect upon our national character. Yesterday the average American was as a group frugal, thrifty, proud, and conservative. Today, because of our laws drawn without considering their effect upon character, we find our citizens wasteful and extravagant in their demands upon our Government. The Federal Government apparently is a boundless reservoir of money, upon which they can draw without limit for every need or even whim. It is time in drafting our laws that we emphasize fair play to all, and the fact that every Government expenditure eventually means an expense to each individual citizen, and that each national extravagance culminates in an individual charge. When our people realize the true situation America will return to the faith of its fathers.

In conclusion I wish to compliment the committee for the intelligent and conscientious effort that has been put forth. My remarks are in no sense critical. But I wish the start could be made here and now to appeal to the abiding American spirit in the hearts of most of our citizens. Just as in a war of defense, everyone is called to arms, so in the case of human misery in America let us tell our people that it is a burden upon every one of us. Let us not attempt to aid the worthy causes in this bill by charging its costs alone to business or to any other group of citizens.

Let us assemble the cost of alleviating the suffering of America as described in this bill, and tell our country that these burdens must be borne by all Americans, and that it will cost each year a certain definite amount. Let us say to them that their burden cannot be shifted to the backs of the successful only, or upon business or any other class, and if it could be, it would not be right to do so. A load of this kind is an obligation of every man who is earning any money and the latent character of our country would revive and courageously meet the challenge. It has been found in our churches that the widow's mite was gladly given and the spirit of it made many of our American institutions great as they have been through the generations. If we could carry the need of the unfortunates back to every earner in America, I am idealist enough to believe that America would respond with approval, enthusiasm, and a renewed faith in our country. Every citizen in America should be required to pay a part of his earnings for the care of the unfortunates of America.

I concur heartily in the worthy intentions of this bill, but I regret that an effort is not made to test the spirit of our people by offering to them all the right and the privilege of assuming, according to their individual ability, the care and protection of their less fortunate fellow countrymen. If such were the case, I would dare to hope that the pride, independence and the cherished freedom of America might return.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 684. An act for the relief of Brown & Cunningham, of Port Deposit, Md.; to the Committee on Claims.

S. 1207. An act to authorize trial by court martial of any person in the naval service charged with the crime of murder committed without the geographical limits of the

States of the Union and the District of Columbia; to the Committee on Naval Affairs.

S. 1211. An act authorizing the assignment of two officers on the active list of the United States Marine Corps not below the rank of colonel to duty as assistants to the Major General Commandant of the Marine Corps; to the Committee on Naval Affairs.

S. 1446. An act for the relief of Knud O. Flakne; to the Committee on the Public Lands.

S. 1447. An act for the relief of Mary C. Moran; to the Committee on the Public Lands.

S. 1537. An act to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children; to the Committee on Indian Affairs.

S. 1629. An act to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2029. An act to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement; to the Committee on Military Affairs.

S. 2100. An act to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively; to the Committee on the District of Columbia.

S. 2148. An act to provide for the leasing of restricted Indian lands of Indians of the Five Civilized Tribes in Oklahoma; to the Committee on Indian Affairs.

S. 2153. An act to provide for the prevention of blindness in infants born in the District of Columbia; to the Committee on the District of Columbia.

S. 2214. An act conferring jurisdiction on United States district courts over Osage Indian drug and liquor addicts; to the Committee on Indian Affairs.

S. 2252. An act for the relief of Henry Hilbun; to the Committee on Military Affairs.

S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935; to the Committee on Military Affairs.

S. 2375. An act authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States; to the Committee on Indian Affairs.

S. 2482. An act relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

S. 2487. An act for the relief of the Western Electric Co., Inc.; to the Committee on Claims.

S. J. Res. 88. Joint resolution to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior; to the Committee on Insular Affairs.

S. J. Res. 97. Joint resolution authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive; to the Committee on the District of Columbia.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2353. An act for the relief of the Yellow Drivurself Co.; and

H. R. 3959. An act for the relief of the National Training School for Boys and others.

The SPEAKER announced his signature to the enrolled joint resolution of the Senate of the following title:

S. J. Res. 93. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2353. An act for the relief of the Yellow Drivurself Co.; and

H. R. 3959. An act for the relief of the National Training School for Boys and others.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Thursday, April 18, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Thursday, Apr. 18, 10 a. m.)

Continuing hearings on bill (H. R. 5530) amending the Gas and Oil Leasing Act, room 328, Old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

301. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 1, 1935, submitting a report, together with accompanying papers and illustrations, on studies and investigations of beach erosion at Kitty Hawk, Nags Head, and Oregon Inlet, N. C., made by the Beach Erosion Board in cooperation with the North Carolina Department of Conservation and Development, as authorized by the River and Harbor Act approved July 3, 1930 (H. Doc. No. 155); to the Committee on Rivers and Harbors and ordered to be printed, with 16 illustrations.

302. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 1, 1935, submitting a report, together with accompanying papers and illustrations, on studies and investigations of beach erosion at Folly Beach, S. C., made by the Beach Erosion Board in cooperation with the Sanitary and Drainage Commission of Charleston County, S. C., as authorized by the River and Harbor Act approved July 3, 1930 (H. Doc. No. 156); to the Committee on Rivers and Harbors and ordered to be printed, with 7 illustrations.

303. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, under the Architect of the Capitol, for the fiscal year 1936 in the sum of $1,761,437 (H. Doc. No. 157); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MONAGHAN: Committee on Interstate and Foreign Commerce. S. 1222. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; without amendment (Rept. No. 684). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.; without amendment (Rept. No. 685). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 4528. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.; with amendment (Rept. No. 686). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 5547. A bill to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.; without amendment (Rept. No. 687). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 6630. A bill to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.; without amendment (Rept. No. 688). Referred to the House Calendar.

Mr. WADSWORTH: Committee on Interstate and Foreign Commerce. H. R. 6780. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.; with amendment (Rept. No. 689). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 7081. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; without amendment (Rept. No. 690). Referred to the House Calendar.

Mr. PETTENGILL: Committee on Interstate and Foreign Commerce. H. R. 7083. A bill to extend the time for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; without amendment (Rept. No. 691). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 7291. A bill to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.; without amendment (Rept. No. 692). Referred to the House Calendar.

Mr. PATMAN: Committee on the District of Columbia. S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; without amendment (Rept. No. 693). Referred to the Committee of the Whole House on the state of the Union.

Mr. SEARS: Committee on Naval Affairs. H. R. 7220. A bill to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain; without amendment (Rept. No. 694). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. House Joint Resolution 233. Joint resolution authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia, June 8, 1935, to June 17, 1935, both inclusive, etc.; without amendment (Rept. No. 695). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Irrigation and Reclamation. S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; without amendment (Rept. No. 698). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FADDIS: Committee on Military Affairs. H. R. 1759. A bill for the relief of Thomas G. Carlin; without amendment (Rept. No. 696). Referred to the Committee of the Whole House.

Mr. EDMISTON: Committee on Military Affairs. S. 1390. An act for the relief of Harry L. Reaves; without amendment (Rept. No. 697). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DISNEY: A bill (H. R. 7562) authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma; to the Committee on Indian Affairs.

By Mr. HULL: A bill (H. R. 7563) to amend paragraphs 722 and 728 of the Tariff Act of 1930; to the Committee on Ways and Means.

Also, a bill (H. R. 7564) to amend the Tariff Act of 1930 and the tariff rates on imported dairy products mentioned therein; to the Committee on Ways and Means.

By Mr. KNUTSON: A bill (H. R. 7565) to authorize the erection of an addition to the existing Veterans' Administration facility at St. Cloud, Minn.; to the Committee on World War Veterans' Legislation.

By Mr. MOTT: A bill (H. R. 7566) to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes"; to the Committee on the Public Lands.

By Mr. THOMPSON: A bill (H. R. 7567) to further revive and reenact the act entitled "An act authorizing D. S. Prentiss, R. A. Salladay, Syl F. Histed, William M. Turner, and John H. Rahilly, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the town of New Boston, Ill.", approved March 3, 1931; to the Committee on Interstate and Foreign Commerce.

By Mr. TREADWAY: A bill (H. R. 7568) to impose minimum specific duties on certain cotton cloth; to the Committee on Ways and Means.

By Mr. BLAND: A bill (H. R. 7569) to amend section 602 of the Revenue Act of 1934, entitled "An act to provide revenue, equalize taxation, and for other purposes"; to the Committee on Ways and Means.

By Mr. DIMOND: A bill (H. R. 7570) to extend the benefits of the United States Public Health Service to fishermen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GAVAGAN: A bill (H. R. 7571) to repeal the act entitled "An act to incorporate the North River Bridge Co. and to authorize the construction of a bridge and approaches at New York City across the Hudson River, to regulate commerce in and over such bridge between the States of New York and New Jersey, and to establish such bridge a military and post road", as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. LUDLOW (by request): A bill (H. R. 7572) to promote American neutrality in time of war; to the Committee on Foreign Affairs.

By Mr. AYERS: A bill (H. R. 7573) to extend the time for compliance with the drilling requirements of oil and gas prospecting permits; to the Committee on the Public Lands.

By Mr. CHURCH: A bill (H. R. 7574) to amend an act entitled "An act relative to naturalization and citizenship of married women," approved September 22, 1922; to the Committee on Immigration and Naturalization.

By Mr. ZIMMERMAN: A bill (H. R. 7575) to legalize a bridge across Black River on United States Highway No. 60 in the town of Poplar Bluff, Butler County, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. LLOYD: A bill (H. R. 7576) declaring a Government policy; to provide for the extension of credit for the building of adequate housing facilities for the use of Government employees; to promote relief for unemployment; and for other purposes; to the Committee on Public Buildings and Grounds.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, re the awarding of a Distinguished Service Cross to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Texas, opposing the so-called "Thomas bill"; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Commonwealth of Pennsylvania, opposing the creation of a branch banking system; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of New York, supporting H. R. 6914; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 7577) for the relief of Mrs. William E. Smith and Clara Smith; to the Committee on Claims.

By Mr. BOEHNE: A bill (H. R. 7578) to provide for the retirement of Karl Asmann as a pharmacist or warrant officer, United States Navy; to the Committee on Naval Affairs.

By Mr. BURNHAM: A bill (H. R. 7579) for the relief of Ray A. White; to the Committee on Military Affairs.

By Mr. CASEY: A bill (H. R. 7580) for the relief of Ame La Fernais; to the Committee on Military Affairs.

By Mr. DARDEN (by request): A bill (H. R. 7581) directing the Court of Claims to reopen the case of William G. Maupin, Jr., et al., against United States, Docket No. 34681, and to correct the errors therein, if any, by an additional judgment against the United States; to the Committee on Claims.

By Mr. DISNEY: A bill (H. R. 7582) for the relief of E. C. Beaver, who suffered loss on account of the Lawton (Okla.) fire, 1917; to the Committee on Claims.

By Mr. FORD of California: A bill (H. R. 7583) granting a pension to Ingelow Johnson; to the Committee on Pensions.

By Mr. LUCAS: A bill (H. R. 7584) authorizing the Secretary of the Treasury to refund to John A. Godar excise taxes erroneously paid to the collector of internal revenue; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 7585) granting a pension to Delia DeRossett; to the Committee on Pensions.

By Mr. STARNES: A bill (H. R. 7586) for the relief of Mrs. George F. Freeman; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7587) granting a pension to Martha Wyatt; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 7588) granting an increase of pension to Rose Moriarty; to the Committee on Pensions.

By Mr. WELCH: A bill (H. R. 7589) for the relief of Edward Tumulty; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7164. By Mr. BLAND: Petition of five citizens of Bowling Green, Va., favoring old-age-pension legislation that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

7165. By Mr. BOYLAN: Resolution adopted by the New York Clothing Manufacturers' Exchange, Inc., representing 250 manufacturers operating in Greater New York, who employ approximately 25,000 people, favoring the continuance of the National Recovery Act; to the Committee on Appropriations.

7166. By Mr. BURNHAM: Resolution of the Escondido Townsend Club, No. 4, of Escondido, Calif., urging the enactment into law of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

7167. Also, resolution of the Loyal Women's Class (125 members) of the Central Christian Church, San Diego, Calif., urging the enactment into law of the McGroarty bill, known as the "Townsend old-age revolving pension plan"; to the Committee on Ways and Means.

7168. By Mr. CITRON: Petition of the Townsend Old-Age Revolving Pension Plan Club, No. 1, of Manchester, Conn., favoring the McGroarty-Townsend bill; to the Committee on Ways and Means.

7169. By Mr. FOCHT: Resolution of Kiwanis Club, Northumberland, Pa., in opposition to the Wheeler-Rayburn bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

7170. By Mr. FORD of California: Petition of the Associated Ice Distributors and the California Consumers Co., urging that the present Ice Code in the National Recovery Act be continued, as well as the National Recovery Act, for at least 2 more years; other industries in Los Angeles also requesting the continuation of the National Recovery Administration; to the Committee on Appropriations.

7171. By Mr. GAVAGAN: Resolution of the Legislature of the State of New York urging the Congress to repeal the charter of the North River Bridge Co. granted by act of Congress, etc.; to the Committee on Interstate and Foreign Commerce.

7172. By Mr. GOLDSBOROUGH: Resolution of the Talbot County Poultry Association, urging support of House bill 5802, providing for an increased tariff on imported egg products; to the Committee on Ways and Means.

7173. By Mr. HOEPPEL: Resolution of the Assembly and the Senate of the State of California, urging the enactment of House Joint Resolution No. 143 awarding the Distinguished Service Medals to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection; to the Committee on Military Affairs.

7174. Also, resolution of the Assembly of the State of California, the Senate concurring, urging the establishment of trans-Pacific airplane service; to the Committee on the Post Office and Post Roads.

7175. By Mr. McREYNOLDS: Petition containing the signatures and addresses of 128 citizens of Chattanooga, Tenn., asking favorable consideration of Congress of the extension of the National Recovery Administration; the Wagner labor-disputes bill (S. 6288); the Connery bill (H. R. 6450), labor representation on codes; Connery Resolution No. 141, to prohibit use of Federal arms and supplies during strikes without authority from the Secretary of War; and the Byrnes bill (S. 2039), to stop shipment of strike breakers over State lines during strikes; to the Committee on Labor.

7176. By Mr. MARTIN of Colorado: House Joint Resolution No. 14 of the Thirtieth General Assembly of the State of Colorado, favoring the construction of a draining project at Leadville, Colo.; to the Committee on Mines and Mining.

7177. Also, House Joint Memorial No. 13, of the Thirtieth General Assembly of the State of Colorado, urging an appropriation of $100,000,000 for prospecting, exploration, exploitation, development, extraction, reduction, milling, smelting, and refinement of the metal mineral resources of the United States; to the Committee on Mines and Mining.

7178. Also, House Joint Memorial No. 14, of the Thirtieth General Assembly of the State of Colorado, favoring the appropriation of funds to establish shelter belts in eastern Colorado; to the Committee on Appropriations.

7179. By Mr. O'MALLEY: Petition of the Legislature of the State of Wisconsin, urging the Congress of the United States to provide for the repayment of drought-relief loans through legislation permitting farmers receiving drought relief to repay such relief by work on public roads or in other Public Works projects; to the Committee on Agriculture.

7180. By Mr. PFEIFER: Petition of the Greenpoint Stamp Club, Brooklyn, N. Y., endorsing House bill 1411, allowing illustrations of United States postage stamps to be published in official catalogs, etc.; to the Committee on the Post Office and Post Roads.

7181. Also, petition of the Oxford Filing Supply Co., Brooklyn, N. Y., concerning the Wagner labor disputes bill; to the Committee on Labor.

7182. Also, petition of the Triangle Ink & Color Co., Inc., Brooklyn, N. Y., concerning continuation of the National Recovery Act; to the Committee on Appropriations.

7183. Also, telegram from Liebmann Breweries, Inc., Brooklyn, N. Y., favoring continuation of the Ice Code of the National Recovery Act; to the Committee on Appropriations.

7184. By Mr. REED of Illinois: Petition signed by George M. Coffin and 45 others, recommending the adoption of the Lundeen social-insurance bill (H. R. 2827); to the Committee on Ways and Means.

7185. By Mr. RUDD: Petition of the Central Civic Association, Hollis, Long Island, N. Y., concerning the Bacon bill (H. R. 6532) to amend section 1001 (a) of the Revenue Act of 1932; to the Committee on the Post Office and Post Roads.

7186. Also, petition of the Rubel Corporation, Brooklyn, N. Y., concerning the continuation of the National Recovery Act in its present form; to the Committee on Appropriations.

7187. By Mr. THURSTON: Petition of citizens of Russell, Iowa, in support of House Joint Resolution 167, proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war; to the Committee on the Judiciary.

7188. By Mr. TRUAX: Petition of Samuel W. Silverman and others, of Jersey City, N. J., resolving that the Roosevelt for 1936 Clubs, Inc., urge and request the Congress of the United States to immediately pass such legislation as is necessary for the immediate payment of the balance due on such adjusted-compensation certificates with the remittance of interest and other charges against the principal sum of such certificates, since the American Legion and Veterans of Foreign Wars have in their respective national conventions overwhelmingly approved same and since such certificates constitute a just obligation of the Government to the veterans of the World War; to the Committee on Ways and Means.

7189. Also, petition of the Non-Partisan League of Columbus, Ohio, by Cynthia B. Erskine, urging immediate enactment of the Lundeen unemployment, old age, and social insurance bill (H. R. 2827); to the Committee on Labor.

7190. Also, petition of Coshocton Post, No. 1330, Veterans of Foreign Wars, Coshocton, Ohio, unanimously urging support of House bill 6995 (a new bill recently introduced in the House to take the place of House bill 100), as this bill, if enacted into law, will restore the rights of the Spanish War veterans as they existed prior to March 19, 1933, the date the un-American economy law was enacted; to the Committee on Pensions.

7191. Also, petition of Homer W. Wallace and numerous other citizens of Lakewood, Ohio, urging support of the Townsend plan as it will return money into circulation and thus restore prosperity; to the Committee on Ways and Means.

7192. Also, petition of the Trades and Labor Assembly of Tuscarawas County, New Philadelphia, Ohio, by their secretary, Guy Z. Born, urging support of House bills 5450, 6124, and 6368, relative to taxes on cigarettes and cigars; to the Committee on Ways and Means.

7193. By Mr. WOLCOTT: Petition of Walter Vollmar and nine others of Marine City, Mich., favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

7194. Also, petition of A. D. McCarron and 19 others of Marine City, Mich., favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

7195. Also, petition of Norman H. Gray and nine others of Port Huron, Mich., favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

7196. Also, petition of George Menzies and 18 others of Port Huron, Mich., favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

7197. Also, petition of Mrs. Gerald Bready and nine others of Port Huron, Mich., favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

7198. Also, petition of Susie M. Woods and nine others of Algonac, Mich., favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

7199. Also, petition of J. J. Scott and 201 others of Memphis, Mich., favoring the enactment of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

7200. By the SPEAKER: Petition of the Kiwanis Club of Baltimore, Md.; to the Committee on Naval Affairs.

7201. Also, petition of the Municipal Assembly of Corozal, P. R.; to the Committee on Insular Affairs.

7202. Also, petition of the Holy Name Society of Annunciation Parish, New Orleans, La.; to the Committee on Foreign Affairs.

7203. Also, petition of the Rotary Club of Baltimore, Md.; to the Committee on Naval Affairs.

7204. Also, petition of the American Society of Biological Chemists, Inc.; to the Committee on Interstate and Foreign Commerce.

7205. Also, petition of the city of Chelsea, Mass.; to the Committee on Ways and Means.

SENATE

THURSDAY, APRIL 18, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 17, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3071) for the relief of Second Lt. Charles E. Upson.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, and it was signed by the Vice President.

SENATOR FROM WEST VIRGINIA—CONTEST

The VICE PRESIDENT. The Chair lays before the Senate a petition contesting the election of a Senator from the State of West Virginia, and calls the attention of the Senator from Oregon [Mr. MCNARY] to the matter.

Mr. MCNARY. Mr. President, I ask unanimous consent that the clerk read the document.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bone	Clark	Fletcher
Ashurst	Borah	Connally	Frazier
Austin	Bulkley	Coolidge	Gerry
Bachman	Bulow	Copeland	Gibson
Bailey	Burke	Costigan	Glass
Bankhead	Byrd	Couzens	Gore
Barbour	Byrnes	Cutting	Guffey
Barkley	Capper	Dickinson	Harrison
Bilbo	Caraway	Donahey	Hastings
Black	Carey	Duffy	Hatch

Hayden	Metcalf	Reynolds	Townsend
Johnson	Minton	Robinson	Trammell
Keyes	Moore	Russell	Truman
King	Murphy	Schall	Tydings
La Follette	Murray	Schwellenbach	Vandenberg
Lewis	Neely	Sheppard	Van Nuys
Logan	Norris	Shipstead	Wagner
Lonergan	Nye	Smith	Walsh
McGill	O'Mahoney	Steiwer	Wheeler
McKellar	Pittman	Thomas, Okla.	White
McNary	Pope	Thomas, Utah	

Mr. WHITE. I desire to announce the unavoidable absence of my colleague the senior Senator from Maine [Mr. HALE]. I ask that this announcement stand for the day.

Mr. AUSTIN. I wish to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent from the Senate.

Mr. LEWIS. I announce that the Senator from Connecticut [Mr. MALONEY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness; and that the Senator from New Hampshire [Mr. BROWN], the senior Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from California [Mr. MCADOO], and my colleague the junior Senator from Illinois [Mr. DIETERICH] are necessarily detained from the Senate. I ask that this announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

Mr. ROBINSON. Mr. President, I understood the Senator from Oregon to ask to have read the document which was laid before the Senate by the Vice President before the roll was called. I make no objection to the request.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read as follows:

In the Senate of the United States of America

PETITION OF HENRY D. HATFIELD, OF HUNTINGTON, W. VA.

To the Honorable the Senate of the United States of America:

Your petitioner, Henry D. Hatfield, of Huntington, West Virginia, humbly complaining, respectfully represents unto your honorable body:

That on the 7th day of August 1934, in a primary election held in the State of West Virginia, he was selected by the Republican Party to be its candidate for the office of United States Senator, having received a plurality of the votes cast therein;

That at the same time Rush D. Holt, of Weston, Lewis County, West Virginia, received a plurality of the Democratic votes cast for the same office and became the candidate of the Democratic Party;

That, as provided by section 69 of the Official Code of West Virginia, then in effect,

"Any person who is eligible to hold an office * * * may file with the Secretary of State, * * * a certificate declaring himself a candidate for the nomination for such office; which certificate shall be in form or effect as follows:

"I, ———, hereby certify that I am a candidate for the nomination for the office of ——— to represent the ——— party, and desire my name printed on the official ballot of said party to be voted at the primary election to be held on the —— day of ———, 19——; that I am a legally qualified voter of the county of ———, State of West Virginia; that my residence is number —— of ———, in —— county in said State; that I am eligible to hold the said office; that I am a member of and affiliated with said political party; that I am a candidate for said office in good faith.

_____,

"Candidate.

"Signed and acknowledged before me this —— day of ———, 19——.

_____,

"Signature and official title of person before whom signed.

"Such announcement shall be signed and acknowledged by the candidate before some officer qualified to administer oaths, who shall certify the same: *Provided*, That no person may be a candidate for nomination for office in any political party, unless it be openly known that such person is a bona fide member of such party.

"Such certificate shall be filed at least 30 days before the primary election day."

That under the various decisions of the Supreme Court of the State of West Virginia it is mandatory that this certificate be filed; and cannot be filed by one who is not eligible to hold the office for which it is filed; and that certificates as provided above were accordingly filed by your petitioner and the said Rush D. Holt;

That in the general election held on the 6th day of November, 1934, your petitioner, according to the official returns filed in the office of the Secretary of State of the State of West Virginia, received 281,756 votes, the said Rush D. Holt 349,882 votes, and John Wesley McDonald, the Prohibition, and only other candidate, received 2,931 votes. Following the said election his Excellency, the Governor of the State of West Virginia, issued a certificate showing the vote cast at said election as aforesaid; that thereupon the said Rush D. Holt claimed that he had been duly elected to the office of United States Senator to represent the State of West Virginia in the Senate of the United States and still claims to be entitled to that office, although he does not now even assume to discharge the duties thereof and is not acting as such.

That on the said 6th day of November 1934 your petitioner was, and had been, a citizen of the State of West Virginia for more than 1 year, and of the United States of America for more than 9 years, and was at the time more than 30 years old.

That at the time of the said general election, i. e., the 6th day of November 1934, the said Rush D. Holt was not 30 years old, and will not reach that age until the 19th day of June 1935, which date your petitioner alleges is 7 months and 13 days after the said election and 5 months and 16 days after the opening of the 74th Congress, which was the beginning of the term of office for which the said election was held.

Your petitioner would show that, whereas section 3, article 1, of the Constitution of the United States of America provides:

"The Senate of the United States shall be composed of two Senators from each State.

"No person shall be a Senator who shall not have attained to the age of 30 years, and been 9 years a citizen of the United States, and who shall not, when elected, be an inhabitant of the State for which he shall be chosen."

And that the courts of last resort of the various States of the United States have been quite consistent in interpreting statutes relating to eligibility, about half holding the disqualification applies to the date of election, and the others that if the disqualification can be removed, it refers to the beginning of the term of office; but none holding it applies to a date long after the beginning of the term for which the candidate was elected. That this honorable body has never in the history of the Constitution passed upon this particular question, but has, upon several occasions, determined and declared void the election of men to the Senate of the United States who had not been at the time of election citizens of the United States for 9 years prior thereto, which decisions, your petitioner respectfully submits, are peculiarly applicable, in that they concern a qualification tantamount to the one in issue, and, like it, is an indispensable part of this constitutional ternary qualification.

Your petitioner would further show unto this honorable body that the said Rush D. Holt throughout his campaign in 1934 for the said office of United States Senator, upon numerous occasions, proclaimed to the voters of the State of West Virginia he was eligible for the said office because of the fact that Henry Clay, of Kentucky, was permitted to take his seat in the Senate of the United States before he was 30 years old, which, your petitioner charges, misled innumerable people to cast their ballot for him, believing they were voting for an eligible candidate and one who could represent them for the full term of the office for which they voted.

Your petitioner is informed, and being so informed, would further show, the said Rush D. Holt is now living in the city of Washington, D. C., has since the opening of the 74th Congress been assigned an office in the Senate Office Building, is drawing the salary of, and enjoying all the privileges of, a United States Senator, with the exception of the right to vote; but that, due to his ineligibility, has not presented himself before the body of the Senate of the United States to become a Member thereof, and, because of which, the sovereign State of West Virginia is, and has been, without that representation which is guaranteed it by the Constitution of the United States of America.

That the said Constitution guarantees each State shall have two Senators during the full deliberations of Congress; that, in the peculiar scheme of our republican form of government, it is fundamental that the sovereignty of each State be represented equally at all times in the Senate of the United States; and that sec. 4, art. 4 of the Constitution provides:

"The United States shall guarantee to every State in this union a republican form of government * * *."

And whereas sec. 5, art. 1, of the Constitution provides:

"Each House shall be the judge of the elections, returns, and qualifications of its own members * * *."

Your petitioner would, therefore, submit that your honorable body alone can determine this question, and it, therefore, becomes its duty to speedily hear his petition and dispose of the questions therein presented.

Your petitioner respectfully insists that the said Rush D. Holt was not a legal or qualified candidate for the office of United States Senator and the vote cast for him on the 6th day of November 1934 for the said office was of no effect, and due to this he cannot now, nor, until properly elected, at any time in the future legally become a Member of the said Senate; and your petitioner, as heretofore shown, having been a legal and qualified candidate for said office and having received the next highest number of votes cast in the said election, under the law is entitled to have and hold the said office and to represent the said State of West Virginia in your honorable body.

Your petitioner would further show unto your honorable body that the above allegations are made in good faith and that he is ready to verify the same.

Your petitioner, being without remedy elsewhere, therefore prays:

That this, his petition, be received by your honorable body, read, and given the consideration which the gravity of the case justifies;

That a hearing be had upon the issues therein as soon as the exigency of the business of the Senate will permit; and that he be permitted to be present in person and by counsel to submit his proof and argument therein;

That the vote cast for the said Rush D. Holt to represent the State of West Virginia in the United States Senate on the 6th day of November 1934 be declared void; and

That your petitioner having received the next highest vote in the said election, and being eligible therefor, be declared the legally elected candidate to the Senate of the United States of America and be permitted to take the oath of office therefor;

And grant unto your petitioner such further relief as to your honorable body may seem meet, and the law in such cases requires; and as in duty bound he will ever pray, etc.

HENRY D. HATFIELD,
Petitioner.

GRANT P. HALL,
Charleston, W. Va., Counsel for Petitioner.

STATE OF WEST VIRGINIA,
County of Cabell, to wit:

Henry D. Hatfield, the petitioner named in the foregoing petition, being duly sworn, says that the facts and allegations therein contained are true, except so far as they are therein stated to be on information; and that so far as they are therein stated to be upon information, he believes them to be true.

HENRY D. HATFIELD,
Petitioner.

Taken, sworn to, and subscribed before me, this 16th day of April 1935.

KATE M. GOULD,
Notary Public.

Commissioned as Kate M. Greenwell.
My commission expires on the 22d day of July 1939.

The VICE PRESIDENT. The petition will be referred to the Committee on Privileges and Elections.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Agriculture and Forestry:

STATE OF NEW YORK,
IN SENATE,
Albany, April 10, 1935.

(By Mr. Nunan)

Whereas a bill entitled "A bill to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out the national program of forest-land management, and for other purposes", has been introduced in the Congress of the United States; and

Whereas the State planning board, in its preliminary survey of New York State, has recommended the acquisition by the State of areas bearing partly grown forests for the purpose of producing a sustained and regular yield of timber products for the maintenance of wood-using industries, and to stimulate forest management on privately owned forest lands: Now, therefore, be it

Resolved (if the assembly concur), That the Legislature of the State of New York hereby petitions and requests the President and Congress of the United States to give favorable consideration to the matter of Federal cooperation with the States in the acquisition of lands for State forests in the manner provided for in the bill specifically designated as H. R. 6914.

By order of the senate.

JAMES J. REILLY, *Clerk.*

In assembly April 11, 1935. Concurred in without amendment.
By order of the assembly.

HOMER W. STOREY, *Clerk.*

The VICE PRESIDENT also laid before the Senate a joint resolution adopted by the Legislature of the State of Wisconsin, memorializing Congress to provide for repayment of Federal relief loans made to farmers in drought-stricken areas by working on highways and other public projects, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 5918.)

The VICE PRESIDENT also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

Mr. CAPPER presented letters in the nature of petitions from Local Union No. 165, United Association of Journeymen Plumbers and Steam Fitters, of Topeka, and John Brown Lodge No. 523, Brotherhood Railway Carmen of America, of Osawatomie, both in the State of Kansas, praying for the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work week bill", which were referred to the Committee on Education and Labor.

Mr. COPELAND presented a resolution adopted by the executive committee of the Onondaga Farm Bureau, Syracuse, N. Y., favoring the appropriation of additional funds for agricultural research and extension work, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by Harmony Council No. 21, Sons and Daughters of Liberty, Syracuse, N. Y., favoring the enactment of legislation to strengthen the existing law pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the North Shore of Long Island Chapter, Reserve Officers Association of the United States, Manhasset, Long Island, N. Y., protesting against discriminations in benefits accruing to members of the Officers' Reserve Corps suffering death, illness, or injury while on active duty and not as a result of their own misconduct as compared with benefits accruing to officers of the Regular Army, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the Western Union Stamp Club, of New York City, N. Y., favoring the passage of the bill (H. R. 1411) to foster American industry, promote education, and facilitate pursuit of the avocation of philately, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Presbytery of Utica, N. Y., favoring such revision of the statutes controlling the protection of neutral trade in time of war as will absolutely remove the protection of the American flag from citizens seeking to profit from war carried on in other countries, and also the enactment of legislation to take the profit out of war as respects American citizens, which was referred to the Special Committee on Investigation of Munitions Industry.

He also presented a letter from the Chamber of Commerce of the State of New York, New York City, N. Y., denying authorship or sanction of a leaflet sent out upon stationery bearing the inscription "New York Chamber of Commerce, 65 Liberty Street, New York, N. Y." under date of March 30, 1935, beginning with a quotation from an address in 1839 by Lincoln, and closing with a paragraph to the effect that "the framers of the Constitution planned to have the Members of Congress, rather than the executive heads of the Government decide how the taxpayers' money was to be spent", which was ordered to lie on the table.

Mr. TRAMMELL presented the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Commerce:

A memorial to the Congress of the United States of America now convened in session as the Seventy-fourth Congress of the United States of America

Whereas the navigable waterway by name and known as the Steinhatchee River, traversing the counties of Taylor, Lafayette, and Dixie, with its outlet in the Gulf of Mexico, possesses and has within its channel sand bars and obstructions preventing travel of river boats and boats of similar character; and

Whereas the said citizens of the State of Florida are using their best efforts in the expenditure of moneys, labor, and materials to their best ability in the opening up, removing sand bars and other obstructions from the channel of the said Steinhatchee River; and

Whereas the said Steinhatchee River would prove and be of great importance to the United States of America and to the State of Florida in the protection of life and property in time of war, and would provide a safe harbor for ships in time of storms, and add to the commerce and shipping within this particular part of the State; and

Whereas it is the desire of the citizens of Florida that the said work of removing such sand bars and obstruction from the channel of the said Steinhatchee River, and desiring to secure the assistance of the United States Government to carry on and complete the work now in progress; and

Whereas expenditure of moneys by the United States Government, in conjunction with moneys now being expended by the counties and citizens, would provide employment for labor and for usage of materials and supplies in the removing of said sand bars and other obstructions from the channel of the said Steinhatchee River: Be it therefore

Resolved by the Florida Legislature, That the Senators and Representatives of the United States Congress of America now con-

vened in this the Seventy-fourth Congress be, and they are herewith and hereby, respectfully requested and urged to make every effort and to appropriate such sums of moneys by their acts, for the purpose and usage to be spent and used in the removing of all sand bars and other obstructions from the channels of the Steinhatchee River, traversing the counties of Taylor, Lafayette, and Dixie, with its outlet in and to the Gulf of Mexico; and be it further

Resolved, That the Senators and Representatives of Congress, now convened in this the Seventy-fourth Congress of the United States, be, and they are hereby, respectfully requested and urged to appropriate sufficient sums of money, in addition to the removing of sand bars and other obstructions from the channel of the Steinhatchee River, to maintain a channel in the said river clear of all obstructions and sand bars; and be it further

Resolved by the membership of the Florida Legislature now convened in regular session, That a copy of this memorial be immediately forwarded under the great seal of the State of Florida, by the secretary of state of Florida to the President of the United States of America, a copy to the Vice President of the United States of America, a copy to the Speaker of the House of Representatives of Congress, and a copy to each of the United States Senators from the State of Florida, and a copy to each Member of the House of Representatives from Florida now serving in the Congress of the United States, and a copy to be furnished to the press for publication.

Approved by the Governor April 12, 1935.

Mr. TRAMMELL also presented the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Finance:

A memorial to the Congress of the United States requesting the immediate passage of appropriate legislation for the payment and cancelation of interest charges upon United States veterans' service-adjusted certificates

Whereas it appears that the Government has proposed plans and programs of spending moneys, and desires circulation, and whereas it appears that this would be a proper method of getting money into circulation and retiring a just obligation by the payment of what is known as "soldiers' bonus", and whereas we deem it a just debt and liability of the United States of America to those who served their country in time of war: Therefore be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States of America is hereby requested and petitioned for the immediate passage of appropriate legislation for the payment of what is known as the "bonus" or United States veterans' adjusted-compensation certificates, now held by ex-service men of the World War; be it further

Resolved, That the Congress of the United States, in its wisdom, for the immediate passage of appropriate legislation for the payment of what is known as the "bonus", or adjusted certificates, that they do include therein such legislation provisions for the cancelation of interest charged and assessed against such adjusted-certificate loans outstanding; be it further

Resolved, That a copy of this memorial, under the great seal of the State of Florida, be immediately forwarded by the secretary of state to the President of the United States of America, to the President of the United States Senate, Hon. JOHN N. GARNER; a copy to Hon. JOSEPH W. BYRNS, Speaker of the House of Representatives of the United States Congress; and copies to be forwarded to the delegation representing the State of Florida in both the House and Senate of the United States Congress; be it further

Resolved, That a copy of this resolution be spread upon the journal in both the house of representatives and State senate; be it further

Resolved, That sufficient copies of this resolution be furnished to the press.

Approved by the Governor on April 11, 1935.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

STATE OF WISCONSIN.

Joint resolution memorializing Congress to provide for repayment of Federal relief loans made to farmers in drought-stricken areas by working on highways and other public projects

Whereas the Congress of the United States, by the provisions of Public Law No. 11, has provided for relief loans to farmers to meet the conditions created by the 1934 drought; and

Whereas the Governor of the Federal Farm Credit Administration has made loans to needy farmers in drought- and storm-stricken areas for feed for livestock and other purposes; and

Whereas the terms of such loans call for repayment in money; and

Whereas farmers need their money to replace and increase their livestock which was reduced by reason of the drought to a point where it would not support an average farm; and

Whereas repayment of such loans in cash will work a severe hardship on such farmers, hindering such restocking and delaying a return to normal production; and

Whereas, if enabled, many of such borrowers could repay such loans by work performed on highways and other public-works projects without hindrance to recovery on the farm: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully memorialize the Congress of the United States to enact legislation permitting farmers receiving drought-relief loans to repay the same by working on roads and other public-works projects; be it further

Resolved, That properly attested copies of this resolution be transmitted to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. DUFFY presented a joint resolution adopted by the Legislature of the State of Wisconsin, memorializing Congress to provide for repayment of Federal relief loans made to farmers in drought-stricken areas by working on highways and other public-works projects, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 5918.)

Mr. FLETCHER presented a memorial of the Legislature of the State of Florida, favoring the making of appropriations to be expended in the removing of all sand bars and other obstructions from the channels of the Steinhatchee River traversing the counties of Taylor, Lafayette, and Dixie, and also in addition thereto to maintain the channel in that river, which was referred to the Committee on Commerce.

(See memorial printed in full when presented today by Mr. TRAMMELL, p. 5917.)

Mr. FLETCHER also presented a memorial of the Legislature of the State of Florida, favoring the prompt enactment of legislation providing for the payment and cancelation of interest charges upon veterans' adjusted-service certificates (bonus), which was referred to the Committee on Finance.

(See memorial printed in full when presented today by Mr. TRAMMELL, p. 5918.)

THE COTTON CLOTH TEXTILE INDUSTRY

Mr. WALSH. Mr. President, George A. Sloan, chairman of the Cotton Textile Code Authority, chairman of the Consumers Goods Industries Committee, and recent head of the Cotton Textile Institute, recently appeared before the Finance Committee of the Senate in favor of the continuance of the National Recovery Administration Act.

At my request, he recently wrote me a letter supplying detailed information in reference to the recent condition of the cotton-textile industry, in which is set forth "the number of factors which have undoubtedly been operating to produce" the decline in this industry. In view of the authentic source from which this information comes and the different views that have been expressed, I consider Mr. Sloan's letter to be of special importance. It is to be noted "that approximately $185,000,000, or about 40 percent of the amount paid in wages to its employees", have been paid to the Government as a result of the processing tax.

I also present a letter from Bertram H. Borden, president of the American Printing Co., of Fall River, Mass. Mr. Borden has mills at Fall River, Mass., and at Kingsport, Tenn. He states in his letter that he was forced to liquidate his Fall River mill last fall, and in consequence has dropped from his pay roll approximately 5,000 employees. He also states that if present conditions shall continue he will be forced to close his plant in Tennessee.

I request that these letters be treated as in the nature of petitions and that they be printed in the RECORD, and referred to the Committee on Agriculture and Forestry, which Committee has jurisdiction of legislation dealing with the processing tax.

There being no objection, the letters were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

APRIL 12, 1935.

GEORGE A. SLOAN,
Chairman Textile Code Authority,
320 Broadway, New York City.

MY DEAR MR. SLOAN: In your testimony before the Finance Committee in favor of the continuance of the National Recovery Administration Act, I note that you emphasized the benefits that

this law has been extended to the cotton textile employees, and I inferred that the operations of this law had been beneficial to the industry as a whole.

It seems to me that you failed to show, unintentionally, of course, the change that has been taking place in the industry since the summer of 1934. The information that has come to me from various sources is to the effect that there has been a constant decline in the activity of this industry and that the industry is in a very serious and precarious condition at the present time.

Will you kindly let me know to just what extent the industry has declined in recent months and what, in your opinion, are the causes for this condition. In other words, I would like to be informed if the demand for cotton textiles has fallen off materially and to what you ascribe this.

Sincerely yours,

DAVID I. WALSH.

THE COTTON TEXTILE CODE AUTHORITY,
New York, April 17, 1935.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: Complying with your request of April 12 for some further statement as to recent conditions in the cotton-textile industry, the facts confirm your impression that recent months have shown a decline in demand for the products of the industry. For the first quarter of 1934 the sales amounted to 1,854,098,000 yards. For the first quarter of this year they amounted to 1,440,375,000 yards, or a decrease of 22 percent. There are a number of factors which have undoubtedly been operating to produce this result. There has been the effect of demoralization of the market occasioned by overhanging overcapacity, and some accumulation of stocks, uncertainty as to the future price of raw material, the effect of actual and threatened increase in low-cost Japanese imports, the throwing of cotton prices out of previous relationships by increased costs of raw material, labor, and the processing tax, diminishing exports, due to low-cost competition in markets in which we have heretofore participated. I will go into some further details as to these matters, but first let me point out the difficult situation into which these and other factors have brought the industry.

In 1930, 1931, and 1932 the deficits for the industry indicated by income-tax returns amounted to $91,506,000, $63,569,000, and $53,662,000, respectively, or aggregating $208,737,000. After a brief period of moderate return on investment in 1933 and the early part of 1934, due in large part to enhancement of inventory, the industry is showng a tendency toward resuming the discouraging losses of the previous years. The Federal Trade Commission survey shows that in July and August 1934 losses for 43.8 percent of the industry amounted to $3,388,000. The adverse conditions of inadequate demand that produced these losses during July and August 1934 persisted throughout the remainder of 1934 and have become even more acute during the first quarter of 1935. The Cotton Textile Institute has compiled income data for the last 6 months of 1934 from 37 percent of the industry, which show an aggregate loss of $7,650,000. If this rate of loss is fairly representative of the entire industry, the deficit during the last 6 months of 1934 must have amounted to $20,600,000, or at the rate of an annual loss of $41,200,000.

Persistence of these losses during the current year are indicated by the increasing number of mills that are closing and by the diminishing employment. Some of the large mills in the industry that have recently closed entirely or are in process of running out their stock preparatory to closing are the B. B. & R. Knight Co., Providence, R. I.; nearly half of the Berkshire Fine Spinning Associates, operating mills in various centers in New England (this is the largest cotton-mill organization in the United States); the American Printing Co.; two units of the Hoosac Mills Corporation, the Butler Mill, of New Bedford, and the Nemasket Mills, of Taunton, Mass.; the Aldrich Bros. Co., of Moosup, Conn.; the Tucapau Mills, Tucapau, S. C.; and two units of the Chadwick-Hoskins group in North Carolina and Virginia. In the aggregate, since August of 1934, 71 mills, employing 20,825 persons, have closed their doors and have not since reopened. There were 33,000 fewer employees in cotton mills in March 1935 compared with March 1934.

While there are no data showing the actual loss during the first quarter of 1935, the unfavorable relationship between the price of raw cotton and the selling price of cotton goods points conclusively to heavier losses than in the last 6 months of 1934. The margin of difference for staple cotton products during the first quarter of 1935 averages 5 percent below the margin prevailing during the last 6 months of 1934. This margin represents the source from which cotton mills must meet the greatly increased labor cost under the Cotton Textile Code, as well as other expenses in manufacture and selling, over and above the cost of raw material, including the processing tax. The current 14 cents per pound margin for print cloths, combined with a 40-hour week for labor at the same wage as for the longer week prevailing before the code, should be compared with the margins prevailing in earlier years, when longer weekly schedules were in effect. During 1926 to 1929, inclusive, when the average workweek for the industry was 54 hours, the margins averaged as follows:

	Cents
1926	18
1927	18.1
1928	17
1929	15.2

This relationship for print cloths is practically identical to other groups of staple cotton goods. The Secretary of Agriculture recently in defending the processing tax stated that the current margins were about in line with those prevailing in 1930 and 1931. This is true enough, but he did not refer to the fact that in those years the working schedule per week was 35 percent greater than now prevails and that the industry in those 2 years, as above mentioned, had a deficit of $155,000,000.

During the 20 months in which the processing tax has been in effect the amount due the Government at the rate of 4.2 cents per pound on all cotton put into process has aggregated approximately $185,000,000, or about 40 percent of the amount paid in wages to its employees. Although the mills have not been able to add to the selling price of the goods the entire amount of the tax (witness the losses that have been incurred in recent months), the tax, combined with the higher costs of manufacture necessitated by the Cotton Textile Code and increased cost of raw material, have raised the price of cotton goods to a level out of line with their customary relationship to general commodity prices. During the period 1926–29, inclusive, the index of general commodities at wholesale was 96.9, while the index of cotton goods at wholesale was 99.1. During the last 6 months of 1934 the general commodity index has averaged 76.5 and the cotton-goods index 85.8, which indicates a distinct change in the normal relationship and tends toward a diminished demand for cotton goods as compared with the demand during 1926–29. In the current crop year, i. e., August 1934 to March 1935, inclusive, 3,634,000 bales of cotton have been processed compared with an average of 4,640,000 bales during 1926–29, inclusive, or a decrease of 22 percent. At this the effective demand was unable to absorb the resulting production.

There has been a steady reduction in the volume of exports of cotton cloth, which in recent years has been as follows:

	Square yards
1929	564,460,000
1930	416,290,000
1931	367,951,000
1932	375,341,000
1933	301,950,000
1934	226,279,000

The above figures indicate that the exports in 1934 have decreased 60 percent from 1929 and 46 percent from 1930. The most important outlet for American cotton goods, namely, the Philippine Islands, has been almost entirely lost, notwithstanding its special governmental relationships.

Many cotton mills are also discouraged over the heavy imports of cotton cloth from Japan. The bulk of these Japanese goods are bleached fabrics falling in the class of print cloths and on the basis of imports in January and February of this year, comprise more than 25 percent of the goods of that type produced in this country. The extremely low price at which these Japanese goods are offered, combined with the threat of a mounting volume of such imports because of these low prices, have demoralized the competing branch of the domestic industry.

The sudden increase in imports of bleached goods from Japan can be noted from the following tabulation:

Year:	*Square yards*
1929	176,308
1930	47,624
1931	100,266
1932	51,397
1933	256,624
1934	6,043,345
January 1935	2,633,295
February 1935	4,917,404

It is not merely a loss of volume that is important in this import competition. Goods produced at a wage rate, indicated by the Department of Commerce reports to approximate 23½ cents a day, lead to sales below the domestic cost of production and not only inflict the injury of loss in volume but by the resulting price demoralization cause loss on the American product which is still sold. The matter of volume is serious enough but the situation is rendered far more serious by the disparity between the price at which it is offered and the domestic price. A very small actual import offered at such a disparity in price, and with a large potential supply in back of it, can break and hold down the market, and occasion a loss that bears no relation to its volume.

The industry recognizes that there is no one short and easy road to relief from this situation. Costs should not be reduced by the lowering of wages but they can be reduced by collecting payments for farm benefits by general taxation instead of by the special tax on a necessity of life involved in the collection of processing taxes on the manufacture of cotton. Under the National Industrial Recovery Act it should be possible to check the low-wage competition which is invading and demoralizing the domestic market by holding imports to something like their normal proportions through the use of quotas.

Further, it should be possible to regain some of our lost export business through special trade arrangements with such areas as the Philippines. It is not unreasonable to ask where we are large customers or have some special governmental relationship that our trade agreements be such as to preserve a long-established reciprocal export business.

What the industry needs most is a revival of demand to come from the general improvement of the economic condition of the country. Until there is such a revival of demand, it needs to be

protected from a further increase in destructive over-capacity that would result from 24-hour running, which is at present prevented by the maximum of two-shift operation provided by the code. An extension of the National Industrial Recovery Act should be broad and flexible enough in its scope to permit the working out of measures by concerted action of the industry under governmental supervision for the rehabilitation of the industry and for dealing in an orderly way with the problem of facilities that may temporarily or permanently be found to be surplus.

Respectfully yours,

GEO. A. SLOAN.

THE COTTON TEXTILE CODE AUTHORITY,
New York, April 17, 1935.

HON. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: Supplementing my letter to you of even date, I think you might be interested in the enclosed copy of one just received from Mr. Bertram H. Borden, president of the American Printing Co., of Fall River, Mass.

Respectfully yours,

GEO. A. SLOAN.

AMERICAN PRINTING CO.,
New York, April 16, 1935.

MR. GEORGE A. SLOAN,
Chairman Cotton Textile Code Authority,
320 Broadway, New York City.

DEAR MR. SLOAN: I have read with interest the account of your recent appearance before the Senate Finance Committee in connection with the extension of the N. I. R. A., and particularly your discussion of conditions in the cotton-textile industry. As president of the American Printing Co., of Fall River, Mass., which for the past 50 years has been one of the largest textile employers of labor, I have been deeply concerned with discussions of our problems in the Congress, in the press, and by Government officials.

It occurs to me that you would be interested in the viewpoint of a practical millman, familiar with the industry's conditions North and South, and whose company may now be considered a casualty in the struggle which all cotton mills are making for their very existence.

I agree with you as to the vital necessity of continuing the N. R. A. in substantially its present form. In my opinion, our major difficulties are traceable directly to the cotton-processing tax and to increased Japanese importations. I consider that the processing tax has greatly retarded demand and consequently the recovery of this important industry. Added to that, the Japanese situation is most alarming.

As you know, the American Printing Co., with its finishing plant of 42 printing machines and a large dyeing capacity, and its cotton mills, with 360,000 spindles at Fall River, had a conspicuous position in the trade. As a result of deplorable conditions which are now receiving national attention, we were forced to start liquidation of our business last fall. Since that time we have been compelled to drop from our pay rolls approximately 5,000 employees. Today our Fall River plant is entirely closed, and unless conditions improve, will probably not reopen.

Added to the Fall River plant, we own Borden Mills, Inc., at Kingsport, Tenn., consisting of about 90,000 spindles, employing about 800 operatives. If the present conditions continue we will probably be forced to close this plant as well. I mention our situation in the South by way of emphasizing the fact that our fundamental difficulties are industry-wide and not of a sectional character. In other words, the effect of the processing tax and Japanese imports has been to decrease the consumption of cotton goods manufactured in the United States and to demoralize our primary market. Altogether, the industry since last July has suffered such continued losses as to force many mills, North and South, to cease operations.

For the mills now closed, for the idle employees who formerly operated these closed spindles and looms, any action taken now may be too late. For them it would be a case of "locking the stable after the horse had been stolen." Nevertheless, it is not too late for our Government to eliminate the processing tax and provide adequate protection from low-cost foreign producers—steps which can preserve the business and jobs for workers of what is this country's largest single employing manufacturing industry.

We feel very strongly that prompt and effective Government action is the only alternative to further wholesale shut-downs of cotton mills, North and South. As I have been asked on several occasions to comment on this situation, I am sending a copy of this statement to the press.

Sincerely yours,

BERTRAM H. BORDEN, *President.*

REPORTS OF COMMITTEES

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (H. R. 3787) for the relief of Robert D. Hutchinson, reported it without amendment and submitted a report (No. 513) thereon.

Mr. AUSTIN, from the Committe on Military Affairs, to which was referred the bill (H. R. 5133) for the relief of Nellie Oliver, reported it without amendment and submitted a report (No. 533) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 1505) for the relief of William Edward Tidwell, reported it without amendment and submitted a report (No. 525) thereon.

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 1565) for the relief of Frank R. Carpenter, alias Frank R. Carvin, reported it without amendment and submitted a report (No. 534) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 3370) for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co., reported it without amendment and submitted a report (No. 514) thereon.

Mr. BURKE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1488. A bill for the relief of Rose Burke (Rept. No. 515);

H. R. 2464. A bill for the relief of C. H. Hoogendorn (Rept. No. 516);

H. R. 2473. A bill for the relief of William L. Jenkins (Rept. No. 517);

H. R. 3098. A bill for the relief of Bertha Ingmire (Rept. No. 518); and

H. R. 3275. A bill for the relief of Fred L. Seufert (Rept. No. 519).

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 1824) for the relief of Abraham Green, reported it with an amendment and submitted a report (No. 521) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 1214. A bill for the relief of Oliver B. Huston, Anne Huston, Jane Huston, and Harriet Huston (Rept. No. 522); and

S. 2298. A bill for the relief of Sallie S. Twilley (Rept. No. 523).

Mr. TOWNSEND also, from the Committee on Claims, to which was referred the bill (S. 985) for the relief of Hudson Bros., of Norfolk, Va., reported it with amendments and submitted a report (No. 524) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 377) providing for the sale of certain public lands to the Utah Gilsonite Co., reported it with amendments and submitted a report (No. 520) thereon.

Mr. BONE, from the Committee on Territories and Insular Affairs, to which was referred the bill (H. R. 6084) to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed $1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes, reported it without amendment and submitted a report (No. 526) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 1227. A bill to authorize the issuance and sale to the United States of certain bonds of municipal governments in Puerto Rico, and for other purposes (Rept. No. 527);

S. 2315. A bill to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $50,000; and to authorize said town to accept grants of money to aid it in financing any public works (Rept. No. 528);

S. 2317. A bill to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a

municipal building, and for such purposes to issue bonds in any sum not exceeding $100,000 (Rept. No. 529); and

H. R. 3808. A bill to authorize the incorporated town of Seward, Alaska, to undertake certain municipal public works, including the construction of an electric generating station and electric distribution systems, and for such purposes to issue bonds in any sum not exceeding $118,000 (Rept. No. 530).

Mr. BONE also, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 2316) to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $40,000, reported it with amendments and submitted a report (No. 531) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2228) to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges, and agricultural experiment stations, reported it without amendment and submitted a report (No. 532) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (H. R. 2045) to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota, reported it with amendments and submitted a report (No. 535) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, April 18, 1935, that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

INTERNATIONAL COPYRIGHT CONVENTION

Mr. DUFFY. As in executive session, from the Committee on Foreign Relations, I report back favorably Executive E (73d Cong., 2d sess.) the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928, being a convention for the protection of literary and artistic works, and I submit a report (Exec. Rept. No. 4) thereon.

I desire to announce at this time that this convention involves the copyright situation, and there has been proposed and is now pending before the Patents Committee legislation on the subject that we expect will have been considered before this matter shall be taken up. That is the understanding and agreement of the various conflicting interests with reference to this particular convention.

The VICE PRESIDENT. Without objection the report will be received and placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

A bill (S. 2611) to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 2612) granting an increase of pension to Anzina L. Harper; and

A bill (S. 2613) granting a pension to John D. Licklider; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2614) granting an increase of pension to Mary E. Wooten (with accompanying papers); to the Committee on Pensions.

By Mr. WHITE:

A bill (S. 2615) to repeal the processing tax on cotton; to the Committee on Agriculture and Forestry.

By Mr. COPELAND:

A bill (S. 2616) for the relief of the estate of Joseph Y. Underwood; to the Committee on Claims.

By Mr. ASHURST (by request):

A bill (S. 2617) to amend the Judicial Code to permit defendants in criminal cases to waive trial by jury; to the Committee on the Judiciary.

By Mr. HASTINGS:

A bill (S. 2618) for the relief of James M. Montgomery; to the Committee on Claims.

By Mr. SCHALL:

A bill (S. 2619) for the relief of Stoy A. Fleshman; to the Committee on Military Affairs.

By Mr. BORAH:

A joint resolution (S. J. Res. 103) to prohibit the extension of credits and the issuance of foreign loans; to the Committee on Foreign Relations.

AMENDMENTS TO FARMERS' HOME CORPORATION BILL

Mr. McGILL submitted an amendment, and Mr. BAILEY submitted three amendments intended to be proposed by them, respectively, to the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, which were severally ordered to lie on the table and to be printed.

THOMAS JEFFERSON—ADDRESS BY SENATOR BURKE

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have inserted in the RECORD an address on Thomas Jefferson, delivered by the junior Senator from Nebraska [Mr. BURKE] before the Jeffersonian Society of Connecticut at Providence, R. I., on April 14, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Thomas Jefferson stands out in history as the greatest champion of liberty the world has ever known. He was a champion, it is said, who never lost a cause in which the freedom of the people was concerned. It will profit Americans today, as they gather to celebrate the anniversary of the birth of this great man, to review the contribution which he made to the cause of human liberty.

In limiting our discussion to this subject, we are not unmindful of so much of importance in the life of Jefferson that must be omitted. A lawyer of high standing, he served Virginia in the Colonial Legislature, and followed Patrick Henry as its Governor during the most trying period of the Revolution. He was sent as Ambassador to France to carry on the great work so well begun by Benjamin Franklin. When the Union of States was perfected, Washington called Jefferson to be the first Secretary of State. As Vice President, he presided over the Senate, and while so engaged, prepared a manual of procedure which is still authoritative. Eight years as President marked him as one of our greatest Executives. All of this remarkable record of achievement we pass by and likewise a most unusual versatility which gave him skill as an architect, a landscape gardener, an inventor, a scientist, a musician, and a man of letters.

We speak tonight of Jefferson as the champion of liberty. We may well believe that he would have it so. For, after his death, there was discovered among his papers a private memorandum in which he suggested that if a memorial to mark his resting place should be considered, he would like to have inscribed upon the granite these words, and none other:

"Here was buried Thomas Jefferson, author of the Declaration of Independence, of the statutes of Virginia for religious freedom, and father of the University of Virginia."

AUTHOR OF THE DECLARATION OF INDEPENDENCE

Jefferson was studying law at Williamsburg in May 1765 when the Virginia Legislature engaged in the celebrated debate upon Patrick Henry's resolution denouncing the Stamp Act. The young law student heard the entire debate. He tells in his own words how deeply impressed he was by the fiery oratory of Patrick Henry, concluding with that familiar quotation:

"Caesar had his Brutus, Charles the First his Cromwell, and George the Third (interrupted by cries of 'treason') may profit by their example. If this be treason, make the most of it."

Jefferson at that moment became the champion of liberty. He changed his seal to the Latin motto which reads:

"Resistance to tyrants is obedience to God."

He wrote and talked and lived freedom for the Colonies. That spirit he carried with him as a delegate from Virginia to the Continental Congress in June 1775. Such an impression did he make upon his associates, that when a year later the Congress voted to select a committee to draft a declaration in support of a resolution setting forth the reasons for independence, Jefferson was named as chairman. To him was given the task of preparing the declaration to present to the colonists, to the mother country, and to the world, what Webster calls the "Title deed of American

liberty." That Declaration, which will be cherished in every patriotic heart as long as civilization shall last, was presented to the Congress, and, after several days of debate, was adopted on July 4, 1776.

On the committee with Jefferson was John Adams, of Massachusetts. In the debates preceding the adoption of the Declaration, Adams took the leading part. I refer to this because of a most remarkable circumstance. Jefferson and Adams went forth from that Congress to lives of most distinguished service, each filling in turn the highest positions abroad and at home. Fifty years rolled by. On July 4, 1826, this country had become a world power with 12,000,000 inhabitants. On that day great gatherings were held to celebrate the completion of a half century of freedom. On that day, 50 years from the hour of the adoption of the Declaration of Independence, Jefferson, at his home in Virginia, Adams, in his beloved Massachusetts, passed each to his reward. The citizens of the country were awed by this manifestation of the destiny that rules the affairs of men. In all of the great cities of the land, and no doubt here where we meet tonight, the people gathered to renew their pledge of allegiance to the cause of freedom, so nobly exemplified in the lives of these two departed heroes. Daniel Webster addressed the citizens of Boston, William Wirt those of Washington, John Tyler of Richmond. If Thomas Jefferson had no other claim to fame than as author of the Declaration of Independence, his name would be honored as long as time shall last.

AUTHOR OF THE STATUTES OF VIRGINIA FOR RELIGIOUS FREEDOM

We pass from Jefferson the champion of civil liberty to Jefferson the exponent of religious freedom. Contrary to the general belief, which rests no doubt, on the assumption that it must be so, since the New World was settled by men and women in search of a place where they could worship God according to the dictates of their own conscience, religious freedom was unknown in most of the Colonies. In Virginia there was an Established Church, to the support of which all must contribute, whether or not they believed in its doctrines. More than that, dissenters were persecuted and imprisoned. Those who attempted to preach any doctrine other than that of the Established Church were arrested as disturbers of the peace. Instances are given of such men in jail preaching through the bars of their cells, while the mob without used every effort to circumvent those who would listen.

Jefferson tells us that the first republican legislature, which met in Virginia in 1776, was flooded with petitions to abolish spiritual tyranny. He says:

"These brought on the severest contests in which I have been engaged. * * *

"* * * The petitions were referred to the committee of the whole house on the state of the country; and, after desperate contests in that committee, almost daily from the 11th of October to the 5th of December we prevailed so far only as to repeal the laws which rendered criminal the maintenance of any religious opinions, the forbearance of repairing to church, or the exercise of any mode of worship; and, further, to exempt dissenters from contribution to the support of the Established Church."

It was not until December 1785, after continuous struggle, aided by the constant plea of Madison that "men's thoughts are free in religion as in politics", that the Legislature of Virginia adopted the bill drafted by Jefferson, being "An act for establishing religious freedom." A quotation from that act will show that it deserves to rank with the sublime phrases of the Declaration of Independence.

"Whereas Almighty God hath created the mind free—that all attempts to influence it by temporal punishments or burthens, or by civil incorporations, tend only to beget habits of hypocrisy and meanness, and are a departure from the plan of the Holy Author of our religion, who, being Lord both of body and mind, yet chose not to propagate it by coercions on either, as was in His almighty power to do; that the impious presumptions of legislators and rulers, civil and ecclesiastical, who being themselves but fallible and uninspired men, have assumed dominion over the faith of others, setting up their own opinions and modes of thinking as the only true and infallible, and as such endeavoring to impose them on others, hath established and maintained false religions over the greater part of the world, and through all time—and, finally, that truth is great and will prevail if left to herself; that she is the proper and sufficient antagonist to error, and has nothing to fear from the conflict, unless by human interposition disarmed of her natural weapons, free argument and debate, error ceasing to be dangerous when it is permitted freely to contradict them.

"Be it enacted by the General Assembly, That no man shall be compelled to frequent or support any religious worship, place, or ministry whatsoever, nor shall he be enforced, restrained, molested, or burthened in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief; but that all men shall be free to profess, and by argument to maintain, their opinion in matters of religion, and that the same shall in no wise diminish, enlarge, or effect their civil capacities."

As the Declaration of Independence shall stand forever as the most sublime presentation of the cause of civil liberty, so the act for establishing religious freedom shall take equal place in the cause of religious liberty. That two such immortal documents should come from the brain and soul of a single individual is cause for wonder and rejoicing. Together they make the name of Jefferson synonymous with that word which has sustained the martyr in the dungeon or at the stake, the wounded patriot on the battlefield, the humble worker at his daily task—the sweetest word that ever fell from the lips of man—liberty.

FATHER OF THE UNIVERSITY OF VIRGINIA

There remained one other battle to be won, Jefferson felt, before man could really be called "free." Civil liberty was essential in order that society, having overthrown the tyrant, might govern itself. Religious liberty must be maintained whatever the cost so that the soul of man may develop under the light of God's blessing. Jefferson saw that neither civil liberty nor religious liberty would ever be secure while people remained in ignorance. At a very early age, he became devoutly attached to the cause of public education. That devotion he maintained throughout his long life. After nearly 40 years of constant effort to spread the blessings of public education, Jefferson said in 1818:

"A system of general instruction which shall reach every description of our citizens, from the richest to the poorest, as it was the earliest, so it will be the latest, of all the public concerns in which I shall permit myself to take an interest."

In the year 1779 Jefferson introduced in the Virginia Legislature a bill for the establishment of a system of popular education. As the basis of his proposal there was to be a system of free education for all free children, girls as well as boys. The inclusion of girls was in advance of any similar movement anywhere. It was 10 years later before the first girls were admitted to the public schools of Boston.

Jefferson proposed that each county should be divided into "hundreds" corresponding to the old militia districts. In each of these divisions there should be erected and maintained at public expense a district schoolhouse which should be as well the seat of local governmental assembly and primary education. Every free child within the district should have a minimum of 3 years of free training in reading, writing, and arithmetic. Here we witness the birth of the three "R's."

The bill provides that "the books which shall be used therein for instructing the children to read shall be such as will at the same time make them acquainted with Grecian, Roman, English, and American history." It was Jefferson's opinion that the most valuable instruction was imparting a knowledge of what men have actually done in this world. To quote his own words:

"History, by apprising them of the past, will enable them to judge of the future; it will avail them of the experience of other times and other nations; it will qualify them to act as judges of the actions and designs of men."

Next above these primary schools, Jefferson's plan called for the cooperation of an appropriate number of counties in establishing and maintaining grammar schools or classical academies. A system of selection of the most worthy students was provided so that only those who had the required aptitude would proceed with their education beyond the primary schools.

Finally, he envisoned, and aided in developing, to cap the system of public education, a State-supported university. He set forth the objects to be attained so clearly that his own language must be quoted:

"To form the statesmen, legislators, and judges, on whom public prosperity and individual happiness are so much to depend; to expound the principles of government, the laws which regulate the intercourse of nations, those formed municipally for our own Government, and a sound spirit of legislation, which, banishing all arbitrary and unnecessary restraint on individual action shall leave us free to do whatever does not violate the equal rights of another; to harmonize and promote the interests of agriculture, manufacture, and commerce, and by well-informed views of political economy to give a free scope to the public industry; to develop the reasoning faculties of our youth, enlarge their minds, cultivate their morals, and instill into them the precepts of virtue and order; to enlighten them with physical and mathematical sciences, which advance the arts and administer to the health, the subsistence, and the comforts of human life; and, finally, to form them to habits of reflection and correct action, rendering them examples of virtue to others and of happiness within themselves. These are the objects of that higher grade of education, the benefits and blessings of which the legislature now propose to provide for the good and ornament of their country, the gratification and happiness of their fellow citizens."

As a result of the efforts of Jefferson, a beginning was made of the establishment of the University of Virginia. It was a long and hard struggle. Finally the university buildings and grounds began to shape themselves into an attractive campus. Learned men came from near and far to assume positions on the corps of instructors. It was not long until the University of Virginia came to be recognized as one of the outstanding institutions of higher learning in the country. Three distinguished Americans are listed as holding in turn the office of President of the University of Virginia, namely: Thomas Jefferson, James Madison, James Monroe. This is a record that will never be equaled by any institution of learning.

In this brief and imperfect manner I have attempted to refresh your memory concerning Thomas Jefferson, the champion of liberty. Civil liberty is ours today because Jefferson wrote that inspiring call to freedom which the world knows as the Declaration of Independence. Religious liberty is our proud heritage because Jefferson had the courage and determination to devote himself to that task until Virginia wrote into law a Statute for Religious Liberty. Free education, which means liberty from the enthralling yoke of ignorance, became a reality because Jefferson looked into the future and saw that civil liberty could not stand, and religious liberty must perish, unless the common people had the scales of ignorance stricken from their eyes.

So, it is fitting that we gather on this anniversary of the birth of Thomas Jefferson, and live over again some of the stirring scenes

in which he took always so prominent a part. Liberty is at stake today as ever. We must so guide our steps and shape our actions that we will not endanger that civil liberty for which Jefferson so valiantly struggled. That we sanction no interference with religious liberty which was dearer to him than his own life. That we perpetuate and safeguard that system for the diffusion of learning through free public education, without which, as Jefferson knew there can be no liberty at all. If a review of the life and work of Thomas Jefferson will aid us in pledging anew our allegiance to the cause of human liberty, then this observance will not have been in vain.

COMMENT ON CONGRESS, BY FRED BRENCKMAN

Mr. DUFFY. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a radio address delivered on March 16 by Mr. Fred Brenckman, representing the National Grange, entitled "Comment on Congress."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The present Congress has now been in session for two months and a half and it is proceeding at a much more leisurely pace than its predecessor, the Seventy-third Congress.

All thought of early adjournment has been abandoned. The prospects are that the session will be prolonged until midsummer. The committees of both Houses have held extended hearings on the administration's social-security program, the so-called "Eastman bills" for coordinating rail, water, and motor transportation, the proposed amendments to the A. A. A., which are designed to strengthen Government control, and various other important measures.

After passing the House with little debate, the $4,880,000,000 public-works appropriation bill has been a veritable bone of contention in the Senate. There has been an almost equal division of sentiment there regarding the President's proposal for what he terms a security wage on public-works projects undertaken for relief purposes.

WAGES ON PUBLIC-WORKS PROJECTS

According to the President's line of reasoning wages on such projects should be sufficient to sustain the workers and their families, but should be so graduated as to give workers an incentive to get off the Government pay roll and to find employment in private industry wherever possible. The American Federation of Labor, on the other hand, has stoutly contended that for the Government to pursue such a course could have no other effect than to depress wage levels throughout the country and to injure the cause of labor.

Senator MCCARRAN, of Nevada, the chief spokesman for labor in this controversy on the floor of the Senate, offered an amendment to the administration bill calling for what is known as the "prevailing wage." This means that wages paid by the Government on relief projects should be in accord with those of the community in which the work is done. This issue was compromised yesterday when the Senate adopted a substitute amendment offered by Senator RUSSELL, of Georgia, under which the Government will pay the prevailing wage in connection with the construction of all Government buildings.

It is now conceded by everyone that it is unsound policy for the Government to pay higher wages on relief projects than the going wage of the community. Under such a system the public debt would rapidly mount to higher and higher figures, and it would be virtually impossible for private industry to reabsorb the unemployed.

SENATOR GORE STANDS BY HIS GUNS

Recently two Oklahoma mayors attempted to dictate to Senator THOMAS P. GORE, of that State, as to how he should vote on the McCarran amendment to the public-works bill. They received from him a telegram which shows that there are still men in Congress who are captains of their own souls. Following is the message sent by Senator GORE:

"This will acknowledge your exceedingly diplomatic and hospitable telegram. It shows how the dole spoils the soul. Your telegram intimates that your votes are for sale. Much as I value votes, I am not in the market. I cannot consent to buy votes with the people's money. I owe a debt to the taxpayer as well as the unemployed. I shall discharge both. None but the bully resorts to threats and none but the coward yields to them."

Aside from the merits or demerits of the question here involved, it is naturally impossible for any legislator to vote in such a way as to please everybody. Mr. GORE, who is always willing to give his constituents or anyone else a fair hearing, nevertheless belongs to that breed of statesmen who cannot be intimidated, coerced, or bulldozed by anyone. He is a credit to his State and has always upheld the best traditions of our highest legislative tribunal.

GRANGE FAVORS LOWER INTEREST RATES

The Farm Credit Act of 1935, which passed the Senate a month ago, is still in the hands of the House Committee on Agriculture. While the bill was pending in the Senate, Senator WHEELER, of Montana, offered an amendment which was adopted, reducing interest rates on farm mortgages held by Federal land banks from 4½ to 3½ percent. The Grange has given its hearty support to this amendment. The interest rates on Government bonds has been materially lowered during the past year, and with the Government standing behind land bank bonds to the extent that it does under present conditions, the benefit of lower interest rates should be reflected to the farmer.

As I remarked during our broadcast of last month, the Grange is asking Congress to take action directing the Federal Trade Commission to investigate the manufacturers of and dealers in agricultural implements and machinery to definitely determine whether or not unfair trade practices and price fixing are responsible for the continued unreasonably high prices that farmers must pay for such equipment. There has been very little recession from war-time prices on agricultural implements and machinery. The falling off in employment in this industry is largely due to the fact that the prices charged for its products are to all practical intents and purposes prohibitive. Congressman A. L. BULWINKLE, of North Carolina, has introduced a joint resolution asking for an investigation. We trust that this may be enacted and that it will result in more reasonable prices for farm implements and machinery.

The State Department is still busy drafting reciprocal trade agreements with various countries. Treaties have now been consummated with Cuba, Brazil, and Belgium. Agreements with the Netherlands and her colonies and with Italy are nearing completion. The Grange has been keeping a watchful eye on these agreements and has been active in protecting the interests of American producers of farm products.

HEARINGS ON TRANSPORTATION BILLS

I have already referred to the fact that congressional hearings have been in progress on the Eastman transportation bills for the unification and coordination of rail, water, and motor transportation. We hold Mr. Eastman in high esteem. However, in presenting the views of the Grange at these committee hearings, I emphasized the Grange contention that Federal regulation of water and motor transportation, especially as to rates and practices, would result in serious handicaps to the farmer, the stockman, and the horticulturist.

There has been no demand by shippers for the regulation of boat or trucking rates. The demand comes from the railroads. It likewise comes from those who are engaged in the operation of trucks on a large scale. This latter group is trying to strangle the little fellow, the "forgotten man", if you please, and to establish a monopoly for its own benefit. Every feature of this proposed legislation clearly indicates the intention to raise the rates of motor and water transportation to higher levels for the benefit of the railroads.

Under no circumstances do we believe that Congress should approve any regulation of motor or water carriers, the purpose of which is to increase the cost of or to restrict the use of such transportation in order to protect any other form of transportation. If any change is necessary in the existing order of things to bring about equal competitive opportunities, we favor a reasonable elimination of some of the restrictions on the railroads which were necessary when they had a monopoly of land transportation.

To the Grange it seems utterly preposterous that Congress should take any action which would result in higher rates for motor and water transportation. Such action could not fail to retard our industrial recovery and act to the detriment of the Nation as a whole.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

Mr. ROBINSON. Mr. President, in advocating the passage of the pending bill my brief remarks will fall under two heads: First, the purposes and provisions of the bill; second, the justification for the proposed legislation.

In beginning my statement let me impress on Senators the thought that, considering the rapid growth of farm tenancy in the United States, there is necessity for general or national action designed under present conditions to give to tenants and share-croppers the opportunity of acquiring and owning their own homes.

Recognizing the importance of the subject matter of the pending legislation, as heretofore stated, I was working on a draft of a bill relating thereto when the Senator from Alabama [Mr. BANKHEAD] introduced his measure. Believing that his draft is well considered and that with such amendments as the Senate may find necessary the bill should command support, I have abandoned any independent proposal relating to the subject, and take this occasion to submit some views as to the reasons for giving my support to the measure now before the Senate.

First, let me review some of the important provisions of the proposed legislation.

In section 2 the purpose of the measure is set forth. It contemplates checking the increase of farm tenancy, aiding

in rural rehabilitation, and encouraging the ownership of small farm homes.

For the accomplishment of the purposes stated, a corporation is to be created, to be known as the "Farmers' Home Corporation", with a board of 5 directors, 2 of whom, officers of the Government, shall be ex-officio members, the remaining 3 to be appointed by the President by and with the advice and consent of the Senate.

The two ex-officio members of the board of the Farmers' Home Corporation are to be the Secretary of Agriculture and the Governor of the Farm Credit Administration. Manifestly, these two officers, more than other officers, are interested in the subject matter of the proposed legislation. Their duties are closely related to it, and their experience qualifies them for rendering efficient service.

There is a limitation imposed by the bill to the effect that no director, officer, or employee of the Corporation shall receive a salary in excess of $10,000. It is further provided that the capital stock in the beginning shall consist of $50,000,000, to be subscribed by the President and paid out of the funds carried in the Emergency Relief Act of 1935. When occasion requires, and in the discretion of the directors of the Corporation, the capital stock may be increased.

One of the most important provisions relates to the issuance of bonds by the Corporation. Paragraph (d) of section 3 authorizes the issuance of bonds in an aggregate amount not to exceed $1,000,000,000, the bonds to be sold by the Corporation for the purpose of obtaining funds with which to carry out the provisions of the act. The form of the bonds, their denominations, terms, and conditions, as well as the rates of interest which they may bear, are to be fixed by the Corporation, subject to the approval of the Secretary of the Treasury.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. ROBINSON. I yield to the Senator from Michigan.

Mr. VANDENBERG. I desire to ask the Senator his interpretation of the particular section to which he has referred. Does the Senator construe the section as giving the Secretary of the Treasury a complete veto over the issuance of the bonds, or merely a control over their form, maturity, and so forth? In other words, could the Corporation order the bonds issued, and would the authority of the Secretary of the Treasury be confined to their terminology, and so forth?

Mr. ROBINSON. Mr. President, since their terms and conditions must be approved by the Secretary of the Treasury, I do not believe the Corporation could issue bonds without his approval. It seems to me the language of the measure removes any substantial doubt as to that conclusion.

Mr. VANDENBERG. I assume, then, from the Senator's response, if he will permit me further, that there would be no objection to clarifying this point completely by amending line 7 on page 4 to read:

> The Corporation is authorized, with the approval of the Secretary of the Treasury, to issue bonds—

And so forth.

Mr. BANKHEAD. Mr. President, will the Senator from Arkansas permit me to interrupt him at this point?

Mr. ROBINSON. I yield to the Senator from Alabama.

Mr. BANKHEAD. The provision in the bill for bond issues follows the provision in the home owners' law.

Mr. ROBINSON. In reply to the inquiry of the Senator from Michigan, I will say that the necessity for an amendment of the nature he has described does not appear to me at this time. Personally I see no objection to it.

Mr. KING. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Utah.

Mr. KING. Does the Senator think it is wise to give to the Secretary of the Treasury, plus the board which is to be set up by the bill, the authority to issue bonds to the extent of $1,000,000,000, or to commit the Government to the issuance of bonds to that amount, which, of course, means that the Government guarantees a billion dollars? It seems to me that is too much authority to give even to the Secretary of the Treasury, notwithstanding any former legislation of the character indicated by the Senator from Alabama.

Mr. ROBINSON. Mr. President, in answer to the question of the Senator from Utah, I stated in the beginning of my remarks that I advocate the principles and purposes of this proposed legislation. It naturally follows that I do favor authorizing the bond issue, and authorizing the Corporation, with the approval of the Secretary of the Treasury, to fix the terms of the bonds.

Mr. BORAH. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. BORAH. My construction of the bill is that it will not become effective at all until, first, the President shall determine to make the subscription, and, secondly, until the Secretary of the Treasury shall determine to issue the bonds.

Mr. ROBINSON. In the course of legislation, as is well understood, the President must sign the bill, or it must be passed over his veto. Then, under the terms of the bill, he must make the allocation relating to the stock before the bill can actually become effective. The Senator from Idaho is correct about that. So that not only is the approval of the Executive required as to the passage of the proposed legislation, but under it he would have the power to withhold the subscription of stock, although in all fairness it must be stated that I do not think the Executive would do that. If we shall pass the legislation, and it shall be approved by him, I think it will follow logically that he will make the subscriptions of the stock which the bill contemplates.

Mr. KING. Mr. President, will the Senator yield again?

The PRESIDING OFFICER (Mr. BYRD in the chair). Does the Senator from Arkansas yield to the Senator from Utah?

Mr. ROBINSON. I yield.

Mr. KING. I think I understand the statement of the Senator from Arkansas in response to the question of the Senator from Idaho; but, as I read the bill, while it is true, as the Senator has very properly stated, that the signature of the President to the bill is necessary, and also to the subscription to the $50,000,000 of stock, it does not require any action by the President of the United States with respect to the issuance of the bonds.

Mr. ROBINSON. No; that is certainly true; and it is my recollection that usually bond issues authorized by the Congress must be approved in one way or another by the Secretary of the Treasury rather than by the President. If the Senate should choose to impose that responsibility upon the Executive, I should not have the slightest objection to incorporating in the bill a provision to that effect. There is no authority on my part to speak for the Senator from Alabama, but I do not believe he would object.

Mr. President, one of the provisions of this section is to the effect that the bonds shall be unconditionally guaranteed, both as to principal and as to interest, by the United States. Of course, the purpose of this guaranty is to make certain that the bonds will find a ready market. There is also a provision that if the Corporation shall fail or be unable to pay the bonds as they mature, the Secretary of the Treasury shall arrange to take them up.

The powers of the Corporation are further defined on pages 7 and 8. Passing over mere formal authority usually granted to Federal corporations, I point now to subparagraph (3) on page 8, which is to the effect that the Corporation shall be authorized—

> To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

Manifestly, the purpose is not merely to provide the purchaser with a small tract of land on which he may make his home but it is also to add to that the resources which are necessary to enable him to secure the equipment and other things essential to the making of a home.

In this connection I wish to refer briefly to the suggestion made by the Senator from Oklahoma [Mr. GORE] during the course of the debate 2 days ago. He pointed out as an

alleged defect in the bill the fact that there is no limitation on either the acreage or the amount of the loan which is to enter into the making of the home.

From one standpoint, the Senator's suggestion presents a difficulty. Much thought has been given to that subject. There is a serious matter in the way of fixing an arbitrary limitation on acreage. In some localities lands are of so much greater value than in others that comparatively smaller areas would be adequate for the purposes of the proposed legislation. A 40-acre tract in the alluvial valley of the Mississippi River, for instance, would seem to be all that would be necessary, but if the home is to be located in a mountainous or hilly region, or in the semi-arid regions of the West, a larger area would be required if the purposes of the proposed act are to be consummated. Therefore, there is a difficulty in the way of fixing an arbitrary limitation. I should not object to a maximum and a minimum if the Senate should see fit to incorporate them.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. GORE. I have given some further thought to the point raised by the Senator from Arkansas, and I should like to suggest that there be provided a double limitation, such as—merely by way of illustration—that the farm purchased should not exceed 40 acres in extent, and, say, $2,500 in value. I mention these figures merely as tentative.

I have a feeling that if a man cannot make a living on 40 acres, he ought not make the venture on that kind of land at all, and my desire, if this measure is to be enacted, is to provide as many people as possible with small homes. As I suggested the other day, in ancient Rome the average farm consisted of four and a half acres. I should like to have the Senator consider the practical application of the double standard I have suggested.

Mr. ROBINSON. Mr. President, I have considered it, and recognize the weight of the argument which the Senator from Oklahoma presents. It might be that if no limitation were incorporated, an ill-considered management of the Corporation might result in the granting of excessive acreage, which naturally would have a tendency to diminish the number who could be benefited.

At the same time, I wish to point out and to emphasize, for the consideration of the Senator from Oklahoma, that a 40-acre tract of land in some areas of which I know and in which some persons seeking benefits of the act might desire to reside would be inadequate. We can hardly fix an arbitrary limitation unless we place in the statute a maximum and a minimum acreage, giving leeway within the two for the exercise of discretion.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. ROBINSON. I yield.

Mr. NORRIS. I recognize the difficulty, and I also recognize the reason advocated in favor of such a limitation; but let me point out to the Senator, if he will permit, another difficulty. If we should fix a maximum acreage, for instance, and make the area large enough for a section where a large number of acres would be necessary to make a home, the limitation would be so much larger than was necessary in some other locality, where a 40-acre or even a 20-acre tract would be sufficient, as to make it possible that danger would arise of the purchase of an area much larger than would be necessary in such a community, where a small tract would be sufficient. I wonder whether I make myself clear.

Mr. ROBINSON. I think the Senator does.

Mr. NORRIS. It seems to me there would be great danger of such a result. A 40-acre limitation in some localities would mean that there would be no homesteading.

Mr. ROBINSON. I have so stated. If a homestead were to be located on the semiarid lands of the West, or in the mountainous regions of certain States, where there are strong influences attracting people to citizenship notwithstanding the sterility of much of the soil, there would be no homesteads.

Mr. NORRIS. There would be no homesteads.

Mr. ROBINSON. There are other considerations which I think should be given weight. A 20-acre tract might be adequate for one with a very small family; it might be more attractive to him than a much larger area differently located. It might be in a community in which he has lived, where his children are in the habit of going to school, where he has formed attachments and connections which he would not like to disrupt or discontinue, and a tract smaller even than 40 acres might be found sufficient for his requirements. That is the reason, I think, perhaps, in the initial stages of the legislation it would be best not to fix a limit on acreage. At the same time, one must recognize the arguments which may be presented on the other side of the proposition.

With respect to a proposed limitation on the amount which may be advanced by the Corporation to an individual purchaser of a home, there are a number of difficulties which suggest themselves in that connection.

The object of the bill is to assure to persons within certain classes or groups the opportunity of attaching themselves to the land, of making homes. There are many large plantations in the United States, some of them in my own State, held by what may be termed "absentee owners." For the most part, during recent years, such plantations have proved unprofitable; many of them are mortgaged, and, with some others, they might be cut up into small areas, with the approval of the owners, and sold for homes to those who are at present tenants and share-croppers. In some cases the lands are highly improved; in many cases they are very fertile. Quite naturally under any conditions they cannot be acquired at the prices received for land that is comparatively sterile.

I think a limitation of $2,500 would be too small. There would be cases in which it would be adequate. It seems to me certain that there would be cases in which it would prove inadequate if the prospective beneficiaries are to have a real opportunity to get homes.

Of course, precautions and safeguards must be taken to prevent real-estate speculation or kindred transactions. Any administrator who would not be cautious in connection with so important a measure as this, and who would not do everything possible to prevent the making of profit to plantation owners through sales of their lands would be unworthy. At the same time I doubt the wisdom of fixing a limitation of $2,500 on the amount which may be loaned to any one purchaser.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. GORE. I merely rise to say to the Senator from Arkansas that my suggestion, both as to 40 acres and $2,500, was merely provisional to indicate what I had in my mind; merely to suggest some sort of double standard alternating between acreage and value.

Mr. ROBINSON. Yes, Mr. President, I understand that; but the difficulty arises in practical application. I ask the Senator now, if he were called upon to fix the limits, on what basis he would rest them? What would he say as to acreage, and what would he say as to amount?

Mr. GORE. So far as acreage is concerned, I would say 40 acres. There is not any doubt that if the land is fit to cultivate as a farm at all he can make a living on 40 acres. If he cannot make a living on 40 acres, the experiment ought not to be tried on that sort of land. The question of value is a little more difficult, but I am not concerned about the exact figure.

The Senator from Arkansas suggested that in the Mississippi Delta 40 acres would be ample. The cost would perhaps be excessive. With regard to the western part of Oklahoma, in the arid section, 40 acres would be too small a tract; then, under this bill and under my suggestion, a larger tract could be provided, subject to the limitation as to the value.

Mr. President, if we fix no limit upon the acreage and fix no limit upon the value, and John Doe applies and obtains a loan or an advance for 250 acres, and Richard Roe makes application for 250 acres, I do not know how a governmental

official can say "no" to the latter when both citizens occupy practically the same position. He may say, "John Doe is a better man than you are; he is a man of better character; he is more industrious; and he will probably pay for his land; and you will not."

Mr. President, that sort of answer will not suffice, and I do not want to subject Government officials to an ordeal which human nature cannot withstand. I think the Senator from Arkansas will appreciate the force of that observation.

Mr. ROBINSON. Mr. President, this is not an act to encourage immigration. There is no element of that nature in the suggested legislation. But by limiting to 40 acres in all cases the area which may be acquired by a purchaser, it will become an incentive to migration, so that thousands of persons now living in hilly and mountainous regions and in the semiarid regions will leave their present places of residence and all seek homes within very limited areas, thus complicating the task of the managers of the Corporation.

As I have previously said, there is much which can be urged in favor of maximum and minimum limitations which would give opportunity for the exercise of a reasonable measure of discretion respecting the subject. That is not only true as to acreage, but it is also true as to amount. However, when we come to the latter, difficulties present themselves which seem wellnigh insurmountable. Inevitably there would be complaint of discrimination or favoritism should no rule or limit be prescribed.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. NORRIS. On that point I should like to suggest that if this bill shall be passed and become a law, its success or its failure will, in my judgment, depend upon the administration of the law more than upon the law itself. It can be made a failure if dishonestly or inefficiently managed. In my judgment, it can be made a great success and accomplish a vast amount of good if it is administered properly.

If we limit the area to 40 acres, we might fix a limit, and probably would, which is higher than would be desirable in some localities. In the case of truck farming, for instance, in the vicinity of a large city, or farming under irrigation where vegetables are raised, and so forth, a farmer could get along on a much smaller area of land; sometimes perhaps even with as little as 10 acres. But a 40-acre limit would be impossible for the man who wanted to live in the mountain country or other sections of the great West, where a 40-acre tract would be absurdly low. It would be impossible to make a living on it.

It is not only the man who is highly cultivating the soil and raising an intensive crop whom it would be desirable to have acquire land under this bill, but likewise the home owner who has a couple of cows or some other stock. If he should want to graze his stock, he would have to have a larger area of land, which probably would be less valuable than a smaller tract; but, if we should limit him to 40 acres, we would make such a thing an absolute impossibility under this bill.

After all, we cannot escape the fact that if the administration of the law shall be inefficient or dishonest it will fail; if it shall be honest and efficient, it will succeed and we shall not need a limitation.

Mr. ROBINSON. What the Senator has said is undoubtedly correct.

Mr. President, I again emphasize the fact that we do not wish to invite an exodus of citizens from their present localities to centers where they know rich lands are available, and thus create competition which will increase the difficulties of the management of the Farmers' Home Corporation. The subject is by no means so simple as it seems at first statement.

There are other provisions in the bill authorizing the establishment of periods of amortization, the maximum limit being fixed at 60 years.

The terms of the proposed act relating to interest have given me some difficulty. The committee has written into the bill a provision which will give to the beneficiaries of the legislation the advantage of the lowest rates that the Government can obtain when the sale of the bonds is negotiated, and I am not cetrain but that is about as good language as can be enacted.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. COOLIDGE in the chair). Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. ROBINSON. I yield.

Mr. VANDENBERG. At that point I again ask for the Senator's interpretation. If the language stands as written in the committee amendment, page 10, line 7, to wit, "as low rate of interest as the Government can secure the money", I invite the Senator's attention to the fact that the provision might be interpreted to mean the short-term cheap money which the Government can get, but which it would not get for this particular purpose.

Mr. ROBINSON. Yes; I think that suggestion is well worthy of consideration. The language may be clarified, and I do not think there will be difficulty in doing that.

There are a number of penal provisions in the bill which it does not appear to be necessary to review or summarize.

Let me pass now for a few moments to a consideration of some of the reasons which prompt me to support this proposed legislation. There is real ground for alarm to be found in the rapid growth of farm tenancy in the United States during recent years. An excellent statement regarding that phase of the subject is printed in connection with the report, no. 446, on this bill. The country is subdivided into geographical areas, and there is a showing made as to the total number of farms, the number of farms operated by tenants, and the percentage of all farms operated by tenants according to divisions and States.

It is surprising to observe that in a number of the States as many as two-thirds of the farmers are tenants, and that this condition is growing. In my own State, where this problem is acute, in 1880, according to the census report, 21 percent of all farmers were tenants. The number then was 29,188. In 1890 the number of farmers who were tenants was 32 percent of all farmers, and the number of tenants was 40,054. In 1900 the percentage had increased to 45, the number of tenants to 81,000 plus, the number of acres rented to five and one-quarter millions plus, which was 32 percent of all farm lands. In 1910 the percentage of farmers who were tenants had increased to 50, in 1920 to 51, in 1930 to 63, and the figures are now approximately 66 percent, or about two-thirds; and those figures are below comparative figures affecting other States, the statistics being given in the statement to which I have referred.

The first question that arises in the mind of the student of this problem is whether it is of sufficient importance and of such great present interest as to require action by the National Government.

Mr. COUZENS. Mr. President, will the Senator from Arkansas permit an interruption at that point?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. ROBINSON. I yield to the Senator from Michigan.

Mr. COUZENS. I just happened to come into the Chamber, having been in attendance in a meeting of the Committee on Finance. I desire to ask the Senator from Arkansas has he disclosed any reason for this trend toward tenancy?

Mr. ROBINSON. That point has not as yet been reached in the course of my remarks, but I will say to the Senator that it has been due to a combination of causes, some of which have gathered increased force during recent years. Formerly there was a vast public domain, which was subject to homestead entry, and almost anyone who wished to establish for himself a home could secure, without any cost whatever, or by the payment of trivial fees, a tract of land upon which to build his home. During the period when homestead entries were in progress literally hundreds of thousands of citizens of this country established homes in that way.

With the passing of time, however, the area subject to homestead entry became restricted. In addition to that, the

choice lands had been taken; so that homestead entry was less inviting than formerly. Now practically all valuable lands have been taken up, and there no longer exists a public domain that invites the homesteader. Of course, that statement requires some modification. There are still some tracts of land in a number of the States that are subject to homestead entry, but they are comparatively few in number.

Mr. BORAH. Mr. President, there are practically no lands left that really are available for homes.

Mr. ROBINSON. That is the point I am making. That avenue being closed, the result was a large increase in the number of persons who sought to farm, but had no opportunity of obtaining homes. During recent years economic conditions have accentuated the situation. Many people who owned homes have had the humiliation and discouragement of seeing them sold under the hammer of the auctioneer, foreclosed under mortgage, or by other processes of law, and they have found themselves wanderers again, seeking some place where they could establish themselves permanently.

In addition to that, unfortunately, there are large numbers of citizens who are not thrifty, who have not the faculty of accumulating, and who have lived from day to day dependent upon the opportunities of the hour or the period in which they live. That number, I may add, has been augmented and many persons of that class, who were formerly self-sustaining, have gone on the relief rolls.

Mr. COUZENS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Michigan.

Mr. COUZENS. Does the Senator know what group or class of people own all this land that is occupied by tenants, and how they acquired it?

Mr. ROBINSON. There is no brief answer that can be given to that question. The present owners obtained it in different ways. Some of them purchased tracts of land adjoining their homes; others made loans which they were compelled to foreclose in order to recover their investment; others still have desired to possess large areas and to operate them, in the belief that they would be profitable. So that in many of the States considerable areas, comprised of the most valuable cultivated lands, have passed into large holdings. These large holdings may well be divided into two classes: First, holdings occupied by their owners and operated by them either through the employment of day labor or by the employment of tenants and share-croppers; and, second, areas held by absentee owners. Some of these areas were acquired by corporations. I recall that in my own State a lumber company, for illustration, with no thought of cultivating land, acquired vast timber resources. When the timber had been removed, drainage enterprises were instituted; the lands were heavily taxed, and they felt compelled to put them in cultivation, with the result that a number of large plantations are still in the ownership of those who do not particularly care to have farm lands, pay little attention to them, and often lose money in their operation. There are, of course, other processes by which these large holdings have been accumulated, but the description given will, I think, suffice for the present consideration.

There has been a back-to-the-farm movement, which constitutes another reason for the increase in farm tenancy. While the industries were operating full time and profitably literally thousands of people throughout the country left their farm homes in the belief that they could make greater earnings in factories, mills, and other industrial enterprises that employed large numbers. When the factories and the mills shut down or ceased to operate full time, and began operating only part time, there followed a flow back into the country, and that process, as we all know, was encouraged and is now being encouraged. The people who came back had sold their homes, if they owned them before they went to the cities, and they were compelled to rent or to become share-croppers.

I think it is pretty well known that in the State of Arkansas there has been, in some counties of the State, an acute condition relating to this subject. Along the eastern borders of the State are to be found some of the richest lands in all the world. For the most part those lands have been reclaimed and placed in cultivation during the last 40 years. In that section there are a large number of plantations. In the fall of the year people come down from the hills and the mountain regions, not only of Arkansas, but from adjoining States, to engage in gathering the crops. They find it profitable.

Usually when the crop-gathering season has ended they return to the places of their permanent residence. However, last year and year before last there was a great drought, which touched with its blighting hand a large section not only of the State of Arkansas but also of neighboring States. When these people came down to gather the crops and had concluded their work many of them, thousands of them, decided they would rather stay in the section where the moisture supply was abundant, where the soil was fertile, where they could be assured of liberal production, than to return to the places of their former residence. That created a surplus of farm tenants. That was one of the circumstances which brought about a condition which is difficult to describe fairly because the individual cases differ from one another and the causes of the controversies are varied.

In the crop-reduction contracts entered into last year there were certain clauses under which controversies have arisen. It is claimed on behalf of some of the tenants that in instances landowners have disregarded the spirit of their contracts with the Agricultural Adjustment Administration and have wrongfully evicted them.

From as careful a study of the subject as my other duties have permitted, the fact appears to be that during the last 2 years a large number of persons from other parts of Arkansas and neighboring States have moved into the territory in which the controversy exists. Many of them have remained there, as already stated. During the last 2 years, and particularly in 1934, the number was increased because of a complete crop failure due to drought in certain cotton-growing areas in that part of the world. The production was abundant in eastern Arkansas counties. When the cotton picking had been concluded, many who had come from the drought-stricken areas remained, as I have stated, for the purpose of becoming tenants in the fertile sections composed of Poinsett and other eastern Arkansas counties.

The cotton-acreage reduction contract obligated the farmer to—

> Endeavor in good faith to bring about the reduction of acreage contemplated in the contract in such a manner as to cause the least possible amount of labor, economic, and social disturbance, and to this end, insofar as possible, to effect the acreage reduction as nearly ratable as practicable among tenants on the farm; insofar as possible, to maintain on the farms the normal number of tenants and other employees; to permit all tenants to continue in the occupancy of their homes on the farm, rent free for the years 1934 and 1935, unless any such tenant should so conduct himself as to become a nuisance or a menace to the welfare of the landlord; during such years to afford such tenants or employees, without cost, access for fuel to such woodland as he may designate; to permit such tenants to use an adequate portion of the land to grow food and feed crops for home consumption and for pasturage for domestically used livestock; and for use on the rented acres, to permit the reasonable use of work animals and equipment in exchange for labor.

Under this contract the landlord had no right to evict any tenant willing to continue in the cultivation of the land unless the tenant so conducted himself as to become a nuisance or a menace to the welfare of the farmer. There are cases where tenants have been evicted and others have taken their places. The claim on behalf of the tenants is that the eviction was in violation of the contract. The contention on behalf of the farmer is that the eviction was necessary and in conformity with the contract.

The surplus number of tenants already described was added to from other sources. Along the rivers in normal times a considerable number of persons occupy houseboats and engage in hunting, fishing, trapping, and some of them in bootlegging. In a few instances where tenant houses have been found vacant, they have been occupied temporarily by such persons as those last described, who do not substantially engage in farming, but who have felt en-

titled to relief inasmuch as they have no considerable source of income and are threatened with want.

The trouble is thus accentuated by the exceptionally large number of tenants available, the number being so great that provision cannot be made for them all on the farms in the neighborhood in which the tenants are found. It is my information that approximately 10 percent more tenants, as a rule, in the troubled area are on the farms this year than were there last year. A number of them refused any form of employment, private or public.

Finding a fallow soil in which to sow the seeds of discontent, professional agitators, representatives of communistic and socialistic organizations and schools have gone into the neighborhoods affected, organized the tenants, and insisted that their rights have been disregarded and that to secure what is due them they should resort to violence.

Labor has the right to organize everywhere at all times. The tenants have that right. The general belief in the localities affected, however, is that the agitators referred to are prompted more by a desire to create trouble than to assist the tenants. For instance, in one case where the person was arrested, fined and imprisoned, the severe treatment inflicted upon him followed a speech which he delivered at Marked Tree, Ark., on January 15, 1935. The speech was taken down in shorthand and transcribed. In that speech the orator was quoted as saying that he was ready to lead a mob to lynch the landowners; and in recrimination for that speech there was resort to violence, regrettable in every case, but not surprising in some of the cases.

What I have just said does not apply to all the agitators. There are other cases where colored organizers went among the colored tenants and share-croppers to organize them into a union, which they had the right to join, and which was legally proper, so far as I know; but the organizer was charging $7.80 a member to the tenants and share-croppers for the function which he performed in getting them together. Charges were not made in all cases where organizations were set up; but this case illustrates how these poor, unfortunate persons were imposed upon by some who took advantage of their extremity to make profit for themselves. It may please the Senate to know that in the neighborhood to which I am referring the colored tenants themselves invited the organizer to discontinue his activities, and he did.

There is little doubt, from the literature circulated among the tenants by some of the organizers, that the agitation is communistic. To quote from a circular distributed among some of the tenants, it is apparent that the Soviet Union plan is the basis for the action of the organizers. I quote:

> Only in one country is there a full system of social insurance. That is the Soviet Union—the country where the workers and peasants are in control. There is no unemployment insurance in the Soviet Union, because there is no unemployment. The Soviet Government expended more than $2,000,000,000 on social insurance during the first 5 months of 1933, which is distributed through the trade unions. Any worker affected by sickness or accident is fully protected by insurance. He goes to a hospital or rest home, where he remains till he is fully recovered. An expectant mother remains away from work for 2 months before and 2 months after childbirth, with full care and wages—

And so forth. I shall not read the remainder of the circular. It is typical. The agitators circulating these publications were playing upon the despondency of the citizens and seeking to organize them into a communistic union. Of course, they have a right to join a communistic union, but it is not commendable to incite violence. They were told that every laborer should be fed by the Government. "Every worker should be on the relief rolls" was another statement in the circular to which I have referred. This is cited in order that there may be some understanding that the problem referred to is not a simple one. Back of it and underneath it and all around it, however, is a condition which requires attention, which demands action by the Government; and the proposed legislation is a long step toward the accomplishment of a wholesome purpose that will give every person of good moral character who is without a home the opportunity of obtaining one if he has been accustomed to making his livelihood by farming.

I do not yield to anyone in my confidence in the importance of sustaining the American home as the fundamental institution upon which this Republic rests. He who is attached to the soil and who owns his own home, is loyal to the Government and fond of its flag. He who is a "mover-on upon the surface of the earth, and a dweller in the tents of Tom All Alone", often feels little occasion to manifest his loyalty to his country. Give him a home, give him a chance to have a roof over his head and a pillow upon which he may rest his head when the shadows of evening fall, and he becomes a citizen who will defend our institutions when they are assailed.

Certainly it is not possible in a single measure completely to solve a problem as great as this. Certainly there are many who will not acquire homes under this bill, who are entitled by its provisions to do so; and there are also some who will abandon their homes after they acquire them. But the fundamental thought is that if we go on as we have been proceeding during the past 25 years, the farm lands of this Nation will pass into cultivation almost exclusively by those who do not own them, whose stake and interest in the community is merely transitory, and who are accustomed to moving on whenever occasion requires, because they have no permanent abiding place. To the extent that we give opportunity to the unfortunate, opportunity to the humblest share-cropper or tenant to gain for himself and his dependents a place which he can call home, we shall have rendered a service not only to him and his, but to all who are around about him and to all who will come after him.

I thank the Senate.

Mr. SMITH obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Robinson
Ashurst	Coolidge	King	Russell
Austin	Copeland	La Follette	Schall
Bachman	Costigan	Lewis	Schwellenbach
Bailey	Couzens	Logan	Sheppard
Bankhead	Cutting	Lonergan	Shipstead
Barbour	Dickinson	McGill	Smith
Barkley	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Metcalf	Thomas, Utah
Bone	Frazier	Minton	Townsend
Borah	Gerry	Moore	Trammell
Bulkley	Gibson	Murphy	Truman
Bulow	Glass	Murray	Tydings
Burke	Gore	Neely	Vandenberg
Byrd	Guffey	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hastings	O'Mahoney	Walsh
Caraway	Hatch	Pittman	Wheeler
Carey	Hayden	Pope	White
Clark	Johnson	Reynolds	

Mr. LEWIS. I repeat the announcement I made on the previous roll call as to the absence of certain Senators and the reasons therefor.

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, there is a quorum present.

Mr. SMITH. Mr. President, I rise not for the purpose of discussing the features of the pending bill but, rather, to address myself to what I consider to be a misunderstanding on the part of a great many who are not in a position to know the facts, which misunderstanding has been brought about by those who wanted to misrepresent the facts and to create a psychology throughout the country that is based entirely on a malicious propaganda.

It has gone abroad that the share-croppers, which term I shall define, the laborer and tenant, have been so mistreated by the heartless landlord that, perforce, the Government must step in and take the place of a defender of these people and become a provider for them.

We are using the words "tenant" and "share-cropper" and "laborer" without, perhaps, a proper understanding on the part of those who are to pass upon this proposed legislation of what the terms mean. I desire to define those

terms, and, as a farmer myself, testify here as to the practice in North Carolina, South Carolina, and Georgia. I am not so well acquainted with the practice in Virginia, and I was informed by the statement made by the Senator from Arkansas as to conditions which exist in the fertile delta lands.

I will take my State as a typical example of the employment of what is known as the "share-cropper", under conditions brought about by the laborers themselves, and leave this body to judge who is really the beneficiary of the farm, and of the efforts of those who cultivate it.

A share-cropper is furnished a home, a house, a garden plot. He is furnished all the fuel he needs; he is furnished the animals with which to cultivate the land; he is furnished the implements; he is furnished fertilizer; he is fed and clothed during the year, and given one-half of the crop, out of which he has to pay for the food he buys and the clothing he and his family wear.

If there is a failure of the crop, and practically nothing is made, the share-cropper has had a living for a year at the expense of the landlord. If any profit is made, he gets one-half of all the profit made out of every article. From the profit made on commodities that are for sale he gets cash. As to those that are to be consumed, such as potatoes, corn, and wheat, not grown to market in my community, he gets one-half. He pays no taxes, except some slight personal tax. He has no expense of upkeep. It is "Heads I win and tails you lose."

I challenge any Senator from the States I have enumerated—North Carolina, South Carolina, and Georgia—to dispute the statement I have made as to the share-cropper. He has no taxes to pay, no fuel to buy, no house to rent. All these things are furnished him, together with the stock and the implements necessary for the cultivation of the land, and he gets one-half the crop.

Mr. BAILEY. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. BAILEY. I understand that in my State where all is furnished by the landlord, as the Senator has suggested, the tenant gets a third, instead of a half. Does that practice obtain in South Carolina?

Mr. SMITH. Where the landlord furnishes everything the tenant gets a third. Where he has to pay for half the fertilizer, which is the greatest item of cost in the agricultural process on the Atlantic seaboard, the share-cropper gets half of the crop.

Mr. BAILEY. Then he gets half?

Mr. SMITH. Then he gets half. But if the landlord furnishes all the fertilizer, the share-cropper gets a third of everything that is made.

Mr. BAILEY. Will the Senator permit me to make just a suggestion, with a view to getting some information for my own benefit?

Mr. SMITH. Certainly.

Mr. BAILEY. I am tremendously interested in what the Senator has to say, because I know the Senator from South Carolina has lived with this subject and still lives with it and is tremendously interested in it, and highly intelligent about it.

I will agree that the tenant, under certain conditions, is cared for; he has subsistence, and whether the crop is good or bad, the price high or low, he comes through. I should like to have the Senator, before he takes his seat, tell me how the plan operates for 600,000 tenant farmers in the South, those who are presumably tenant farmers, most of them tenant farmers, who, under the present order of things, are limited to two bales of cotton.

Mr. SMITH. Mr. President, as a matter of course I was speaking of normal conditions. The new order of things I do not pretend to try to define. I am speaking of what was and what I hope will be. But I wish here and now to brand as a piece of malicious propaganda the holding up to the public of the desperate condition of the share-cropper. The Senator knows that what is said is not true. There is not a man from any State between Virginia and Florida but who knows it is not true. If I had desired to take the time, I could have cited instances where those who own small farms have left them and have become share-croppers on the property of certain land owners where they knew they were guaranteed food and clothing.

Before I close I think I will be able to show that the cause of the condition referred to does not come from the landlord, but comes from the intolerable condition under which the landlord himself has to live.

Mr. BAILEY. Mr. President, will the Senator permit me to interrupt him again?

Mr. SMITH. I yield to the Senator.

Mr. BAILEY. I would not interrupt the Senator but for the fact that he stated I knew certain facts.

Granting that the share cropper, under the tenant system, does obtain subsistence at the expense of the landlord, since his crop, in the case of 600,000 share croppers, is limited to two bales of cotton—and that is official—I wish the Senator would inform the Senate what he has to say about that man's capacity to clothe his children, and to enjoy merely the elemental advantages of a human being. I am granting that he gets a subsistence, but what does he get beyond that with two bales of cotton, and the cost of the two bales of cotton being, I should say, 80 percent of the selling price?

Mr. SMITH. Mr. President, in order to answer the Senator's question one would have to go back and recite the conditions antedating the inauguration of the curtailment in production.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. I was interested in the statement which the Senator made that there is no crop-sharing problem; that the crop-sharing problem has been exaggerated.

Mr. SMITH. Let us see what the Senator means by the word "exaggerated." Does the Senator mean that the condition of the share-cropper was exaggerated?

Mr. BORAH. I mean a condition of suffering which is supposed to exist.

Mr. SMITH. By the share-cropper?

Mr. BORAH. Yes.

Mr. SMITH. In my State, in North Carolina, and in Georgia, that condition has been absolutely misrepresented. It is not true.

Mr. BORAH. I do not know about the Senator's State; but yesterday there was brought to me a large amount of material purporting to show conditions which, from my viewpoint, are very serious. I have no doubt they would be from the Senator's viewpoint, if true. The person bringing me the material asked me to introduce a resolution to investigate the conditions. I did not do that; but I was startled by the statements of fact which were given to me.

Mr. SMITH. Purported facts; alleged facts.

Mr. BORAH. They were statements of fact. Whether or not they were false I have no means of knowing, but upon their face they were statements of fact.

Mr. SMITH. Perhaps false facts.

Mr. BORAH. I have no means of knowing; and I must take the statements of the Senators who represent those States and who know the conditions, I must accept their views with regard to them.

Mr. SMITH. I will make a proposal to the Senator. Select any number of Senators on the other side of the aisle, and select any number of Senators on this side of the aisle, and let us settle this question. Let us start on the line of North Carolina, and, without anyone knowing what we are doing, let us go through and examine the facts. I challenge this body to appoint any committee in which they have confidence to go to my State, and go from the northern to the southern border, and from the mountains to the seaboard, and see whether the share-cropper is not in as good a condition or in a better condition than the landlord himself, in the majority of the cases. That is a fair challenge.

Mr. BORAH. I am not questioning the capacity of the Senators or the integrity of the Senators to represent their

States, but I had supposed there was really a serious condition there.

Mr. SMITH. Not amongst the share-croppers; no. I own quite a considerable amount of land used for farming purposes. I furnish the houses; I keep them in repair; I furnish the animals with which the share-croppers work; I furnish the implements; I furnish them with food and clothing; and when the crop is made we divide it in half. The share-croppers are required to pay for only half the fertilizer, which represents an enormous expense with us. However, through the compensating power of nature, where we use artificial fertilization we make more per acre than where the land is rich of its own accord. The share-croppers get one-half of the crop. If there is a crop failure, which very often occurs, I have fed the tenant and his family and clothed them, furnished them a house, furnished them animals and implements with which to work and on the first day of January wiped out the account. I have all the loss to meet.

Mr. BORAH. Then all the publicity with reference to the condition of the share-cropper is without foundation.

Mr. SMITH. I said, before the Senator came in, that it was malicious propaganda; and if I cannot sustain that statement I stand guilty of making a statement as rash as the other.

Mr. BORAH. I think the Senators representing those States ought to take cognizance of the fact that such a statement is made.

Mr. SMITH. I am now taking cognizance of it.

Mr. BORAH. I think there ought to be a refutation of it, if it can be truly refuted.

Mr. SMITH. That is the reason why I said, when I took the floor, that I have read in the newspapers of the desperate condition of the share-cropper, when there is not one on my farm who, so far as the returns of the farm are concerned, is not in better condition than I, who own the farm. I am speaking from the point of view of the returns from the farm.

Mr. BORAH. Is the Senator a sample of the landlord of the South, generally speaking?

Mr. SMITH. Yes. I have some other source of income, but I deal fairly and honestly with my tenants, and a majority of the landlords do the same thing. The tenants have arrived at the point where, as a matter of fact, they have practically always been; they know how to get theirs, and they get it.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BAILEY. The Senator from Idaho made an inquiry, and I suspect it may have been based upon a statement made by me here some weeks ago. I said that half the people on relief in North Carolina were people who had lost their places on farms, and that the number of families was 33,000. That statement was based upon official information given to me by the relief authorities in my State. I take it that was what interested the Senator from Idaho, as to the effect of the situation on the farmers in the South. I understand that the statistics of the Department of Agriculture show that prior to the operation of the Bankhead Act about 600,000 of them had not been making over two bales of cotton a year for some period in the past. That was the information I wished to put into the RECORD and give to the Senator from Idaho.

Mr. SMITH. Mr. President, I wish to state, and I might as well state it now as at any other time, that up to 1929 the South was producing an average of about 14,000,000 bales of cotton a year. In 1926—and I hope those who are doing me the honor of listening will remember this—in 1926 we produced 18,000,000 bales of cotton in America. We exported that year 11,000,000 bales. We consumed 7,000,000 bales. The average price, taking into account the lowest grade and the shortest staple because it does enter into the question in valuing a sample of cotton, was 12 cents a pound. The gross return for that raw-cotton crop that year was $1,600,000,000.

In 1927 we made around 14,000,000 bales—thirteen million and some hundred thousand. The average price that year—the year succeeding the enormous crop—averaged 20 cents a pound. That crop brought about $1,300,000,000.

In 1928 we produced about 14,000,000 bales, and that crop averaged about 20 cents a pound. That brought into this country or resulted in the distribution of $1,500,000,000.

In 1928 and 1929 we had about the same crop and the same return.

From 1926 to 1931 the average importation of European money in return for exported raw cotton was $800,000,000 annually.

In 1931 and 1932 we made about a normal crop, and after the crash in October the price dropped to something like an average of 6 cents a pound, or a little below. So that, in place of an average of a billion and a half dollars a year, the value of the crop dropped to $480,000,000 for export and internal sale, a loss of $1,000,000,000 a year. As a result of the crash our exports collapsed. Up to that time we were extending credit to the European countries. In spite of the fact that we have that standing shame to the American Congress, the Smoot-Hawley Act—a monument to our folly, and a testimonial to the horrible condition in which we find ourselves—in spite of that, until the crash came we were getting $800,000,000 from abroad, besides receiving something like $700,000,000 from domestic sales, which was distributed amongst all the cotton producers. From that date until now there has been such an accumulation of unexported and unconsumed cotton that the idea was conceived that this cheap cotton should be resold to the farmer in lieu of the production by him of an equal quantity, and thereby we should get rid of the surplus by substituting what was already on hand in the form of a surplus for the subsequent year's production.

I introduced a bill to accomplish that purpose under the administration of Mr. Hoover. I had the support of the leading Members on the other side of the Chamber, but the President failed to sign the bill. There was some question as to whether or not, as he did not sign it and did not veto it, as his successor called an extraordinary session immediately following the adjournment of the last session of the old Congress, whether the present occupant of the White House had the power, the 10 days not having yet expired within which the bill might be signed, to let it become law. The President took the view that perhaps there was some doubt, and he would not risk resolving the doubt. So the bill did not become a law until the cotton of the South was planted and some of it was maturing. The farmers were told that if they would plow up or destroy a certain percentage of their crop the cheap cotton held by the Government would be substituted for the cotton the farmers would otherwise produce, and they would get the benefit of any subsequent rise in the price of cotton and would also be compensated for the cotton thus destroyed. From that day to this that surplus has hung over the cotton market. The question was whether the farmers should continue to produce cotton in volume and accept from 6 to 7 cents a pound below the cost of production or whether they should curtail their crop, receive the benefit payments from the Government, and thus wear away and at last get rid of the surplus.

We had the voluntary reduction plan, and subsequently, following the passage of what is known as the "Bankhead bill", the plan provided by that measure. The object of the Bankhead bill when passed was that there should not be put into commercial channels more than a certain amount of cotton—it being calculated that an excess beyond that amount would be added to the surplus—not enough to supply the spindles, and consequently there would have to be taken from the surplus a certain percentage. That purpose has been accomplished to a certain degree. The surplus this year is not so large as it was last year, but the surplus is still here.

Now, in answer to the question of the Senator from North Carolina [Mr. BAILEY], I will say that it was supposed that where the tenant was restricted to the sale of two bales of cotton he also would receive a benefit payment for the land

that he had heretofore cultivated, but was not now cultivating by virtue of his voluntary agreement or because of the restriction of the Bankhead Law.

Let us get that straight. There has been much talk about the landlord taking advantage of the tenant in these benefit payments and not properly distributing them to the tenants. That is also false, because, under the terms of the contract, the name of the tenant has to be inserted; when the checks are sent out they go in the name of the landlord and the tenant, and the landlord cannot get the money until the check is endorsed by both the tenant and the landlord.

Mr. BAILEY. Mr. President, is not the Senator under a misapprehension? I understand that the two-bale exemption is allowed only to those farmers who have heretofore produced two bales or less.

Mr. SMITH. That is true.

Mr. BAILEY. So that there would be no benefits for those, because they must use the same acreage and produce the same amount of cotton.

Mr. SMITH. I did not differentiate as clearly as I should have done. The answer is that heretofore they only produced 2 bales, and it was no hardship to hold them to 2 bales without paying any benefit; but the point I am trying to make clear has reference to the share-croppers. The fault does not inhere in any act of the landlord but in the miserable system of marketing. The Government pegged at 12 cents the cotton in which it had an interest.

In spite of the fact that every dealer in cotton in America took it for granted that that was the minimum, that no matter what might happen above it the price could not go below 12 cents, certain influences stepped in, and in less than 3 hours broke the price $10 a bale. Some of them, I think unwisely—and I am going to attempt to have them rectify it by taking the cotton back—sold some of this Government-owned cotton and bought futures against it. I presume they were proceeding upon the assumption that as the Governmen had loaned 12 cents a pound they were safe in disposing of the cotton and buying futures and saving insurance and storage; but about 3 weeks ago last Monday, some influence, some power, smashed through the Government line and sent the price of cotton down to 10 cents in place of 12 cents, costing the Government some $3,000,000 in margins to protect those futures. Of course the price has risen somewhat since, and the Government will be reimbursed to the extent the market has risen; but the crop of cotton, with the restriction of the Bankhead law and the voluntary restriction, this year will amount to about 9,000,000 bales, not quite nine and a half million bales, perhaps, which is about half the production of 1926; and the price is not as much as we got for 18,000,000 bales. Here we are taking advantage of a disastrous condition brought about by unwise legislation, by antidumping laws, the Smoot-Hawley law, the Johnson law, until we have not left a crack or a crevice through which we may trade reciprocally with foreign governments. When the disaster comes, we are deflecting the minds of people into the belief that this occurred because of that infernal devil the landlord. It occurred by reason of legislation enacted here, and here is the place where they ought to seek relief.

I state here today, without fear of contradiction, that if we will make farming profitable by giving the farmers an equal chance in the markets of the world, as well as at home, it will not be necessary to bring here any kind of tenant bill or to bestow any charity amongst those who feed and clothe the Nation; but we will not solve the problem so long as we turn in the wrong direction and encourage the tenants to produce a surplus.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BAILEY. The Senator was just saying that this bill puts the tenants on the land as owners, but does not improve their capacity to pay themselves out?

Mr. SMITH. As a matter of course, it does not. If there had been any profit in agriculture the tenant would have already owned his land. There is plenty for sale today—you know it, Mr. President, and I know it—at a price that is ridiculously below its intrinsic value.

Now, I wish to move on a step further. I did not desire to take up too much time. We come to the farm laborer. About 2 months ago my manager had employed a good many more laborers than he had any place for. He was not as wise as he will be when he loses all his money, which he will do if he fools with a farm long enough. He happened to inherit some money and was enthused with his temporary power. I showed him where he could get rid of his money in short order by going down and taking charge of a farm, in which event he would quickly become normal. As I have said, he employed more labor than he really ought to have employed. The Negro tenants, who are very fond of him, came to him and said, "Mr. Carpenter, we cannot live; we have wives and children", as Negroes generally have after they get beyond 16 years of age; "we just cannot get along on what you are paying us." He said, "Well, boys, I am sorry, but I will tell you there is plenty of public work going on around here, so I hear, so go out and try to secure employment in that way." He was furnishing them each with a house, fuel, and a garden plot. They went out, and in about 60 days returned and said, "We will come back to work for you for $2 a month less than you were giving us."

We have had a definition of the share-cropper. I come now to the laborer. In my State, and in the neighboring State of Georgia, we can hire laborers for so much a month, give them so many acres of land to cultivate for themselves, plant anything they see fit, furnish them the stock to work it, a house to live in, fuel to burn—no expense to them in the world, and in addition we give them wages. I do not know a single laborer in my State who has not the same opportunity to make a living at my expense, or any other landlord's expense, and make a part of the crop on the land that we always give our laborers. Their condition is just as happy and contented as is that of the share-cropper.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. Has the Senator seen a report made by Mrs. Myers to the Agricultural Adjustment Administration?

Mr. SMITH. Where is she from?

Mr. BORAH. I do not know where she is from, but she was in the employ and working under the auspices of the Agricultural Adjustment Administration. That report has been made and is on file, I understand, but has not been published. Is the Senator familiar with it?

Mr. SMITH. I am not. If it is like a good many reports which are made, I do not care to be familiar with it and do not want to know anything about it. I have some other way of getting the facts. Some of us in whom Senators have confidence can make statements here, and if they are contrary to the conclusions of individuals who submit special reports, our statements should be accepted. The making of these reports is in many instances disturbing the morale of our people.

Mr. BORAH. Let me be understood. Of course, if these things are true, they are exceedingly important. If they are not true, it is also exceedingly important that it be known. I understand the report is on file.

Mr. SMITH. I shall avail myself of it. If it is exaggerated along the lines that the share-crop business has been exaggerated, I shall ask Senators who are not familiar with the actual conditions to take my word for it and the word of Senators from that section of the country rather than the statements contained in such reports. If Senators who come from the agricultural districts do not know what are the facts, they ought not to be sent to the Senate, and if they do know they will testify as I have.

Mr. BORAH. I hope the Senator will procure a copy of the report. I understand it has been very difficult to obtain.

Mr. SMITH. If it is wrong it ought to be difficult to get; it ought not to have been published in the first place.

I have spoken in reference to the day laborer. The terminology which is used here, "the tenant", relates to the man who rents one's land. I have not been able to rent a

farm of mine for enough to pay the upkeep, the depreciation of the buildings, cleaning out the ditches, and the taxes. I said to the county officials of Lee County, "Pay me the amount of taxes you have assessed against my farm, the amount of taxes I am called upon to pay, and I will turn my farm over to you until I retire from the Senate. I want some place to be buried when I get through, and this is the place where I prefer to be buried. Pay me the amount of the taxes for rent of my farm, and take the farm and work it and see what you can do."

If we are going to hand out any benefits, if we are going into the Government Treasury to implement the farm and guarantee it for 66 years, does not common sense dictate that we ought to start with those who have struggled with all the adverse circumstances, 75 percent of whom now have mortgages? Give to them as they have proven their ability to stay and not be dispossessed.

But what is it proposed here to do? If we take these people and put them on the land, unless marketing conditions shall improve, we will find that we shall have to support them as long as they are there, furnish them the wherewith to live as the landlord has lived, or else the whole scheme will fall through.

Mr. BORAH. Mr. President, may I interrupt the Senator again?

Mr. SMITH. Certainly.

Mr. BORAH. If the statement the Senator has made is true, and I am not raising a question as to that, then the effect of the bill would be to enable the landlord to receive cash for the land which is sold, and at the end of the experience the tenant would be right where he is now?

Mr. SMITH. Certainly! Just look at what we did under the land-bank law.

Mr. BORAH. But the landlord would have gotten paid for his land.

Mr. SMITH. Yes; it is a pretty good thing for the landlord. I have some land I cannot sell otherwise, but I think I could dispose of it under the terms of this bill.

Let us remember our experience under the land-bank law and what happened. We provided for a period of payment of 30 or 40 years at 5-percent interest, and an amortization and interest payment. Interest and amortization were included in each payment that was to be made. Read the history of the land banks and their experience. There a man had to go and pledge his capital, namely, his trade, and yet the vast majority of them could not pay the taxes and 5-percent interest and amortization and live.

Mr. President, I take up now the question of the tenant. He rents the land. Very often he will rent the stock and all the equipment and agree to pay a certain rental. In my State and in the other States to which I have referred—and they are not very numerous—when the land is rented, the landlord is not under any obligation to furnish sustenance and clothing during the year to the tenant or renter. Under the present condition he just cannot get credit. The landlord cannot get credit to amount to anything. That is the reason why I brought up the seed-loan proposal, to enable him to get from the Government the money with which to carry on.

I leave this statement as an open challenge. I believe this is an honorable body and wants the truth. What I am asking is that we shall not take a report which may have been gathered no one knows where. Let us appoint our own investigating committee. Let us not call any witnesses to Washington. Let us go into the vicinage where it is said these atrocities are committed. Let us go there and see the situation and learn the facts.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. Certainly.

Mr. BORAH. As I understand the report to which I have referred, it undertakes to give details and facts. I wish the Senator from South Carolina would procure the report, if possible, and give us his own version as to its truthfulness.

Mr. SMITH. I shall be delighted to do that, as it relates to the area with which I am familiar in my own State. Yes; I shall give the facts. I do not intend that any utterance I may make on this floor may ever be successfully challenged as to the facts. I am going to speak according to my knowledge.

As to the bill itself, I take this occasion to try to scotch the miserable propaganda carried on for a purpose, of course, and the purpose is not very difficult for some of us to seek and find.

I rose to denounce this propaganda insofar as it affects my section. There may be—and I do not pretend to say there is not—some aggression by certain landlords; but it lasts only 1 year because tenants are getting scarce in my State, especially since 1929. The rate paid by the P. W. A., 40 cents an hour, over $3 for 8 hours, $2.40 a day for 6 hours, is beyond what any farmer can pay unless he wants to sell his place and make a present of it to the tenant. They have flocked to the P. W. A. until it is practically impossible for a farmer to get hands on his place.

I am not complaining of that. I do not know who is going to pay these bills. I do not know. When we cannot get the cost of production for what we sell—and every Senator from the South knows that 12-cent cotton brings the farmer from 4 to 5 cents less than the actual average cost of production—that means a yearly subtraction not only in the price per pound, but, as the Senator from North Carolina indicates, a like reduction in quantity; so we have been burning the candle at both ends, reducing the quantity and reducing the price.

Before I take my seat I desire to say that several persons have said to me, "Oh, well, your condition now is so much better than it was during the midst of the depression." It is true that I get more per pound, but the number of pounds I have to sell is just about half what I had to sell before; so I do not see exactly where my condition is so wondrously changed. When we invoked this processing tax, which I did not support, I thought there would be collected from these malicious manufacturers, these blood suckers, the difference between what I got along about 1926 and the recent price; I thought it would be taken from them and given to me. I got some benefit payments, but I still am not getting 18 and 20 cents a pound for a full crop.

Mr. President, I have heard men speak about the ease of farm life and how profitable it is. Will any Senator rise up here and state how many farmers in his State made a fortune before or just after middle age and retired? In all America, how many farmers do Senators know who made a fortune farming? Do Senators indict every one of them of having less sense and business ability than the manufacturers and the industrialists, who notoriously make billions and retire and buy Government bonds and escape the payment of taxes?

Mr. WHITE. Mr. President, will the Senator yield?

Mr. SMITH. Yes.

Mr. WHITE. The Senator made reference to the cotton-processing tax. I do not know where the money has gone, but I know from whom it has been taken. There has been taken out of my own State, through the cotton-processing tax, approximately $2,228,000. There has been taken out of New England in excess of $34,000,000 through this tax. There was taken out of my home city from three mills, each of which operated at a deficit during the past year, $616,000.

I do not know where the money has gone; I know from whom it is being taken; I know what the cotton-processing tax is doing to the cotton-textile industry of New England. It is destroying that industry or contributing to the destruction of that industry, and it is making its contribution to the destruction of what has been in the past a rich market for the raw cotton of the South.

Mr. SMITH. Mr. President, I am rather heart-broken. I am terribly disappointed. I had hoped that perhaps in the operation of the processing tax the miserable high protectionists such as are found around Fall River and New Bedford would be made to pay back to me some of the money it

was alleged they got out of my cotton as against my having to sell it in an open market; but since the Senator has mentioned that, there is a fault somewhere.

The average cotton shirt selling at $2.50—that is what a real decent one costs, such as a Senator ought to wear; I cannot go up quite that high—or a shirt selling at an average of about $2 weighs only 5 ounces. The cloth from which that shirt is made is of the simplest manufacture that is known—just the right and left weave; no warp, no woof, simple spinning, cheap bleaching. When that cloth is manufactured into a shirt it sells for an average of $2. That is about $7 a pound that I pay for the cotton to go on my back, and I get 7 cents a pound to make it. Between the $7 a pound I pay for the cotton to go on my back and the 7 cents a pound I get there is a tremendous spread somewhere.

I am through. So far as this bill is concerned it may give temporary relief. Under its terms these tenants are to be implemented, they are to be furnished with a home and given about 60 years in which to pay for it. It almost amounts to the old English custom of primogeniture and entail, because the average life is not more than about 40 years; so the father will hand down to his child this Government gift.

I am not going to stand here now and go into that subject. I have contented myself with meeting this propaganda about the terrors of the tenant share-cropper and laborer. God help us! Many of us are pleading for high protective tariffs in order that American labor may enjoy the American wage; and yet the same industry that is pleading for a high protective tariff installs labor-saving devices and turns its labor on the street to join the blotting-paper crowd! What is protection of the machine against human beings, even if they are in Europe?

I am not going to enter into any further controversy. I am endeavoring to meet the wide-spread propaganda that has been going on in reference to labor; and there is like propaganda going on in other directions that is sapping the very foundations of our Government. God help us, as a Senate, to get back to the fundamental principles of the Constitution and think and act here in accordance with what we know are the best interests of the American people.

Mr. LEWIS obtained the floor.

Mr. WHITE. Mr. President, will the Senator yield briefly?

Mr. LEWIS. I yield.

Mr. WHITE. A moment ago I interrupted the Senator from South Carolina [Mr. SMITH] to express the opinion that the cotton processing tax was contributing to the industrial distress of New England. I have in my hand an editorial which appeared in the Lewiston Evening Journal, my home city newspaper, which states that 152 mills have been closed in New England within recent months. I ask that that editorial, and a list of the mills as given therein, may be included in my statement.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lewiston (Maine) Evening Journal of Apr. 10, 1935]

A few days ago we sought a bit of information of how recovery has affected the New England textile business.

We were visited by a gentleman who sells to all New England mills textiles—woolen and cotton. He has taken pictures of nearly all of the "recovery(?)", which the past few years under the miracle men have brought us.

We were told in 1932 that by this time every mill would be running and new ones built. Instead 152 mills in New England have been abandoned, liquidated, many of them torn down. These are not old and obsolete mills. Some of them are modern and expensive. Here is a partial list, which we have received with the following letter:

DEAR MR. S: I am enclosing a partial list of mills that have either been dismantled, or dismantled and torn down to the ground, and to this list might be added some two dozen or more of worsted mills, but I am dealing more particularly with the cotton mills, and not outside of New England.

Yours truly,

———— ————, *Treasurer.*

Mills that have gone out of business or are not running, April 1935—Uncasville Mills, Pequot Mills, Shetucket Mills, Totokett Mills, Bragg Mill, Central Worsted Mills, American Woolen, Moosup, Manhassett Mills, Adams Manufacturing Co., Nightingale Mills, Morse Mills, Pawhattan Mills, Mechanicsville Mills, Chase Mills, Webster, Central Mills Co., Hamilton Woolen (cotton department) Lancaster Mills, Parkhill Manufacturing Co., Grant Yarn, Oswald Mills, Thorndike Mills, Otis Co. (in part), West Boylston Manufacturing Co., Gilbert Manufacturing Co., Warren Manufacturing Co. (W. Warren), Windsor Locks Mill (Montgomery), Russell Manufacturing Co. (in receivership), Eagleville Manufacturing Co., Natick Mills, Arctic Mills, Warren Manufacturing Co. (taken over by Berkshire), Manville Jenckes (two at Pawtucket), Manville Jenckes (Globe), Manville Jenckes (Social), Manville Jenckes (Nourse), Eagle Mills, Woonsocket.

Lonsdale Mills, Manville Jenckes (Bernon), Pocasset, Mechanics Mills, Weetamoe Mills, Shove Mills, Cornell Mills, Merchants Mills, Crescent Mills, Stafford Mills, Granite Mills, Union Mills, Davis Mills, Flint Mills, Wanpanoag Mills, Agawamp Mills, Whitin Bros., Sandersville Mills, Fiskdale Mills, City Mills, Acushnet Mills, Bristol Mills, Albion (Valley Falls).

Tremont Mills, Whitman Mills, Nonquitt Mills, Monument Mills, Nason Mills, N. Bedford Spinning, Cohannet Mills, Grinnell Mills, Hamilton Manufacturing Co., Appleton Manufacturing Co., Massachusetts Cotton Mills, Tremont & Suffolk Mills, South N. E. Mills (Lowell), Everett Mills, Atlantic Mills, Pacific Mills (in part), Pemaquid Mills, Fairhaven Mills, Pemberton Mills, Methuen Mills, Penacook Mills, Suncook Mills (in part), Durfee Mills (in part).

Somersworth Mills, Harmony Mills, Little Falls Mills, Chase Mills (Burlington), Newburyport Mills, Saratoga-Victory, American Thread Co. (Westerly), Lorraine Manufacturing Co. (Westerly), American Woolen Mills (Rochdale), Connecticut Mills Co., Aldrich Brothers (Moosup), Barker Mills, Avon Mills, Kinhardt (Lawrence), Alcona Mills, Osborn Mills, Somerset Mills, Monadnock Mills, Penikees Mills, Valley Falls Mills, American Linen, Manomet Mills 1 and 2, Livingston Mills (Worsted), Fisk Rubber Co. (Jewett City), Salt Manufacturing Co., Hope Co. (Phenix, R. I.), Metacomet Mills, Troy Cotton, Corr Manufacturing Co., Naushan Mills, Ann & Hope Mills (Lonsdale), Butler Mills, Royal Mills, Arctic Mills, Natiek Mills, Coventry Mills, Amoskeag (torn down).

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Montana.

Mr. WHEELER. I assume that the reason why these mills are complaining is because of the fact that the Japanese and other oriental manufacturers are bringing goods into the United States, which is driving them out of the market.

Mr. WHITE. I have made no reference to that subject.

Mr. WHEELER. I was about to suggest to the Senator that if his New England mills would take a little interest in the remonetization of silver, they would find out that the reason why the oriental manufacturers are able to undersell the American manufacturers in the world market is because of the low price of silver.

Mr. WHITE. I am not going to become involved with the Senator from Montana in a controversy with respect to that matter. What I said referred only to the processing tax; that is my immediate complaint.

THE FOREIGN DEBTS—OBSERVANCE OF INTERNATIONAL UNDERTAKINGS—THE MEANING OF THE RESOLUTION PASSED BY THE COUNCIL AT GENEVA ON THE GERMAN SITUATION

Mr. LEWIS. Mr. President, I do not rise to discuss the farm-tenant bill now under consideration. I impose upon the Senate a separate subject, which I esteem worthy of its great deliberation.

Mr. President and Senators, I am quite sure that the refined conscience of the world was greatly aroused on yesterday when it read from the International Cables that the Council of the League of Nations at Geneva, composed of the great states of Europe, each of which is indebted to the United States, had proclaimed as against Germany a resolution stating that "the nations of an international community should respect their obligations, pursue their contracts, and obey their treaties." We are invited, Mr. President, for the moment, to one quotation and its exact language:

France, Great Britain, and Italy—

Says the foreign press, as recorded particularly in the New York Tribune, the New York Times, and the Washington Post, great papers distributed at our doors—these proceed to record the words of the declaration, saying:

France, Great Britain, and Italy, in a joint resolution submitted to the League of Nations, declared here today that Germany has failed in the duty which lies upon all members of the international community to respect undertakings they have contracted.

Mr. President, in the language of the oft-expressed old Scripture, to that we may cry forth the refrain, "Selah!" and invite the attention of these who project this counsel to the fact that they are the nations who have contracts with

the United States of America to pay it the money they have borrowed from the United States; that at the time they are resolving against a fellow nation in Europe that its duty lies to "respect contracts between those of an international community", there was then $11,000,000,000 due from these nations to the United States. Under one device of deception or diplomatic evasion the political officials of these nations not only have failed to pay, but they have declined even to recognize the existence of the obligation. They not only refrain from contributing anything in the form of interest on the debt, but denounce the obligation as an imposition upon them, and defame the governing officials of the United States for demanding payment of the debt.

In this resolution at Geneva there is a complete suspension of the holy order commanding "that which ye would have done unto you, do ye unto others."

Mr. President, we pause at this moment, since this declaration has come forth, to remind the world that three different gatherings of these, the nations' debtors to the United States, through their delegates assembling with the representatives of the United States, have gathered in different parts of the Continent of Europe and the United States, and as a result of negotiations a very large reduction of the debt followed. Then an agreement later was adopted by the United States which struck off the interest. Following these compacts came a new contract entered into promising to pay the debt in immediate and constant installments until it had been fully discharged—yet all defaulted in the promise.

It is interesting, therefore, in view of this declaration of the council of nations, to ask ourselves what excuse can these great nations give that in one breath they demand the fulfillment of the contract of nations existing between themselves and a foreign nation in the matter of the Versailles Treaty, or the compacts relating to the matter of disarmament or rearmament and, at the same time, by the same token, not only violate their treaty to the United States, cheat us of our debt, and refuse to pay its interest, but finally, as in the case of the great nation of England, balancing its account on day before yesterday with no mention of the obligations to the United States, England for Britain informs us that they have now brought their government to the commendable height where they balance their budget, have excess money in their treasury, and announce to the world—for praise which will be due them—the reduction of their taxes upon their fellow citizens. Yet, sirs, at the same time, in the same publicly declared budget, they make no mention even of the existence of the debt due to the United States of America, far less an indication of desire to pay or a promise of refulfillment of their treaties of indebtedness.

Mr. President, our country has no desire to press any people harshly, not even after they have harshly treated us. We have been overgenerous, with a liberality beyond precedent and without parallel, but we cannot but marvel why these great nations, standing before the world posing as the examples of national fidelity, and hurling abroad epithets against one of their rival nations as an offender against international morality, for that it has failed to keep a compact made with them, at the same moment refuse to recognize their compact with the United States, or to acknowledge the obligation of the debt which is due us on solemn contracts.

This comes at a time when our Treasury calls for us to collect whatever income may be brought to us rightfully. Our soldiers are calling for just compensation. The heavy tax burden upon us should be lightened. The great debt of maintaining our institutions is imposed and falls collectively upon us. Every dollar that is accessible to us must be secured in order to lighten the burden of our own taxpayer. We have a right to ask the debtors who owe us these vast billions to pay their debt and to keep faith, as they prescribe that internationals should always keep faith in contracts and compacts made with each other.

Mr. President, the former Under Secretary of State, Mr. Castle, has written an article, printed in last Sunday's New York Tribune, in which, as Under Secretary, he has set forth some of the history of the loans from his own official knowledge, particularly as to negotiations from time to time between ourselves and the representatives of the debtors. He calls attention to how the former President of the United States, Mr. Hoover, declined to consider any proposition looking to the cancelation of the debts, but proposed to the debtors a plan by which they should have something of a new enlargement of their obligations. This fact my eminent friend the Senator from Idaho [Mr. BORAH], who sits with us, then Chairman of the Foreign Relations Committee, will recall as supported by the records. The moratorium granted by the President in aid of these debtors was ratified by the Senate. All this was in aid, sir, of what he thought was the community of honor and the fidelity of peace. But despite this contract and this new avowal on the part of the debtors, they still refuse to recognize the obligation or pay even a moiety of it.

Now, Mr. President, this brings us to the important fact to which I am compelled to invite attention, with a view to asking some investigation on the part of this honorable body. An examination of the existing facts will reveal that many of the securities which were placed with the United States to secure this debt have in some form or manner under previous administrations been removed from the Treasury and are not there to be enjoyed in transfer or enforcement.

When a proposal was made by the representatives of the debtors that they combine together and in some single form of obligation entered anew be treated then as a single debtor, the then honorable Secretary of the Treasury, now the distinguished senior Senator from Virginia [Mr. GLASS] declined to entertain a proposition of that order, saying that as we had contracted with these nations separately, separately they should deal with the United States.

After that, Mr. President, as Mr. Castle pointed out in his splendid article—some features of which I greatly deplore for their political prejudice—we see how we have again and again given further extensions to the debtors; that the more extensions we gave the less has been their inclination to recognize the debt and the farther and farther away has been any desire expressed by them ever to pay it completely or to adjust it in compromise.

Mr. President, I want to know what has become of those securities which were in the Treasury and behind this debt. I should like to have it ascertained by a proper source, where prejudice or partisan coloring should not serve in any form to subdue it. But I would ask more; that is, that a form of security equal to that which was abstracted be placed in the Treasury in order to represent that debt to the full completeness of its amount.

I rise at this moment to intrude myself into this particular debate that I might bring attention to the necessity pressing on us. Mr. President, if you, now presiding over the Senate, an honored ex-Governor of Mississippi [Mr. BILBO], should find that the farmers of your State are in a condition like unto that of the farmers of South Carolina, as shown by the able Senator from South Carolina [Mr. SMITH]; as the eminent leader on this side, the Senator from Arkansas [Mr. ROBINSON], has depicted as to one set of farmers in his Arkansas, and those alluded to by the Senator from North Carolina [Mr. BAILEY], and the condition my eminent young friend the Senator from Georgia [Mr. RUSSELL] brought to our attention—if these are their condition, how could there be a remedy furnished so quickly to relieve them of their burden as to have the money restored to the Treasury that is due us in these vast billions which, possessed by us, we could apply to the needs of these farmers and lift the heavy burden of taxes from the shoulders of the already oppressed American citizen?

Mr. President, I have a suggestion of method of part payment. I propose it and say if these nations intend to pay us, I should like to have them express their intention as early as possible. If their intention is to repudiate their debt, I want that expressed as soon as convenient. I would that they take their place, in order that we know our exact relation to them, not only as it relates to the past but as it shall guide us for the future.

We are willing and desirous to adopt any system, even in the immediate future, which shall be as easy for these nations to bear as possibly could be consistent with our own welfare. If they will not pay the principal, will they not pay the interest? And as to one form of interest payment, I now take the liberty to make a suggestion.

There has been just mentioned around us the suggestion of reciprocity treaties of trade with all nations, such as we have already entered upon and executed, as with Cuba and Belgium and others, as are pending with other nations. I suggest that if good faith is really meant by these debtors let each of them promptly suspend all forms of tariffs or burdens or restrictions upon foreign trade of every nature as relates to the United States to the full extent that the sum which would have been collected would go to pay the interest they owe us on the debts, and credited by our Government accordingly.

Then, sir, we could send our goods to the people of these nations. We would have a market for ourselves, and to the amount of the tariff that the nations temporarily suspend and withhold from themselves, our Government could promptly charge back to the shipper—our exporter—and out of his profit obtain the amount from our own citizens. In the meantime, and as a result, our citizen becomes exempt from the tax of the foreign nation on his goods exported. The debtor nation in this manner proportionately pays its debts. In this method, sir, do we relieve it from paying cash from its treasury and give it an opportunity of favor and exemption which rarely has been paralleled in international dealings between nations for generosity of achievement.

Mr. President, I cannot sit inactive here or remain silent when I see proposed before the world the intimation from time to time that this, my land, is a Shylock—is an Uncle Shylock—that we are an oppressor of all, that we assume to levy a persecuting burden upon these when we press them to pay their debts; that it is oppression on our part. These who falsely accuse us leave the whole world and the civilized race of the young that is coming from the colleges and the homes to assume that America has lost all standard of honor and is unworthy of their friendship or the confidence of mankind. Yet in the meantime there is told to the world by certain of our debtor nations of their great fidelity to contract, and demanding compliance to themselves, but refusing to recognize such compliance from themselves to America. It is because of this that I rise and intrude myself in this debate, making mention of a situation worthy of our very serious attention and, as I would hope to believe, of the regard, investigation, and obedience of these honorable foreign nations. Whatever France and Italy or others may take as their maxim of conduct, we must recall that as to the great nation of England she stands in the beauteous foreground as defined by her poet:

> I could not love thee * * * so much,
> Lov'd I not honour more.

I would, sir, as I now conclude these observations, invite these honorable nations to realize that in order that for the future our regard for them shall not be less, our confidence in them increased, and our friendship multiplied, that they respect with us the same compact that they ask to have Germany respect with them—the fulfillment of the obligations of debt and honor.

I thank the Senate.

Mr. President, I ask that the article by former Under Secretary Castle, part of which I read and to all of which I referred, be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER (Mr. BILBO in the chair). Without objection, it is so ordered.

The article referred to is as follows:

[From This Week of Apr. 14, 1935]

NEW WAR DEBTS?

IF EUROPE PLUNGES INTO THE MAD DANCE OF ANOTHER WAR, WILL UNCLE SAM AGAIN PAY THE PIPER TO THE TUNE OF $11,000,000,000 OR MORE?

(By William R. Castle, Jr., former United States Under Secretary of State)

No one with a realistic outlook any longer believes that the debts of the war of 1914 will be paid; even our politicians understand that full payment of these debts is one of the glittering promises which they can never again use to beguile their constituents. Yet we all know, as the war clouds once more gather over Europe, that if the storm should break we should again be urged to advance credits, to lend to one side or the other, or to both.

It is fortunately true that there would be no question of Government lending unless we should ourselves become involved—which God forbid. But if we did become so involved through a passionate belief that we must take part for our own salvation, we should once more advance supplies with the same ardor that we should enlist troops. We should have the same insistent questions which would have to be answered on the moment; and, unless we gave a different answer, we should find ourselves after the war with the same problems which could not be solved.

I do not think that war is coming yet, because I do not think that the world has so soon forgotten, but I must admit that there is an arrogance, an intransigence in the attitude of the powers which is deeply dangerous to peace.

This being so, it would seem to be particularly worth while to refresh our memories as to what happened, financially, during and after the last war; as to the origin of debts; as to why they will never be paid. The sudden vanishing of $11,000,000,000, even in these wonderful days when billions are tossed about like tennis balls, is a phenomenon well worth our study and understanding. This is especially true when there is even a slight possibility that we may be faced with a similar situation in the future.

Here, then, are the facts: After we entered the war we loaned to the Allies, our associates, some $8,000,000,000 to carry on, and some $3,000,000,000 more for purposes of rehabilitation after the war was ended. For the amounts advanced we took the notes of the individual nations; we did not, at the time, discuss details of repayment because it seemed to us that decent folk do not waste time discussing details with friends who are fighting for their lives.

We thought of the loans, and most of our debtors thought of them—then—as commercial credit which would be repaid at the proper time. But this sentiment changed in Europe as soon as the guns ceased to roar. It is never as hard to incur debts as to face payment. Europe forgot that our dollars had helped to prevent ultimate disaster and began to suggest that we consider our dollars as our contribution toward winning the war. After all, they said, what were our dollars as compared with their dead? All this was, at first, only a whisper running under the audible surface of discussion.

At the Peace Conference came the first official suggestion that the status of the debts might be altered. Somebody said it would be a good idea to pool all inter-governmental debts. CARTER GLASS answered for the United States with his usual common sense. He said that as we had made the loans to individual nations, we should arrange with them individually the details of repayment.

A year later Great Britain proposed that all war debts be wiped off the slate in order to boost general economic recovery. Americans were quick to see that this meant that we were to assume the entire burden; they felt that perhaps economic recovery might be even more efficiently aided if Europe would stop its orgy of extravagance, currency manipulation, and militarism; and that thus we also might share in the recovery.

Shortly thereafter—Europe being full of suggestions—the idea was advanced that the Allies pay us only what they were able to collect from Germany. President Wilson, in a letter to Mr. Lloyd George, said with some heat that the United States, which had asked for no reparations, did not propose to become the sole creditor of Germany, nor to help the Allies collect from Germany more than it was able to pay.

In spite of an undercurrent of irritation, however, the justice of the American position was generally and publicly recognized abroad. It was only after the Balfour note that emotion overwhelmed sense and that the American Government was dubbed "Uncle Shylock." In this note Mr. Balfour announced that Great Britain would seek to collect from its debtors only what it was compelled to pay out—to the United States, of course. Everyone in America considered the note unfair and many in England said it was "not sporting." There is no doubt that, to Americans, it proved that Europe was unjust and thus made concessions on the debt more difficult.

The American Treasury asked permission of Congress to fund all the debts on the best terms obtainable. Congress would have none of it, insisted on a commission with representatives of Senate and House to negotiate, prescribed period of payment and minimum rate of interest, and ordered that all agreements reached should be referred back to Congress.

The prescribed terms proved impossible, but the excellent debt commission reached agreements with practically all our debtors, so far as was possible in accord with what appeared to be their capacity to pay. To all these agreements Congress assented, and for a few years payments were duly made.

Then war's delayed aftermath, the great depression, swept over the world. Although there was no acknowledged connection between debts and reparations, there is no doubt that our debtors depended largely on German in-payments for their out-payments to us. President Hoover understood this; and when, in the spring of 1931, conditions had become so desperate in Central Europe that it was clear no more reparations could be paid for a time, he secured an agreement for a year's holiday on intergovernmental debts.

President Hoover wanted to save the principle of the sanctity of contract. He wanted the moratorium to run for 2 years at least; in this he was overruled at home. He wanted the payments fall-

ing due during the moratorium year to be added as the final installment at the end of 60 years; France would have none of this and the amounts were funded over a period of 10 years. During the meetings in Paris and London to settle details, economic conditions everywhere degenerated and the discussions as to when payments should be resumed had a hollow, academic sound.

The Allies saw the handwriting on the wall. At Lausanne they lopped off nine-tenths of the German reparation bill. Then they all demanded of Washington reconsideration of their own debts. They forgot that reparations had been imposed, that the debt funding had been voluntary. But an American election was under way, and both political parties found it expedient to demand full payment of the debts.

Before the December payments were due Mr. Hoover had been defeated, but Congress was playing politics as much after the election as before. Those were difficult, vivid, and tragic days in Washington—difficult since constructive work was almost impossible because of the conflict between the executive and the legislative branch of the Government; vivid because there were so many questions demanding solution; tragic because national good was lost sight of in the struggle for party advantage.

The President was determined to save something out of the debts due, if possible. He appealed over and over again to Mr. Roosevelt to join with him in working out some constructive plan for the sake of the American people. He urged the appointment of a commission, to be approved by the President-elect, to study the debt question and, if possible, to reach a solution before the assembling of the Economic Conference; but Mr. Roosevelt only answered that Mr. Hoover was responsible until March 4. He refused to join in a request to Congress for a new debt commission, said that discussions, which he knew to be urgent, could best be carried on through regular diplomatic channels—although he knew that no foreign government would consider it worth while to talk with an administration just going out of power.

Mr. Hoover struggled to span the gap of governmental impotence which always intervenes between election and inauguration when the new President represents the opposite political party. Mr. Roosevelt smilingly refused to catch the line that was thrown across.

All this is in the published record which some of us read at the time and most of us have forgotten. For good or ill it is a part of history. But for those of us who were in the Government never did impotence seem so complete, because never before had there been so many vital questions demanding action.

It is simple enough to say that on any debt issue the United States will never be caught again in the same way; but, made as a positive statement, this is not true. Any one of us can imagine a situation where the expenditure of billions would appear necessary to save the Nation. Nor can it be said that if the expenditure seems necessary the billions should be given outright. Sometimes the issue is not clearly enough drawn to stir Congress to such action.

In the present situation I think it can fairly be said that two things brought about repudiation of the war debts. On the part of the debtors it was lack of will to pay, induced partly by propaganda and partly by poverty. (The burden of debt payments, except for the transfer problem, was nowhere as onerous as it was made out to be.) On our own part it was politics. If the debts could have been dealt with as business men deal with private debts we should still be collecting something.

Only our own mistakes need concern us here. The mouthings of candidates for office who informed the world that one of their principal claims to the suffrage of the voters was that they would never, under any circumstances, release any one of our debtors from a single cent of their obligations was irritating. The Halls of Congress echoed with similar speeches, all of them appeals to emotion, not to common sense. The debts were thought of as the bonus is today—as good vote getters.

President Hoover asked for the reestablishment of the Debt Commission for the purpose of hearing such suggestions as our debtors might make. He pointed out to the President-elect that the debts could not be discussed alone, because nothing would then be mentioned except reduction; that they must be discussed in conjunction with other economic issues in which the world wanted American help, since this was our only lever. When these two requests were refused the death knell of war debts had been sounded.

Some nations at the time were literally unable to pay; others were bound to follow their example. Mr. Roosevelt did not realize that one default on the part of an important nation was the beginning of the end. He had been told by one of his "unofficial" emissaries in Europe that one great nation at least planned to resume payments immediately after his inauguration as a sign of good will to him.

It is impossible to think that he believed this absurd story, but it was certainly swallowed by some of his entourage. He probably really believed, on the other hand, that it would not be very difficult for him to settle the matter by talking with the leading statesmen of the debtor nations after March 4. Otherwise it is impossible to account for his unwillingness to act in conjunction with Mr. Hoover at the one moment when concerted action might have saved the day.

The speeches of candidates and of Congressmen were harmful only in that they created a bad psychology abroad. It was the bitterness of party politics which really did the damage and caused the missing of opportunities.

For example, some 3 years ago a foreigner fully qualified to speak asked me what the reaction here would be if his government offered to wipe off the debt by the immediate payment of a very substantial sum in gold and an equal amount in negotiable bonds. I took the suggestion to the President, who said that we ought to jump at the offer.

But he made inquiries and found that Congress would have none of it, that it would stand for the last penny, even if the last penny was not due for 60 years.

"I am afraid," the President said to me, "that if various nations offered cash to the full amount of the present value of their debts, and I should transmit the offer to Congress, it would be refused."

Such was the political bitterness that he was probably right. And it was just this political bitterness which made possible the defaults which occurred.

Certain aspects of the work of every government must be affected by political considerations because political parties have different political principles and ideals. This is true in the United States as well as in other nations. On the question of the war debts, however, although there was certainly disagreement among different groups of citizens, there was no disagreement between the political parties as such. It was literally a case where politics ended at the seashore.

I do not for a moment assert that there was always complete wisdom in the handling of the question by the Republicans when they were in control. But I do assert that President Hoover's stand that the debts were due us; that we ought to be willing to discuss the question at any time with any one of our debtors; that if the nations found themselves unable to pay they should be willing to give us other advantages—even if merely reduction in armament, which would have saved us money by enabling us to reduce—I maintain that this stand was sane and right and honorable.

The Democratic Party agreed to these things. I have no doubt that Mr. Roosevelt agreed, and still agrees. This being so, I feel that the refusal to cooperate to save something for the American people was a serious error of judgment on the part of the President-elect.

I feel that the intransigence of the Democratic Congress when it came to recommendations of President Hoover, motivated, as it largely was, by the desire to hurt him personally and to play party politics, constitutes an indictment of a political system which permits party to be put above country. In that light the mere loss of the amounts due on war debts shrinks to insignificance.

If we should become involved in another war and should again lend money, all the conditions I have outlined above would once more be present, but in a greatly exaggerated form. We tried to settle former debts in accord with capacity to pay; after another war this capacity would probably be nil. Common sense in consideration of the debts has been impeded by political exigencies and passions; after another war politics would be bitter beyond anything of which we dream—the horrid vituperations of the Johnsons and the Coughlins and the Longs would become the common language of political debate.

Probably, if we ever become again involved in a great war and feel that we must take sides, it would be wiser to advance what we could as insurance, demanding no return, since, if anything in this world is sure, it is that we should get no return, whatever our demands.

But it is infinitely more important to walk circumspectly so that we shall never be involved; and let us remember now that the dangers which lie all about make it essential that we regain and hold fast to all the sanities so that we may be a beacon of reason in a mad world.

ACTION OF LEAGUE OF NATIONS AGAINST GERMANY

Mr. BORAH. Mr. President, the League of Nations, in subservient and speedy obedience to its masters, has passed a resolution relative to the action of Germany in regard to the Treaty of Versailles.

Nothing in the history of this institution has better illustrated that it is not an independent body, serving the cause of peace or seeking to advance the cause of peace, but a spineless tool in the hands of a few nations to do whatever those nations may direct.

No effort was made toward an independent investigation or consideration; no attempt at adjusting differences looking to a better understanding. But, on the other hand, a hasty acquiescence in the plans and purposes of those who represented but one side of the controversy. This institution should no longer pretend to be an independent body seeking by independent methods to advance the cause of peace.

Mr. President, a most excellent editorial on the action of Geneva yesterday is found in the Washington Post, and I ask to have it inserted as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Post, Thursday, Apr. 18, 1935]

BANKRUPT

In a sanctimonious resolution, which carries little hope for any fundamental improvement in the European situation, the Council of the League of Nations has formally rebuked Germany for her

recent denunciation of the disarmament sections of the Treaty of Versailles.

The wording of the resolution, which declares that "Germany has failed in the duty which lies upon all members of the international community to respect undertakings which they have contracted", will make it virtually impossible for the German Government to resume its membership in the League. But the action taken at Geneva yesterday does more than block that desirable step. It also calls for the development of a policy of economic and financial sanctions "which might be applied should, in the future, a state, whether a member of the League of Nations or not, endanger peace by unilateral repudiation of its international obligations."

This, in effect, means the development of a definite anti-German alliance under the leadership of the victors in the last war. It is a tragic confirmation of the criticism of those who have maintained that the chief function of the League has always been to enforce the terms of the Versailles Treaty. It is a step toward surrounding Germany with a ring of steel which may, because of German economic weakness, for the present preserve an uneasy absence of actual hostilities. But it is the direct opposite of that policy of constructive statesmanship which would have sought to build real peace on a freely admitted equality of national rights.

Of course, the brutal, headstrong character of the Nazi Government has invited this resolution at Geneva. But few of the nations which have so piously condemned the German action of March 16 are in a position to throw stones effectively. Six countries which have defaulted on their war-debt agreements with the United States solemnly approved the resolution's statement that "it is an essential principle of the law of nations that no power can liberate itself from the engagements of a treaty nor modify the stipulations thereof unless with the consent of the other contracting parties."

One of the Council members denouncing Germany in this lofty language was Russia, which has always maintained that obligations of the czarist regime are not binding on its present government. Another condemnatory vote came from Poland, which less than a year ago unilaterally repudiated her obligations to the League in respect to minorities in her territory. Yet another rebuke to Germany came from Turkey, which shortly after the war pointed the way to Germany by forceful overthrow of the Treaty of Sèvres. Italy, so scrupulous with respect to the treaty rights of Abyssinia—a fellow member of the League—is also prominent in the parade of the Geneva pharisees. In fact, only Denmark, with a clean record on treaty observances, dissociated herself from the denunciation of the German kettle by other European pots.

The refusal of the victorious powers to regard Germany as an equal was primarily responsible for driving that country into the hands of the fanatics who now control her destiny. Confronted with a situation for which they must share the responsibility before history, the only concession of the war victors is to gild their mailed fist with a veneer of self-conscious rectitude. Nor is it to be overlooked that this portentous resolution makes no distinction between the violation of negotiated and dictated treaties.

The bankruptcy of European statesmanship was never more apparent than in the approval given this sorry declaration by the Council of the League of Nations.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

Mr. VANDENBERG. Mr. President, I desire to return briefly to the consideration of the important and significant bill which is before the Senate for the purpose of spending $1,000,000,000 to translate tenant farmers into proprietors.

There are certain serious considerations respecting it, considerations fully worthy of the attention even of those who are whole-heartedly in sympathy with the fundamental proposition addressed by the legislation. Certainly it does credit to the humanity and the heartfulness of the distinguished Senator from Alabama [Mr. BANKHEAD] that he should present a measure of this character. Likewise it does credit to the similar qualities in the Senator from Arkansas [Mr. ROBINSON] that he should support it so emphatically this afternoon.

I cordially concur with the general philosophy that if we can maintain our home owners in their homes and our farm owners on their farms we have safeguarded the American fundamentals as completely as is possible. Nothing could be more important. Further, agriculture must be stabilized on a profit basis before America itself can convalesce.

But, Mr. President, let us look at a few realities before we permit our emotions in this particular instance to entirely stifle our common sense. In the first place, I am unable to make myself believe at the present moment that it is any great favor to a tenant farmer under existing circumstances to translate him into the status of a proprietor farmer. It may be conferring a liability rather than an asset upon him. At a moment when agriculture is confronting new crises day by day and we are besought upon every hand for new and needed remedies and new reliefs in behalf of the farmers of this country, the proprietor farmers of this country, I confess that I wonder whether this is a moment when it is imminently advisable to invite numerous tenant farmers to forsake whatever reliance their tenantry gives them to become proprietor farmers. We had best pull agriculture out of its hole before we launch a gigantic program to put more farmers into the hole. I am wondering whether in the face of the circumstances with which we are entirely surrounded upon the countryside it really would not be almost a necessity to furnish a pulmotor with every certificate of title under this pending prospective. That is said facetiously, and yet it is meant in deadly earnest. Many a true word is spoken in jest.

The able Senator from Alabama has indicated that this is a national problem, that this tenancy question exists in all the States of the Union in some degree or other. That is true. Yet, Mr. President, obviously the problem concentrates in a few spots. It is really localized. I do not call attention to this through any desire to inject the sectional viewpoint. I do it solely to identify the type of agriculture which probably would be chiefly involved in these new tenant relationships. For example, Mr. President, we find upon page 72 of the committee hearings that nearly 1,800,000 of the tenant farmers in the United States are concentrated in 12 Southern States. I am not dealing now in percentages, which could be, I conceive, very deceptive. I am dealing in the actual numbers of tenant farmers, and I am finding 1,800,000 of them in 12 Southern States, as compared to about 900,000 in all the rest of the Nation. The 900,000 in turn are essentially in the Wheat Belt. So the tenant-farm problem, in terms of commodities, would seem to become essentially a problem in cotton and in wheat. Perhaps we might add in corn and hogs, but fundamentally it is a cotton problem.

Mr. President, at a moment when the cotton situation certainly is utterly desperate, and when we are beset upon every hand with requests for new formulas of relief to permit the cotton farmer-proprietor himself to survive, I am wondering whether it is a great humanitarian favor to pretend to create a formula which invites the tenant to become a proprietor. I am wondering whether, after he has become a proprietor under the terms of this bill and under the helpfulness and aid of the Government, he does not immediately become a candidate in the Southland for cotton benefits, in the far West for wheat benefits, in the Middle West for corn-hog benefits, if he shall subsequently survive. In other words, I wonder whether we are not again creating more of a problem than we are solving.

So I am impressed with the fact that, no matter how much we may sympathize with the ultimate necessity for creating a large additional measure of independent individual farm ownership in our Nation—and to that objective I subscribe without reservation—I am wondering whether this is the moment to embark upon this particular bill under these particular auspices, in view of some of the other conditions to which I have referred and to which I now wish further to advert, and which it seems to me must be given consideration by the Senate before one can determine whether this measure, no matter how nobly meditated, should be passed at the present time.

Now let me tell the Senate a few of the things which, it seems to me, require the consideration of the conscientious Senator before he records himself in favor of the bill.

First, I call attention to the fact, Mr. President, that, although the recent breath-taking $4,880,000,000 relief joint resolution is less than 10 days old, here is a purpose and a proposition to use one little portion of that relief measure as a springboard for a billion-dollar supplementary adventure. I wonder whether we are proposing to use the

$4,880,000,000 appropriated by the relief measure in this fashion generally?

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Alabama?

Mr. VANDENBERG. I yield to the Senator from Alabama.

Mr. BANKHEAD. I want to ask the usually fair-minded Senator if he is not aware of the fact—and I am sure he is—that the relief law, by an amendment adopted by this body, specifically authorized the transfer of funds for the purposes of the pending bill?

Mr. VANDENBERG. Exactly, Mr. President; and that is precisely what I am coming to; and the Senator's observation entirely bulwarks my conclusions, I believe, because when this $4,880,000,000 law, carrying the largest single appropriation in the history of this whole wide world, already dedicates a minimum of $500,000,000 to rural rehabilitation, I submit this $500,000,000 is enough to use in experiments in rural rehabilitation for the next 12 months, and that it is not necessary to use a portion of that $500,000,000 as a springboard for the purpose of getting a new and additional billion dollars, to be obtained through bonds guaranteed in principal and interest by the Government of the United States. Such pyramiding would be insufferable. The Treasury burden is sufficiently hazardous already.

The first proposition, therefore, that I am submitting for whatever it may be worth for the consideration of the Senate is that with $500,000,000 in the so-called "work-relief law", earmarked for rural rehabilitation and other purposes, and susceptible to be increased to nearly a billion and a half dollars under the basket clause of that law if the President so elects, we have gone far enough at the moment in providing resources for rural rehabilitation in any experiment that the President may see fit to embrace without undertaking here to create another billion-dollar liability. Somewhere this process has got to stop. The Secretary of the Treasury is not Aladdin.

Mr. President, that brings me to the second consideration which I think the Senate ought to have upon its conscience in connection with a problem of this character. This billion dollars is a billion dollars' worth of bonds guaranteed, principal and interest, by the Government of the United States. They are the full equivalent of straight United States obligations. The able Senator from Iowa [Mr. DICKINSON] has collected some interesting information respecting the bonds already guaranteed by the Government, which I understand he will subsequently submit to the Senate, and I do not anticipate his argument. I simply say that, in view of the fact that we have already created at least $10,000,000,000 of contingent responsibilities upon the Federal Treasury through bonds which are guaranteed in respect to principal and interest by the Government, it is not a light contemplation to propose to add another billion dollars of contingent liability of this character. We must not fall into the easy habit of thinking that, by embracing the simple device of ordering a collateral bond issue which is guaranteed, principal and interest, by the Government, we have escaped a direct liability upon the public credit; and, Mr. President, I repeat there is an end to the burden which the public credit can bear in this connection. Let us not fool ourselves about these guaranties. No private enterprise would be permitted to ignore them as a direct liability.

I was very much surprised to be told, in response to the interrogatory which I addressed to the distinguished Senator from Alabama [Mr. BANKHEAD] yesterday, that this fiscal phase of the bill—aye, that the bill itself had never been submitted to the Treasury Department for its opinion and that no witness from the Treasury Department had ever testified so as to give the Senate the benefit of its responsible financial judgment as to what the effect of a billion-dollar credit of this character might be as it affects the sum total of the public credit of the United States.

I think the bill might well be recommitted to the committee for the purpose of determining from the Treasury of the United States what its judgment is respecting an additional billion dollars of contingent liability at a time such as this in connection with a cause of this nature.

Mr. President, there are some other things which I think ought to have consideration before this thing shall be done. It seems to me that we are moving in an entirely too haphazard fashion to create farm-loaning agencies and farm-loaning opportunities in the United States. It may be said that this is a poor place to stop, but stop we must somewhere. I wish to illustrate to the Senate precisely what a crazy quilt the existing fabric of farm-loaning facilities in the United States is at the present time. I doubt whether many Senators realize the extent to which we have patched and padded and built on to the existing structure here and there in the haphazard development of our farm-financing program. I do not complain that we have extended these credits. I complain that they are not coordinated.

Now I ask Senators to contemplate this picture. I wish to suggest that we inspect the financial relationship to the Government of 11 typical farmers who may reside in the same section, and I desire to show to the Senate how each one of those farmers on each one of the 11 farms may be dealing with the same Federal Government on a totally different type of loaning contract and frequently with an inevitable element of discrimination involved. It is a fortunate circumstance that all 11 farmers never actually live in this juxtaposition, so that they probably all of them never gather around the same stove in the same county store and compare notes; but here is the picture, a reflection of the farm-loan facilities at present sustained by the Government of the United States in behalf of agriculture, plus that contemplated by the pending bill.

Here is the first farmer. He has obtained a loan from the Federal land bank. Originally he paid 5 percent for that loan, but now he is getting the money for 4¼ percent. His loan runs from 20 to 30 years and is made on the basis of 50 percent of the value of his farm. That is his contract with the Government. Remember, he is paying 4¼ percent for 30 years on a loan which represents not more than 50 percent of the value of his farm.

Right next to him is a farmer who is borrowing from the Land Bank Commissioners. What is his contract with the Government? He is paying 5 percent on a contract that runs from 10 to 40 years, but he may borrow on 75 percent of the value of his land. So he is that much better off than is his neighbor borrowing from the same Government to which both of them subscribe as citizens. That is farmer no. 2, with his contract with the Government of the United States.

Right next to him is a farmer who is borrowing from the Production Credit Association. I do not know whether very many Senators ever before heard of the association. The Senator from Arizona looks somewhat blank, and I concede that I myself have had to make inquiry in order to identify it. Well, here is farmer no. 3, borrowing from the Production Credit Association. He pays 5 percent for his money, and he can only have it for 12 months.

Then here is farmer no. 4. They are all borrowing from the same Government; they are all citizens of the same Government.

Farmer no. 4 has made an emergency crop and seed loan from that particular bureau in the Farm Credit Administration. He is paying 5 percent on his loan for 1 year, but he can only have up to $500. That is his relationship to his Government, and he will compare it some day with the relationship which his neighbors bear to the same Government, and will complain about the discrimination. There are four of these farmers, each one of whom has a different kind of loan contract with his Government. But we have not even started upon the census.

Here is a fifth farmer. The fifth farmer is borrowing from the Commodity Credit Corporation, also operated by the same Uncle Sam. This farmer is paying 4 percent for his money, but he is getting a grand deal out of it, because the Government recognizes as a basis of collateral corn at 45 cents a bushel and cotton at 12 cents a pound. That is farmer no. 5.

Right next to him is another farmer borrowing from the Regional Agricultural Credit Corporation, which is now in process of liquidation, but which has large loans outstanding. He is paying 6½ percent for his money to the same Government, and he is a common citizen with all his neighbors.

Here is a seventh farmer. He is living on a subsistence homestead. He gets his money for 3 percent, although he must have an income of approximately $60 to $100 a month before he can make the loan in the first place and get his subsistence homestead. He is the seventh farmer in this community relying for his loan values upon the Government of the United States, each one of the seven with a different kind of contract, a different rate of interest, a different maturity, and a different basis of collateral for the money he is borrowing.

Right next to these seven farmers is a cooperative farming institution which is borrowing from the same Government under the Marketing Act of 1929, and getting its money as low as one-half of 1 percent. That makes eight farm-loan contracts, all different, running between the Government and the citizen.

It is now proposed to add another. We are going to have a ninth kind of contract for lending money by the Government to the farmer. The ninth farmer is going to borrow from the new Farm Home Corporation and is going to get the money for around 3 percent, but he can get 100 percent of the value of the farm and all its equipment when he makes the loan, so he is better off than any of the other farmers in the other eight sectors of the lending policy of the Government which I have related. But here are nine farmers each borrowing from the same Government on a different kind of contract, with different maturities, different bases of collateral, different rates of interest.

There are two other farmers in this same sector, this cross-sectional typical sector which we are discussing. They are worthy of more consideration than they ordinarily receive. One of them is just an old-fashioned American farmer who is still paying his own bills, still relying on his own resources, and still attending to his own problems for himself. What are his loan facilities? If he has a loan he has probably been able to borrow about 40 percent of the value of his farm and is probably paying 6 or 7 or 8 or 9 percent for the money. He is the worst off of all the farmers we have been discussing, because he is the only one who is not relying upon the Government for his borrowed money.

There is yet one more farmer in this typical group. He is the farmer who has not mortgaged his farm at all. He still owns it without a shadow upon its title. I venture to say, Mr. President, you will be somewhat amazed to discover how many American farms still enjoy this splendid status.

It is perfectly proper and appropriate that we should concentrate our time and thought and sympathy and attention upon these sectors of the farm community which are distressed and which do need relief; yet I sometimes wonder whether we do not become so concentrated upon the farmer who is in trouble that we forget to remember the farmer who is not in trouble at all, also so concentrated upon the workmen who are out of a job—12,000,000 of them—that we totally forget to remember there are 30,000,000 or 40,000,000 others who are gainfully employed. I sometimes wonder whether we do not make the gross mistake of applying our facilities of relief, of building our system of service, to fit the minority which is in trouble, forgetting the majority which still paddles its own canoe.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER (Mr. ADAMS in the chair). Does the Senator from Michigan yield to the Senator from Iowa?

Mr. VANDENBERG. I yield.

Mr. DICKINSON. I think the Senator suggested some eight methods by which the farmer can get into debt. It seems to be the effort always to get him into debt. I wonder if anything much has been done to help the farmer out of debt?

Mr. VANDENBERG. Precisely. We are now proposing to make it nine ways to get him into debt at a moment when it is almost impossible for him to survive in the face of his situation without any debt burden added to it.

I was saying that I think you will be surprised, Mr. President, to discover what a large sector of American agriculture is still absolutely free from debt. I think Senators will find the figures somewhat encouraging. I did. I asked Mr. Secretary Wallace for the authentic information. He told me that 51.7 percent of the farms in the United States today are absolutely still free of any mortgage whatsoever; that 6.3 percent of the farms are unknown in their status; that the definitely known mortgage sector of agriculture is 42 percent.

That last figure is bad enough. It does represent a progressive increase in the mortgage sector over the previous year. It is a field of service in which the Government of the United States appropriately enters whenever it can be of real service. But I wish to repeat that it ought to be refreshing news to the Senate and the country, in the midst of all the consultations of calamity which we necessarily must pursue in connection with our public work, to know that yet today nearly 52 percent of the farms in the United States have not one penny of mortgage debt upon them whatsoever. Here, in this bill, we are proposing to subject these farmers to a new type of subsidized competition. Shall we not take some care lest we drive our debt-free farmers into new collapse?

Mr. President, it is no just criticism of this particular bill to complain against the whole hodge-podge of agricultural lending facilities which I have been disclosing to the Senate. It is applicable to the present argument only in that we are proposing once more to add one additional patch to the system without any relationship whatsoever to consistency with the balance of the system.

That is not all. I invite attention to the fact that according to the report of Governor Myers of the Farm Credit Administration, on April 16, 1935, the sum total of Government credit through all the rest of these existing farm loans and facilities, the whole thing all put together in respect to all of the other facilities, many of which have been in operation for many years—the sum total of Government credit outstanding in connection with all of them is only $3,054,000,000. While we have put $3,000,000,000 at the service of six million or seven million farmers in the United States, and have met their fundamental demands—all the farm ownership of the Nation which has needed service provided with $3,000,000,000, it is proposed in this bill to create sources of $1,000,000,000 and more—better than one-half of the resources dedicated to all the rest of the farm population—for the tenant problem alone.

This inevitably brings me back to the point at which I started, namely, that when the $4,880,000,000 measure earmarks a minimum of $500,000,000 for rural rehabilitation—an item under which everything contemplated in the pending bill can be done—I submit that for the time being we have pledged enough of the public credit to this particular venture; yea, we have pledged all of the public credit that the adventure itself requires, and we probably have pledged more of the public credit than should have been pledged under any circumstances.

Mr. President, these are just some of the things that occur to me in the study of this bill—things to which it seems to me the Senate of the United States must give consideration before it votes this particular enterprise into the statutes.

I realize that it is a purely optional program which the able Senator from Alabama [Mr. BANKHEAD] is suggesting. Nothing is going to happen under this program unless the President decides to detour a portion of the $4,880,000,000 to capitalize the Corporation, and then after that nothing is going to happen unless the Secretary of the Treasury is willing to release the privilege of putting out a billion dollars' worth of guaranteed bonds, interest, and principal. Of course there might be a hiatus in that situation. The Chief

Executive might set up the Farm Home Corporation, he might get it all organized and all the members appointed and all the staff created, and then the Secretary of the Treasury might say, "Well, it will not be opportune for about 2 years for me to release to you the right to finance the thing that you are organized to do." That would not disappoint the gentlemen who were part of the organization, but it would disappoint the tenants who contemplate some speedy relief from this program.

I desire to say again that the Senator from Alabama renders a real service when he brings the problem of the tenant farmer into a picture where heretofore he has apparently been ignored. I listened to him as he read upon yesterday the very poignant poem which was written to him by one of these cotton tenant farmers in the South. It was a very moving exhibit, and I can understand the Senator's earnestness and zeal in attempting to find an answer to that sort of a necessity—an utterly human necessity and a human challenge. But, Mr. President, I wish I had brought with me a letter that came to my office this morning from a mechanic in the city of Belding, Mich., who wrote me in equally moving terms that if there was only some way in which he could borrow enough money to equip himself with a set of carpenter's tools there were enough odd jobs in town to keep him occupied the rest of the year, and he was sure he could support himself. But there are not any provisions here for loans for the mechanic. There are not any provisions for loans to any individuals in any such sense of the term as is contemplated by this bill—loans that are completely to create the business capital for the individual. There are no provisions for pay-roll loans to industry, the most useful field of all.

I submit, as a matter of fundamental equity, that if we are going to embark upon the policy contemplated in this bill—the policy of providing the complete capital account to turn the tenant farmer into a proprietor farmer—then we are called upon in consistency to continue with the same policy, and extend precisely kindred aid in all the industrial communities of this country and everywhere else that any individual, whether he be a share-cropper or a tenant, or anything else, may seek similar aid in order to start himself again in the battle of life.

So it seems to me, I repeat, that there are many considerations which must be put to the conscience of the Senate before the final roll is called on this bill; many considerations other than our feelings of complete sympathy with the tenant-farm problem and our complete desire to be of some service in connection with it.

Mr. President, I ask unanimous consent to have printed in the RECORD, in conjunction with my remarks, two tables.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Total number of farms, number operated by tenants, and percent of all farms operated by tenants, by divisions and States

Division and State	Total number of farms, Apr. 1, 1930	Number operated by tenants	Percent of all farms operated by tenants		
			All tenants	White tenants	Colored tenants
United States	6,288,648	2,664,365	42.4	31.1	11.3
Geographic divisions:					
New England	124,925	7,885	6.3	6.3	(1)
Middle Atlantic	357,603	52,455	14.7	14.6	.1
East North Central	966,502	263,977	27.3	27.2	.1
West North Central	1,112,755	444,169	39.9	39.4	.5
South Atlantic	1,058,468	509,574	48.1	27.6	20.5
East South Central	1,062,214	593,978	55.9	30.5	25.4
West South Central	1,103,134	687,231	62.3	43.2	19.1
Mountain	241,314	58,826	24.4	23.8	.6
Pacific	261,733	46,270	17.7	16.7	1.0
New England:					
Maine	39,006	1,755	4.5	4.5	(1)
New Hampshire	14,906	796	5.3	5.3	(1)
Vermont	24,898	2,409	9.7	9.7	(1)
Massachusetts	25,598	1,442	5.6	5.6	(1)
Rhode Island	3,322	415	12.5	12.5	(1)
Connecticut	17,195	1,068	6.2	6.2	(1)
Middle Atlantic:					
New York	159,806	21,113	13.2	13.2	(1)
New Jersey	25,378	3,948	15.6	15.0	.6
Pennsylvania	172,419	27,394	15.9	15.8	.1
East North Central:					
Ohio	219,296	57,604	26.3	26.1	.2
Indiana	181,570	54,575	30.1	30.0	.1
Illinois	214,497	92,482	43.1	42.9	.2
Michigan	169,372	26,195	15.5	15.4	.1
Wisconsin	181,767	33,121	18.2	18.2	(1)
West North Central:					
Minnesota	185,255	57,638	31.1	31.1	(1)
Iowa	214,928	101,615	47.3	47.3	(1)
Missouri	255,940	89,076	34.8	33.0	1.8
North Dakota	77,975	27,400	35.1	34.9	.2
South Dakota	83,157	37,094	44.6	44.1	.3
Nebraska	129,458	61,020	47.1	47.0	.1
Kansas	166,042	70,326	42.4	42.1	.3
South Atlantic:					
Delaware	9,707	3,282	33.8	29.5	4.3
Maryland	43,203	11,441	26.5	21.4	5.1
District of Columbia	104	24	23.1	21.2	1.9
Virginia	170,610	47,970	28.1	19.2	8.9
West Virginia	82,641	15,347	18.6	18.4	.2
North Carolina	279,708	137,615	49.2	28.8	20.4
South Carolina	157,931	102,768	65.1	26.2	38.9
Georgia	255,598	174,390	68.2	38.6	29.6
Florida	58,966	16,737	28.4	19.3	9.1
East South Central:					
Kentucky	246,499	88,421	35.9	33.9	2.0
Tennessee	245,657	113,520	46.2	35.1	11.1
Alabama	257,395	166,420	64.7	34.4	30.3
Mississippi	312,663	225,617	72.2	20.9	51.3
West South Central:					
Arkansas	242,334	152,691	63.0	34.9	28.1
Louisiana	161,445	107,551	66.6	27.5	39.1
Oklahoma	203,866	125,329	61.5	54.3	7.2
Texas	495,489	301,660	60.9	47.7	13.2
Mountain:					
Montana	47,495	11,628	24.5	24.1	.4
Idaho	41,674	10,559	25.3	24.8	.5
Wyoming	16,011	3,520	22.0	21.5	.5

[1] Less than 0.1 of 1 percent.

Total number of farms, number operated by tenants, and percent of all farms operated by tenants, by divisions and States—Continued

Division and State	Total number of farms, Apr. 1, 1930	Number operated by tenants	Percent of all farms operated by tenants		
			All tenants	White tenants	Colored tenants
Mountain—Continued.					
Colorado	59,956	20,692	34.5	33.9	.6
New Mexico	31,404	6,330	20.2	20.0	.2
Arizona	14,173	2,331	16.4	15.4	1.0
Utah	27,159	3,321	12.2	11.5	.7
Nevada	3,442	445	12.9	12.1	.8
Pacific:					
Washington	70,904	12,078	17.0	16.5	.5
Oregon	55,153	9,790	17.8	17.4	.4
California	135,676	24,402	18.0	16.5	1.5

Loans and discounts outstanding in each State, Feb. 28, 1935, by institutions under the Farm Credit Administration

District and State	Federal land banks (1)	Land bank commissioner (2)	Federal intermediate credit banks (3)	Production credit associations [1] (4)	Regional agricultural credit corporations (5)	Emergency crop loans (1921–35) (6)	Emergency drought area loans (7)	Total [1] (8)
District 1:								
Maine	$7,456,425	$3,233,695	$2,665,825	$2,622,724	$8,875	$358,028		$13,722,558
New Hampshire	1,346,925	528,546	89,478	89,328	8,842	13,785		1,987,426
Vermont	4,679,179	1,231,824	580,475	415,265	52,137	21,976		6,556,615
Massachusetts	6,623,352	2,647,031	6,962,513	609,830	65,696	19,178		16,311,305
Rhode Island	1,001,372	277,300	110,125	110,126	3,635	160		1,392,592
Connecticut	5,555,069	1,663,620	514,816	475,885	9,408	11,321		7,753,638
New York	33,896,393	9,229,526	3,631,092	1,845,559	178,267	104,851	$3,659	47,030,444
New Jersey	8,210,667	3,209,621	514,924	477,704	361,906	26,178		12,318,491
Total	68,769,382	22,021,163	15,069,248	6,646,421	688,766	555,477	3,659	107,073,069
District 2:								
Pennsylvania	21,562,123	7,761,605	1,087,383	1,030,368	15,012	382,315		30,808,438
Delaware	808,354	467,620	86,940	86,940	705	39,017		1,402,636
Maryland	7,752,999	3,675,974	381,524	381,524	30,460	201,764		12,042,721
Virginia	31,615,945	7,673,253	1,213,037	1,119,182	38,255	1,849,973		42,390,464
West Virginia	9,384,911	3,131,494	272,440	272,440	44,061	431,448		13,264,354
Puerto Rico	11,500,279	185,800	1,235,680	680,406	6,497			12,928,256
Total	82,624,611	22,895,746	4,277,004	3,570,860	134,990	2,904,517		112,836,868
District 3:								
North Carolina	23,579,335	14,957,463	3,003,590	813,775	23,469	1,265,614		42,829,471
South Carolina	17,945,072	11,453,375	1,017,395	987,742	16,014	1,554,793		31,986,649
Georgia	27,489,537	15,384,086	887,300	820,527	59,837	1,847,676		45,668,436
Florida	11,858,420	8,344,776	1,490,361	987,885	207,399	1,091,906	$34,992	23,027,854
Total	80,872,364	50,139,700	6,398,646	3,609,929	306,719	5,759,989	34,992	143,512,410
District 4:								
Ohio	56,118,997	20,541,797	1,365,537	1,141,209	61,211	518,239		78,605,781
Indiana	74,795,550	22,132,820	1,320,737	1,065,667	35,462	515,685		98,800,254
Kentucky	39,214,814	16,430,426	740,346	668,196	69,782	1,394,065		57,849,433
Tennessee	32,305,252	12,591,951	1,028,561	708,061	79,236	978,385		46,963,385
Total	202,434,613	71,696,994	4,455,181	3,583,133	245,691	3,406,374		282,238,853
District 5:								
Alabama	32,703,921	8,108,119	568,191	463,926	41,259	1,652,726		43,074,216
Mississippi	34,425,731	9,047,701	6,551,044	1,081,380	23,028	1,437,492		51,484,996
Louisiana	25,006,408	5,105,356	16,409,559	779,849	112,820	782,737	392,026	47,808,906
Total	92,136,060	22,261,176	23,528,794	2,325,155	177,107	3,872,955	392,026	142,368,118
District 6:								
Illinois	116,587,771	27,981,716	2,408,918	1,520,997	15,301	220,580	81,780	147,296,066
Missouri	38,331,795	14,860,553	1,166,175	857,808	13,702	1,506,477	1,551,339	57,430,041
Arkansas	20,651,509	4,891,737	2,345,936	725,865	47,899	2,476,699	558,473	30,972,252
Total	175,571,075	47,734,006	5,921,028	3,104,670	76,902	4,203,756	2,191,592	235,698,359
District 7:								
Michigan	48,720,315	22,050,357	1,038,733	912,883	327,192	682,325		72,763,146
Wisconsin	71,612,812	40,593,128	3,024,771	1,759,765	2,388,008	1,179,499	550,017	118,552,273
Minnesota	102,921,986	41,077,400	6,393,492	2,561,304	6,971,868	1,522,175	3,774,534	159,785,100
North Dakota	74,595,736	33,736,973	9,797,319	946,299	11,676,884	15,982,620	8,338,637	148,353,087
Total	297,850,849	137,457,858	20,254,315	6,180,251	21,363,952	19,366,619	12,663,188	499,453,606
District 8:								
Iowa	176,284,530	42,962,555	1,936,983	916,347	1,034,221	184,561	465,194	222,399,910
South Dakota	53,593,889	19,270,063	3,666,935	934,435	4,845,038	9,028,581	11,832,856	100,592,044
Nebraska	107,394,906	28,480,272	6,830,093	1,758,323	6,414,467	1,559,325	4,680,393	152,868,555
Wyoming	8,649,992	3,658,966	4,338,869	1,527,527	5,825,254	589,392	2,361,524	23,921,766
Total	345,923,317	94,371,856	16,772,880	5,136,632	18,118,980	11,361,859	19,339,967	499,782,275
District 9:								
Kansas	83,044,889	36,611,140	2,968,260	1,780,742	2,167,622	4,097,411	2,068,074	130,166,284
Oklahoma	33,394,535	14,695,905	4,109,595	2,346,890	1,439,135	1,583,311	901,062	55,524,044
Colorado	28,232,994	7,673,244	4,490,384	2,696,734	4,674,409	1,678,762	1,527,922	46,724,520
New Mexico	10,081,562	2,112,037	5,592,133	1,632,375	3,828,914	1,501,172	1,346,538	22,908,569
Total	154,753,980	61,092,326	17,160,372	8,456,741	12,110,080	8,860,656	5,843,596	255,323,417
District 10: Texas	216,505,754	48,216,802	22,744,772	4,422,581	7,032,728	4,865,020	5,133,856	301,699,660

[See footnotes at end of table]

Loans and discounts outstanding in each State, Feb. 28, 1935, by institutions under the Farm Credit Administration—Continued

District and State	Federal land banks (1)	Land bank commissioner (2)	Federal intermediate credit banks (3)	Production credit associations (4)	Regional agricultural credit corporations (5)	Emergency crop loans (1921-35) (6)	Emergency drought area loans (7)	Total (8)
District 11:								
Arizona	$7,455,679	$1,102,141	$3,013,981	$841,720	$180,713	$113,022	$50,860	$11,873,319
Utah	16,463,077	4,819,394	6,538,907	1,578,555	1,922,256	345,305	1,441,174	30,973,919
Nevada	3,442,948	492,108	1,608,980	415,292	2,274,584	9,555	105,790	7,526,343
California	88,818,146	44,212,644	10,781,315	5,333,727	745,177	50,187	218,203	144,736,763
Total	116,179,850	50,626,287	21,943,183	8,169,294	5,122,730	518,069	1,816,027	195,110,344
District 12:								
Montana	20,344,565	10,231,968	9,722,450	5,568,215	8,443,589	8,632,187	1,226,390	55,465,094
Idaho	29,472,448	9,072,951	7,930,430	3,523,813	5,451,688	386,267	764,843	49,736,730
Washington	34,824,085	8,531,668	5,306,035	2,725,908	608,887	662,369		49,550,401
Oregon	26,712,947	8,535,137	9,180,310	4,168,244	2,453,853	267,494	90,535	45,974,534
Tota	111,354,045	36,371,724	32,139,225	15,986,180	16,963,017	9,948,317	2,081,768	200,726,759
Total	1,944,975,900	664,885,638	190,664,648	71,191,847	82,341,662	75,623,608	49,500,671	2,975,823,738
Loans which cannot be allocated to particular States:								
Banks for cooperatives, including central bank								29,445,401
Agricultural Marketing Act revolving fund loans to cooperatives, stabilization corporation loans excluded								49,687,463
Grand total, all institutions								[3] 3,054,956,602

[1] These data represent outstanding loans to and discounts for production credit associations by the Federal intermediate credit banks.

[2] Some of the loans of the regional agricultural credit corporations and most of the loans of the production credit associations are discounted with the Federal intermediate credit banks for a total amount of $103,360,236 outstanding Feb. 28, 1935. Therefore, in obtaining the total in column 8, adjustment is made to avoid duplication. Loans are not necessarily, however, discounted in the same month in which credit is originally extended.

[3] In addition there were Land Bank Commissioner loans to joint-stock land banks outstanding in the amount of $464,824.

Source: Farm Credit Administration, Division of Finance and Research.

Mr. BAILEY. Mr. President, the distinguished Senator from Michigan [Mr. VANDENBERG] speaks of this proposed legislation as the beginning of a process. I differ from him in this respect: It is somewhere near the culmination of a process which began in 1932, and which will not end, which cannot be ended, prior to the inevitable culmination.

While the Senator was speaking my thoughts went back to an ancient book which I found out yonder in the library, and I intend to read from it a brief story of an ancient depression:

And Joseph gathered up all the money that was found in the land of Egypt, and in the land of Canaan, for the corn which they bought: and Joseph brought the money into Pharaoh's house.

And when the money failed in the land of Egypt, and in the land of Canaan, all the Egyptians came unto Joseph, and said, Give us bread: for why should we die in thy presence? for the money faileth.

And Joseph said, Give your cattle; and I will give you for your cattle, if money fail.

And they brought their cattle unto Joseph: and Joseph gave them bread in exchange for horses, and for the flocks, and for the cattle of the herds, and for the asses: and he fed them with bread for all their cattle for that year.

When that year was ended, they came unto him the second year, and said unto him, We will not hide it from my lord, how that our money is spent; my lord also hath our herds of cattle; there is not aught left in the sight of my lord, but our bodies, and our lands:

Wherefore shall we die before thine eyes, both we and our land? buy us and our land for bread, and we and our land will be servants unto Pharaoh: and give us seed, that we may live, and not die, that the land be not desolate.

And Joseph bought all the land of Egypt for Pharaoh; for the Egyptians sold every man his field, because the famine prevailed over them: so the land became Pharaoh's.

And as for the people, he removed them to cities from one end of the borders of Egypt even to the other end thereof.

* * * * * * *

Then Joseph said unto the people, Behold, I have bought you this day and your land for Pharaoh: lo, here is seed for you, and ye shall sow the land.

That process began in the United States of America with the passage in 1932 of the act called the "Reconstruction Finance Corporation Act." The business men, the banks, the insurance companies came to the Government and said, "You have money and we have none. We will make you mortgages; let us have money", and we did. From that day to this, Mr. President, we have been in the process of taking up to the Treasury one group after another of the American people. They have been selling us their land and their houses and their chattels. We have been pouring out money. We have now come to the point where we propose to take over the lands throughout the agricultural sections, pouring out the borrowed money of our Government for the purpose. If they fail to pay, we take the land; and when their lands are exhausted, if we follow the orderly series of events laid down in the old book of Genesis, if we go through the process which I think is indicated there by way of warning to governments and to men, we shall reach the final stage where we shall own the lands; we shall own everything they have. The proposition then will be whether we shall buy the people or whether they shall sell us out. The difference is that Joseph was dealing with Pharoah, who was an absolute monarch, but the Congress is dealing with the American people, and they are the sovereigns.

There is the culmination; but how can we resist the tide, having once started it?

How can we save the mill dam once we have cut a sluice across it and the water begins to pour over?

It is my judgment, Mr. President, that we are going all the way through the process until we have drained the Government of the last penny of its credit and gathered ourselves together, and the children who come after us will profit by our bitter experience.

I brought this matter forward only because I wanted it to be seen that we are not without a warning, not without a precedent, and not without a lesson; but I fear very much we are altogether without a remedy?

We cannot resist. If we resist here, what answer can we make to these people when they say, "You saved the railroads; why not save us? You saved the banks; how can you deny human beings?"

I fear, Mr. President, that we are the victims of our own precedent, wrought by our own policy, and not in this year, and not in the last, but in the year 1932, when we yielded to circumstances and demands which we felt we could not resist, and when, yielding, we did not seem to foresee that we had built a fire—if I may change my figure—which could not be quenched and which would cease to burn only when it itself had burnt itself out. So much for that.

The Senator from Maine [Mr. WHITE] asked a question just now which I wish to answer. He spoke of the processing tax and mentioned how much of the tax the State of Maine

had paid, and then asked to whom these taxes were going. I have here the data. South Carolina has paid in processing taxes $25,278,499.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER (Mr. ADAMS in the chair). Does the Senator from North Carolina yield to the Senator from Maine?

Mr. BAILEY. I yield.

Mr. WHITE. If the Senator will allow me to correct him, I did not ask where the money had gone. I was not so much concerned with that as I was concerned with those from whom some of it had been taken. I neither asked the question, nor did I undertake to answer it.

Mr. BAILEY. I accept the correction, but I wish it to be known just who has paid the taxes and where they have gone.

South Carolina has paid $25,278,499 in processing taxes. She got back for her farmers $10,395,156. So South Carolina did not get the money. She paid out two and one-half times as much as she got back.

Georgia paid in processing taxes $24,924,219. Georgia got back $16,085,856.

North Carolina paid in processing taxes $35,247,419 and got back only $7,090,603. Five times 7 is 35. We lost four-fifths of what we paid.

Virginia paid $3,098,073, and Virginia got back $349,124, or something less than 10 percent.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WALSH. For the Senator's information, I will state that I put into the RECORD today a letter from Mr. Sloan, who was formerly head of the Cotton Textile Institute and is now chairman of the Cotton Code Authority, who stated that the cotton-cloth industry and paid into the Treasury in 20 months under the processing taxes $185,000,000, which was 40 percent of all the money paid to employees during that period.

Mr. BAILEY. I thank the Senator. Where did the money go? The money went to the cotton farmers throughout the South, throughout the Cotton Belt; and, without meaning to offend anyone, but meaning only to tell the truth, I state that the processing taxes collected in North and South Carolina, Georgia, Virginia, Massachusetts, and Rhode Island went to Texas, Mississippi, Alabama, Arkansas, and Oklahoma. All I am doing here is just telling the truth about the matter. I think the facts ought to be known. It happens that North Carolina is a manufacturing State as well as a cotton-raising State, and that South Carolina is a manufacturing State and likewise a cotton-producing State; but the money is distributed over the entire belt. That answers that question.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. BAILEY. I yield.

Mr. DICKINSON. I would like to suggest that, according to some of the latest statistics on the processing tax, there has been a tremendous increase during the last 6 months in the processing tax on tobacco, until it amounts to $48,000,000. My recollection is that the benefits paid back to the tobacco producers has been less than a million dollars. So there is a surplus there which undoubtedly is in the Treasury.

Mr. BAILEY. I do not have the figures about that, but the benefits are more than a million dollars. I was addressing myself mainly to the question of cotton, and sent to my office to get only the data as to cotton.

Let us look again and see where the money is going in the United States.

Pennsylvania and New York, two States, get in relief money three-fourths as much as all the 13 Southern States. If we go to the basis of population, there are twenty-one or twenty-two million people in New York and Pennsylvania, and there are 32,000,000 people in the Southern States, but the two States get three-fourths as much as all the Southern States together.

Let us look a little further into this question of distribution; and this is of the utmost importance. When a great Government like this begins to spend money as this Government is spending money, it can destroy a State by inequality in the distribution. It was written into the Constitution that direct taxes should be apportioned amongst the States according to population, in order to prevent an economic disbalance in the distribution of public money.

Let us look at the figures of relief for December 1934, January 1935, and February 1935, the last 3 months ending March 1. In those 3 months the average per family paid from the Treasury of the United States for direct relief in the State of Illinois was $29.86, and in New York it was $52.83; in Pennsylvania it was $48.76, and in North Carolina it was $16.58—more than three times as much paid per family on relief in New York as in the State of North Carolina.

It occurs to me that if we are to relieve a family, the cost of relief in North Carolina would be fully equal to the cost of relief in the State of New York. Just how this disparity has been brought about I have not been able to ascertain.

Mr. WHEELER. Mr. President, I am wondering whether the figures show how many there were in the families. It is possible that the families were larger in the State of New York than in the State of North Carolina.

Mr. BAILEY. I have no statistics as to the number in the families, but I know the average in the United States is 4.2 individuals to the family, and I take it that the size of a family in North Carolina would be larger than the size of a family in New York, in which event the inequality is all the greater; but I am not sure about that.

Mr. WHEELER. I was rather surprised at the figures given by the Senator, and that is why I suggested that the families in North Carolina or South Carolina, whichever the Senator quoted, must have been smaller than those in New York, because it is inconceivable to me that there should be such a disparity.

Mr. BAILEY. I may say to the Senator that I think North Carolina leads the Nation in birth rate, and we have a death rate which compares favorably with the balance of the Union, so I judge our families are above the average in number.

Let us take the expenditures for relief per capita. These are not the figures as to the families getting relief; these are the figures as to relief in relation to population.

Our Government expends for relief in Illinois, per capita, $18.15; in New York, $20.56; Pennsylvania, $20.05. And North Carolina, $8.78. I confess I cannot understand that. I cannot understand by what process the Federal Government conceives that it can help the broken beings in the Commonwealth of North Carolina on 50 cents a day and the broken human beings in New York on $1.50 a day.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WHEELER. Is it not possible that the cost of living in New York is much greater than it would be in North Carolina, and is not accounted for perhaps because a large portion of the population is Negroes, whereas in New York and in some of the other States that is not true?

Mr. BAILEY. Mr. President, there may be some difference in the cost of living, but it could not be at the rate of even 50 percent more, and in the case I have referred to the payments are 300 percent more. One dollar and fifty cents against 50 cents. I wish to make this remark about that. I have looked into it in my State and in my home city. I asked a teacher in the city school in my neighborhood on last Sunday evening how many children there were in the grade which she taught whose parents were upon relief. She said, "More than one-third." I said, "Have you looked into it to find what they get?" She said, "They have to live on 50 cents a week."

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BORAH. A large portion of this money, which should go to the people who are getting 50 cents, stops on its way by reason of the very heavy administrative expenditure.

Mr. BAILEY. I have no doubt that the Senator is right. But why should it stop more on the way to North Carolina than it does on the way to Pennsylvania?

Mr. BORAH. I imagine that they are more expert in Pennsylvania in getting men on the administrative pay roll.

Mr. BAILEY. They are more expert at some things. But I am calling the attention of the Senate and, I hope, of the authorities who are responsible for this distribution to the facts, which have given me a very great deal of pain and which have tended to arouse in my breast a great deal of what I would call "righteous indignation." A man who could not shed tears or who would not shed tears over the plight of the little girl who had only 50 cents a week upon which to live—that sort of man does not deserve the name of man.

Here are the facts about the distribution. New York State alone got Federal funds of $150,000,000; Pennsylvania, $105,000,000; North Carolina, with 3,170,000 people, got $13,000,000. I suggest that Senators look up the facts. They will be just as greatly amazed as I was when they get these figures. When I got them I was so amazed that I took great pains to check them. I got the census figures and the figures relating to relief furnished by the Federal Relief Administration, and I have figures here of revenue, which I will not use, which I got from the Office of the Commissioner of Internal Revenue.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WHEELER. Of course, the Senator ought to remember that some of the people in the present administration who administer relief funds think in terms of New York; not in terms of North Carolina and Montana.

Mr. BAILEY. I thank the Senator for the suggestion, but, if God gives me power, they are not going to think in terms of New York. I do not think in terms of North Carolina. It is their duty and it is your duty and it is my duty always to think in terms of the national interest and bring these matters forward in terms of the national interest. Injustice affects the national interest wherever it occurs. No nation can live which does injustice. No nation can die which rests its foundations upon justice.

I want to make this remark further: These big appropriations, this one billion in the instant bill, the $4,880,000,000 in the bill that we passed just recently, are not caught out of thin air. Every dollar of it that is ever paid—and as honest men we have in contemplation that it shall be paid—will be paid by the workers of America who create the national wealth. It is a toll upon labor. It is a toll upon the farmer. It is a toll upon commerce. Since my State of North Carolina constitutes one-fortieth of the population—Senators can make the calculations for their own States—I consider that at least one-fortieth of the public funds ought to be distributed in North Carolina. I am confronted with the fact that unless there is a reasonably equitable distribution of these immense funds the States which are the victims of the inequality will hopelessly go broke. In that sense a man has a duty of comparing the situation of his State with the situation of the Union as a whole.

These figures have greatly alarmed me, Mr. President, and I felt that it was my duty to bring them to the attention of the Senate, and in order not to dwell upon them longer I ask that there be printed at the end of my remarks an editorial from the Asheville Citizen entitled "Where the Big Money Goes"; and I suggest to my associates here that they investigate, as I have, and just see how the money is going.

Talk about the concentration of wealth. Let us see whether this money is not being concentrated. I think Senators will find the evidences here that it is.

Now, as to the other matter. There was a very interesting discussion here this morning on the subject of the tenant farmers in light of the legislation which is proposed. The tenant system in the South, Mr. President, is an outgrowth of the Civil War. There was very little of tenantry below Mason and Dixon line until the surrender at Appomattox and the freeing of the Negroes. The landowners in the South were confronted with an utterly new situation. Here was a great mass of ex-slaves who had been freed and who had nothing. There was a great number of landowners who had once owned slaves and who had now nothing except the land. The slaves needed a basis of livelihood, and the landowners needed workmen. The slaves had nothing on which to live. They had no land, they had no supplies, and they did not in those days have a Government which would lend them money. So a bargain was struck. Senators can find that history in the papers of Judge Ruffin, of our State, printed by the State. A bargain was struck to this effect—that the Negroes could go back on the plantations, be supported by their former masters, cultivate the crop for the year, and divide the proceeds with the master either on the one-third basis or the one-half basis.

That was the foundation of the tenancy in the South. We might have gotten along with that. But look at the facts. Beginning with that foundation there has been a slowly rising tide of tenancy in every Southern State from 1865 until the present time, and now in Arkansas 63 percent of all the farms are occupied by tenants. In Louisiana 66 percent of all the farms are occupied by tenants. In Texas 60 percent of all the farms are occupied by tenants. In North Carolina 49 percent of all the farms are occupied by tenants. In South Carolina 65 percent are occupied by tenants. In Georgia 68 percent are occupied by tenants.

To make a quick estimate, the tenancy in States comprising the old South runs around the figure 60 percent. The tenancy in the remainder of the Nation runs somewhere around 25 to 30 percent, running as low as 16 percent in California and as high as 44 percent in South Dakota.

We began in 1865 with very few tenants of the white class. Practically all the ex-slaves who did not go to the little towns to labor became tenants. But the same circumstances which caught the ex-slave have worked during these 70 years to enmesh and sink into a hopeless tenancy the white farmer. In Kentucky 33⅓ percent of the farms operated by tenants are operated by white tenants; in Tennessee, 35 percent; in Mississippi, 20 percent; in Arkansas, 34 percent; in Oklahoma, a comparatively new State, 54 percent; in North Carolina, 28 percent; in South Carolina, 26 percent. These percentages indicate the percentage of white tenants in the tenancy system.

It so happens I investigated these facts as far back as 1920. I discovered then and printed a pamphlet showing the fact that the percentage of white tenancy in North Carolina was constantly rising. I read in my home paper within the last 4 weeks the statement by a newspaper writer of considerable note that in the county in which he lived no man had escaped tenancy in 20 years; that if he ever got into it he never got out.

There is a great social problem. There is the heart of the most serious situation the Southern people know. I am going to devote my attention to it for a moment.

I agree with the Senator from South Carolina [Mr. SMITH] that there is no blame to be attached to the landowner. I think when the Negro came out of slavery, looking for that security which he had enjoyed before the emancipation, his first impulse was to gather around the landowner and the old master. He found there what he prized above all things, far above land ownership. He found security. He spent the proceeds of his year's labor at Christmas. The landlord entered into a contract to give him the means of subsistence for the year in January—no rich fare, I will agree, but bread and meat, clothing, molasses, sugar, coffee, some chickens, and a garden. He had a security beyond that which this Government, with all its security measures, will ever be able to give the inhabitants of the country. He rested secure. He never broke. If anybody broke, it was the landlord.

When it came to the end of the year, if he owed money it was marked off the books, as a rule, and he started again. He owed no debts except to the landlord. The landlord would go to the time merchant or the bank and run the farm and maintain the tenant. The tenant slept not under

his own vine and fig tree, it is true, but under conditions in which he knew that whatever the day brought forth or whatever the harvest might be there would be a roof over his head, clothing upon his back, fire in the fireplace, and food to eat.

Perhaps that sort of security became too attractive. They saw the masters fail. They saw the owners of the land sold out, but they were not sold out. They saw disaster come, but disaster did not strike them. However, we have reached the point in the South where there is no such security as that. The time merchant has gone. There are just a few left. The depression of 1921 and the present depression have wiped them out. Then the necessities of what we call crop control and curtailment have driven, according to the statistics of my State, 33,000 farmers off the farms, 120,000 people. They are on relief, and relief means 50 cents per head per week. Divide 50 by 7 and we get 7 cents a day. When they hear that in other States the relief is three times that much, there will be a reckoning.

They have in their breasts precisely the same character that every other American citizen has. They have in their hearts the impulse for righteousness and for business as irresistible as that which lives within the hearts of any other people. The fact that they are poor and broke does not destroy their capacity for justice and their demand for justice.

Coming to the pending bill, there is nothing in sight with respect to the bill which gives any hope to the tenant. He can buy the land, but, in the name of God, with what money shall he pay for it? He can contract the debt with the Government, but if 70 years of southern agriculture have doomed him to penury, what are we doing to enable him to get out merely by way of contracting a debt to the Government?

There must be something more than that in this situation.

I am agreeing now with the Senator from South Carolina [Mr. SMITH]. Our southern problem of agriculture is not different from the problem in the West or the Northwest. Here is the difficulty about that: Industrial income in the United States in 20 years has multiplied by 600 percent, while agricultural income has gone up only 60 percent in the same period. Here are the facts:

In 1929—the year of the largest national income in the history of this or any other nation, a national income of $82,000,000,000—the farmers, constituting 25 percent of the population, received only 10 percent of that income. I have often said, as I have studied those statistics, that that simple fact—30,000,000 people, one-fourth of the Nation, receiving only 10 percent of the national income—was enough to destroy the economic structure. If there had been no other wrongdoing, that was sufficient wrong. If there had been no other disbalance, that was sufficient disbalance.

I have not the fears about this bill that other Senators seem to have. I should like to think that by some magic like this we could take hold of 600,000 tenant farmers in the South who are allowed to produce but two bales of cotton and lift them up. Here are the facts: Two bales of cotton means, at the utmost, counting the seed, a profit of not over $20 a bale. That is a money income of $40 a year. I should like to feel that I have discovered the means of taking by the hand those 600,000 cotton farmers and giving them hope; but what is the use of lending money to a human being who makes only two bales of cotton a year, and $40 net is all he gets for it?

Mr. KING. Mr. President, will the Senator yield?

Mr. BAILEY. I yield to the Senator from Utah.

Mr. KING. Has the Senator any expectation of a larger permission, or a permission for increasing the production beyond two bales, under the present policy of the A. A. A.? My understanding is that the contention still is made that there is too great a production of agricultural products, including cotton; and, of course, with the limitations which are being imposed upon agricultural production, obviously the production will grow less, and, therefore, the purchasing power of the farmer, though artificial efforts will be made to increase the price, must necessarily be less. If we make these loans with the certainty that the production of cotton is to be further restricted, how are the croppers, the tenant farmers, to repay them?

Mr. BAILEY. Mr. President, the Senator from Utah has presented in just a few words the heart of the gravest problem which the southern people have confronted since the declaration of war in 1861. The problem he has presented is, after all, making due allowances for the difference between the tenant system in the South at the point 60 and the tenant system in the West at the point 30, identical. I think I shall have served some purpose here today, Mr. President, if I call attention to the fact that the problem of the farmer in America is not the problem of lending him money. Lending money is about the poorest way I know to solve any problem, and borrowing money is the worst. The man who borrows day after day is doomed to bankruptcy and to ruin.

Mr. KING. Mr. President, one of the wisest men we have had in the Senate since I have been here was former Senator Johnson, of Minnesota, a farmer, elected by the Farmer-Labor Party. When we were rushing through legislation to induce the farmers to borrow more money and go further into debt, he stood on the floor upon the other side of the aisle and begged us for God's sake not to extend further credit, "Because," he said, "you are ruining the farmers, and you will bring us all to destruction."

Mr. BAILEY. I think the main obstacle to recovery in our land is the great debt that stands in front of us all the time. I estimated it here about a year ago at $200,000,000,000, on the basis of the reports of the Alexander Hamilton Institute. I remember that the Senator from Oklahoma asked me for my authority. If debt brought that condition upon us, and if debt stands in our way, how in the name of reason is more debt going to get us out of that condition?

There is a little reason in the idea of the socialization of debts. Bankruptcy does that, and bank receiverships do that; but when we take the debt and pile it upon the Government and the taxpayers, we reach the point where we talk about thirty-two to thirty-three billions of public debt without the slightest impression of what it means to us or those who come after us, and who have some right to a fair inheritance at our hands. I received a good inheritance, not in property but in our Government. I should like to have my children receive as good a one as I did here in this land. If we pile debt up in that way, how do we argue to ourselves that we are doing anything by way of deliverance?

Mr. President, I do not profess to be able to measure up to so great a task. I do profess a great faith that once we lay our hands upon the realities, and drive at a reasonably calculated course in view of what we know the trouble is, we can make progress. This idea of debt, and throwing tubs to the whales, is merely an idea of postponing the day of reckoning. The idea of refusing to do that sort of thing, and driving at the problem as it is, is at least having the courage to face the realities and the will for constructive measures.

I state my conception of the matter: If we can find some way whereby we can get the farm income of America above the present 10 percent and in the direction of a fair ratio to the population, we shall not have to lend money to farmers. They will be lending money to the Government in case of need; and we shall not have a tenant problem, for they will be buying land.

Mr. President, that is about all I have to say at this time. I wish to call especial attention to this matter of the distribution of the public money. I think it a matter of the utmost moment and of the gravest concern to those States which are not receiving portions of the public money in the ratio of their population to the total population. I am not asking that it be distributed according to taxes, but in the ratio of population.

So far as the measure we have before us is concerned, I think it does not offer anything of a substantial hope to the great mass of tenant farmers. Under it they might borrow from the Government at a lower rate of interest than they now pay; they would have a longer time in which to pay;

but I know, and I think every man in this Chamber knows, that a farmer who is allowed to produce only 2 bales of cotton tax free will never pay any debts, will never buy any land; and, according to the latest statement, there are 600,000 of them, about half of the tenant population in cotton farming. The President said at Warm Springs that he calculated the number at 700,000. This indicates that one-third of the farmer population of the South is limited to two bales of cotton a year tax free.

I would like to have the farmers of my own State feel that we are moving more substantially, more reasonably, not in the direction of going into debt, but toward a means of enabling the farmers to pay themselves out of debt.

Mr. President, I send to the desk the editorial from the Asheville Citizen and the table showing relief payments, to which I have referred, which I ask to have printed in the RECORD.

There being no objection, the editorial and the table were ordered to be printed in the RECORD, as follows:

[From the Asheville Citizen]

WHERE THE BIG MONEY GOES

A good deal is being said in the newspapers about the fact that apparently in most of the Southern States practically all of the relief costs last year were borne by the Federal Government.

In a number of States from a third to upward of half of the total relief costs were borne by the States and communities.

On its face it would seem to be a bad showing which is made by North Carolina and some other Southern States in comparison.

Note, however, on the other hand, that of the total $1,069,000,000 spent by the Federal Government for relief, only about $200,000,000 was spent in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

New York State alone got $152,345,220 of Federal funds.

Pennsylvania received $105,761,449 of Federal funds, and Illinois $72,280,869.

New York and Pennsylvania together got $50,000,000 more of Federal funds than the entire South received.

Illinois, with $72,000,000; California, with $48,000,000; Michigan, with $41,000,000; New Jersey, with $42,000,000; and Massachusetts, with $40,000,000 of Federal funds, got as much as the 13 Southern States named above.

One-half of all the Federal funds were expended last year in seven States. Those States were New York, Pennsylvania, Illinois, California, Michigan, New Jersey, and Massachusetts.

There is a bigger question in this relief business than the question of the percentage of the total relief burden which is borne by or within the States.

That bigger question is the question of where the Federal money goes.

North Carolina, with 3,170,000 people, got $13,803,486 of Federal funds last year.

New York, with 12,600,000 people, got $152,345,000 of Federal funds.

In other words, although New York has less than four times as many people as North Carolina, it obtained 11 times as much Federal money for relief in 1934.

Here is a situation which calls for far more thought than it has been accorded.

There are approximately 34,000,000 people in the 13 Southern States named earlier in this article.

One State, New York, got three-fourths as much Federal relief money during 1934 as did 13 Southern States.

What boots it that the 13 Southern States are credited with having used only about $25,000,000 of their own money for relief, while New York and its various subdivisions are credited with having expended $122,000,000 in relief, in addition to the $152,345,000 that State got from Washington?

The vital fact is the fact that New York, with 12,600,000 people, got 75 cents out of the Federal Treasury for this one purpose for every dollar that the 13 Southern States, with their 34,000,000 people, got.

New York, on a population basis, got more than $12 per capita from Washington for Federal relief.

The 13 Southern States, on a per capita basis, got less than $6 per capita from Washington for Federal relief.

In other words, for every dollar of relief money that the South is getting out of the Federal Treasury, New York is getting more than $2.

The Citizen has said repeatedly that when it came to grabbing dollars from the public till at Washington, it was hopeless for any Southern State to think that it could do an expert job. We were bound to find ourselves outclassed and to get the small end of it.

But that is not all. Apparently it cost $274,402,000, funds from all sources, to take care of the relief situation in New York last year. Apparently it cost $146,271,000 to do this job in Pennsylvania.

Total relief expenditures in North Carolina, as listed by the Relief Administration, were $13,992,000.

There are only three times as many people in Pennsylvania as in North Carolina, but the relief burden in Pennsylvania was 10 times as great.

Suppose there had been no Federal relief, what would have been the situation in New York, in Pennsylvania, in Illinois, in Michigan, in North Carolina?

Is it not conceivable that in North Carolina, at least, we would have somehow managed to make out—and probably to have done a reasonably good job in relieving all actual distress at a cost of not over half, and more likely well under half, that which was actually marked up?

What was the real reason that North Carolina last year got $13,803,000 of relief money from Washington? Was it not the fact that New York was getting $152,345,000 and Pennsylvania $105,761,000?

We wanted our share of this money, didn't we? But did we get our share? Is there any reason to think that this could ever be accomplished?

Secretary Roper urged last fall that Southern States set an example to the Nation by refusing to take any more Federal relief money. Suppose that all of the Southern States had done this, where would we be today? What would have been the effects upon the relief problem as it confronts Washington and the Nation?

Mr. Roper was underrated by many people in the earlier period of the present administration, but more and more he has emerged as a pretty shrewd old boy with a tremendous fund of hard, practical common sense. Wasn't the advice which he gave last fall pretty shrewd and wholesome advice?

	February 1935		Average per family per month for direct relief (December 1934, January and February 1935)	Total Federal expenditures (May 23, 1933, to Mar. 31, 1935)
	Number of families on direct relief	Amount of Federal grants		
Illinois	318,165	$12,290,863	$29.86	$141,994,146
New York	483,400	29,250,000	52.83	266,563,334
Pennsylvania	398,692	22,000,000	48.76	196,241,114
North Carolina	65,640	1,437,206	16.58	28,976,358

	Population	Expenditure for relief per capita	Total Federal revenue per capita	Total revenue paid Internal Revenue Bureau
Illinois	7,826,000	$18.15	$27.52	$215,430,838.46
New York	12,965,000	20.56	43.81	568,022,279.54
Pennsylvania	9,787,000	20.05	19.81	193,992,574.37
North Carolina	3,275,000	8.78	79.51	260,405,991.48

NOTE.—Census figures furnished by Census Bureau, estimate as of July 1, 1933. Figures relating to relief furnished by Federal Emergency Relief Administration. Figures relating to revenue obtained from chart issued by Commissioner Helvering.

Mr. BANKHEAD. Mr. President, I very greatly regret that the very able Senator from North Carolina sees fit to base his opposition to the bill——

Mr. BAILEY. I beg the Senator's pardon; I am not opposed to the bill. I was making some observations in view of the bill. I am not trying to oppose the Senator's bill. I think I should tell the truth and state the facts as they are.

Mr. BANKHEAD. There is a phase of the matter which the Senator has emphasized from time to time and again and again since the bill has been before us which I think should at least be clarified. I refer to his frequent assertions which would leave the impression upon any mind that the bill is for the relief of 2-bale cotton farmers.

Mr. BAILEY. I beg the Senator's pardon. Will he allow me to interrupt him again?

Mr. BANKHEAD. Certainly.

Mr. BAILEY. I was endeavoring to argue that it could not possibly relieve them.

Mr. BANKHEAD. Of course, it ought to be understood, from repeated statements made here, that this is a national program; and the suggestion that there are a large number of cotton farmers who produce only 2 bales of cotton as an argument and a reason why this bill cannot afford relief does not strike me as possessing any sort of force or logic.

In the first place, the 600,000 2-bale cotton farmers referred to are cotton farmers who have not heretofore produced more than that quantity of cotton. There is no limitation under the allotment plan this year that brings about any reduction in the amount of cotton allotted to a farmer who produces less than 2 bales of cotton based upon his previous average production.

There is no reason why there should be a misunderstanding as to that phase of this question. There is a large number, possibly 600,000—though I think that figure may be large—who in the past have not produced as much as 2 bales of cotton. The allotment program, while it has nothing to do with the pending bill, does not put any limitation or restriction or reduction upon the allotment of the small farmer producing 2 bales or less according to their previous history. It simply provides that they shall have a hundred-percent exemption based on their previous production during the base period; and all reductions to the farmers are applied to those who have heretofore produced more than 2 bales of cotton.

I have made this statement because I did not want any Senator not familiar with the subject to consider the 2-bale cotton farmer as a material element in this program for two reasons: First, that group constitutes only about five or six hundred thousand out of about 3,000,000 farmers who are eligible under this program if they possess the other requirements specified in the bill. In the next place, the farmer referred to as the "2-bale farmer", instead of being hurt, has been benefited, because he is allowed to produce as much cotton as he has previously produced, while reductions have been enforced on the larger farmers, and, therefore, the 2-bale farmer receives more money for the 2 bales than he received before the same amount of cotton. We all recognize that the 2-bale cotton farmer is not depending upon his cotton crop as his sole cash asset.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BANKHEAD. Let me finish this thought and then I will yield.

A very large number of that group of farmers are engaged in dairying, in trucking, and in various kinds of diversified farming, producing 1 bale or 2 bales of cotton here and there purely as a side line and not as their main farming business.

Now, I yield to the Senator from Virginia.

Mr. BYRD. Mr. President, I understood the Senator from Alabama to say that 3,000,000 farmers were eligible under his program.

Mr. BANKHEAD. There are 3,000,000 tenants. I did not say they possessed all the qualifications necessary.

Mr. BYRD. Does the Senator contend that a billion dollars is sufficient to give relief to 3,000,000 farmers?

Mr. BANKHEAD. I think the able Senator from Virginia well understands that there is no program proposed to provide a farm for every tenant and crop-farm worker in the United States.

Mr. BYRD. But, Mr. President, if they are eligible, why should not all have an equal opportunity?

Mr. BANKHEAD. Because they do not all possess the qualifications required. I distinctly stated they were eligible if they possessed the other qualifications. There is, of necessity, a question of selectivity involved in a program of this sort. They must be men of good moral character, and of previous experience.

Mr. BYRD. Mr. President, will the Senator yield again?

Mr. BANKHEAD. I yield.

Mr. BYRD. I took the Senator's own statement when he said that 3,000,000 farmers were eligible. If that statement is not correct, how many farmers, in the opinion of the Senator, are eligible?

Mr. BANKHEAD. I am unable to answer that question, because it requires an investigation into the character of the farmers, and all that.

Mr. BYRD. Just one more interruption and I shall not take the Senator's time further. I want to bring clearly before the Senate that this $1,000,000,000 appropriation is simply the beginning of many appropriations which must be made for the same purpose.

Mr. BANKHEAD. I am aware of the attitude of the Senator on all measures sponsored by the present administration, or given its support, involving progressive and remedial relief. We all understand that.

Mr. President, it has been asked how the tenants are going to pay the installments. In the first place, we hope to have a lower interest rate, and, in the next place, a very small payment on the principal in the way of an annual amortization payment.

It is the judgment of many who have investigated this question that the rentals now being paid by the tenant farmers would substantially, if not entirely, meet the annual installments, so that, instead of the annual rentals going to absentee landlords, these workers, by applying the amounts they are paying upon rentals to the small annual payments upon the principal of their obligations, will be in position as well to meet those payments as they now are to meet the rental payments required of them year after year, and by that method of financing, Mr. President, paying the amounts they have heretofore been paying as rental, and such payments constituting substantially the annual installments upon the purchase plan, the difference in the value of the two programs is easily understood. They can make the payments upon small farms, as this bill specifies, with practically the same money they are now paying to the landlord. On the other hand, after paying it to the landlord they have no investment, they have established no equity, they have no security of tenure, but are upon notice all the time that at the end of the year, whether they have paid the rent or have not paid it, they are subject to be moved on to some other community, as a renter upon some other farmer's land.

INCLUSION OF HOPS AS A BASIC AGRICULTURAL COMMODITY

Mr. McNARY. Mr. President, on last Monday, during the call of the calendar, the Senate reached Senate bill 626, to make hops a basic commodity under the provisions of the Agricultural Adjustment Act. The Senator from Utah [Mr. KING] objected to its consideration at that time. I insisted on consideration, and that courtesy was extended to me, and the bill passed, with the understanding—and I use my own language—that if the objection was persisted in, I would ask that the bill be returned to the calendar. A motion was made to reconsider; and now, conformably with my agreement at that time, I ask unanimous consent that the vote by which the bill was passed be reconsidered and that the bill be returned to the calendar.

The PRESIDING OFFICER. Is there objection to the reconsideration? The Chair hears none, and the bill is returned to the calendar.

RECESS

Mr. McNARY. Mr. President, may I inquire of the Senator from Arkansas if he desires to have the Senate recess or adjourn over until Monday?

Mr. ROBINSON. Mr. President, many Senators have spoken to me about recessing until Monday. Under present conditions, I do not feel justified in making a motion to that effect. I should like very much—and I think Senators will agree that it is always my policy—to serve their convenience in matters of adjournment or recess; but, in view of the slow progress which has been made during the past 2 days, I feel that we should have a session tomorrow.

Mr. McNARY. Then, may we not at this time have a recess until 12 tomorrow?

Mr. ROBINSON. I have no objection to that course if it is apparent that the pending bill cannot be disposed of today and a recess taken until Monday.

I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate took a recess until tomorrow, Friday, April 19, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 18, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we praise Thee for the visible beginning of our eternal redemption, "The word became flesh and dwelt among us and we beheld His glory, the glory of the only begotten of the Father, full of grace and truth." We rejoice that the forbidding skies have opened and have let the face of God shine through. Bruised by the world's iniquity and bearing its sin and shame, having loved, He loved to the uttermost. Be still and know that I am God; to discover how far we have drifted from the right course and how far afield we have gone from the light, warmth, and leading of His precepts. We would commune with our own hearts; raise us up into newness of life, and may we weave the garments of our characters in the light of eternity. Whisper to us today; pity and bless the famished crowds, the helpless poor, the concourse with its teeming hearts and the crosses of Jerusalem; merciful Father, may they all look up to Thee. Restore unto them the romance of the morning stars. In the name of Him whom we call Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate has passed a bill of the following title, in which the concurrence of the House is requested:

S. 2597. An act for the relief of Irene de Bruyn Robbins.

The message also announced that the Senate disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6718) entitled "An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to said bill numbered 60.

CHARLES E. UPSON

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent, by authority of the Chairman of the Committee on Military Affairs, to take from the Speaker's desk H. R. 3071, for the relief of Charles E. Upson, and agree to the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 9, after the word "organization", insert "on May 8, 1918."

The Senate amendment was agreed to.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7260, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. MONAGHAN rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. MONAGHAN. I desire to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONAGHAN. Would it be in order, following the reading of the first title of the bill, to offer an amendment inserting a new title to precede title I of the bill? If it is in order, would such an amendment have to be disposed of before amendments to title I are offered?

The CHAIRMAN. It is in order, and it would be disposed of before amendments were offered to title I of the bill.

Mr. COOPER of Tennessee. If the gentleman will yield, I believe we can agree, the amendment offered by the gentleman having been printed in the RECORD, to dispense with the reading of the amendment. Would that be agreeable to the gentleman?

Mr. MONAGHAN. That would be agreeable to me.

Mr. SNELL. Is this the McGroarty bill?

Mr. MONAGHAN. It is the last one.

Mr. SNELL. The last edition.

Mr. MOTT. Mr. Chairman, I object. I think the Members should hear the proposition read.

The CHAIRMAN. Before recognizing anyone to offer an amendment, the Chair desires to make a statement. The general debate on the bill has been 23 hours, a longer general debate than the Chair has ever known in this House. The bill has been ably and well discussed. It is the purpose of the Chair to give every Member who has a bona fide amendment to offer an opportunity to do so. It is also the purpose of the Chair to recognize, whenever he can do so, Members who have bona fide amendments rather than those who offer pro forma amendments; in other words, bona fide amendments will have the preference. It is likely that there will be many Members who will ask for recognition. The Chair wants to ask the Members of the House to cooperate with the Chair in keeping order and also to be present.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. When will it be in order for me to offer the Lundeen bill in a similar manner to this?

The CHAIRMAN. After the other amendments are disposed of.

Mr. JENKINS of Ohio. Mr. Chairman, I propose to offer an amendment to include the blind. That amendment will be just like title IV, except that title IV deals with dependent children. As I understand it, so far as title I is concerned, an arrangement has been made whereby the McGroarty bill will be introduced before title I. Will we be compelled to introduce amendments such as I propose before title I is disposed of?

The CHAIRMAN. Not necessarily so. The gentleman from Montana is recognized.

Mr. MONAGHAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Mr. MONAGHAN offers the following amendment: On page 1, following the enacting clause of the bill, insert the following as a new title:

"TITLE I

"DEFINITIONS

"SECTION 1. The term 'transaction' for the purposes of this act shall be defined so as to include the sale, transfer, barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time or only then agreed to be made and whether under executed or executory contract or otherwise; also including all charges for interest, rent commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service, also transportation by any means, and telephone, telegraph, radio, amusement, recreation, education, art, advertising, any public utility, any water rights, and/or any and all other service of any and every kind whatsoever, but excepting and excluding therefrom any single isolated transfer of property of fair value less than $100 or any other isolated transaction of the fair value of $50 or less, which does not arise or occur in the usual

course of an established business, trade, or profession, and excluding any loan, deposit, withdrawal from deposit, hypothecation, or pledge of property or money.

"The word 'person' shall include any corporation, firm, copartnership, or association.

"The term 'transfer' for the purposes of this act shall be defined to mean the passing of property, real or personal, or the title ownership or beneficial interest therein, from one person to another, and also includes the rendition of service in connection with the transfer.

"A purchase obligation is not a loan under this act.

"Barter and/or exchange is defined as a plurality of transactions to the extent of the fair value of the property and/or service transferred or rendered other than money.

"The term 'income' for the purposes of this act shall be defined so as to include the gross amount of any and all money or its equivalent received from or for any service performed or from or for any proceeds or profit from any transaction, inheritance, or gift whatsoever.

"The term 'net income' for the purposes of this act shall be defined so as to include all money and/or commercially valuable benefit or its equivalent actually received by the annuitant, after deducting only such charges and expenses as are directly incident to producing such net income.

"The term 'gainful pursuit' for the purposes of this act shall be defined so as to include any occupation, profession, business, calling, or vocation, or any combination thereof, performed for monetary or other commercially valuable consideration, remuneration, or profit.

"The term 'annuity' and/or 'annuities' for the purposes of this act shall be defined so as to include the various sums and/or amount of money distributed and paid pro rata and otherwise to the various persons who shall become and be the beneficiaries under this act.

"The term 'executory contract' for the purposes of this act shall be defined so as to include any and all conditional sale agreements and contracts, and all other agreements and contracts the completion of which is or may be delayed to some time subsequent to the time of making thereof.

"The term 'gross dollar value' for the purposes of this act shall be defined so as to include the sum representing the total fair value of the entire property or service transferred or proposed to be transferred, without deducting any amount of encumbrance or offset of any kind, except a mortgage encumbrance of record upon real property.

"TAXES AND COLLECTION THEREOF

"SEC. 2. (a) There is hereby levied a tax of 2 percent upon the fair gross dollar value of each transaction done within the United States and Territories; also, in addition to all other taxes, a tax equal to one-tenth of the tax levied upon all incomes under the provisions of the Revenue Act of 1934 or any amendment thereto; also, in addition to all other taxes, a tax of 2 percent upon the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition or legal descent and distribution of property, as now are or hereafter may be taxable under the laws of the United States; and also, in addition to all other taxes, a tax of 2 percent upon the fair gross dollar value of every gift in excess of the fair value of $500: *Provided*, That said taxes shall not be levied upon such transactions involving the issuance, sale, or transfer of Federal, State, or municipal bonds or other securities as would be otherwise exempt from Federal taxation under existing law, and shall not be levied upon any transaction done by the Federal or by a State or municipal government, which would be otherwise exempt from Federal taxation under existing law.

"(b) Except as hereinafter otherwise provided, all tax returns for the taxes imposed by this act shall be made by, and the tax shall be paid by, the grantor, vendor, lessor, and/or legal representative thereof, and by the legal entity by whom the service is furnished, for each and every transfer of property and/or rendition or performance of service, and for all transactions arising under executory contract the return shall be made and the tax shall be paid as of the date such executory contract is entered into, regardless of the time of the completion thereof: *Provided*, That in every case of compensation for personal service other than for professional service, the person or legal entity by whom such payment is made shall deduct the amount of the tax and withhold it out of such compensation and shall make the return and the payment of the tax for such cases in lieu of the return and payment by the person who performed the service.

"(c) All taxes imposed by this act shall be deemed levied and shall become payable upon all taxable transactions beginning and occurring on and after 30 days after this act takes effect.

"(d) Every return of taxes, together with the payment of the taxes, as required by this act, shall be made to the collector of internal revenue of the United States, or to such other person as may be designated by rules and regulations issued under this act, for the district from which such return is made, as of the end of each calendar month during which such taxes become fixed and chargeable, and shall be delivered and paid to said collector of internal revenue or other person not later than 10 days after the expiration of the calendar month for which such return is made.

"(e) The Secretary of the Treasury shall enforce the payment of the taxes required by this act to be paid, and shall promptly deposit in the United States Treasury all funds received by him through or from the collection of such taxes, all as required by rules and regulations to be issued and promulgated by the Secretary of the Treasury of the United States.

"(f) Within the limitations of sections 1 and 2 of this act the Secretary of the Treasury shall by rules and regulations prescribe what shall constitute a taxable transaction within the meaning of this act, in any particular case, and may determine and prescribe the number of transactions to be taxed in the course of the production, distribution, and sale of any article or commodity. He shall also create and maintain a board of review which shall have jurisdiction to hear and determine any claim arising out of the administration of sections 1 and 2 of this act, upon the part of anyone paying or liable for the payment of any of the taxes imposed herein. Said board shall consist of not more than five members who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary to be fixed by the President, not exceeding $10,000 per year. The decisions of said board shall be subject to appeal to the district court of the United States of the district where the claim arises, in the manner prescribed by law for appeals in income-tax matters.

"In making the rules and regulations herein provided for the Secretary of the Treasury shall be governed by the following basic rules, which are hereby declared to be the policy of the United States with regard to the levy and collection of said taxes:

"(1) Where the transaction involves the physical transfer of property, or the ownership, title, or beneficial interest therein, the tax shall be levied upon the gross dollar value of the property so transferred; except that in the transfer of real property under a contract of purchase, purchase-money mortgage, or other purchase obligation the tax shall be levied and collected upon the amounts paid under such obligation as and when the same are paid.

"(2) Where the transaction consists of the rendition of service only in connection with the transfer the tax shall be levied and collected upon the gross dollar value of the service rendered.

"(3) The gross dollar value in either case shall be the price actually charged for the property or service, unless it shall appear to the Secretary of the Treasury that such price is obviously inconsistent with the fair value thereof, in which case the Secretary of the Treasury shall determine the fair value and levy the tax thereon accordingly.

"(4) A transaction done by a broker, commission merchant, carrier, bailee for hire, or warehouseman in the ordinary course of his business as such in connection with personal property, shall be deemed to be a service transaction.

"(5) Where several transactions are done in the course of the production, manufacture, distribution, and sale of personal property and/or service rendered in connection therewith, all of such transactions, if otherwise taxable hereunder, shall be taxable whether said transactions are done in whole or in part by, within, or under the control of a single person, firm, corporation, copartnership, or association, or whether they be done in whole or in part by separate persons, firms, corporations, copartnerships, or associations; the purpose of this clause being to prevent avoidance by larger business firms and combinations of payment of the same tax for which smaller or independent businesses would ordinarily be liable under this act.

"(6) Where articles are manufactured in whole or in part by the process of assembling together such component parts thereof as are ordinarily purchased from other manufacturers, such, for example, as automobiles, machinery, furniture, etc., the transaction tax herein provided shall be levied upon the gross dollar value of such component parts regardless of whether the same were made by the manufacturer of the assembled or completed article or whether they were purchased by such manufacturer from another, and where the manufacturer of an article upon which a transaction tax is payable hereunder is the producer of the raw material or other material from which said article in whole or in part is made, then the transaction tax upon such material, if the same has not been paid and would be otherwise taxable hereunder, shall be paid by such manufacturer.

"(7) Every person engaged in the sale of goods at retail shall be deemed for the purposes of this act to be an independent operator and not the agent or employee of any producer, manufacturer, wholesaler, or distributor of such goods.

"A SEPARATE FUND

"SEC. 3. There is hereby created in the Treasury Department of the United States a fund to be known and administered as the 'United States citizens' retirement annuity fund.' All revenue derived from the taxes levied in and under this act shall be deposited by the Secretary of the Treasury in this United States citizens' retirement annuity fund, and shall be disbursed only for the payments of the sums expressly authorized by this act to be paid therefrom, and for no other purposes.

"ONLY UNITED STATES CITIZENS ARE ELIGIBLE

"SEC. 4. (a) Every citizen of the United States 60 years of age and over, or who shall attain the age of 60 years after the passage of this act, shall be entitled to receive, upon filing application and qualifying as hereinafter provided, an annuity payable monthly during the life of the annuitant in a sum to be determined as hereinafter provided in this act.

"(b) The right of any person to receive an annuity under this act shall date from and begin on the date of proper filing of an application therefor, when and if such application is supported by proper and sufficient proofs in compliance with rules and regulations issued pursuant to the provisions of this act, but subject to the limitations upon time and manner of payment as hereinafter provided by this act. In such application the applicant shall dis-

close the nature and extent of any annual or monthly income then being received or due to be received by the applicant.

"(c) The annuitant shall not engage in any gainful pursuit.

"(d) The annuitant shall covenant and agree to expend and shall spend all of each month's annuity during the current calendar month in which it is received by the annuitant, or within 1 month thereafter, within the United States of America or its Territorial possessions, in and for the purchase of any services and/or commodities, and/or a home or an equity in or lease of a home, or for the payment of any indebtedness lawfully arising for any such purchase: *Provided, however,* That the annuitant shall not directly or indirectly expend a total of more than 10 percent of any such monthly annuity for gifts or contributions to any person or to any public or private institutions, associations, or organizations.

"(e) This annuity shall not be payable to any person who directly or indirectly receives from any source a net income of any kind or nature in excess of the amount of the annuity to which he would be otherwise entitled under this act.

"(f) Any person otherwise qualified to receive an annuity hereunder, and who at any time receives any net income of any kind or nature not arising from personal services of such person and which in total amount is less than $2,400 per year, shall promptly make full and complete disclosures in writing under oath, as required by rules to be issued under this act, fully disclosing the amount and source of any and all such income, and thereupon the pro rata monthly amount of any such annual income not arising under this act shall be pro rated over the year and shall be deducted monthly from the monthly annuity payment to which such person under this act would otherwise be entitled, and the remainder shall be the annuity of such annuitant payable under this act: *Provided, however,* That all of the income of any such annuitant, whether arising under this act or otherwise, shall be expended as required for annuity paid under the provisions of this act.

"ADMINISTRATION PROVISIONS

"SEC. 5. (a) The Administrator of Veterans' Affairs shall create and maintain boards of review, within the several States, as he may deem necessary to carry out the provisions and purposes of this act, and he shall issue and promulgate and enforce proper and suitable rules and regulations governing the manner and place of registration by applicants for the annuities provided for under this act, and the method of identification of and registration by such annuitants, also to require and secure the proper spending of the annuity money by the annuitant as required by this act, and adequate and sufficient accounting thereof, and such other rules and regulations as he may deem necessary, all in accordance with the intent and purposes of this act; and he shall cause to be paid at regular monthly intervals, to each person who lawfully qualifies to receive annuities under this act, such amount as shall become due the respective annuitants lawfully qualifying under this act.

"(b) Proper and suitable boards shall be established by the Administrator of Veterans' Affairs, within each State as he shall deem necessary, such boards as have exclusive jurisdiction to hear and determine all issues arising under this act, subject to rules and regulations issued and promulgated under this act, concerning annuitants residing within the jurisdiction of the boards, respectively, but subject to the right of either party to have the decision of any such board reviewed by the State court having general jurisdiction over the area in which that board is situated.

"APPORTIONMENT AND DISTRIBUTION OF FUNDS

"SEC. 6. From and out of the proceeds of such taxes collected and accumulated under the provisions of this act, disposition and disbursements shall be made in the following manner and order, to wit:

"(a) All proper and necessary expense of administering this act shall first be paid or provided for, and upon a monthly basis whenever practicable.

"(b) A reserve fund shall at all times be maintained sufficient to protect and provide proper payment of any and all annuities, the payment of which for any cause is deferred because of delay in approval of application for the annuity or otherwise.

"(c) All other money available in any month or period, from or out of said tax collections or any undistributed residue thereof, as hereinafter referred to, shall be distributed and paid monthly, pro rata, except as hereinafter provided, to all qualified annuitants who are of record on the last day of the calendar month period or longer first period as hereinafter specified, during which the tax collections and/or residue are accumulated for distribution, in such amount as may properly be paid from the funds accumulated during that period, and in the following manner, to wit:

"(d) First. The total amount available for distribution shall be divided by the total number of the annuitants entitled to share therein, and except for cases where deduction is to be made as hereinafter referred to, the result shall be the pro rata annuity amount.

"Second. The proper deductions provided for by section 4, paragraph (f), of this act shall then be made from the pro rata amount so determined, as to all persons who have any income not arising under this act as annuity.

"Third. The amount so determined to be due each of the annuitants shall then be paid in manner and by method as follows, to wit:

"(e) The total amount of the deductions made as provided in section 4, paragraph (f), of this act shall constitute a residue which shall be carried over into the next following month and be merged into and become a part of the fund available for that month for distribution to qualified annuitants as provided for in this act.

"(f) All of the funds accumulated under this act during the period extending from the time this act goes into effect and to the end of the first full calendar month after this act takes effect and hereby designated as the 'first period', shall be promptly paid for and as of the 1st day of the fifth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such 'first period' and as hereinbefore provided for in section 6, paragraph (c), of this act.

"(g) All of the funds accumulated under this act during the second full calendar month after this act takes effect, hereby designated the 'second period', shall be promptly paid for and as of the 1st day of the sixth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such 'second period' and as hereinbefore provided for in section 6, paragraph (c), of this act.

"(h) Subsequent monthly payments to the annuitants shall be made by this same method, monthly, as follows:

"Accumulation of third period to be paid on 1st day of seventh month.

"Accumulation of the fourth period to be paid on 1st day of eighth month.

"Accumulation of the fifth period to be paid on the 1st day of the ninth month, and so forth. And continuing so long as any funds are available therefor under this act, to the annuitants identified monthly in accordance with section 6, paragraph (c), of this act.

"RULES AND REGULATIONS

"SEC. 7. All administrative details not specifically otherwise provided for in this act shall be governed by rules and regulations issued and promulgated by the Administrator of Veterans' Affairs.

"APPROPRIATION FROM THE FUND

"SEC. 8. The Secretary of the Treasury, upon demand by the Administrator of Veterans' Affairs, is hereby authorized and directed to pay from money or moneys available in said United States citizens' retirement annuity fund, the money necessary to cover the monthly annuities as designated by said Administrator to be paid to qualified annuitants, and for other purposes, in a total amount as elsewhere provided in this act, but in any eveht not to exceed at any time the amount on deposit in said fund; and there is hereby authorized to be appropriated such sum or sums as may be necessary to establish and maintain this act, subject to reimbursement out of funds collected hereunder, pursuant to the provisions of this act.

"ANNUITIES NOT SUBJECT TO GARNISHMENT, AND SO FORTH

"SEC. 9. Any annuity granted under this act, and the money proceeds thereof due or in the hands of the annuitant shall be wholly exempt from attachment, garnishment, execution, levy, and/or any other judicial process.

"DISQUALIFICATIONS

"SEC. 10. No annuity shall be paid under this act to any person who is not at the time of payment domiciled within the United States or its territorial possessions.

"SUSPENSION AND FORFEITURE

"SEC. 11. The right of any person to receive an annuity under this act may be suspended and/or forfeited for any of the following causes:

"(a) For engaging in any gainful pursuit.

"(b) For violation of any of the provisions of this act.

"(c) For unreasonable and unnecessary maintenance of any able-bodied person in idleness and/or for unreasonable and unnecessary employment of a person or persons or the payment to any person of any salary or wages or any other form of compensation in disproportion to the service rendered.

"(d) For willful failure or refusal to obey any rule or regulation issued under this act.

"(e) For willful refusal by any annuitant to pay any just obligation.

"DELAY IN PAYMENT—REMEDY

"SEC. 12. If in any case the payment of an annuity to any person is delayed to an extent which causes an accumulation of 2 months or more of annuities, then, and in that event, the expenditures by the annuitant for the amount of any such accumulation shall be made upon the basis of 2 months for every month of such accumulation.

"CERTAIN OFFENSES A FELONY—PENALTY

"SEC. 13. It shall be a felony, and punishable as such, for any applicant for an annuity, or for any annuitant, or any person required by this act to make any return for the payment of any tax, to make any false statement, or to knowingly withhold any facts material to the proper administration of this act, with intent to defraud the United States, under a penalty of a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

"CONSTRUCTION OF THIS ACT

"SEC. 14. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act or the application of such provision to other persons or circumstances shall not be affected thereby."

Mr. COOPER of Tennessee (interrupting the reading of the foregoing). Mr. Chairman, I renew my request and

ask unanimous consent that the further reading of the proposed amendment be dispensed with, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto be concluded in 30 minutes.

The CHAIRMAN. Is there objection?

Mr. MOTT. I object. I shall not object to making it an hour.

The CHAIRMAN. The gentleman from Montana is recognized for 5 minutes.

Mr. MONAGHAN. Mr. Chairman, I shall not endeavor to explain in the brief 5 minutes accorded me the provisions of such a comprehensive measure as the revised McGroarty bill. I merely wish to answer at the outset the unjust attack to which it has been subjected as amended. Ladies and gentlemen of the Committee, you will recall that the McGroarty bill was presented as one of the first measures during this session of Congress as a recovery measure. It was revised at the suggestion of friends who listened to the testimony before the Committee on Ways and Means; revised to meet technical objections made by that distinguished committee. No effort has been made to revise the amount. There has been a move to change the method of taxation so as to include income, inheritance, and gift taxes, to increase the amount that might be raised by the bill. The most misinterpreted concession that has been made is the one made to disarm the insistent objections and criticisms that the bill would not be able to raise the amount provided as the annuity.

Two years of untiring, ceaseless effort upon the part of the great President of our Republic, Franklin D. Roosevelt, and the membership of both the House and the Senate has been engaged, and yet we face the tragic situation in our Republic where 11,000,000 men are still unemployed. The malady affecting our Nation is maldistribution of wealth. Machine production from endless-chain belts to mighty steam shovels, occasioning compulsory, permanent unemployment, is the landmark of that uneven distribution, where the few have much too much and the many have little too little. Proper and effective regulation and legislation would concur that condition. Jobs, and jobs alone, can accomplish recovery. Harking back to that great inaugural address that was delivered on the Capitol steps March 4, 1933, which I believe will go down in history as one of the greatest speeches of any statesman in our Republic, I recall to your minds the words of the President, when he said:

Our greatest primary task is to put people back to work.

It is true that much has been done in the proper direction by public works, by the N. R. A., and by other methods that have been employed to put people back to work, but, by and large, the vast army of the unemployed remains with us even to today. Only one measure has been enacted to date that has fundamentally affected the situation of unemployment in our land and that is the one reported and pushed through in the dying hours of the last session of Congress, the Railroad Retirement Act, which when first put into operation and before it was enjoined by court order in those towns where railroading is the principal industry absolutely abolished unemployment in the ranks of railroad men. There is only one way to meet the ever-changing machine age of our country. There is only one successful method of putting them back on the pay roll of industry in our Nation, and that is the method which even the chiselers and unpatriotic leaders of industry who denounce such progressive methods as this cannot dodge, avoid, or escape, and that is by the pensioning of those noble men and women who pioneered the upbuilding of industry and commerce to make the glory of our Republic.

What shall we do about the man who has given his best to society, who has slaved long and arduously in an economic order devoid of compensation sufficient to provide for old age, who faces that foul blot on a great nation—that soul-crushed, heart-despairing abode, the poorhouse? The conscience of the Nation shouts the answer with clamorous voice; an adequate national old-age pension; not one that quibbles over age or amount; not one that is a makeshift; but one so sound that it will adequately take care of this great problem. The welfare of the State and legislation looking to the advancement of the individual and his protection should be the endeavor and is the highest ideal of sound government.

Let us have a better America that is economically free, with every man enjoying the right to life, to liberty, and the pursuit of happiness—where the fires of greed and avarice are extinguished by liberty-loving and public-minded officials. The hope of America, the hope of its Constitution, the hope of the people all depend upon that one great principle, the principle that every American shall have the right to live as a decent American.

Amend this bill to the point where it will become a real bill; substitute a new bill in lieu thereof. Then a new America will be built, an America of peace, security, and an America of freedom from worry in old age and unemployment in youth—an America with a new Declaration of Independence as glorious and as great as that which freed the Thirteen Original Colonies, greater because we will have written upon the statute books of America all that will insure us against greedily and avariciously plunging into war as a method of recovery, one that will prevent crime by making life free from financial worry, one that will build a glorious republic and be a challenge to the Old World to follow America to economic freedom even as America was followed to spiritual liberty and political freedom.

Then mines, mills, and factories will reopen at full force. Homes will be remodeled, materials will be purchased. Farmers can sell their products. Despondency will be banished with the poorhouse in its unholy wake, and we will march forward again, a free people economically as well as spiritually, to the tune of the Stars and Stripes Forever, under the splendid leadership of that man who lives for America and its welfare alone, Franklin D. Roosevelt, our fearless and peerless President.

If we enact at this session of Congress a law which will take a sufficient number of men out of industry, and enact again a law that will cut down drastically the hours of labor, those two measures, and those two alone, will fulfill the desire of the great President of our Republic when he said that the greatest primary task is to put people back to work. [Applause.]

Mr. O'CONNOR. Mr. Chairman, when the rule for the consideration of the social-security bill was brought before the House, there was a great deal of ridiculous affirmation it was a gag rule. We, of the Rules Committee, who reported it, tried to show that it is a wide-open rule, and that no rule could be more open. At that time a number of the supporters of the so-called "Townsend plan" and of the "Lundeen bill" took the floor and protested as expert parliamentarians that neither of those bills would be in order under the reading of the bill in the committee for amendment. I stated then that I hoped the Townsend bill would be in order and that I felt personally that it was in order. Today we find that the alleged "Townsend bill" is in order. We have had a lot of commotion about nothing, therefore. What was said then has, however, gone throughout the country, and principally from that great State of California some of us have been lambasted as supporters of gag rules, trying to stop the consideration of measures in this House. Nothing could be farther from the truth, and every Member of this House knows it. We could easily have prevented the consideration of the Townsend scheme and the Lundeen bill, if we felt so inclined, but I for one, stood against any such gag from the very beginning. The irate people of California and other Townsend provinces may never believe it, but this House in fairness knows it.

Let me say to you today that in all the consideration of this bill before the Ways and Means Committee, in all the conferences between the Speaker and me, in all the discussions before the Rules Committee, no one ever even suggested that

either the Townsend plan or the Lundeen bill was not in order under an open rule such as we brought in. It was never intimated that those bills were not in order. So, therefore, there was no attempt directly or indirectly to prevent those bills from being in order.

Mr. Chairman, that the country may know the truth instead of the falsehoods peddled to this great army of misguided people, that the country may understand the extent of the activity of the champions of the Townsend plan and the Lundeen bill, let me say right here now that if those emotional supporters and champions ever entertained the fears they expressed on the floor of the House when the rule was reported, as to whether either of these plans might be in order, they certainly slept on their rights for a long time, because never one man or one woman, championing either plan or bill, ever took the precaution to see or request that his or her proposition be made in order, although they expressed great fears founded on their astute parliamentarian knowledge that they might not be in order. If those bills might not be in order, let me say to the country and to these poor, decent, distressed, desperate, but deluded, people of our Nation that if the Townsend plan was not held in order, I was prepared to do my utmost to make it in order so that it might be considered in this great assembly. With myself, that was the attitude of your great Democratic Speaker, through all this consideration of the method by which we would consider this bill. Why, Mr. Chairman, we never heard from the leaders of the Townsend plan; we never heard from the leaders of the Lundeen bill, asking us to make their bills in order, although those leaders said the bills were not in order. Where were those champions? Were they diligent in their great "battle"?

Mr. CONNERY. Will the gentleman yield?

Mr. O'CONNOR. No; not now.

The social-security bill has been considered for 23 hours. The debate has been one of the enlightening chapters in the deliberations of this great House. It has been conducted on a high plane. We are now at the period where we read the bill.

Of course, I have heard politics being played in reference to the bill. I could hear, especially on the other side of the aisle, politics being played. I could see politics being played especially by the Republican Members from California, and it made me think of that expression of their last President, and the last President the Republicans will ever have [laughter]—I thought of the expression he coined, which made such an appeal at the time.

The CHAIRMAN. The time of the gentleman from New York [Mr. O'CONNOR] has expired.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CONNERY. Will the gentleman yield?

Mr O'CONNOR. Yes; I yield.

Mr. CONNERY. I just want to say to the gentleman from New York, for whom I have the greatest admiration and respect, that the Lundeen bill was passed favorably by the Committee on Labor and reported favorably to the House, and the next day I drew up a resolution asking the Rules Committee to give us a favorable rule in the House, and we received no rule.

Mr. O'CONNOR. The gentleman is talking about a subject matter so far distant from what I have been referring that there is not even a connection, let alone germaneness. I said that if you, Mr. CONNERY, worried about the Lundeen plan being in order in the consideration of the social-security bill, where were you? What effort did you make to be sure it was in order?

Mr. CONNERY. I was here.

Mr. O'CONNOR. But the gentleman did not ask to have the Lundeen bill made in order. Now, that is the fact.

Mr. CONNERY. We had it all drawn up to be in order, however, and it is in order now.

Mr. O'CONNOR. The gentleman is talking about a separate rule for the consideration of the Lundeen bill by itself. The gentleman interrupted me, a good Democrat, when I was talking about my Republican friends on the other side. [Laughter.]

Mr. CONNERY. I beg the gentleman's pardon for that. I would not stop him for a moment on that.

Mr. O'CONNOR. The last Republican President for all time [laughter] coined the expression, "Playing politics with human misery." I saw it played here during the debate on this bill. I saw it played especially on the Republican side of the aisle and by the Republicans from California—men, who in the ordinary conduct in this body, would never vote for some of these measures we are now advocating; men who would never think of bringing before this House any social-security bill. When did the Republicans ever think of old-age pensions during all the years they were in power? Why, they always fought every humanitarian piece of legislation, from the Workmen's Compensation Act down to old-age pensions. [Applause.] We Democrats are entitled to credit for this great bill. We are pioneers in behalf of our people for the benefits of old-age pensions.

This is a happy hour in this House when, under Democratic leadership, an opportunity for all these great propositions to be considered is presented to the House.

This House is a cross section of the entire country, representing not only geographically, but mentally, morally, and emotionally every current of thought in our Nation. With that background, we cannot be wrong. That this great bill represents the spirit of America will be evidenced by the fact that every one of these much discussed propositions, antagonistic to its plans, will be voted down by at least 8 to 1, and the bill will pass with not more than a score of the peoples' Representatives voting against it.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I renew my unanimous-consent request that all debate on this amendment and all amendments thereto be concluded in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. LUNDEEN. Reserving the right to object, will the gentleman agree to a roll call on the bill?

Mr. TREADWAY. Reserving the right to object, we have reached an agreement, or at least I understood it was an agreement, to be very liberal in the use of time on amendments.

It does not strike me as quite the right thing to do for the chairman just at the beginning of consideration of the bill, under the 5-minute rule, to endeavor to force a closure in 20 minutes. Let us start out by having liberal consideration of the amendments offered. I think this would be advisable.

Mr. DOUGHTON. I will say to my friend from Massachusetts that we have had 23 hours of general debate. Numerous amendments are to be offered, and if we set the precedent of having an hour or two of debate on each amendment we shall not make much progress. If we allow it in one case we must allow it in all.

Mr. TREADWAY. If no objection is raised to the gentleman's request that debate on the pending amendment close in 20 minutes I hope it will not be construed as setting a precedent of allowing only 20 minutes on the other important amendments, for a great many Members want the opportunity of speaking on them.

Mr. DOUGHTON. We are going to be reasonable. Let us see how the Members feel about it.

Mr. MOTT. Mr. Chairman, reserving the right to object, may I offer a suggestion to the gentleman from North Carolina? Instead of submitting his unanimous-consent request now, why does he not allow debate on the amendment to run along for 20 minutes and then if the Members think there has been sufficient discussion, let him renew his unanimous-consent request that debate close immediately or in 5 minutes. I would like 5 minutes on this amendment, but it is very doubtful if I can obtain it.

Mr. DOUGHTON. Mr. Chairman, I renew my request.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. FORD of California. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the McGroarty-Townsend bill for the reason that the social-security act we are now considering in my judgment has three defects in the old-age pension phase of it. The first is that the sum to be allotted by the Federal Treasury to the States, of $15 per person per month, is too low; the second is that the age limit we have fixed in this bill is too high; and the third is that under the provisions of the bill not over 5, 6, or perhaps 10 States at the outside, will be eligible to take advantage of its provisions because of, first, financial, and, second, constitutional or other legal limitations existing in the various States.

Mr. Chairman, had the social-security act, or an act of similar character, been put into operation or attempted to be put into operation along in 1924 or 1925 when the country was fairly prosperous, it could have been justified; but we are bringing this bill in at a time when the country is almost prostrate, at a time when 7,000,000, 8,000,000, or 10,000,000 elderly people are without means of subsistence. We are in a critical period, a period that is similar to a man stricken with appendicitis. You cannot cure his appendicitis by prescribing a diet, the only way you can cure it is by an operation. We have got to take a drastic step here and see that the people of this country are given an opportunity to get some help at this time.

The McGroarty bill will do that now. It will not affect the Treasury. The money to put it into operation will be collected over the country, and I feel in my soul that the average person would be willing to pay the 2-percent tax necessary to assure the millions of aged people being taken care of now.

Mr. Chairman, I withdraw my pro forma amendment.

Mr. MOTT. Mr. Chairman, I rise in support of the motion of the gentleman from Montana.

Mr. Chairman, in discussion of this matter during the course of the 23 hours' debate on the pending economic-security bill I have tried to avoid anything that could be construed as political or partisan. I think I have succeeded so far, and I am not going to say anything political now. I cannot refrain from observing at this point, however, that I do not agree with the statement just made by the gentleman from New York [Mr. O'CONNOR] as to the reason why we are permitted to have a vote on this amendment, the revised McGroarty bill, H. R. 7154, at this time. I believe, if it were not rather certain in the minds of the majority leaders that the amendment would be defeated, a vote would not be allowed on it under the rule.

I am entirely satisfied—and so, I believe, is everyone here—that if the McGroarty amendment had any chance of adoption today, a point of order would immediately have been made against it on the majority side on the ground that it was not germane, and that the point of order would have been sustained. However, I do not intend to discuss that point now. It is enough that we are at least to vote on it.

There are 435 Members of the House. All of them have had an opportunity to study the revised McGroarty bill, which is now offered as a substitute for title I of the economic-security bill; most of them have had opportunity to talk upon it, if they desired to do so. The text of the revised McGroarty bill, with certain highly important perfecting and clarifying amendments, appears printed in the RECORD on pages 5888–5890. I hope every Member who has not already done so will read it. I do not expect everyone to be able to study it as carefully as it ought to be studied, but I want to suggest to gentlemen who intend to oppose it that they should at least be familiar enough with it to oppose it for what may appear to them to be valid reasons.

I have listened carefully to everything that has been said on this proposal in the general debate, and, frankly, I have been surprised at the apparent lack of information in regard to it that has been displayed by many of the able gentlemen who have seen fit to oppose it. With the exception of two or three of the gentlemen who have spoken in opposition to it, the only arguments offered against the McGroarty proposal upon the floor of the House to date have been in the nature of ridicule.

Now, you cannot ridicule this thing out of existence, nor can you laugh it out of existence, even though you might not agree with it. Some 20,000,000 people in this country have by their petitions said that they desire enactment of a much more drastic and far-reaching old-age-pension law than that proposed in the revised McGroarty bill, and I say to you that you cannot ridicule out of existence a legislative proposal supported in good faith by 20,000,000 Americans.

What is the revised McGroarty bill, which we now propose as a substitute for the old-age-pension provisions of the administration bill? What is its purpose and how does it propose to translate that purpose into statutory law?

The fundamental purpose and object of the revised McGroarty bill is to provide an opportunity for every person in the United States who has reached the age limit of his economic usefulness to retire completely from competition with those who have not yet reached that age and to live the remainder of his life in decency and comfort and happiness. The McGroarty bill proposes that this great blessing of security shall be extended to the aged of our Nation, not as charity but as a matter of right.

So far then as the purpose of the bill is concerned, I venture to say that no one can very logically oppose it, because to do so would be to deny what is universally conceded now to be not merely a desirable thing but a demonstrated necessity. The only question, therefore, which I think can be properly raised is this: Does the revised McGroarty bill offer a feasible, a sound, and a practical method of achieving this admittedly worthy object? Let us examine it with this question in mind and see whether reason and experience, when applied to the provisions of the bill, will not answer the question for us.

The bill places the age of eligibility for a pension at 60 years. Why? For two reasons: First, because experience has shown that in modern industry—and in that term I include industry and business of every kind—the limit of the average person's real economic usefulness is reached, and that the majority of people above that age have not been able to exist in modern industry in competition with people who have not reached that age. The second reason is that 9 people out of 10 above the age of 60 years do not have an income sufficient to support themselves, and that the majority of people of that age are objects of charity in one form or another. Ninety percent of all the people past 60 who are holding jobs at the present time are holding them at the expense of younger people who are better fitted to do the work, and they are thus keeping out of employment millions of people who are still within the age which qualifies them to do the work required by modern industry.

Looking at the problem, therefore, from the viewpoint of economic necessity and desirability alone, I think most people will agree that the age of 60 is the proper age of eligibility under any comprehensive Federal old-age-pension law. From the humanitarian angle also an age limit not greater than this commends itself to most students of this problem.

Not all people over 60 would be eligible under the revised McGroarty bill, as they would have been under the original bill. This bill provides that no person having an income of more than $2,400 a year shall be eligible in any event. It also provides that if a person who is otherwise eligible has any independent income under that amount, the same shall be deducted from the amount of the pension he would otherwise be entitled to receive. This provision of the revised bill, I think, is proper and equitable both from the economic and humanitarian viewpoint.

No one, of course, is obliged to accept a pension under this bill. If he does accept it, however, he must agree to spend the entire amount of the pension every month. There are two reasons for this provision. The first is that since the pensioner is to be assured of an adequate annuity monthly during the remainder of his life, there is no economic necessity for his having to save it, and the second is that it is economically desirable to put this huge pension fund into

immediate and continuous general circulation. That the compulsory circulation of several billions of dollars a year will tend to increase business, to create new jobs, and to otherwise help to bring about a recovery, there can be little doubt. This is an important feature of the McGroarty bill, and it is entitled to the very thorough and thoughtful consideration of the Congress.

The McGroarty bill is unique among the many old-age-pension proposals pending here in that it provides a definite method for raising the necessary revenue to finance the pensions. It does not depend upon borrowing to finance it, as does so much of the so-called "recovery and reform legislation" enacted by Congress during the present administration. Neither does it depend for its financing upon taking out of the Treasury a part of the money raised for general governmental purposes. Finally, it does not propose to increase existing rates on any of the taxes which are now employed by the Federal Government for revenue-raising purposes. The bill proposes an entirely new kind of tax which is to be used exclusively for the financing of the pensions to be paid under it and for no other purpose.

The revised McGroarty bill provides for the raising of the revenue necessary to create the fund wherewith to pay the pensions by the levy of a 2-percent tax upon transactions. Under the original bill both the character of the transactions which could be taxed, as well as the number of taxable transactions, was unlimited. Under the revised bill taxable transactions are carefully limited by very strict definition.

There are two reasons for this change in the revised bill. The first is that it was felt that a tax upon all transactions, unlimited either as to scope or number, might lead to considerable confusion and that it might also impose upon industry a tax burden greater than was necessary to provide an adequate pension. This, in my opinion, is the most important change in the revised bill, and it was a frank concession to those who believed in the fundamental principle of the plan involved in the bill, but who could not see their way clear to support the proposal to place a tax upon the gross dollar value of every conceivable sort of transaction involved in our very complicated industrial and financial system. It is not believed it will be necessary to go that far in order to raise the required revenue.

The second reason why it was thought necessary to put some limitation upon the character and number of taxable transactions was that without such limitation the small independent operator would be put to a disadvantage, because the large operator would be able to eliminate certain taxable transactions which the independent operator could not eliminate. Under the bill as now drafted the tax affects everyone alike and in equitable and exact proportion to the business he transacts. This is true whether the transaction be done by the independent corner grocer or whether it be done by the biggest chain store in the country. For example, under the revised bill an automobile such as that manufactured by Henry Ford, who makes all the parts which go into his product, would be subject to exactly the same number of taxable transactions as an automobile assembled by a company which buys most of its parts from other manufacturers. Under the revised bill, an article of merchandise purchased at the neighborhood drug store is subject to exactly the same tax and the same number of taxable transactions as a similar article purchased over the counter of the great chain drug store, which is merely the retail branch of the company which manufactures, distributes, and sells that article.

This part of the revised bill, namely, the limitation by definition as to the character and number of taxable transactions, and the provision for the equitable distribution of that tax burden upon everyone, large and small alike, is, as I have said, perhaps the most important change in the bill aside, of course, from the elimination of the original bill's compulsory requirement of a $200 a month pension; and with these changes it seems to me that all of the really valid objections to the original bill have been removed. When the gentleman from California [Mr. BUCK] and the gentleman from Wisconsin [Mr. BOILEAU] criticized the bill a few days ago on the floor upon the ground that a transaction tax would give an unfair advantage to the large operator, I am sure they were not aware of amendments 5 and 6 to section 2 (f) of the bill as it appears printed in the RECORD this morning. It is this revised and amended text of H. R. 7154, of course, and not the printed draft of H. R. 7154, as introduced, which has been offered today as a substitute for title I of the administration's economic-securities bill.

To the printed draft of H. R. 7154 I think the objections of these able gentlemen were valid and to the point, but it is my opinion that the amendments I have referred to have met these objections and that no question can now be properly raised as to the complete and equitable distribution of the tax burden imposed by this bill.

Some question has been raised as to the amount of revenue which a 2-percent transaction tax, such as is contemplated under the revised bill, would provide. It has been contended that we do not know just how much that revenue will amount to, and that therefore we cannot calculate what the amount of the pension will be. I am perfectly willing to admit that, but I do not admit that that is a valid objection to the bill. No one can tell in advance of the actual levy and collection of an entirely new kind of tax just how much that tax will raise. Before the first Federal income-tax bill was passed it was admittedly impossible to estimate accurately the revenue to be expected from it. This has been true of every new tax bill. It was largely for that very reason that the revised McGroarty bill, unlike the original bill, does not undertake to prescribe the amount for the monthly pension. The bill simply provides that out of the revenue raised by the 2-percent tax on transactions, together with the other minor taxes provided in the bill, the pensions shall be paid, pro rata monthly, to those eligible to receive them under the bill. I do not contend that the bill is perfectly drawn in this respect. My own preference would have been to specify such a pension for the first year as could have been ascertained with certainty from the expert testimony given on this point by Dr. Doane before the Ways and Means Committee—page 1120 of the hearings. However, I did not draft the bill, and I certainly do not expect this or any other great piece of controversial legislation to conform to every idea that I may personally have on the subject.

And now in this connection I want to make an important observation. It is this: There has been entirely too much controversy as to the probable amount of the pension to be paid under this bill. The amount of the pension to be paid during the first year or two of the operation of this law, if the revised McGroarty bill becomes law, is not, in my opinion, very important at this time. I know that many at first will differ with me in this, but further consideration, I am sure, will persuade those very people to concur in this opinion. The important thing is not to get a law which will immediately pay a fixed pension large enough to satisfy everybody. Great legislation such as this is not made that way. The important thing here and now is to get the fundamental principle of this bill enacted into law and to set up the tax machinery to finance it. That fundamental principle, as I have so often repeated, is to provide a pension for everyone who has reached the age where he ought to retire in an amount sufficient to enable him to retire in complete comfort and in peace of mind, so that he may be freed entirely from the necessity of competition, and so that he may safely turn over the job he now holds to a younger man who is out of a job and who is being kept out of that job largely because it is necessary for the old worker to hold on to it as long as he can in order to live.

This, and not the precise amount of the pension, is the fundamental principle, the dominant idea, behind this proposed legislation. And when we have enacted that proposal into statutory law, we will have accomplished two great things which have never yet been accomplished in the whole history of the world. We will have changed the period of old age from a period of fear and want and despair into that period of happiness and blessedness which the Creator surely meant it to be. That is what this bill will do from the humanitarian angle of it. Upon its economic side it will take

the greatest step toward the solution of our unemployment problem that has ever been taken, because it will immediately and automatically release millions of jobs to the young people of our Nation who now, through no fault of their own, find themselves without work while they are still living in the period of their greatest economic usefulness.

Therefore, I want to say again that whether the revised McGroarty bill will furnish an immediate pension as large as some have claimed or hoped for is not at all the important thing at this particular time. The important thing is that this pension, which will at least be an adequate one, will actually enable the old people of our country to cease competition and to retire. And this great purpose, having once been actually translated into law, that law can be amended at any subsequent session of the Congress so as to fix the pension at whatever figure experience and good judgment may then show that the tax proposed in this bill can properly and safely sustain.

I come now to the question of the tax itself, and although this is the most controversial feature of the bill it is my intention to discuss it only briefly. It has already been thoroughly discussed and everyone, I believe, knows what it is.

The objection advanced against the transaction tax is that it is a multiple sales tax and that a sales tax is wrong in principle because it does not assess the taxpayer in accordance with his ability to pay.

I answer that objection first, by admitting that for purposes of general revenue for ordinary governmental purposes the sales tax is not an equitable tax, because under it the poor man is more heavily burdened than the rich man. This is because the poor man must spend everything he makes in order to live while the rich man needs to spend only a portion of his income for that purpose. But I contend that this objection is valid only when the sales tax is used for the general revenue-raising purposes. When it is used for a specific and exclusve purpose, for the purpose of financing a necessary and indispensable activity outside of the usual and ordinary functions of government, then this objection largely disappears, because then the tax is used for the direct and special benefit of those who pay it.

There are many examples of the truth of the statement I have just made. I will cite you only one; that of the gasoline tax, which is purely and simply a sales tax. The sales tax on gasoline in most States amounts to a tax of from 20 percent to 25 percent of the retail price of the gasoline. No one would tolerate such a tax for general governmental purposes. But the gasoline tax is paid by motorists, for whose benefit the roads are built, and it is used exclusively for road building. Without the gasoline-sales tax the motorist knows his automobile would be useless to him. Therefore he willingly pays the tax, which is several times as high as the tax contemplated in the revised McGroarty bill, because he derives the entire benefit of the tax he pays. I venture to say that the most outspoken opponent of the general sales tax—and I, myself, happen to be one of them—would not for a moment consider doing away with the gasoline sales tax, or even reducing it in any considerable amount.

The same reason that makes the gasoline-sales tax desirable and necessary for the special and exclusive purpose of road building makes such a tax as the transaction tax desirable and necessary for the financing of this new and special and necessary governmental activity, which is for the direct and special benefit of those who pay the tax, and without which tax the benefit cannot be given.

The objection to the tax feature of this bill is a fundamental objection, of course, but I think a complete answer can be given to that objection by asking this question: Is the benefit to be derived by the taxpayer from this bill great enough and necessary enough to warrant the tax burden which it must necessarily impose upon the taxpayer? If it is, then the objection fails, no matter what the objector may think of this particular tax, because without some special tax of this kind it would be impossible to raise enough revenue to finance any comprehensive adequate Federal old-age pension. To finance it by raising the rates on existing taxes would more than double those rates, because the financing of adequate pensions will require as much money annually as the entire present Federal tax revenue.

Therefore if it be once conceded that we should have an adequate Federal old-age pension system, and nearly everyone now does concede that, then we must provide for its financing; and to do that we must of necessity employ a tax which is capable of raising the necessary revenue. Since no other tax entirely capable of doing this has as yet been proposed, or appears likely to be proposed, it follows as a matter of ordinary logic that this is the tax which should be employed.

And who pays the tax under this bill? Obviously everybody pays it. Who directly benefits by paying the tax? Again everybody, because everybody living in the United States, no matter what his age, will be eligible to the benefits of the act, if he needs them, when he reaches the eligible age. And please do not forget in this connection that experience has already demonstrated that 90 percent of the American people now living will need its benefits when they arrive at that age. That is a plain, cold statistical fact which should give pause to everyone in his consideration of this bill.

It has been argued here that this bill is a tax on poverty. I do not agree with that, nor do I think such a contention can reasonably be sustained. It is a tax upon the rich and the poor alike. But to those who say that the poor will pay most of the tax because they constitute the great majority of our population, because they make up the major portion of the ultimate consumers, and because they must spend all they earn in order to live, I reply that it is the poor who will most surely be the direct beneficiaries of this bill. I reply also that it is not the poor who are objecting to the taxing features of the bill. And if the poor themselves do not object to being taxed for the purpose of insuring to themselves a little comfort and happiness when finally they enter upon the twilight of the evening of their lives, surely no one else should be heard to raise his voice against it.

I wish it were possible to find a tax which the very poor did not have to pay at all, but no one, I am sure, believes that this is possible. It is the poor who have always been really taxed, regardless of what the form of taxation has been. The great-income taxpayers, for example, have always managed to pass along most of the tax to the consumer, although the tax the income-tax payer pays is merely a tax upon his profits. Even this tax he passes on to the ultimate consumer who, as has truly been said, is for the most part poor. Throughout all history that has been the case. The rich always have been few. Always the poor have been multitude. From the beginning the poor have carried upon their backs the burden of the world. They still carry it. They have fought its battles, they have created its wealth, they have paid its taxes, and as their reward they have died, as they have lived, still poor. I say this has always been so. But has not the time now come to inquire whether it must continue to be so forever? Is there always to be no hope, no reward, no surcease from the never-ending toil of the masses of our people?

Mr. Chairman, for the first time in the history of legislation I see in this bill the hope that the age-long burden of the poor may be lightened, at least toward the end of the journey. This bill does not propose to make the poor man rich. It does not propose, as has mockingly been said, to make spendthrifts of the aged. It does not propose to bring about any revolutionary change in our economic system. It does not propose to take away wealth from anyone. But it does propose and it does undertake to insure to all the people of the United States, no matter how poor they may be, that when they have reached that age in life where they are no longer fitted by nature to continue the strenuous fight for existence that they shall receive back something of the wealth they have already created as their reward and their due for having created it. It does undertake to say to them that when, by virtue of their years, the time comes for retirement that they shall be entitled to retire as a matter of right and that their retirement shall be one of comfort and security.

It undertakes to liberate from the minds of all the devastating fear of poverty in their declining years and to bless those years with the sunshine of peace and happiness. And while doing all this it undertakes, at the same time, a rational effort to solve at least a part of the vital problem of unemployment, which must be solved if the Nation is to endure, but which all the billions expended and all the volumes of legislation of the past 2 years have as yet failed to accomplish.

A bill having such things as these for its goal and purpose must, in my opinion, ultimately become law. I believe this bill will go far toward accomplishing these ends, and I consider myself fortunate, therefore, in having the opportunity to support it upon its initial introduction in the Congress. [Applause.]

Mr. WHITE. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am in favor of this amendment presented by Mr. MONAGHAN and known as the "McGroarty old-age-pension plan." I regret that, as a Member of this House, I shall be forced to vote on this bill as a whole, which attempts to legislate, as it does, on so many different social features. I know that the people whom I have the honor to represent favor some of the legislation embraced in this measure and are opposed to others. I believe until this Congress can be induced to give this country a good, workable, adequate money system to supply the needs of the country that we must resort to some recovery measure of this kind. I am in favor of a national old-age pension. I am in favor of a pension plan that will pay as it goes. I am also in favor of a national old-age pension plan modeled somewhat along the lines that we use to pay our ex-service men—with money raised by taxation and paid to the beneficiaries by the National Government. The pension system that is being followed by the National Government in caring for our ex-soldiers is successful. If the men and women of the generation that is passing—who have brought forth the present generation and endowed it with the wealth and institutions of this great country—are to be safeguarded in their declining years in security and comfort and ease, our National Government must come to their assistance by enacting a liberal national old-age pension law that will provide for their care.

Mr. Chairman, I have read the social-security bill that we have been discussing the last few days from one end to the other, and I believe it is not feasible, that it is impracticable and unworkable, and will not do the things which it is designed to do.

For these reasons I am in favor of and shall vote for the McGroarty revised old-age pension plan.

Mr. TRUAX. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TRUAX. Is an amendment to the amendment now pending in order at this time?

The CHAIRMAN. It is.

Mr. KRAMER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KRAMER to the amendment: Page 8, line 12, after the word "of", strike out $2,400 and insert in lieu thereof "$1,200", and in line 18, strike out "$2,400" and insert in lieu thereof "$1,200."

Mr. MOTT. Mr. Chairman, I make a point of order against the amendment. As I understand the amendment offered by the gentleman from Montana, it consists of the text of the bill as printed upon page 5888 of the RECORD. There is no provision for $2,400, or any other amount in the text of that amendment.

Mr. KRAMER. If the gentleman from Oregon will read the bill he will see it refers to $2,400. It accepts the amount on page 8 and says that the person who receives a pension will be eligible to receive $2,400.

Mr. MOTT. I make the point of order that language is not in there at all.

Mr. O'MALLEY. The $2,400 is not in the amendment.

The CHAIRMAN. The point of order is overruled.

Mr. MICHENER. Two thousand four hundred dollars is not mentioned in the amendment which we are to vote on.

The CHAIRMAN. The Chair overrules the point of order.

Mr. KRAMER. Mr. Chairman, I do not believe it is necessary to make a lengthy speech for the benefit of my constituents, as the good people back in my home community know very well how I feel now and how I have always felt toward an old-age pension. The people in the Thirteenth District of California know that this has been my most earnest desire for more than 3 years, and I want to emphasize the fact again—just as I did during my last campaign and the campaign 2 years before that—that I am heartily in favor of an old-age pension, and it, therefore, gives me great pleasure to support the McGroarty amendment to the Doughton bill, known as the "social-security bill", which is now under consideration in the House of Representatives.

Although there are some provisions in the McGroarty bill, which is now being offered as an amendment, many of my good colleagues have stated that no bill is perfect when it reaches the floor of the House. However, the thing that is confronting our Nation today is the fact that we must sometime commence to take care of our aged, our helpless children, and others who are unable to provide for themselves. There is no better time than the present to start this great humanitarian work which has been promulgated by our great President during the last session of Congress, as well as during this session of Congress.

I exceedingly regret, however, that I cannot agree with the members of the Ways and Means Committee in the enactment of the present bill without the McGroarty amendment just submitted, because the amount set forth in this bill in the way of pension, benefits, or whatever you may choose to call it, is wholly inadequate to provide for a decent and comfortable subsistence for our aged.

And may I also add that the age limit is too high in this bill. There are any number of men and women today who are holding positions but who are wholly unfit to do so—they should be retired and allowed to enjoy their declining years in peace and quiet, and also to make room for the younger generation who needs these positions. A man or woman should not be obliged to work up until their last day, but should have the security of a decent income so that they may enjoy their old age and get the pleasure out of life that was meant for all of us—rich and poor alike—without any discrimination.

There are a great many portions of the committee bill which have excellent humanitarian and meritorious qualities, and I know that the committee—the chairman of which I hold only in the highest esteem and respect—are anxious to enact a fair and acceptable bill; but, as expressed by some of the ranking members of the minority side of the House, it does not take care of the immediate needs of our aged.

I am in no way criticizing the committee for the manner in which they have submitted this bill, as I know they have labored unselfishly and untiringly night after night for more than 90 days in order to bring out the best bill which would be applicable to the needs of our old people and one which would pass the House. But I do not feel that I can support the bill in its present form, and I am therefore taking the floor today in support of the McGroarty bill as an amendment to title no. 1.

Mr. Chairman and Members, it behooves us to do that which is only right, decent, and proper to repay these old people for their labors and sacrifices through the years. We have prescribed and supported many other ventures throughout the country to take care of the needs of the unfortunate. Why cannot we do as much for our old folks who have given their all for the younger generation? We have been very liberal in appropriating money for other purposes, and I think that now is the time for us to do that humanitarian act and provide for the mothers and fathers in order that they may enjoy the short span of life that is before them.

I know there is no Member in this House who would not reach down in his own pocket and help some aged man or woman or some helpless child or mother who may be in need, so why not put our thoughts and feelings into legislation at

this time and do this one fine and humanitarian thing which none of us will ever regret?

Out in sunny California—the Golden State of the Union—we try to live up to the Golden Rule and do unto others as we would have others do unto us; and I can tell you sincerely that the cries of the aged throughout the Nation reach to the heavens above for the Members of Congress to vote for a fair old-age pension plan.

As I said before, the passage of this legislation at this time will not only be a great aid to the aged but will open up opportunities for the younger generation, inasmuch as it will provide additional positions and greatly relieve our unemployment situation.

We must all strive to carry out the American spirit and American principles to enact humanitarian legislation, and not develop a national weakness. We should be fair to all our citizens in every walk of life and, our fairness should not be tainted with any selfishness.

In conclusion, let me say that while this is entirely new legislation, and while we are pioneering, we must give a great deal of consideration to the many problems confronting us relative to the passage of this bill. I therefore sincerely hope and pray that every one of you men here will open up your hearts and support this legislation.

[Here the gavel fell.]

Mr. TRUAX. Mr. Chairman, I offer an amendment which I send to the desk.

The CHAIRMAN. The Chair may state to the gentleman from Ohio that there is an amendment pending to the amendment offered by the gentleman from Montana [Mr. MONAGHAN], therefore the amendment to the amendment offered by the gentleman from Ohio, being an amendment in the third degree, would not be in order.

Mr. MOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOTT. Mr. Chairman, in looking at the print, copy of which was offered as an amendment, now pending before the House, and which is supposed to be a duplicate of the text as printed in this morning's RECORD, I notice that it does not eliminate the $2,400. May I ask now if it would be in order to ask unanimous consent that the print which is in the hands of the Clerk may be amended to conform with the print in the RECORD in that respect, which takes the $2,400 out? If that is in order, I ask unanimous consent that that change may be made.

Mr. KRAMER. That is my amendment.

Mr. MOTT. So that it will conform to the text appearing in the RECORD.

Mr. VINSON of Kentucky. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. I could not hear just what the unanimous-consent request was.

Mr. MOTT. There is a typographical error appearing in the print now in the hands of the Clerk, which is supposed to be a duplicate copy of the printed text of the revised McGroarty amendment in the RECORD.

Mr. VINSON of Kentucky. I understood the gentleman to say that certain language had been left out of the RECORD.

Mr. MOTT. No; I should have stated it the other way around. The figures $2,400 appear in the text which the Clerk has, but they do not appear in the text as printed in the RECORD.

Mr. VINSON of Kentucky. Is this a fifth Townsend plan?

Mr. MOTT. The gentleman will have to ask the gentleman from California [Mr. BUCK], because he is the authority on the number of revisions.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to modify the Monaghan amendment in the respect stated. Is there objection?

Mr. KRAMER. Mr. Chairman, I object.

Mr. MOTT. Then, Mr. Chairman, I move that the amendment be so modified.

The CHAIRMAN. Such motion would not be in order at this time.

Mr. McGROARTY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I just want a minute or two to answer some things that have been said this morning and have been said before.

The distinguished Chairman of the Rules Committee, my very dear friend Mr. O'CONNOR, has put out not only the innuendo but the statement that the advocates of this bill are playing politics with human misery. The trouble with Mr. O'CONNOR is that he lives among the skyscrapers of New York and does not know the country. If he knew his countrymen as he should, if he should take a trip to California, where he has never been, and meet with people, he would know that no American worthy of the name would play politics with human misery. [Applause.]

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. McGROARTY. I only have 3 minutes.

Mr. O'CONNOR. The gentleman is mistaken. I said the Republicans were playing politics with human misery. [Laughter.]

Mr. McGROARTY. Well, I do not believe it. I do not believe that even a Republican would do that. [Laughter and applause.]

Mr. Chairman, let us look this thing in the face. Before you vote on this amendment think twice. Thirty million of your countrymen and countrywomen want this bill enacted into law as amended now in the committee. This is the truth, and do not forget that they are hanging upon every word that is said in this House this morning and upon every vote that is cast. Use your own convictions if you want to—that is what you ought to do—but for God's sake think of these old people, so near to the heart of God, who need your help, and the only way they can get it is through this amended bill. Do not tell me that this social-security bill as presented to this committee means a thing. It means no pension, and you know it. It means nothing. [Applause.]

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, certainly I was a prophet and spoke correctly day before yesterday when I said that the bill then pending before the House bearing the name of the gentleman from California [Mr. McGROARTY] would never be called to the attention of our committee for action.

We have an entirely new one here this morning, or at least, so the gentleman from Oregon [Mr. MOTT] has said, and he has stated that it answers all the objections which I made to H. R. 7154 the other day, which he was kind enough to say were valid objections.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. No.

Mr. MONAGHAN. Will the gentleman, then, support the bill?

Mr. BUCK. The gentleman can judge when I finish these remarks.

I want to call your attention to just what some of these amendments do.

In spite of all the verbiage that is on printed pages 5888, 5889, and 5890 of the RECORD, the objections made by the gentleman from Wisconsin [Mr. BOILEAU] and myself, that under the proposed McGroarty bill independent operators and small retailers will be penalized at the expense of the large operators have not been met. Section 2 (f) (5) and (6), which is new matter, does not prevent the Atlantic & Pacific Co., or any other chain-store organization, from buying directly from the producer and then through its stores making direct sales to the consumer. They are given the advantage of eliminating the wholesaler and the jobber and thus avoiding from one to three turn-over taxes.

The gentleman from Oregon may think he has this covered by subdivision 7——

Mr. MOTT. No; subdivision 5.

Mr. BUCK. Subdivision 5 does not cover it.

Mr. MOTT. Read it.

Mr. BUCK. I have read it, and in the limited time I have I cannot enter into a debate with the gentleman, and the gentleman knows it; otherwise, I would be pleased to do so.

Mr. MOTT. I shall not interrupt the gentleman further.

Mr. BUCK. I want the gentlemen of the Committee to read the new proposed substitute for title I in the light of the objections I made the other day.

The gentleman from Oregon, in his revised draft, attempted to remove the words "$2,400 per year" in section 4 (e) and substitute "the amount of the annuity to which he would be otherwise entitled under this act." I regret that he was prevented from doing this through a clerical error. But if it had been done and the words "the amount of the annuity to which he would be otherwise entitled under this act" had been substituted, this amendment taken in connection with the proposed elimination in section 6 (c) of the words "not exceeding $200 per month" would permit the payment of pensions up to $1,000 per month or more if the United States Government were fortunate enough to collect that much money. It eliminates all restriction whatever and is even worse than the original Townsend plan.

Furthermore, in connection with the powers granted the Secretary of the Treasury, the gentleman from Oregon, in his amendments, has gone further than ever. He has now given, in section 2 (f), the Secretary of the Treasury power to prescribe what shall constitute a taxable transaction, and the Secretary of the Treasury may determine and prescribe the number of transactions to be taxed, in the course of the production, distribution, or sale of any article or commodity.

Mr. MOTT. The gentleman should yield there, Mr. Chairman.

The regular order was demanded.

Mr. BUCK. The amendments attempt to remove, and have removed successfully, my objection to the tax being laid on the amount of any mortgage on a farm when sold, but this amendment does not remove the objection that if a man who has an automobile and has a chattel mortgage on it, or if a man who owns any other personal property with a chattel mortgage, or if a man who has a lien against his livestock, who sells, will have to pay a tax on the lien on such chattel.

This is still one of the most vicious multiple-tax propositions that has ever been presented to the House.

The gentleman from California, the kindly gentleman, Mr. MCGROARTY, spoke to you about 30,000,000 people having endorsed this proposition. Good God, has any one human being had time to endorse this proposition that is presented to you to vote upon here today? I have been trying diligently throughout the course of these hearings to secure some concrete proposal that might make sense, and have it debated, but no one can pin the Townsend supporters down to any stable plan. It changes over night. But even this changed plan cannot overcome the fundamental objectives.

Everyone knows that so far as I am concerned I have been one of the advocates of the most liberal old-age-pension systems that can be adopted, but this, Mr. Chairman, is not an old-age-pension system. It is just as the organizers of the Townsend plan have described it, an attempt to work an economic revolution, and as I told you day before yesterday in the committee, the revolution that will be worked will not be the economic revolution that the proponents of the plan desire, but within 6 months after such a bill was passed there would be a revolution on the part of every worker in this country against the bill. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. KRAMER] to the amendment offered by the gentleman from Montana [Mr. MONAGHAN].

The question was taken, and the amendment was rejected.

Mr. TRUAX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Page 4, line 13, strike out all of section 2 and insert a new section, as follows:

"Funds to provide for the purposes of this act shall be obtained by a capital-tax levy on all individual fortunes of $1,000,000 and over, on all inheritances and gifts, on all individual and corporation incomes of $5,000 a year and over."

The CHAIRMAN. All time having expired, the question is on the amendment offered by the gentleman from Ohio.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Montana [Mr. MONAGHAN].

The question was taken; and on a division (demanded by Mr. MONAGHAN, Mr. MCGROARTY, and others) there were—ayes 56, noes 206.

So the amendment was rejected.

Mr. SCRUGHAM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 1, following the enacting clause, insert the following as a new title.

"GRANTS TO STATES FOR OLD-AGE ASSISTANCE

"APPROPRIATION

"SECTION 1. For the purpose of enabling each State to furnish financial old-age assistance there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $250,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Social Security Board established by title VII (hereinafter referred to as the 'Board'), State plans for old-age assistance.

"STATE OLD-AGE ASSISTANCE PLANS

"SEC. 2. (a) A State plan for old-age assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim for old-age assistance is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and (7) *Provided*, That each State must collect from the estate of each recipient of old-age assistance an amount equal to the old-age assistance furnished such recipient, and of the net amount so collected there shall be promptly paid to the United States such sum or a proportionate part thereof as contributed to such recipient during his or her lifetime. Any payment so made shall be deposited in the Treasury to the credit of the appropriation for the purposes of this title. *Provided, however*, There shall be exempt from such lien, claim, or charge against the estate of such recipient the home or homestead of such recipient of a value not to exceed $3,000.

"The benefits under this act shall not be granted to any person who has within 5 years prior to making application for old-age assistance divested himself or herself directly or indirectly of any property for the purpose of defeating or evading the lien herein provided for the repayment of any assistance that may thereafter be given such person.

"(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for old-age assistance under the plan—

"(1) An age requirement of more than 60 years; or

"(2) Any residence requirement which excludes any resident of the State who has resided therein 5 years during the 9 years immediately preceding the application for old-age assistance and has resided therein continuously for 1 year immediately preceding the application; or

"(3) Any citizenship requirement which excludes any citizen of the United States,

"(4) The taking of a pauper's oath in order to enjoy the benefits of this act.

"(c) (1) No person shall receive old-age assistance under the provisions of this act until he or she actually withdraws from the field of competitive earning: *Provided*, That the occupation of agriculture shall not be hereby deemed a field of competitive earning where the total area of land so cultivated shall not exceed 5 acres and where no products of said 5 acres or less are sold or bartered or offered for sale or barter: *Provided further*, That if the recipient reenters the field of competitive earning, he or she shall be ineligible for pension during the period of earning.

"(2) The qualifications of eligibility and the monthly amount to be paid to each recipient subject to the provisions of this act shall be governed by the laws of the State of residence of such recipient.

"PAYMENT TO STATES

"SEC. 3. (3) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing July 1, 1935, (1) an amount, which shall be used exclusively as old-age assistance, equal to twice the total of the sums expended during such quarter as old-age assistance under the State plan with respect to each individual who at the time of such expenditure is 60 years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (2) 3 percent of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.

"(b) The method of computing and paying such amounts shall be as follows:

"(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of clause (1) of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such clause, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-third of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of aged individuals in the State, and (C) such other investigation as the Board may find necessary.

"(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State under clause (1) of subsection (a) for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter.

"(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified, increased by 3 percent.

"(4) Nothing in this act shall be construed as limiting the amount any State may pay as old-age assistance in excess of said total sum of $30 per month.

"(5) *Provided, however,* That there shall be paid to all persons by the United States Government over the age of 60 years, who are citizens of and residing in the United States, commencing with the date of their eligibility, but not after June 30, 1937, who are now or who may hereafter be placed upon the public welfare rolls or who are receiving or may receive any aid or assistance from the Federal Government, State government, or any political subdivision thereof, the sum of $60 quarterly, commencing with the quarter starting July 1, 1935, until the State of the residence of such recipient enacts appropriate old-age-pension legislation in conformance with and to obtain the benefits of this act.

"OPERATION OF STATE PLANS

"SEC. 4. In the case of any State plan for old-age assistance which has been approved by the board, if the board, after notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

"(1) That the plan has been so changed as to impose any age, residence, or citizenship requirement prohibited by section 2 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

"(2) That in the administration of the plan there is a failure to comply substantially with any provision required by section 2 (a) to be included in the plan, the board shall notify such State agency that further payments will not be made to the State until the board is satisfied that such prohibited requirement is no longer so imposed and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State.

"ADMINISTRATION

"SEC. 5. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $250,000 for all necessary expenses of the board in administering the provisions of this title.

"DEFINITION

"SEC. 6. When used in this title, the term 'old-age assistance' means money payments to aged individuals."

Mr. DOUGHTON. Will the gentleman from Nevada yield?

Mr. SCRUGHAM. I yield.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. SCRUGHAM. Mr. Chairman, there are many Members of this Congress who have a sincere and profound conviction that the pending committee measure to promote social security, as now drawn, is entirely inadequate to fulfill its purpose.

As a representative of this group, I first wish to express appreciation of the splendid spirit of fairness manifested by Speaker BYRNS and the House leadership, particularly the Chairman of the Rules Committee and the membership of the Ways and Means Committee, in giving us an open rule and permitting full discussions.

The essential features of this proposed amendment, which are largely the suggestions and ideas of the able Congresswoman from Arizona, may be enumerated as follows:

(a) Pensions are provided to be immediately available to those over the age of 60 now actually on the relief rolls, without the indefinite wait for enabling State legislation. With the exception of in a very few States, the prospect of any early relief for the aged under the terms of the Ways and Means Committee bill is a snare and a delusion. Disappointment and resentment on part of the proposed beneficiaries should not be invited, as in the pending committee measure.

(b) The next major point in which my amendment differs from the committee print is in the reduction of the required State contribution to a ratio of $10 to $20, instead of $15 to $15, and the eligibility and total amount to be paid is controlled by the State. Having possession of the power to coin money and to regulate the value thereof, it is only proper that the Federal Government assume the major monetary burden in the case. The tendency to drain the fluid wealth of the country into the great financial centers makes it impossible to have an equality of taxation between the States. Their resources for raising money are comparatively limited. The National Government should pay at least two-thirds of the cost of the old-age pensions.

The severe economic calamity from which we are just emerging is national in scope, and its mitigation is primarily a national and not a State responsibility.

(c) The next modification of the committee bill is in the authority to appropriate $250,000,000 for the fiscal year ending June 30, 1936, instead of the sum of $49,750,000. The latter amount is insufficient to give the relief intended.

(d) No pauper's oath is required. In case a beneficiary leaves an estate, it is made mandatory for the State to levy thereon an amount equal to the pension benefit paid, however, exempting a home or homestead up to the value of $3,000.

(e) This amendment also compels the withdrawal of the pension beneficiary from the field of competitive employment.

(f) The State is given the right to exceed the $30 per month pension if desired, the Federal contribution remaining at $20 per month.

Recapitulating, this amendment markedly improves the committee measure, in that it actually provides an immediate pension for the aged, instead of an imaginary one, reduces the burden on the States, simplifies procedure, eliminates pauper oaths, and makes provision for refund of moneys paid to pensioners leaving estates. I trust that the amendment will prevail. [Applause.]

Mrs. GREENWAY. Mr. Chairman, those of you who have been courteous enough and have had the time to read the proposed amendment, must realize that its purpose and its method of administration are those of the bill that we are considering from the Ways and Means Committee. The language, in principal part, is the same. We wrote that deliberately for this reason. A great many of us in this House believe that the bill that we are considering and we are going to have to vote on shortly will not give to the old and destitute people of this country at this time anything whatever for practically 2 years. I have spent much time to try to present to you something that is reasonable enough to merit the support of the most conservative, something that is right, although inadequate, and something that will conform to all of our State problems, and that the Committee

on Ways and Means itself will concede, because our purpose is the same as the bill that has been reported to this House, namely, to give pensions to the aged.

We are dealing with people who are perfectly helpless. Who today, who is destitute and over 60 years of age, can help himself or herself? No one. We are not considering the distribution of wealth. We are considering the distribution of necessities of life that, in the language of the bill, ought to create "decency and health." The committee bill is written in such a way that most of the States cannot benefit therefrom until they have passed State legislation conforming to this bill. In many States that actually means a constitutional amendment to their State constitution and this cannot be obtained in any but a regular session of the State legislature. That puts off for 2 solid years our ability to function under this law and the aged will receive no pension meantime. The purpose and the administration of this amendment are like the bill that we are considering. I want to be honest, and not evasive. We have changed the years from 65 to 60 years, and have done that because I have in my files letters from departments of this Government saying that a man of 45 is too old to work.

What is going to happen to the people between 50 and 65 years of age? We have changed the matter of relief from 50–50 to one-third to two-thirds, the States to contribute one-third and the Government two-thirds. The argument against that is: What about the States that will pay the bill for the States that have not got the money to meet their share? Let us be honest. I can afford to be honest and proud. We try to take care of our old people in Arizona as best we can. We pay $30 a month under certain conditions. Do you not think that the people of the United States generally who have developed the wealth in congested districts in some measure, thus fabricating the natural resources of the country, should care for the numerically few people in States like Oklahoma, for instance—wind-swept at this time, the very earth itself leaving the farms? Cannot we people throughout the United States who are better off afford to take care of the comparatively few thousand people in a place like Oklahoma and the other States which at the moment are hard up, but which over the history of time may come to be among the most wealthy States in the Union?

In this proposed amendment we do what may appear to be a very drastic and a very liberal thing, but it is a very deliberate thing. We make it compulsory that everybody applying shall give up gainful occupation, and that all people over 60 shall receive this pension. This is in order to avoid the overhead of bookkeeping and investigation. However, on the death of the recipient the amount received is refunded in its proportion to the State and the Federal Governments, and is held as a lien against their estate, with the exception of the home or homestead in which they live, and the pension is not a lien against that home. Also, under the amendment you can operate on a 5-acre farm, if you are not gainfully employed by selling your products for profit, and receive the benefits of such pension.

I congratulate the House on having taken even 20 hours to consider a bill that has to do with 45 years, and generations, possibly to enternity. It involves $56,000,000,000, as I can read it. I ask you from the bottom of my heart to consider the merits of what I have given you, and to so vote that the people today who are receiving relief can be transferred to pensions in their helplessness until the State legislatures convene to conform to the provisions of the committee bill.

Mr. EKWALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EKWALL to the amendment offered by Mr. SCRUGHAM: After the word "exceeds", on page 3, in line 26, strike out "$30" and insert in lieu thereof "$45"; on page 4, line 27, strike out "$30" and insert in lieu thereof "$45"; in line 36, on the same page, strike out "$60" and insert in lieu thereof "$90."

Mr. EKWALL. Mr. Chairman, I am heartily in accord with the amendment which has been offered by my good friend, Governor SCRUGHAM, of Nevada, and the gentlewoman from Arizona, Mrs. GREENWAY, who are sponsoring the proposed amendment; but I am going a little farther than they. We are all from the West, where possibly our needs are different than in some of the other sections of the country.

I believe the age limit of the pensioners should be reduced to 60 years, and I believe that the monthly payment of the Federal Government should have a limit of $30, rather than $20, as provided in the proposed amendment.

I also believe that the provisions which require the States to meet this payment with one half as large should be deferred until the time set out in the proposed amendment, namely, June 30, 1937. Therefore, I have proposed this amendment providing that each quarter year the recipient shall receive $90 rather than $60.

I yield to no one in this House or anywhere else in my interest in the aged people of this country. I believe, however, that we should give them a law which will be operative, one which we have reason to believe the President will approve and sign, and which will do them some good immediately. I am heartily in favor of increasing these figures as herein outlined. I believe if we can raise the Federal contribution to $30 a month and a provision is made that the States would not be required to match more than half that amount, those States which could match it fully or go beyond the required sum could certainly have the privilege of doing so and making the lot of their people that much better.

I believe this bill, if it is amended as proposed by my amendment to the amendment offered by Governor SCRUGHAM, will empty the poorhouses of this country and will bring a reasonable measure of security to our deserving aged people. I believe it will do many of the things that have been claimed for other bills which have been proposed. I have no quarrel with any of them. I am doing what I consider my duty, trying to use my efforts on behalf of the best bill that, I think, we can pass at this session of Congress and have approved by the President. I hope the men and women in this Chamber will give very serious consideration to this question of raising the Federal contribution and of lowering the age limit to 60 years.

I agree with the gentlewoman from Arizona when she says that many people are cast off long before they become 60 years of age. We certainly must do everything reasonably possible to meet this crisis and to provide a bill which in a practicable manner will really aid the people of this country. When we have finished our deliberations on this bill we should have the conviction that we have done everything possible for the aged people at this time under these circumstances, considering the financial condition of the country. It would be a movement forward, and from time to time we could improve on the law in the light of experience gained from its operation.

Mr. SHORT. Will the gentleman yield?

Mr. EKWALL. I yield.

Mr. SHORT. Does not the gentleman feel that the best feature of the pending amendment is that it provides for immediate benefits to old people?

Mr. EKWALL. Yes. I thought I made that clear in supplementing the remarks of the lady from Arizona. These payments will begin immediately without the necessity of the State legislatures having to convene in order to pass laws to synchronize with the provisions of this bill. It will be a godsend to the people of this country. Let us give them help now when they need it. I think now is the time to aid them with something that is really substantial, practical, and which in all probability will meet Executive approval.

Mr. WOOD. Will the gentleman yield?

Mr. EKWALL. I yield.

Mr. WOOD. Referring to subsection 5 of section 3 of the amendment, is it the gentleman's opinion that all persons over 60 years of age, who are in need and can qualify with reference to their needs, will immediately start drawing $60 a quarter pension?

Mr. EKWALL. Ninety dollars.

Mr. WOOD. With the gentleman's amendment, $90?

Mr. EKWALL. Yes.

Mr. WOOD. Now, what about the States which have old-age pension laws and have their regulations, providing, for instance, that they must be citizens for 5 years at least?

The CHAIRMAN. The time of the gentleman from Oregon [Mr. EKWALL] has expired.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that the gentleman be given 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WOOD. There are 29 States that have old-age pension laws——

Mr. VINSON of Kentucky. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. Is the discretion of recognition in the Chair?

The CHAIRMAN. It always is.

Mr. SAMUEL B. HILL. The question is, Mr. Chairman, how the time is to be divided. The time was limited to 30 minutes.

Mr. WOOD. I only asked that he be given 1 additional minute to answer my question.

The CHAIRMAN. The Chair recognizes the fact that the time is limited, but when the gentleman asked for 1 additional minute, if the gentleman from Washington had any objection, he had the right to object at that time.

Mr. WOOD. The only thing I want to get clear in my mind is this: There are 29 States which have old-age pension laws now. They have requirements that those old people must be citizens for at least 5 years. How is this amendment going to affect them?

Mr. EKWALL. This amendment will not have an effect on any State law until the waiting period for State participation is over, at which time the State provisions would have to conform to the Federal provisions contained herein.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

I speak for the committee and in opposition to the substitute and the amendment thereto. I want to say personally that I am sorry the good lady from Arizona [Mrs. GREENWAY] did not appear before the committee when the committee was holding public hearings.

Mrs. GREENWAY. Will the gentleman yield?

Mr. McCORMACK. Yes; I yield.

Mrs. GREENWAY. I had no bill to offer. I only wanted to offer an amendment. I had to wait until I could see the bill which the committee reported and study it.

Mr. McCORMACK. I repeat, I am sorry the gentlewoman from Arizona did not appear before the committee with or without a bill to contribute to the committee evidence to which the members of the committee might give consideration when it went into executive session.

This substitute is suddenly offered. Nobody knows its contents. Somebody takes the floor and tells us it means an increase to $20, and somebody else tells us it means a reduction of $10 by a State. It contains some words to that effect. The age limit is reduced from 65 to 60, and the appropriation is increased from $50,000,000 for the first year to $250,000,000. No committee of the House has considered the plan which is offered as a substitute. Nobody knows how many people over 60 are on welfare in this country. We do know, however, there are approximately 1,000,000 people on the welfare list of the country who are 65 or over.

Mrs. GREENWAY. The welfare agencies can furnish statistics as to how many on relief are over 60 and how many are over 65.

Mr. McCORMACK. How many are over 60?

Mrs. GREENWAY. Just a little under 1,000,000; and their names and addresses are contained in the welfare catalogs.

Mr. McCORMACK. The gentlewoman from Arizona states that there are a little less than 1,000,000 on welfare who are 60 years of age.

Mrs. GREENWAY. No; who are over 65.

Mr. McCORMACK. Can the gentlewoman from Arizona give any information as to how many are on the lists who are over 60?

Mrs. GREENWAY. No.

Mr. McCORMACK. That answers my question and my argument. There has been no evidence submitted to this committee as to the number who are on the welfare rolls over the age of 60, and this matter has received no consideration. On the other hand, the Ways and Means Committee have given 3 months to the consideration of this bill.

Mrs. GREENWAY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am sorry; I have but a moment left.

In the consideration of this great movement we must not break down our dual system of government. I have great pride in State rights; I have great pride in our States' governments, and I have equally great pride in our Federal Government. This amendment is a step in the direction of the disintegration of our dual system. It provides for a two-thirds contribution by the Federal Government and one-third by the State government. Why not go the whole distance if you want to do this; why not federalize each of the unfortunates of our country rather than have them subject to the jurisdiction of their local government and subject to local sentiment? Why have the social workers from one part of the country go into other parts of the country where they have no knowledge of local conditions or of local sentiment and enter into the family life and dictate the principles of family life in the sections of the country into which they go?

We want local sentiment governing our social service with reference to the unfortunate dependents of our country. I want those who have knowledge of conditions in Massachusetts to administer the law in Massachusetts; and in California, Idaho, and other States I want those administering the laws to be people acquainted with local conditions, persons in whom the people have confidence.

I am speaking for the Committee on Ways and Means. This amendment is not meritorious, is impractical, and unworkable, and the committee hopes it will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada.

The question was taken; and on a division (demanded by Mr. MOTT and Mr. SHORT) there were—ayes 87, noes 165.

So the amendment was rejected.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. CONNERY offers the following amendment: On page 8, before title I, insert the following as a new title:

"TITLE I

"The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment insurance for the purpose of providing compensation for all workers and farmers above 18 years of age, unemployed through no fault of their own. Such compensation shall be equal to average local wages, but shall in no case be less than $10 per week plus $3 for each dependent. Workers willing and able to do full-time work but unable to secure full-time employment shall be entitled to receive the difference between their earnings and the average local wages for full-time employment. The minimum compensation guaranteed by this act shall be increased in conformity with rises in the cost of living. Such unemployment insurance shall be administered and controlled, and the minimum compensation shall be adjusted by workers and farmers under rules and regulations which shall be prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act through unemployment-insurance commissions directly elected by members of workers' and farmers' organizations.

"SEC. 2. The Secretary of Labor is hereby further authorized and directed to provide for the immediate establishment of other forms of social insurance for the purpose of providing compensation for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability. Such compensation shall be the same as provided by sec-

tion 1 of this act for unemployment insurance and shall be administered in like manner. Compensation for disability because of maternity shall be paid to women during the period of 8 weeks previous and 8 weeks following childbirth.

"SEC. 3. All moneys necessary to pay compensation guaranteed by this act and the cost of establishing and maintaining the administration of this act shall be paid by the Government of the United States. All such moneys are hereby authorized to be appropriated out of all funds in the Treasury of the United States not otherwise appropriated. The benefits of this act shall be extended to workers, whether they be industrial, agricultural, domestic, office, or professional workers, and to farmers, without discrimination because of age, sex, race, color, religious or political opinion, or affiliation. No worker or farmer shall be disqualified from receiving the compensation guaranteed by this act because of past participation in strikes, or refusal to work in place of strikers, or at less than average local or trade-union wages, or under unsafe or insanitary conditions, or where hours are longer than the prevailing union standards of a particular trade or locality, or at an unreasonable distance from home."

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CONNERY. Mr. Chairman, my distinguished colleague, the gentleman from Massachusetts [Mr. MCCORMACK], just gave as one reason for opposing the previous amendment, his desire to see State rights protected and not to have outside social workers coming into communities and interfering with the lives of the people. I agree with my friend on that proposition.

I call attention to the fact that in the Lundeen bill which I am offering at this time we prevent social workers from going into the States and interfering with the rights of the citizens. Under the Lundeen bill the workers elect their own representatives under the administration of the Secretary of Labor; and so in this bill the people of Arizona, California, Massachusetts, Florida, and every other State, have the say in how they want these funds to be administered. Concerning the bill before the House I have no fault to find with the Ways and Means Committee. That committee worked hard and deserve great credit for that reason.

They said they discussed that bill for 3 months. I want to call the attention of the Members of the House to the fact that the Committee on Labor, of which I have the honor to be chairman, has been considering that legislation for 15 years. We have considered old-age-pension legislation, unemployment insurance, maternity care, child-welfare care, and every phase of legislation contained in this bill, and as a result of 15 years of study by the Committee on Labor our committee reported favorably to the House of Representatives by a vote of 6 to 1 of the subcommittee and by a vote of 7 to 6 of the full committee the Lundeen bill which I am offering now as an amendment to the pending bill.

Mr. Chairman, we know all about unemployment insurance from the testimony before our committee in the past 15 years. We know all about old-age pensions. We know who is going to stand the burden of this bill brought in by the Ways and Means Committee before the House. We do not want the poor people of the United States to carry the burden of supporting themselves. We want the tax to come where it ought to come from. The other day in passing the McSwain bill taking the profits out of war, the House adopted an amendment providing for an excess-profits tax of 100 percent in order to take the profits out of war. We are asking you today in the Lundeen bill to take off the burden from the backs of the poor people to stop the big employers, the big money interests of the United States, from exploiting the great masses of the people. You now have the opportunity today to vote for this Lundeen bill in order to take care of the unemployed men and women of the United States, in order to take care of their dependents as well. Do not take the money from the poor by a pay-roll tax, but get the money where it ought to come from, namely, by taxing tax-exempt securities, by taking it from the big swollen fortunes of the United States, from men who do not want to pay the share which they ought to pay toward taking care of those who are responsible for their wealth, the poor, helpless, and exploited masses of the American people. [Applause.]

Mr. LUNDEEN. Mr. Chairman, I rise in favor of the amendment. Permit me to call attention of the Members of this House to the fact we are not getting roll calls on these amendments. I cannot understand the frame of mind of these gentlemen in control. I think we should have roll calls on the McGroarty-Townsend amendment, as well as on the amendment presented by the gentleman from Nevada [Mr. SCRUGHAM], so ably supported by the distinguished gentlewoman from Arizona [Mrs. GREENWAY].

Mr. Chairman, we should have a roll call on the amendment presented by the gentleman from Massachusetts [Mr. CONNERY], the able Chairman of the great Labor Committee. But these amendments are all being voted down one after another and there are no roll calls on any of them. That is what we are objecting to. We ought to have roll calls so that the country may know how we voted on these various measures. The roll call is the best means of ascertaining where we stand.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. LUNDEEN. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman understands, of course, that we cannot have a roll call in the Committee of the Whole under the rules of the House.

Mr. LUNDEEN. I grant that, but if I had the say and if there were a labor party in control of the House of Representatives, we would have a rule so that the people of America could find out how Congressmen stand on the McGroarty-Townsend bill and on the Lundeen bill, which has been favorably reported by the Labor Committee.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. LUNDEEN. I yield to the able and courageous gentleman from New York.

Mr. MARCANTONIO. We could have had a roll call if they had brought this bill in under a special rule providing for two or more motions to recommit, as was done in the case of the bonus bill. The so-called "generosity" flaunted here this morning is, therefore, a sham, and we are still working under a trick rule.

Mr. LUNDEEN. The gentleman is right, and he reminds me of another matter. I am thinking of the huge appropriations which have been made for the next war, and I am in favor of adequate defense, but we have gone absolutely wild with appropriations of a billion dollars for 1936 to prepare for wars on other continents. At the same time we have no money for the veterans of America. I am for the Patman, so-called, "bonus bill." The administration says we cannot pay that. We ought to do something for the American people. The bill before us provides not a dollar, not a cent, not a nickel, for the twelve or fifteen million unemployed. What are you going to tell your folks back home when the unemployed rise up in the campaign and say, "Where do we come in?" You will have to say to them, "You do not come in." Perhaps they will have something to say to us then.

Mr. CONNERY. Will the gentleman yield?

Mr. LUNDEEN. I yield to our leader from Massachusetts.

Mr. CONNERY. Before the subcommittee the gentleman had some 80 witnesses appear, which witnesses covered every walk of life?

Mr. LUNDEEN. Yes; and some of them were prominent economists of the country, from Bryn Mawr College, Smith College; the College of the City of New York, Johns Hopkins University and from Bradford College.

Mr. CONNERY. And labor?

Mr. LUNDEEN. And labor. I thank the gentleman for his suggestion there. I may be mistaken, but I do not believe there has been a single labor union connected with the American Federation of Labor that has endorsed the administration bill. If so, I would like to have the name of that labor union. Can any of you gentlemen name me one? There seems to be no answer. We have endorsements of

thousands of labor unions in this country, American Federation of Labor unions. I refer you to the Senate Finance Committee hearings for the names of the organizations that have endorsed the Lundeen bill—they want unemployment insurance now. They want old-age pensions to commence with the passage of this bill, not in the dim, distant future, when half of these people are dead. We want to do something for the unemployed today, men and women who builded America into a mighty Nation, veterans, farmers, workers, now unemployed; they have a right to exist; they have a right to life, liberty, and the pursuit of happiness.

THE TOWNSEND PLAN

We just listened to eloquent appeals for the revised Townsend plan, demanding that we give adequate compensation to the aged now—today—and not wait until sometime in the future. The House has seen fit to vote down that proposal. I call attention to the fact that I was the fifth signer on the petition on the Speaker's desk to bring the Townsend plan before this House for discussion. Is there any reason why we should not fully debate so important a plan before this House and have a roll call vote which you are being denied today?

THE GREENWAY PLAN

We have listened to the distinguished lady from Arizona [Mrs. GREENWAY] one of the ablest and most courageous Representatives on the floor of this House, pleading that we do something now for the aged. Meanwhile, the administration bill talks about doing something in the dim and distant future when millions of these aged will have passed from this life, and certainly the proposal of the gentlewoman of Arizona deserves a roll call vote in this House.

You have voted down all of these proposals. You have beaten them back, and you have said to them, "We will not do anything for the aged now. We will not permit you to help the aged today or tomorrow or this year or next year. We will think about doing something for them several years from now."

HOUSE LEADERS DECLARE ADMINISTRATION BILL INADEQUATE

I say to the Members of this House that you will face the voters in 1936, and these aged people will rise up in your audiences and demand from you, "What did you do to bring us adequate, genuine old-age pensions in the Seventy-fourth Congress?" And I predict that they will not be satisfied to hear you say that "We voted something for you for sometime later on—years from now." And remember that the initial appropriation of $49,750,000 has been rated by able men on this floor—Democrats, I might say, notably the gentleman from Arkansas [Mr. MCCLELLAN]—as low as $4.17 per month on the basis of 1,000,000 out of 7,500,000 people who are more than 65 years of age, and $2.08 per month on the basis of 2,000,000 aged people who the gentleman estimates are in need of this relief. The gentleman from California [Mr. GEARHART] estimates that the initial old-age provision of the administration bill will provide $6.56 per year, 54 cents per month, 1½ cents per day, and even then there are many States in such deplorable financial condition in the midst of this panic that they cannot pay even this pittance, pitiably and utterly inadequate, as provided in the administration bill.

I want Members of this House to know that the Lundeen bill, H. R. 2827, is designed to help all workers, men who toil in the shops and factories and transportation lines of our country; who walk behind the plow; domestic workers, professional and office workers, and all men and women who are unemployed through no fault of their own; and it is designed to begin payment now, not later on, but now; and I say to you gentlemen of this House that we are asking for only $10 per week minimum and $3 per dependent, and that is all. That is the minimum. Oh, you may say, what about the maximum. The maximum is the average wage of the community in which they live, which averages less than $100 a month, as shown by official Government labor statistics. Why gentlemen of the administration were talking here yesterday about $85 a month as not an unreasonable amount.

COST OF PRESENT RELIEF

Harry L. Hopkins, able Federal Emergency Relief Administrator, in a speech published by the President's Committee on Economic Security, page 3, says that—

> We now have 4,600,000 families on relief, and 800,000 single persons in addition.

And he states on the same page, in a prior paragraph, that—

> It is going to cost the American people far more in the future than the proposed $4,000,000,000—perhaps twice four billion—if we keep up this relief.

Why, gentlemen, under the Lundeen bill, we are not asking for any more than the costs of actual adequate relief in the country, but we are asking for it on the basis of equality and on a basis of right. We are demanding it for the working people of these United States, whether they work in an office or in a shop, or on a farm, or in a factory. We are asking for it on the basis of respectability, for upstanding American citizens who do not have to beg for charity. We demand that these American men and women have the right of a pension, of the right of a compensation. For did they not build this country out of a wilderness, and did they not raise the mansions of the rich? Did they not build our factories and financial institutions and great cities here with their own hands and with their technical knowledge? We cannot drive these people into further distress and misery and poverty. Continued relief will tend to destroy their moral fiber and self-respect and tend to make of them medicants who beg for daily aid. That is not Americanism. That is going back to the medieval ages. That is going back to the day of the castles and the barons and the serfs. We want none of that.

"BONUS" PAID INDUSTRIALISTS

We talk about more money for the Army and the Navy, and I am in favor of an adequate defense of the home soil of our country, but we are overreaching ourselves. We are going mad with war preparedness and all at the very moment when we spend a billion for further armaments and battleships for wars to be fought in Europe, Asia, and Africa, we turn on the soldiers who fought and won the last war and tell them, "You shall not have immediate cash payment of your adjusted-service certificates. They shall not be paid until a million or more of you are dead. Then we will think about paying you in 1945." But we did not hesitate to pay the munitions makers, the bankers, and the railroads as soon as war ended when they clamored at the doors of the Capitol for millions and billions.

We promptly paid them. There was no hesitating; they were paid. We did not hesitate to loan to kings and emperors of Europe more than $10,000,000,000 for rehabilitation to put the industries of Europe on their feet so that they could cut our own throats with our own money, and when that interest had been figured into 62 years, and the sum total amounted to $25,000,000,000, we did not hesitate on this floor and in the Senate and in the White House to cancel one-half of that twenty-five thousand million dollars, principal and interest—about the year 1926; and I must say I had no part in that. I opposed these loans to Europe. We canceled, I say, $12,087,667,000; and the kings and emperors and militarists of Europe went us one better. They said: "All right, you canceled half, now we will cancel the other half", and they did just that. We have unloaded from the backs of the European taxpayers twenty-five thousand million dollars, and we have placed that load upon the American taxpayer and he is staggering under that load today.

We did not hesitate to do that, to the everlasting injury and harm of the great American people; but when the aged come to Washington, these men and women who suffered and toiled and struggled to build this great and grand country of ours, then we have no money and then we proceed to talk about passing a camouflage bill that holds up the illusion like some mirage which they see in the distance, and that they ever walk toward and seek to find but never find. In the dim and distant future they are to get an old-age pension, and if they ever get it, if they live long enough to get it;

it is going to be as the gentleman from California [Mr. GEARHART] says during the first year $6.26 for each person of the seven and one-half million over 65 years of age in these United States on a first year fixed offer of $49,750,000, which amounts to 54 cents a month, or a little better than 1½ cents a day, for each of the seven and one-half million.

That is something, my fellow citizens and colleagues, to give the aged of the United States so that they can enjoy the blessings guaranteed by the Declaration of Independence: "Life, liberty, and the pursuit of happiness."

PROMINENT LEADERS SUPPORT LUNDEEN BILL

I want you, my colleagues, to remember the words of Congressman WILLIAM P. CONNERY, Chairman of the Labor Committee, on this day. I think his words will ring in your ears long after you have left this hall. I want you to remember the words of Congressman SIROVICH, Chairman of the Patents Committee, who said, page 1602 of the RECORD for February 6, 1935:

I still consider the Lundeen bill as the only bill that would solve the social problem of old-age pensions and the unemployment insurance.

I want you to remember the words of Congressman KENT KELLER, Chairman of the Library Committee of this House, who said, page 5552 of the RECORD for April 12, 1935:

The Lundeen bill is an idea, and it is a broad-gaged idea. It is an idea that is worth the time of any Member on this floor giving attention to, because I am not willing to say it might not hereafter become the ideal plan to be adopted by the American people. * * *

I want you to know that the Authors' League of these United States, the men who write the editorials and the news articles for the great newspapers of the United States—these men have endorsed the Lundeen bill.

I want you to know that professional organizations without number have endorsed H. R. 2827, known as the "workers' bill." I want you to know that thousands of American Federation of Labor local unions, international unions, six State federations of labor, and scores of central labor bodies have endorsed this bill after debate and over the opposition of high officials of the American Federation of Labor. I want you to know that thousands of these American Federation of Labor organizations have endorsed this bill, and I challenge anyone here on the floor today to show me a single union of the American Federation of Labor which has endorsed the administration bill. I may be mistaken. If I am, I want to be corrected now. I have heard of not one single such union, have you?

I want to repeat here the words of William Green, president of the mighty American Federation of Labor of these United States, with millions of members, who, in an article published in Labor for February 5, 1935, stated that the administration bill is "pitiably and utterly inadequate."

What more devastating, destructive, completely annihilating statement can any man make in this country today than that—"pitiably and utterly inadequate"? That is the statement of William Green, of the American Federation of Labor, and I want to say that I am proud today to have the leading labor leader of the House of Representatives, Hon. WILLIAM P. CONNERY, than whom no bolder warrior for the rights of labor ever stood on this floor, leading the fight today in behalf of the Lundeen bill, H. R. 2827, and I am proud to march in the ranks whenever he leads the way.

I want you to see, and I will be glad to show any Member of this House, wires and letters from scores and scores, hundreds and hundreds of great organizations—not just wires and telegrams from various individuals, but from great organizations who have thoroughly debated this measure and who are for this bill, and I will say without hesitation that there is no bill before the Congress today that has been endorsed by so many organizations as has H. R. 2827, known as the "Lundeen workers' unemployment, old-age, and social insurance bill."

OLD-AGE PENSIONS FOR THE DEAD

You have drafted a bill for unemployment insurance. You provide no insurance for those now unemployed. What kind of an unemployment insurance bill is that? Please define that to me. You say this is a bill for the aged, and then you tell the aged that they must wait until they die before they get old-age pensions. You say that you will help the States, when you know that the States are bankrupt and financially wrecked because of the war which gentlemen on this floor and in the Senate and in the White House thrust upon the people of the United States, against their expressed vote in the November 1916 election, when they voted to keep us out of that war. I say that that Congress, and I say that the Government of the United States put the American people into this panic, into this terrific financial disaster and drove our people into this misery and poverty, and I say it is up to the Congress of the United States to pay our aged and unemployed people, and the way to pay these people is to tax the fortunes of the superrich in the United States.

We want a tax on all income figures above $5,000. Leave the little fellow below $5,000 alone, but when a man is earning five or ten thousand, or $25,000, or a million or more, it is time to make him realize that he has a responsibility to the people who made this money for him; for he surely did not create all this wealth himself. He is merely a custodian for this money, which other people sweated and toiled and made for him. He may have been a good manager; he may have had a good business head, but others created the wealth for him. He is merely a custodian of that wealth, and he owes something to the man and the wife and the children of the man who created the wealth for him. I propose to lay a heavy hand of taxation upon these men who shouted for war and who were so "patriotic" in 1917 and who told the soldiers that they could have anything if they would go to Europe and protect their international investments; who told the American people that unless they went to war, the Kaiser and his legions would be marching up Pennsylvania Avenue.

ARE BRITISH MILLIONAIRES MORE PATRIOTIC THAN AMERICAN MILLIONAIRES?

These men are responsible for the terrible tragedy that we are in. I say, let them pay! I say that we have a splendid method of taxation in mind, not an untried method of taxation. It is the British system of taxation. We have a great habit in the United States of trailing along behind the British Government, in recent years, at least, I must say. Now, I propose to follow them at least in one respect, although no one can say that I have been much for legislating in the wake of England—and that is, the British have a system of income and inheritance taxes which they have enforced upon the superwealth of their country, and that system of British taxation if it had been applied to the United States in 1928, it would have yielded us more than $5,000,000,000. This you will find in reading the hearings of the Labor Committee as placed in the RECORD, by noted economists.

We might have collected over five billion, which would have been enough to take care of all of the provisions of the Lundeen bill. It is true that in years subsequent to 1928 their incomes have been somewhat decreased, but I am informed by reliable financial authorities that large incomes have increased in the last 12 months and that wealth is piling up and men are growing richer at this very moment, so I say the time has come to apply the British income-tax and inheritance-tax rates on incomes about $5,000, and the time has come to levy income, inheritance, and gift taxes, so that the Treasury of the United States may have the war funds with which to fight this depression. I want to recall to your minds—and you know that I am telling you the truth—that every dollar of this money that you pay to these people in compensations and pensions will be infused into the arteries of commerce and that it will flow into the channels of trade and stimulate business. Then men will once more in America walk erect, look their fellowmen in the eyes, and stand erect in the sunlight of God, self-respecting American citizens instead of cringing before the relief administrators in front of some counter where some haughty clerk looks them over and passes upon their means test or pauper test—foundations of financial poverty and distress.

The time has come to end this shameful condition in this country, and I say to the ladies and gentlemen here, and I hold all of you good colleagues of mine in high regard, that if we do not solve it and solve it as self-respecting Americans should solve it, we will be given a vacation from the Congress of the United States and an angry citizenship will rise up and send here to these halls men and women who will dare to carry out the wishes of the rank and file and the mass of American voters.

LABOR COMMITTEE HEARINGS REVEAL MERITS OF LUNDEEN WORKERS' BILL

The Committee on Labor, which held hearings on the Lundeen bill, H. R. 2827, reported the measure favorably and without amendment and recommended the passage of the bill.

The hearings commenced on February 4, 1935, and concluded on February 15, 1935, during which time testimony was heard from 80 witnesses who appeared to speak in favor of the bill. The witnesses included seven economists, specialists in the law, social service and relief, women in industry, maternity care, and medical service; 12 representatives of American Federation of Labor local unions, most of whom were delegated by district committees of American Federation of Labor locals representing hundreds of locals; farmers, veterans, unemployed workers, small home- and landowners; a representative of the railroad brotherhoods; representatives of professional workers, including writers, teachers, physicians, architects, engineers, chemists, and technicians; dentists, and many others. All of the above-mentioned witnesses testified as to the wide-spread necessity for genuine unemployment and social insurance and testified in favor of this bill, H. R. 2827.

FEATURES OF THE BILL

The bill provides for the immediate establishment of a system of social insurance to compensate all workers and farmers, 18 years of age and over, in all industries, occupations, and professions, who are unemployed through no fault of their own, and for the entire period of this involuntary unemployment. To prevent the lowering of minimum standards of living, insurance benefits are to be equal to full average wages in the locality; and in no case less than $10 a week, plus $3 for each dependent. Those employed part time who are unable to find full-time employment, are to be paid the difference between their earnings and the prescribed insurance benefit. As a further safeguard of the minimum standards of living, stability of the purchasing power of the insurance payments is to be maintained by requiring the minimum compensation for unemployment to be increased with increases in the cost of living. Administration of the insurance and adjustment of the minimum compensation shall be controlled by unemployment-insurance commissions directly elected by workers' and farmers' organizations under rules and regulations prescribed by the Secretary of Labor in conformity with the purposes and provisions of the act.

Similar social insurance would be established by the Secretary of Labor for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability.

Moneys necessary to pay the compensation and to administer the act would be paid by the Government of the United States out of funds in the Treasury not otherwise appropriated, increased if necessary by levying additional taxation on inheritances, gifts, and individual and corporation incomes of $5,000 a year and over.

DIFFERENCES FROM OTHER PROPOSALS

This bill differs from other proposals in that (1) it covers all the unemployed for the entire period of their unemployment, whereas other systems limit the occupations covered and the duration of benefits so that numbers of the unemployed who are outside its scope or who have exhausted benefit payments are left dependent upon private charity or public relief; (2) it derives its funds from current taxation instead of from reserves built up through taxation on pay rolls, which inevitably raises prices to the consumers, taxes wages and salaries, directly or indirectly, and by the reserve features complicates the debt-credit structure of the monetary system, thus tending to prolong depression and to create further maladjustment between funds available for investment and money available for consumers' purchasing power; (3) it provides democratic administration by workers' representatives.

WHY SOCIAL INSURANCE IS NEEDED

Testimony summarizing the need for this new form of social insurance showed that the continuation of extensive mass unemployment demands comprehensive action to provide insurance for all workers, in lieu of income from earnings now cut off through long-continued depression. Estimates of present unemployment placed before the committee ranged from 14,000,000 to 17,000,000. Indices of employment and earnings were cited showing that both are still considerably below the level of 1923–33 or 1925–27, but that total earnings are disproportionately low as compared even with the continued low level of employment, indicating a lowering of the purchasing power of the masses. At the same time, output per man per hour has considerably and disproportionately increased, indicating the probability of increase in permanent technological unemployment.

The great and vital need of the unemployed for means with which to buy the necessities of life for themselves and their families is not and cannot be met by the uncertain and inadequate provision for relief. The new proposed work-relief program will, at best, if enacted, provide relief for approximately one-third of the jobless in the United States who are seeking employment. Yet there are at least 20,000,000 persons in this country whose sole or chief source of subsistence is obtained through the program of the Federal Emergency Relief Administration. For these only an assured and immediate social-insurance program can prevent appalling destitution which will permanently undermine standards of living.

Mass unemployment, though unusually long continued and wide-spread in the present crisis, is not an unusual emergency, but has recurred at frequent intervals in this country. Between 1793 and 1925 the number of depressions was 32, with an average period of 4 years from panic to panic. For every year of depression, there was only one and a half years of prosperity. The time has come for definite recognition of the obligation of government and the economic system to insure continuity of income.

The Lundeen bill is a practical proposal. Technicians and scientists agree that the productive capacity of the United States is equal to a far greater measure of security and to far higher standards of living than have yet been established; and science and invention promise to expand this productivity to a higher level if the productive system can be freed from the recurrent burden of industrial depression.

This, however, cannot be achieved merely by rearranging workers' earnings by taxing pay rolls for reserves for future unemployment. The first step is compensation for insecurity by taxing higher incomes, not pay rolls.

As a continuing problem, mass unemployment requires congressional action because of the mandate laid upon Congress by the Constitution to provide for the general welfare. The general welfare is undermined at all points by mass unemployment.

ESTIMATES OF COST OF THE BILL

To determine the cost of the social insurance which would be provided in H. R. 2827 requires several estimates, which should be used with caution. In the first place, the United States has no current basis for ascertaining accurately the number of the unemployed.

The second and more important point requiring caution relates to the estimate of the effect of social insurance upon purchasing power, and its consequent results in decreasing the amount of unemployment through stimulation of reemployment. No experience in this country is available to indicate the extent to which an increase in consumers' purchasing power for those in the lower income groups would stimulate production and increase employment.

If it is assumed, however, that the entire amount of benefits paid under the provisions of this bill would appear in the market as new purchasing power, economists have cal-

culated that 60 percent of this total would become available as wages and salaries. Therefore, on the basis of given average wages and salaries, it can be estimated how many persons could be reemployed, and this would result in a corresponding decrease in the number of unemployed eligible for benefits, and therefore in a reduction of costs.

Having in mind the above cautions, it may be said at once that if there be 10,000,000 unemployed, the annual gross cost, after taking care otherwise of those who should receive old-age pensions and those who are unemployed because of sickness or disability, and eliminating those under 18 years of age, to whom the bill does not apply, would be 8,235,000. Deducting from this the estimated decrease in the cost of unemployment insurance on account of the reemployment of workers following the establishment of a social-insurance program, $6,090,000,000, and adding to it the cost of old-age pensions, sickness, disability, accident, and maternity insurance, and deducting present annual expenditures for relief amounting to $3,875,000,000, we would have a net annual increase for the Federal Government imposed by the provisions of the bill amounting to $4,060,000,000.

If the number of unemployed be equal to the average number estimated as unemployed in 1934, as 14,021,000, then the annual net increase in cost, after deducting present expenditures for relief and estimating the reemployment which would follow adequate social insurance, would be $5,800,000,000.

The estimate of total costs of the program for social insurance under the bill should be compared with the amount that workers have lost in wages and salaries since the beginning of the depression. According to estimates published in the Survey of Current Business for January 1933, total income paid out to labor since 1929 was as follows (in millions):

	1929	1930	1931	1932	1933
Total income	$52,700	$48,400	$40,700	$31,500	$29,300
Loss from 1929		4,300	12,000	21,200	23,400

The total loss to workers in wages and salaries in the first 4 years of the depression has amounted to $60,900,000,000. It is with these huge losses sustained by American workers during these 4 years that the costs of security provided by the bill should be compared. Furthermore, in view of the inadequacy of present relief measures, it must be realized that the cost of truly adequate relief would be the cost of this bill.

SOURCES OF FUNDS

An important difference between H. R. 2827 and other proposals is in the source of funds. Other proposals, including H. R. 4120 and H. R. 7260, the Wagner-Lewis-Doughton bills, depend on the building up of reserves in advance of payment of benefits, these reserves to be secured by a tax on pay rolls. Several serious objections are made to this method. In an article in the Annalist, published by the New York Times on February 22, 1935, by Elgin Groseclose, professor of economics, University of Oklahoma, under the title, "The Chimera of Unemployment Reserves Under the American Money System", attention is called to the provisions in H. R. 4120 in these words:

> The Wagner bill, as introduced in Congress, sets up in the Federal Treasury an "unemployment trust fund" in which is to be held all moneys received under the provisions of the act, and directs the Secretary of the Treasury to invest these moneys, except such amount as is not required to meet current withdrawals, in a defined category of obligations of the United States or obligations guaranteed as to both principal and interest by the United States.

The Annalist article summarizes the objections to these reserves for unemployment insurance as follows:

> (1) Finance reserves can be effective only in cases where contingencies can be calculated and determined by actuarial methods and where these contingencies arise in sufficient regularity to permit the arrangement of reserves in accordance therewith. (2) The incidence of depressions are irregular and unpredictable, and hence defy actuarial procedure. (3) Purchasing power cannot be stored up en masse under our money system, which is a system of debt, rather than metallic circulation. (4) The attempt to create unemployment reserve will intensify booms. (5) Unemployment reserves are incapable of mobilization when needed and any attempt to mobilize them will only result in further intensification of depressions.

Testimony before the Committee on Labor on H. R. 2827 brought out the further objection that a tax on pay rolls is a tax on cost of production which is passed on to the consumer in higher prices to all consumers and to workers in lower wages as well as in higher prices to them as consumers. It tends to reduce rather than to expand purchasing power, causing in itself recurrent industrial depression which arises out of the failure of consumption to keep pace with production, or a disproportion between money available for consumers' purchases and funds available for investment in increased production.

Moreover these reserves, even if they could be accumulated without these disastrous effects upon consumers' purchasing power, and upon the monetary system, would be inadequate to cover more than a fraction of needs. The Commissioner of Labor Statistics and Senator ROBERT F. WAGNER—in radio addresses on March 7—have estimated that if H. R. 4120 had been in effect from 1922 there would have been set aside by 1934 the sum of $10,000,000,000; yet, the figures on the national income published by the Department of Commerce show that in 4 of those years workers lost $60,000,000,000 of wages and salaries. Therefore, even if reserves seem to involve saving the Treasury from obligation, as a matter of fact, they leave unsolved the real problem of protecting workers against the destitution of mass unemployment.

As the only adequate solution of the problem, and to avoid the unsound idea of setting aside reserves, the funds required in H. R. 2827 are made an obligation upon existing wealth and current higher incomes of individuals and corporations. These sources may be indicated as follows:

First. Income taxes of individuals: If the United States were to apply merely the tax rates of Great Britain upon all individual incomes of $5,000 or over, a considerable sum would be available for social insurance. These rates in 1928 would have yielded the Federal Government five and three-fourths billion dollars as against slightly over one billion actually collected. In 1932, a year of low income, we would have collected on the same basis $1,128,000,000, as against the actual receipts of $324,000,000.

Second. Corporation income tax: Compared with other countries also our corporation tax is very low. Taking a flat rate of 25 percent, we would have raised in 1928 the amount of $2,600,000,000 instead of $1,200,000,000.

Third. Inheritance or estates: Here again the United States is very lenient. In 1928 on a total declared gross estate of three and one-half billion dollars, the total collected by Federal and State taxes was only $42,000,000, or a little over 1 percent. If an average of 25 percent were taken this would have been raised in 1928 to $888,000,000.

Fourth. Tax-exempt securities: Exact figures on the total are not available, but here is an important source of large additional returns which should be available for the general welfare.

Fifth. Tax on corporate surplus: In 1928 the corporate surplus, representing the accumulation by corporations of funds which had not been distributed to labor and capital amounted to $47,000,000,000, and even in 1932 it was over thirty-six billions. Made possible as it is by the cooperation of labor and capital, thus surplus which is now set aside to meet capital's claims for exigencies certainly should be also a source of funds for labor's social insurance in the exigencies of unemployment. The Department of Commerce has showed in its study of the national income that labor has lost a larger percentage of its earned income in the depression than capital has lost in interest charges, because capital has been sustained by drawing both on current income and on accumulated surplus. The great economist, Adam Smith, 150 years ago, called the industrial system a "collective undertaking." It is both logical and just to provide a tax on corporate surpluses as a source for social insurance.

THIS BILL IS UNQUESTIONABLY CONSTITUTIONAL

This bill provides for the appropriation of Federal moneys out of the Treasury of the United States for the payment of compensation to the unemployed, the sick, the disabled, and the aged. It is simply an exercise of the appropriating power, the power of Congress to spend money. The bill does, indeed, do more than provide for appropriations; it provides for the setting up of the administrative machinery. But the appropriating power of Congress necessarily carries with it the incidental power to provide administrative machinery for disbursing the moneys appropriated and for insuring their proper application to the purposes sought to be achieved by Congress.

One of the enumerated powers set forth in the Constitution is the power of Congress to "lay and collect taxes, pay debts, and provide for the common defense and the general welfare of the United States." To limit this power to spend moneys for the "general welfare", the power to spend money for the execution of other enumerated powers, is to rob the "general welfare" clause of its meaning, and thus to violate an elementary principle of constitutional construction. Such distinguished constitutional authorities as Washington, Madison, Monroe, Hamilton, Calhoun, and Justice Story have repudiated the conception of an appropriating power limited by the other powers. Our highest authority, the United States Supreme Court, has, in the famous Sugar Bounty case, definitely upheld appropriations by the Government in payment of purely moral obligations, entirely beyond the scope of the other specifically enumerated powers. Congress itself has uniformly and consistently exercised its appropriating power for any purpose which it deems for the general welfare, and irrespective of whether the purpose came within the specifically enumerated powers or not. Surely it could not be said that a bill which will provide a system of unemployment and social insurance for millions of unemployed, sick, disabled, and aged is less for the "general welfare" than other bills, such as the one above. If Congress passes the bill, it will thereby declare that, in its judgment, the bill is for the "general welfare", and no court has the power to substitute its judgment on this question for that of Congress.

While the bill does indeed invest the Secretary of Labor with large discretion, this does not render the bill unconstitutional. The United States Supreme Court has again and again sustained delegations of power to the President, Cabinet officers, and commissions. The Tariff Act of 1922 was held constitutional, although it vested the President with the power to raise or lower the tariff upon any important article whenever it found that American products were at a competitive disadvantage with those imported from abroad. Again an act of Congress which gave the Secretary of the Treasury, on the recommendation of experts, the power to fix an established standard of purity, quality, and fitness for consumption of certain commodities imported into the United States was held constitutional.

In H. R. 2827 the discretion vested in the Secretary of Labor is narrow, for the beneficiaries who are to receive the compensation are named, the minimum compensation is prescribed, the maximum compensation is ascertainable, and the nature of the compensation is fixed. Certainly the discretion here vested in the Secretary of Labor is far less wide than that vested in the Secretary of Agriculture by the Agricultural Adjustment Act of 1933, wherein the Secretary of Agriculture was granted the power "to provide for rental or benefit payments in connection with crop reduction in such amounts as the Secretary deems fair and reasonable."

No specific amount is appropriated by this bill, but this does not render the bill unconstitutional, for general indefinite appropriations are common. The first of such general indefinite appropriations was passed when Congress directed that all expenses accruing and necessary for the maintenance of lighthouses should be paid out of the Treasury of the United States. Since then hundreds of statutes containing similar indefinite appropriations have been passed.

This bill deprives no one of his property without the "due process of law" guaranteed by the Constitution. Unlike all other unemployment and social-insurance plans, this bill does not involve the setting up of "reserves" created by enforced contributions by employers or employees. The only way that any person could regard himself as in anywise deprived of property for the purpose of financing this bill would be by regarding this bill as a taxing measure. The bill provides that—

> Further taxation necessary to provide funds for the purposes of this act shall be levied on inheritances, gifts, and individual and corporation incomes of $5,000 a year or over.

But even if it can be argued that this is a taxing measure, the bill is a proper exercise of the taxing power of Congress, since Congress has the power under the Constitution to lay taxes for the "general welfare", subject to two limitations only. In the case of duties, imports, and excises "this must be uniform." In the case of direct taxes they must be apportioned according to the census. Neither limitation, however, applies to incomes, gifts, or inheritances since the sixteenth amendment. Once Congress has levied such a tax, the tax cannot be assailed by a taxpayer, since the courts will not review the exercise of the congressional discretion involved. The decision of Congress is thus final.

This bill in no way involves a question of usurpation of the rights of the States. While the power of Congress to regulate commerce and industry is limited to the "interstate commerce power" and any matters "not commerce" is unconstitutional, this argument is wholly inapplicable to the present bill. This bill is not an exercise of the interstate commerce power; it is an exercise of the appropriating power. This bill does not involve any regulation of intrastate commerce of matters "not commerce." It does not involve the setting up of "reserves." It does not set up such business relationships as might possibly be involved in the creation of special accounts with employers or employees based on their contributions to a reserve fund. The Supreme Court has explicitly declared that no State will be heard to complain that the Federal Government is invading State rights when it simply exercises its appropriating power.

The Congress which passed the Agricultural Adjustment Act of 1933 declared that the loss of the purchasing power of the farmers endangered the entire economic structure of the Nation. The mechanism set up by that act was conceived as a device to restore purchasing power. Similarly this bill is an effort to restore purchasing power and may be therefore conceived to remove obstacles to the free flow of interstate commerce by creating purchasing power for the masses who must spend the money for the necessities of life and who, in spending the money for these necessities, will thereby remove obstructions to the free flow of interstate commerce.

Since this bill is merely an exercise of the appropriating power, it rests upon the same constitutional basis as do the Reconstruction Finance Corporation Act and Home Owners' Loan Corporation Act, which involve merely an exercise of the power of Congress to spend Federal moneys. The Reconstruction Finance Corporation Act, the Home Owners' Loan Corporation Act, and, indeed, the bulk of the national emergency legislation which has been enacted during the Hoover and Roosevelt administrations, involve recognition of the national character of our problems. These acts all provide for direct aid to persons, firms, and corporations in the States. The Reconstruction Finance Corporation Act supplies Federal moneys directly to banks throughout the country. Unemployment and social-insurance problems are even more clearly Federal problems. They require a similar national solution.

The Congress which passed the Reconstruction Finance Corporation Act, the Home Owners' Loan Corporation Act, and the bulk of the national emergency legislation clearly conceived that it was for the "general welfare" that individuals, corporations, and banks should be given money out of the Treasury of the United States. When Congress passes this bill it will have realized that it is for the "general welfare" that all human beings in the United States who through no fault of their own are unable to earn the necessities of life should receive money representing their contribution to production so that they may purchase the

necessities of life and, in so doing, maintain not only their lives, but the economic life of the United States. In view of the foregoing considerations this bill is clearly constitutional.

This bill is necessary to prevent and relieve wide-spread destitution; practical in view of the great productive capacity of the Nation and its surpluses available for taxation; sound in its probable effects upon purchasing power and the monetary system; and constitutional under the obligation of Congress to legislate for the general welfare.

STRENGTH OF A GOVERNMENT DEPENDS UPON THE LOVE OF ITS PEOPLE

Now there are a lot of good people in these United States who are worrying about the flag. They are afraid somebody is going to pull it down. They are worried about the Constitution, that someone is going to tear it up. They talk about the Reds, Bolshevists, the Communists, Socialists, and radicals, and what not, and they lie awake nights seeing the red bogeyman in the attic.

Now, I want to say that I know how to allay their childish fears. I can tell you the remedy for that situation. If you wish to preserve and protect this country, and we all do; if we want to live on in peace, common sense, health, and happiness, then let us pass real, genuine, adequate social-security, unemployment, old-age, and social-justice legislation, and put it in force now—immediately—and stop this relief business, because, after all, the safeguard of any flag or any constitution or any government is not in its armies or in its navies or in its guns or in its magazines for war, but in the love of the people for that country and that government, and you can gain the affection of the American people in no greater measure than by passing adequate and genuine social-insurance legislation. That will be the best way to protect the flag and to safeguard the Constitution written by our forefathers, and it is up to us to show that we are worthy of the trust handed down to us by our forefathers and that we do not pattern after European medieval castles and that we are not believers in peasantry, serfdom, and peonage; but if you want to imperil this flag and put the Constitution in danger—and I cannot conceive of any sane person in the United States who wants that—if you want to do that, proceed as you have been doing and build up your relief rolls and increase your unemployment rolls until you have so many millions of unemployed that you cannot even count them, so that no man on this floor will know how many unemployed we have, but we can only guess how many tens of millions are on relief and unemployed lists.

SOCIAL SECURITY MEANS GOVERNMENT SECURITY

If you want to imperil this Government and shake it to its very foundation and have marching into Washington great masses of people who may come here not to overthrow the Government, but for the purpose of demanding their rights—if you wish to avoid this, you can do so very easily and very readily by passing the Lundeen workers' bill, H. R. 2827, giving social justice and social security to the American home and the American fireside.

I say to you, my fellow citizens, you shall not crucify American labor upon the cross of international finance. You shall not press down upon the brow of labor the crown of destitution, misery, and poverty. The American people, all of them, are entitled to life, liberty, and the pursuit of happiness. We are entitled to that; less than that we will not consider. We mean business, and those who legislate must act now. There may come a day when it is too late. "For of all sad words of tongue or pen, the saddest are these: 'It might have been.'" We will fight on until life, liberty, and the pursuit of happiness are ours finally and forever. [Applause.]

Mr. TRUAX. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. TRUAX to the Connery amendment: On page 3, line 8, after the word "on", strike out the remainder of lines 8 and 9 and insert in lieu thereof "all individual fortunes of $1,000,000 and over, inheritances, gifts, and individual and corporation incomes of $5,000 a year and over."

Mr. TRUAX. Mr. Chairman, I happen to be a member of the Labor Committee that reported, by a vote of 7 to 6, the Lundeen so-called "workers' old-age pension and unemployment bill."

There is only one thing that I see wrong with this bill. The gentleman from Minnesota [Mr. LUNDEEN], in his bill proposes to tax inheritances, gifts, and all annual incomes of individuals and corporations in excess of $5,000 per year. This provision of the bill, in my judgment, does not go far enough. We ought to tap right now, once and for all time, every fortune in this country of ours of $1,000,000 and over.

Mr. Chairman, how long do you think it is going to take the United States of America to recover and to rehabilitate the 20,000,000 who are on Government relief rolls or on doles? How do you ever expect to reemploy 11,000,000 men who seek jobs, but where jobs cannot be found? You cannot do this by continually and everlastingly skimming the skim milk off of the wealth of the country. You have got to get down to the cream of wealth, the millionaire crowd, down to the enormous fortunes, and to the swollen, predatory wealth of the country. Why, this is the reason you are considering this very legislation today. It is because you have too many millionaires and too few people with an annual, livable income, or people of modest means.

Where do you expect to get the money? I do not care if you amend this bill and make it $30 or $50 a month, which I favor for all men and women who are destitute at the age of 60, and $75 for all men and women who are destitute at the age of 70, but where will you get the money if you amend this bill and adopt these amendments?

This committee has made an intelligent, a worthy attempt to solve this problem. They have gone as far as the present orthodox system of government financing will stand, and when you go further you have got to get at the swollen, plutocratic wealth of the country. For one, I would take old Morgan and let him bear the entire expense of this humanitarian legislation until you got his swollen fortune down to $1,000,000. If he cannot live on $1,000,000, let him leave this country and go to England, the country in which he lives, and in which he pays taxes. I would take old Andy Mellon, who is now spending his declining days in attempting to defraud the Government of $3,000,000, and I would let him bear the cost of this legislation for a while until you scaled his fortune down to $1,000,000. Then, I would go after the fellows with incomes of $50,000 a year and more. This is enough income for any man or woman in this country.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Not now; the bankers are all against my plan, anyway. [Laughter and applause.]

[Here the gavel fell.]

Mr. MARCANTONIO. Mr. Chairman, I rise in favor of the amendment proposed by the gentleman from Massachusetts [Mr. CONNERY], which is commonly known as the "Lundeen bill."

I think the only proper way in which to approach this question is by comparing the Lundeen bill with the present bill under consideration by this Committee. There are two outstanding, glaring defects in the bill proposed by the Ways and Means Committee: First, it does nothing for the present 11,000,000 unemployed; second, the Ways and Means Committee bill provides that the burden of taxation for unemployment insurance and for old-age pensions eventually must fall on the shoulders of the wage earners of America.

You may call this a pay-roll tax in one case to be imposed on the employer, but as I explained yesterday, any form of pay-roll tax, any form of direct taxation of this sort, is bound to fall on the wage earners of America who cannot afford to pay any tax today and cannot defend themselves against any wage cuts.

By your bill and our bill we agree that unemployment insurance is inevitable; we agree that old-age pensions are inevitable, but there is one fundamental difference between yours and ours, and that is, in your bill you place the burden on the poor of the Nation and in our bill we place it on the wealth of the Nation, where these burdens should be imposed. [Applause.]

The form of taxation provided under your bill, and I have asked the members of the committee about it repeatedly in general debate, is just as vicious as a sales tax. I have repeatedly challenged the committee to distinguish between a pay-roll tax and a sales tax. In effect, they are both the same. They fall on the poor of the Nation. I shall never forget March 24, 1932, when I sat in the gallery up there, before I ever dreamed of coming to Congress, when I heard the following words spoken on the floor of this House:

My reason for opposing a sales tax is that I know it is unsound in principle and will be harsh, burdensome, and unjust in its operation. It contravenes every accepted theory of taxation. Not even in the emergency of the World War did our Government seriously consider such a tax.

* * * * * * *

Are we willing now, with our boasted wealth, to admit that conditions are so desperate and that other sources of taxation have been exhausted and are inadequate and we must violate the time-honored policy of our Government, as advocated by both the great parties, and adopt a sales tax? Are we Democrats willing to make a record in this House, after being out of power for 12 years, and accept the responsibility for the enactment of the sales tax, notwithstanding the fact that such bill has been recommended by the Ways and Means Committee? I served notice when the bill was reported by the committee that I would offer an amendment to strike out this part of the bill; and if it were not stricken out, that I would vote against the bill on final roll call. * * *

Remember, if you do this, you will be writing on the statute books of the Nation a record that you never can explain—never can justify—and it can be justly capitalized as a campaign issue against you for generations. But let me make this prediction: If this sales-tax provision remains in the bill and becomes a law, you Republicans will not only have to take the blame for its necessity, if there be one, but also the responsibility of its enactment; for certainly a majority of the Democrats in this House will by their action this day demonstrate that they not only do not approve but will not accept this unjust, unreasonable, unnecessary, and unconscionable form of taxation. Who are urging this sales tax anyway, and where did it have its birth and inception? That Andrew Mellon, William Randolph Hearst, and the millionaires and multimillionaires have had for their sole purpose and determination for years to get a sales tax fastened on the country in order that they may be relieved of paying income taxes, everyone knows. * * *

Now is the time and the accepted time to demonstrate to the American people that their Representatives have heard their voice and know their will and will obey it. Let us kill it now, kill it dead, and trust it is killed forever.

Mr. CONNERY. Who said that?

Mr. MARCANTONIO. These are not my words, these are the words of a man whom I revere and respect, and I revere and respect this man for his great fighting qualities. America owes this man an everlasting debt of gratitude for having defeated the sales tax on the floor of this House. I am referring to fighting BOB DOUGHTON, the author of the present bill under consideration [applause], and I appeal to him that the same reasons urged by him on March 24, 1932, against a sales tax exist today against a pay-roll tax, which is just as un-American and vicious as a sales tax.

I appeal in the name of the wage earners of America, in the name of the aged of America, in the name of the unemployed of America, let us kill the pay-roll tax and let us, like humane and just Americans, place the burdens of taxation for the care of the poor on the shoulders of the wealthy, on the shoulders of the community, where it belongs, and hence preserve our American institutions, our American form of government, and be justly proud of our actions as representatives of the American people. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment. It may be that there is some good in the Lundeen bill. I am frank to say that I am not thoroughly familiar with all of the provisions of that bill, not having had the time to examine it in detail, being so busily engaged on the bill under consideration by the House.

I may say that notwithstanding there may be merit in the Lundeen bill—and I do not care to criticize it at this time—I am sure that the Lundeen bill has no place in this bill.

This bill under consideration now under the rules of the House has had 23 hours of general debate, wherein Members of the House could sit here and hear explanations of every title, every provision, every section, every line, and every word of the bill, so that they would have an opportunity to vote intelligently on the proposed legislation. They have been so busy that they may not have time or the opportunity to give intelligent consideration to the Lundeen bill, which every Member of the House ought to give before he is called upon to discharge the solemn responsibility of voting on legislation of this importance.

Now, the gentleman from New York referred to a speech I made on the floor of this House with reference to a sales tax. I will say that I have nothing to recant, nothing to take back, nothing to apologize for as to that speech. I would make the same speech again under the same conditions, but the situation today is not what it was at that time when that bill was under consideration.

The tax imposed in this bill is not a sales tax. It is an income and an excise tax, not for the purpose of balancing the Budget. A sales tax may be justified in a great emergency, and under some circumstances I might vote for it, but this legislation is not to meet an emergency, but to provide permanent legislation.

Mr. LUNDEEN. But why not tax great wealth?

Mr. DOUGHTON. I will say that we are taxing great wealth. If we were not taxing great wealth the expenses of this Government could not be met. Great wealth is now taxed for all purposes for which a tax can be legitimately imposed by this Government. You cannot tax wealth until it disappears. If you did, then how do you propose to finance the cost of government?

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. LUNDEEN. The British income-tax rates are the ones we advocate, and would be thoroughly adequate, and Britain announces that she is on the high road to prosperity.

Mr. DOUGHTON. Oh, very often it is a case, Mr. Chairman, of those who "darkeneth counsel by words without knowledge." Great Britain has only one taxing authority for all of the units of the British Government. They are all provided for in one tax, whereas in this country we have a State and a county and a municipal and a Federal tax and a tax going and a tax coming and a tax for the living and a tax for the dead, tax without end. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio [Mr. TRUAX] to the amendment of the gentleman from Massachusetts.

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs upon the original amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 52, noes 204.

Mr. CONNERY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. CONNERY to act as tellers.

The Committee again divided; and the tellers reported—ayes 40, noes 158.

So the amendment was rejected.

Mr. COLMER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLMER: Page 4, line 19, after the word "to", strike out the words "one-half" and insert in lieu thereof the words "four-fifths", and on page 5, line 16, after the word "than", strike out the words "one-half" and insert in lieu thereof the words "one-fifth."

Mr. COLMER. Mr. Chairman, like every Member on this floor I have been intensely interested in seeing the aged people of my congressional district receive some benefits from the legislation which has been proposed and is now being advocated for the security of these aged people. Frankly, in my judgment, there are going to be very few aged people benefited under this legislation as it is now written, and, as it is quite apparent, it is going to be passed by this Committee of the Whole. I call attention particularly to the fact that, assuming that your States can qualify by the proper legislation, there are many States in the Union that are not financially able to match dollar for dollar the amount put up by the Federal Government. I have no idea that my State can qualify, and I dare say that, if you will give as much thought to the question of your own particular State as I have to mine, you will come to that same conclusion.

This should be recognized as a national problem. The States should not be required to contribute dollar for dollar. If I had my way about it I would eliminate entirely State participation, but I realize as a practical measure what we are up against here and so I have offered this compromise measure. I trust when you are called upon to vote for or against this amendment you will take into consideration the aged people in your districts in the States less wealthy and bear in mind they are not going to get anything under this legislation and that you will have to face that proposition when you get back home.

Mr. DONDERO. Does the gentleman's State now have any tax at all for the aged?

Mr. COLMER. It does not and I doubt if it could afford one. I shall not dwell on this longer. I hope you will not railroad this amendment down but will give the aged people in these States that are not able to put up this money an opportunity to qualify under the bill. My amendment simply means that if the State puts up a dollar, then the Federal Government will put up $4 for this proposition. It does not materially change the bill. It only changes it in that one aspect. It will give these States an opportunity to participate and these people an opportunity to receive benefits. I appeal to you in the name of the aged people in your districts to give them this opportunity. I hope you will agree to the amendment. This piece of legislation if enacted into law without amendments will stand out as the greatest disillusionment possibly of any piece of legislation ever passed the House. I repeat that very few of the States will be able to qualify, and the hundreds of thousands of aged people seeking relief at the hands of this Congress will be keenly disappointed. Our aged people are clamoring for bread and we offer them a stone. This legislation does not meet the demands; it is highly inadequate. And frankly, Mr. Chairman, there is little inducement offered to vote for it. If my amendment does not prevail I shall feel very despondent indeed about it. And the only justification that I could possibly find in voting for the bill as it was reported out of the committee would be that possibly it would be a step in the right direction and because of the other wholesome provisions of the bill aside from the old-age pension. [Applause.]

Mr. FORD of Mississippi. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Mr. FORD of Mississippi offers the following substitute amendment for the amendment offered by Mr. COLMER: Title I, page 3, line 16, strike out the word "one-half" and insert in lieu thereof "99 percent"; and on page 4, line 19, strike out the word "one-half" and insert in lieu thereof "99 percent"; and in line 25, strike out "$30" and insert in lieu thereof "$15"; and on page 5, line 16, strike out the word "one-half" and insert in lieu thereof "1 percent."

Mr. FORD of Mississippi. Mr. Chairman, I concur in what my colleague from Mississippi [Mr. COLMER] has said to the Committee this morning. That is why I have offered the substitute amendment for the consideration of the Committee, because I realize there is opposition on the part of the membership of this House to increasing the amount of the pension to be paid over the sum of $15. I would like to see the Federal Government put up $25 and the States put up $5, and provide $30 for the old people of this country, but after seeing the amendments heretofore offered voted down, I fear that the majority of the membership of this House will not vote for more than $15 to be paid by the United States. It is with that in mind that I come before the membership of this House this afternoon and appeal to you. If we intend to do anything for the old people of this country, you should support the substitute amendment I have offered to the amendment offered by my colleague from Mississippi. I want to briefly explain it to you. Under the proposed legislation now under consideration it is required that the Federal Government pay $15, provided the States match this sum with $15. My amendment simply strikes out the provision that the State pay one-half, and provides that the Government pay 99 percent and that the State pay 1 percent, thereby retaining the provision that the States will administer this fund, and protect the State rights which the able gentleman from Massachusetts was talking about a moment ago.

I do not say this in criticism of the membership of the Ways and Means Committee, but I say it to you in fairness and frankness that the old people living in some of the States of this country will not be able to obtain one dollar in pensions, because the States which they reside in are not able to finance the payment required of them under the bill now before the House.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. FORD of Mississippi. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. I am in thorough accord with the provisions of the gentleman. I am wondering how he would have this 1 percent provided by the State. Would that require an act of the legislature?

Mr. FORD of Mississippi. Yes. It would require all States to enact legislation as provided in the bill, but would relieve the States from having to pay $15 before the aged living in those States could qualify. It does not change anything in the bill except to provide that the Federal Government will pay 99 percent of the $15 and the States will put up 1 percent, and will have charge of administering the fund under the plan set out in the bill now under consideration.

Ladies and gentlemen, I appeal to you in order that we may reach all of the old people of this country and not discriminate against those who may not be fortunate enough to live in a rich State. I hope you will vote for this amendment so that we may give a universal pension of $15 a month to the old people of this country. By doing this the legislature of every State can increase the amount if they desire. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I rise in opposition to the amendment. The amendment offered by the gentleman from Mississippi [Mr. COLMER] proposes that the Federal Government contribute four-fifths of the total amount of a pension of $30 per month and that the State contribute one-fifth of the total amount of the pension. The substitute offered by the gentleman from Mississippi [Mr. FORD] proposes that the $15 provided in the bill as presented be the total amount of the pension and that the contribution by the Federal Government be 99 percent thereof. In other words, $15 is the total amount of pension contributed by both the Federal Government and the State government. Out of that, under the substitute amendment offered by the gentleman from Mississippi [Mr. FORD] the Federal Government will contribute $14.85 of the $15, and the State will contribute 15 cents of the $15 to the total pension of $15. It is so obvious on its face that that is simply a subterfuge, that the State under that provision would not be participating in any substantial amount, that it does not justify further argument in opposition to it.

I therefore ask that the Committee vote down the substitute and then vote down the amendment offered by the gentleman from Mississippi [Mr. COLMER].

[Here the gavel fell.]

The CHAIRMAN. The question arises on the substitute amendment offered by the gentleman from Mississippi [Mr. FORD] to the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now arises on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The amendment was rejected.

Mr. TREADWAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: On page 2, line 10, strike out "$49,750,000" and insert "$69,750,000"; on page 4, line 25, strike out "$30" and insert "$40."

Mr. TREADWAY. Mr. Chairman, I am offering this amendment in carrying out the attitude and policy of the minority members on the Ways and Means Committee. We

have said from the very beginning that we favored old-age pensions, and we favored a larger amount than appears in the bill. The bill calls for an appropriation of $49,750,000 "in order to assure reasonable subsistence compatible with decency and health to aged individuals without such subsistence."

Now, I claim, Mr. Chairman, that there are a great many instances where $30 a month is not sufficient to care for aged people in the manner in which section 1 of the bill provides. If we match $20 with $20 from the States, an aged person can then receive the amount of $40 per month, which is $10 more than is provided for in the matching manner that the committee has suggested.

In my remarks on page 5709 of the RECORD during the general debate I covered this item as fully as was necessary, and I refer the members of the Committee to what I said at that time. We are simply asking that this Committee and the House carry out the idea that in aiding aged people we do it decently and sufficiently to care for their needs in their old age.

The minority report reads:

> We favor such legislation as will encourage States already paying old-age pensions to provide for more adequate benefits and will encourage all other States to adopt old-age pension systems. However, we believe the amount provided in the bill to be inadequate and favor a substantial increase in the Federal contribution.

I am, therefore, asking that this substantial increase be made, $20,000,000, in order that the purpose of aiding the aged may be accomplished to a certain extent.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. TREADWAY. I have only 5 minutes; I prefer to use my time. I am sure the gentleman can get recognition. Now, that is a very definite proposition; and while I realize there are many pending amendments to title I, I think this is the crux of the matter, whether the House intends to favor a decent allowance to the aged people or whether it intends to scrimp them. Twenty-eight States already have adopted old-age pension systems. This would encourage them and would encourage others to go along with them. It is something in which the American people have shown their interest. It is the most important title in the bill. In fact, it is one of the outstanding features of the bill. Members on this side of the House have said from the beginning of the consideration of the bill and from the beginning of the debate in the House that we stood solidly behind an amount sufficient to care for the aged people in a decent and respectable manner, which they are entitled to. I trust, therefore, this amendment I have offered will be given the favorable consideration of the majority, and I assure the majority that we on this side of the House will go along with them in an effort to provide proper care for these aged and unfortunate people. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would not want to go into the RECORD uncontradicted the statement of the gentleman from Massachusetts that in proposing an increase in this appropriation by the paltry sum of $20,000,000 he is providing adequate pensions for the poor aged people of this country. After sitting on the Ways and Means Committee for 3 months on this bill, the gentleman certainly ought to know that an increase of $20,000,000 would not be adequate; that an increase of $200,000,000 would not be adequate.

This bill carries provision for about $50,000,000. It takes a very short problem in simple arithmetic to show that $50,000,000 would pay not more than 300,000 people the sum of $15 a month. The gentleman's proposal is to raise the pension from $30 up to $40. I might go along with him on that increase if he had any system of increasing the number who would get it. If you adopt his amendment, the additional number of people who will be provided for by it would hardly be worth making the change in the bill; in fact, it would not add any more to the number of beneficiaries; 300,000 out of the 4,000,000 or 5,000,000 who should be pensionable under the terms of this bill. It gives these 300,000 people $5 or $6 a month more, about $5, but it does not add another single aged person to the pension roll of the country.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. DUNN of Pennsylvania. It is a fact, though, that those aged who would be benefited under the bill will be benefited to the extent of an additional $10.

Mr. MARTIN of Colorado. I admit that if the gentleman's amendment is adopted it will mean that 300,000 people will receive a few dollars apiece more, maybe $5, but it will not add one additional person to the pension rolls of the country. The hearings show that there are 1,000,000 people in this country over the age of 65 who are on F. E. R. A. relief or public charity. Certainly these million people are all qualified for pensions, and we ought to pass a bill which will give them all a Federal pension of at least $15 a month, and it will take the sum of $180,000,000 to give 1,000,000 people over 65 years of age, all of whom are now on F. E. R. A. or public charity, $15 a month; if the gentleman proposes to increase the monthly pension to $40 from $30 and pay for it out of $20,000,000 under the pretext that he is furnishing the poor people of this country an adequate pension, it ought to be voted down as an insult to them instead of giving them an adequate pension.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. TREADWAY. I appreciate the gentleman's courtesy, because I declined to yield to him; but I want to call his attention to the clause following the amount where my amendment would be inserted:

> Amount of $69,750,000 for the first year ending June 30, 1936—

And quoting the language of line 10:

> And there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purpose of this title.

Mr. MARTIN of Colorado. I am not interested in the other years now; what I am interested in is the first year. The sum provided in this bill and the sum provided in the gentleman's amendment would not grease a skillet. I say the House should pass a half-way decent old-age-pension bill, which would pay now.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. LEHLBACH. Does this amendment in any way cut off or add a beneficiary? Does it not merely increase the benefits of those who will be taken care of; and is not the situation the gentleman attacks to be found in the bill instead of in the amendment?

Mr. MARTIN of Colorado. I agree with the gentleman that it will simply increase by a few dollars a month the pension these 300,000 people will receive but will not add any beneficiaries.

Mr. LEHLBACH. That is the fault of the bill.

Mr. MARTIN of Colorado. Yes; that is the fault of the bill.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, it is very evident from the debate for the last 30 or 40 minutes that none of these amendments representing the ideas of any of these special groups are going through. We are about through with this title. What are you going to do about it? Do you want $5 a month more from the State and $5 more from the Government? Do you not want to raise it $5 for the Federal Government and $5 for the State, making $10 altogether? If so, here is your chance.

Mr. Chairman, there is nothing about this that needs a lengthy explanation. It is simply a straight out-and-out proposition. This is about our last chance to vote on the proposal. I, for one, think we ought to extend this benefit so that the rich States may come forward with more money, if they desire, without imposing any additional compulsory burden upon any of the smaller States. The poor States are not compelled to put up an extra nickel.

The amendment ought to satisfy everybody. The Republicans will vote for it, and the Democrats should vote for it, especially those who have been on their feet for the last 30 or 40 minutes trying to get more money. No man is justified in saying he will not vote for this, because it does not do justice. The question is, Is this as much as you can get? Is this the last chance? I say it is. Now is the time to say whether you stand for a maximum as high up as you can get it, even if you cannot get it as high as you want it. Do you stand for a proposition that will permit the rich States to give the poor people all they want to give them and permit the poor States to give them as little as they want to give them? If you do, you should vote for this amendment.

Mr. Chairman, there is no compulsion about this. It is a fair, honest proposition. Personally I am satisfied with the $15 limit now provided in the bill, but in order to satisfy those who are not satisfied this amendment is offered.

Mr. COOPER of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the majority members of the committee, of course, hope that this amendment will not prevail. We have always heard the expression "Beware of the Greeks bearing gifts." That is the situation here today.

The Ways and Means Committee spent 3 months carefully considering every phase of this important measure which has for its purpose social security for the people of our country. The gentlemen on the other side now rise to try to do what they say will make a contribution to this measure; yet we know from their speeches made here during the 23 hours of general debate that they are against the bill anyhow. I appeal to those Members who are interested in this legislation to carry forward the program of the President as we have brought it to you.

Mr. Chairman, what are the facts with reference to this amendment? There are only two States in the Union that have a law which would permit them to pay a greater amount than that provided here in the bill, and those are the wealthy States of New York and Massachusetts. The other 46 States of this Union could not receive any benefits under such an arrangement as is provided here, as their laws now stand. It should also be borne in mind that under the provisions of this bill, as it now stands, it gives larger benefits; it contains more liberal provisions than those afforded in the legislation of any other country in the entire world. This bill provides for $30 a month. That is greater than now being paid in any of the 29 States which have old-age pension legislation. It is greater than is now being paid by any other country in the world.

Mr. Chairman, it should be borne in mind that we are now pioneering the way, we are now enacting legislation that is charting a new course in this country of ours. The President in his conferences with us about this bill, as well as those who have appeared before the committee and who have given thought and consideration to this important question, have stated that we should move cautiously, that we should start on a plan that we know can succeed and will not break down. We have presented to you the plan that has the best prospect of success in the great field of social security. The only purpose in bringing forward this amendment is to try to disrupt this program and try to defeat the very purpose we have set out to accomplish. I appeal to all the Members to vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The question was taken; and on a division (demanded by Mr. REED of New York) there were—ayes 85, noes 121.

Mr. TREADWAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. TREADWAY to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 80, noes 142.

So the amendment was rejected.

Mr. KNUTSON. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: On page 2, line 10, strike out "$49,750,000" and insert "$99,500,000"; on page 4, line 1, strike out "65" and insert "60"; and one page 4, line 25, strike out "$30" and insert "$60."

Mr. KNUTSON. Mr. Chairman, I am prompted to offer the amendment that has just been read because I certainly believe the provisions of the bill that we have before us are wholly inadequate. This is particularly true in the Northern States where $30 per month would not give the aged and indigent economic security and, as I understand the purpose of this legislation, that is the aim of the present administration.

Mr. Chairman, I also feel that the age limit of 65 is too high to give material relief. It certainly will not be of any assistance in relieving the unemployment problem that so seriously confronts the country at the present time. If we are going to pass an economic-security bill in this Congress, we ought to pass something that is more than a mere gesture, and that is all $30 a month is, so far as it applies to the northern United States.

I can understand that down in the Cotton Belt, perhaps, $30 a month would be enough, but it certainly is not anywhere near enough in the sections of the country where the people have to buy fuel 6 or 7 months of the year.

I feel strongly, Mr. Chairman, that if we are going to pass legislation of this kind we should pass something that we do not have to go home and apologize for.

I realize that my amendment will not completely take care of the situation. There are a number of States that are unable to take any advantage of this legislation. As I see it, Mr. Chairman, the whole thing should go over until the next session of the Congress. It is plain to be seen from the debate we have had under the 5-minute rule in the consideration of this measure, that there are as many different opinions upon this proposition as there are varieties of preserves and condiments put up by a man named Heinz.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. TAYLOR of Tennessee. Would the gentleman be in favor of paying pensions to the aged in one State and denying such pensions to the aged in another State, even though the States may be adjoining?

Mr. KNUTSON. I would not. Such an idea is un-American and unfair, but what are you going to do with such a steam roller in operation as we have in this House? They talk one way and then they vote the other way when we have a teller vote. [Laughter.] Yes; this is a sample of your consistency—you talk one way and vote another.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. MOTT. It would require about $4,000,000,000 a year to pay an adequate pension to all of the old people who need money in this country and who are over 60 years of age, would it not?

Mr. KNUTSON. I do not know just what the exact figure would be.

Mr. MOTT. Does the gentleman think it is possible to raise $4,000,000,000 or any other amount that would pay an adequate pension by the system proposed in the pending bill?

Mr. KNUTSON. Of course not. This pension should be financed through a turn-over tax that would be equally distributed among all.

Mr. MOTT. Can it be raised in any other way?

Mr. KNUTSON. No; it cannot be raised except through a turn-over tax, and what we have before us is merely a shot in the arm—it is not even that. It will prove a bitter disappointment to our people.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota.

The gentleman from Minnesota is one of those men who is naturally in opposition to anything proposed even by his own party, to say nothing of this side of the House. It will

be recalled that after the minority had made a report on this bill, and I believe the gentleman from Minnesota concurred in that report, he went off by himself and, after sulking awhile, decided that the minority report did not suit him, and he made a separate report of his own.

If this side of the House had incorporated in this bill the very provision suggested by the amendment he has now offered, it would not have suited him, and he would have offered something else and would have jumped on the proposal offered by this side with all his strength. He is one of the men on that side of the House whose head is a fountain, whose eyes are rivers of water, on account of the great burden that is going to be imposed on industry in the payment of the taxes necessary to finance this bill, and yet he knows very well, because he is an intelligent man, that if we increased the amount as he has proposed in his amendment, this burden would fall on industry and would double the amount of taxes necessary to finance this scheme of old-age pensions.

The gentleman has not said a word about where he will get the money. In a few years it would take out of the Federal Treasury at least $1,000,000,000 annually and yet he is one of the men who lament the fact that this measure will impose such an unbearable and intolerable burden upon industry, and because there are certain States that may not get any benefit at all, the gentleman proposes an amendment whereby industry will have to bear a still further burden and a burden much heavier than that proposed in the bill.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KNUTSON. The gentleman speaks about raising money. Why, this administration has a magic wand with which it can go out and raise $4,880,000,000 by simply calling on a few leaders. Let them call on a few more leaders and raise the money necessary to give the poor, downtrodden, hungry people something to eat.

Mr. DOUGHTON. That is just a sample of the billingsgate and the balderdash that this gentleman unloads on this House from day to day, and that is all it is.

I call for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

Mr. ROBSION of Kentucky. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. ROBSION of Kentucky offers the following amendment:

On page 2, section 1, line 10, strike out the figures "49,750,000" and insert the following "100,000,000 or so much as may be necessary."

On page 2, lines 12, 13, 14, 15, 16, and 17, strike out all in section 1 after the word "title" and period, and insert the following: "There shall be paid by the Federal Government as a pension to every needy citizen of the United States and its Territories and the District of Columbia 60 years of age or over, and to every needy blind person, and to every needy person totally and permanently disabled, who shall make application therefor and who shall make satisfactory proof of the requirements of the board or agency set up by the Government to administer this act, the sum of $25 per month from the date of the passage of this act up to and including June 30, 1937, without any contribution from the State or States. Beginning with July 1, 1937, the Federal Government shall match funds provided by the several States, Territories, and the District of Columbia, to the amount of not exceeding $20 per month for each person pensioned under this act."

Mr. ROBSION of Kentucky. Mr. Chairman and ladies and gentlemen of the Committee, under general debate I discussed this measure in detail and at some length. I pointed out how grossly inadequate the provisions of the bill were and that very few people in any State, and no one in Kentucky, would receive an old-age pension within the next year, and, perhaps, not within the next 2 years, and I also pointed out that while this measure is called an "unemployment" insurance bill, it would not put a single person back to work and did not provide a single dollar for the unemployed. I expressed the hope that liberalizing amendments would be offered and adopted. Many have been offered by several outstanding Democrats, men and women of the House, but were ruthlessly voted down.

The amendment that I have offered provides:

(a) To fix the minimum age at 60 instead of from 65 to 70 years as is provided in the President's bill.

(b) It authorizes an appropriation of $100,000,000 and such further sum as may be necessary to carry out the provisions of this amendment, for the year beginning July 1, 1935, instead of $49,750,000 as provided in the President's bill.

(c) It provides for the immediate payment of $25 per month by the Government, without any contribution from the States, for each and every needy man or woman 60 years of age or over, and this payment to continue without the State's contribution until June 30, 1937. The bill of the President does not permit the Federal Government to pay out one dollar except and until the State or States change their laws and levy and collect taxes for that purpose, or at least provide a fund for that purpose.

(d) My amendment also provides the same pension to needy blind and needy people who are crippled and disabled, $25 per month, whatever their age may be. The President's bill does not include needy blind people or needy crippled people, unless they are 65 years of age or over, and then the Federal Government will not pay anything unless the State first matches the Federal Government's money.

NO RELIEF FOR THE AGED, THE BLIND, OR THE CRIPPLES IN KENTUCKY

Under the President's bill, the State must first have its legislature meet and fix the qualifications under which needy old people could get a pension, and they may fix the minimum age anywhere from 65 to 70 years; and the State must agree to levy and collect taxes and provide a fund to meet the Government's money; and the pension would be limited to whatever the State fixed it—any sum from 1 cent to $15 per month. The Government, under this bill, will not match more than $15, and only $49,000,000 in all is authorized under this bill for the year beginning July 1, 1935, and ending June 30, 1936.

There is little doubt but what there are at least 6,000,000 people in the United States over 65 years of age that are wholly dependent. Of course, if all applied and were allowed pensions and each State would match the Government's total contribution of $15, it would only pay each person the sum of $1.40 per month, or about 4½ cents a day, for the year beginning July 1, 1935, and ending June 30, 1936.

But the thing that alarms me most is that the aged needy in Kentucky will not receive anything for the next 2 years. We have been informed that it will be necessary to amend the constitution of Kentucky, and the constitution of Kentucky can be amended only by a vote of the people at a regular November election; and after our constitution shall be amended, it would be necessary for the legislature to meet and provide for the levy and collection of a tax for old-age pensions. This will mean more delay.

Kentucky already is heavily in debt. It has a burdensome sales tax, and even with the sales tax it is going deeper in debt every day. What if Kentucky is unable to raise the tax to match the Government's money?

So, under the President's bill, the needy old people of Kentucky must wait and wait and if Kentucky does not change its constitution and laws and match the Federal money, then there is no relief offered in the President's bill for these needy old people in Kentucky at any time.

The President's bill does not hint at any relief for the poor blind people or for poor men and women who are cripples and permanently and totally disabled.

The age limit is too high. Therefore, I am urging you, ladies and gentlemen of the House, to support this amendment of mine and fix the age limit at 60 years and include needy blind people and needy crippled people and to pay each of these groups $25 per month, to begin just as soon as this measure becomes a law and to continue these payments until June 30, 1937. This will give Kentucky and other States similarly situated time and opportunity to amend their constitutions, change their laws, and provide a fund to meet the Government's fund, although so far as I am concerned I favor the Federal Government paying a

reasonable sum to each one of these groups so that all of our citizens may be treated alike and let each State that is able to do so add to the Federal contribution.

Of course, the rich States—New York, Pennsylvania, Massachusetts, New Jersey, and other rich States—will be able within the next few months to adjust their laws and finances to meet the Government's money because they now have effective old-age-pension laws.

Then we will have the spectacle of Kentucky, under the general revenue laws, as she did last year, pay between eighty millions and one hundred millions into the United States Treasury and that money go to help pay old-age pensions in other States out of this Federal appropriation and the old and needy, the needy blind, and the crippled people in Kentucky will not receive anything.

IS THE PRESIDENT'S BILL SACRED?

Scores of Democrats, including Mrs. GREENWAY, of Arizona, Mr. SCHRUGHAM, former Governor of Nevada, Mr. EKWALL, Mr. COLLINS, Mr. FORD, Mr. CONNERY, Mr. MILLER, Mr. MASSINGALE, Mr. SAUTHOFF, and several Republicans, have introduced amendments to liberalize this bill, with the purpose of getting relief to these old and needy people now; but your big Democratic machine in this House has rolled over them and defeated all liberalizing amendments.

As pointed out, the President's bill proposes no relief whatsoever to the needy blind and to the needy cripples. My amendment will provide a pension for them. If this is a bill for the relief of the needy, on what theory will you vote down this amendment for the blind and cripples? There are no groups in this country that need help more than they do.

There never has been a time in this country when poor old people needed relief as much as they need it now. My amendment provides immediate relief.

The distinguished chairman, Mr. DOUGHTON, says that I have roared like a mountain lion against this bill. I am one of those who sincerely and earnestly believe in immediate relief for the needy old people, for the poor blind, and the poor cripples of this country. Let me say to my good friend Mr. DOUGHTON that I am in dead earnest. I know how sorely disappointed will be these needy groups and the needy dependent children and poor widows if we pass the President's bill in its present form. Your machine has run over everybody here who has attempted to offer amendments to bring immediate relief to these needy groups, and more than likely your big Democratic machine will defeat my amendment. If this bill is passed in its present form, there will be persons roaring other than myself, and it will not be like one mountain lion but it will be more like the roar of 10,000 African lions. The wails of disappointed needy people in this country will be heard from one end of the Nation to the other. Your Democratic machine may run over us in the House now, but you have another problem when you undertake to run over the sentiment and the humanity of the American people next year, when you will be called upon to give an accounting of what you are doing here.

You have the majority; you can defeat this needful amendment; I can do no more than to present it to you and plead with you to forget party politics and urge you to adopt it. If you run over these needy old people, the blind, and the cripples, the responsibility is yours and not mine.

FAVOR MOTION TO RECOMMIT

Indications are that you Democrats at the behest of the President will jump through the hoop and pass this, the President's bill, as it has been submitted. I am advised that the Republicans will offer a motion to recommit. In that they will propose to increase the amount to each needy old person, fixed in this bill, and will vote to eliminate the section that proposes to tax the wages of the railroad workers, miners, and others. This motion to recommit does not go as far as I should like for it to go but, in my opinion, it is an improvement on this bill and I shall support it. I have not lost an opportunity and shall not lose an opportunity to vote for amendments and motions that have for their purpose to liberalize and improve this bill.

Permit me to repeat again, as I did in my speech the other day, the so-called "employment insurance" in this bill is a misnomer. This bill does not make any provision to give work to a single unemployed person, unless it is to an army of faithful Democrats in the many offices that are created by this bill. It does not provide a job for any one except for a Democratic politician. It gives no work to the unemployed. It does not provide for a single dollar for the unemployed, unless such unemployed persons are over 65 years of age and their respective States provide a fund to match the meager Federal old-age-pension fund set up in this bill.

But this bill does put a 3-percent tax on every dollar of wages of those who are employed or may become employed—mark you, not to provide any money or relief for the unemployed, but to help those who pay in the taxes, provided they pay them in a number of years and then become 65, or dead, or unemployed. Each worker must work and pay in for at least 5 years. The workers in Kentucky already have a sales tax of at least 3 percent on everything they buy with their wages, and under the railroad workers' compulsory pension law, they now pay 2 percent of their wages. If this measure should become a law, there would be at least 6 percent on every dollar earned by other workers and at least 8 percent on each dollar earned by the railroad workers in Kentucky. Therefore, in view of this fact, I think this motion to recommit is in the interest of those workers of my State and of this country, and it proposes to increase the amount of old-age pensions as fixed in this bill, and I shall vote to recommit the bill and have it amended with these provisions.

MUST LOOK TO THE SENATE FOR RELIEF

On final passage, I shall vote for the bill. A vote against it might be construed that I oppose old-age pensions and relief for needy widows and children and for public health and public welfare. My great objection to these features of this bill are the amounts set up are too small and the people in the poor States, and in my own State of Kentucky, will not get any relief now and, more than likely, will not for at least 2 years, and perhaps not at all. I want these needy groups in Kentucky and all other States to get this relief now. I do not want to put any additional taxes or burdens on the wages of the workers, most of them only getting one-half time, and they have more burdens than they can now bear with their small earnings and the high cost of living.

We are voting to send this bill to the United States Senate. I cannot believe that the Senate will pass this bill in its present form. I am very hopeful and confident that a lot of these salutary amendments that others and myself have been trying to get through will prevail in that body. If they do not God pity the needy old people, the blind, the cripples, and needy widows and orphan children of this country. Must they continue to suffer with hunger and cold?

This is the last opportunity I shall have to address you on this important measure, and permit me again to repeat that you Democrats have the majority and the power to defeat this and other helpful amendments. However, if you do, the responsibility is yours, and not those of us who have tried to bring relief now to these needy people. [Applause.]

Mr. DOUGHTON. Mr. Chairman, my distinguished and handsome friend the gentleman from Kentucky [Mr. ROBSION] roars like a mountain lion against this bill. If I recall, he has been a Member of Congress, a very able and distinguished Member of Congress, for many years, and it seems that just now he has awakened to the dire needs of the class of people for whom he speaks so eloquently.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. ROBSION of Kentucky. Oh, this is not the first time I have done anything of this kind. I helped to pass the bill for vocational rehabilitation, and the public-health and child-welfare legislation.

Mr. DOUGHTON. Did the gentleman appear before our committee with any proposition or suggestion, or offer us any help or assistance in any way when we were sitting

week after week holding hearings? He was silent as the grave, but now when this question is up here in the last hours of debate he comes with an amendment that even the expert draftsman cannot tell what it means, and he expects us to disrupt the entire bill by incorporating in it some half-baked, ill-considered suggestion, just for political purposes back home.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I do not yield.

Mr. ROBSION of Kentucky. It is not for political purposes.

Mr. DOUGHTON. I do not yield to the gentleman. If I understand the gentleman's amendment, it cuts out State participation for 2 years. I do not know whether it does or not, but that is what the legislative draftsmen tell us. It cuts out State participation for 2 years. That would disrupt the organization in every State that now has an old-age pension, and would turn its administration in those States over to Federal control, and necessitate the creation in those States of a Federal organization to carry out this law.

I do not think my good friend from Kentucky, when he sits down and thinks this over deliberately, would be willing to set up Federal commissions in each State in the Union to administer this law. If the Federal Government finances it, of course the Federal Government, as a matter of right, would administer the law.

Mr. ROBSION of Kentucky. Has not this Government for 3 or 4 years, and does it not now propose to turn over billions of dollars to the States?

Mr. DOUGHTON. Yes.

Mr. ROBSION of Kentucky. Why not turn over something now to the aged and needy?

Mr. DOUGHTON. What the gentleman refers to has been done in a temporary measure, but this is permanent legislation, and the gentleman knows that he would not set up temporary organizations in the State to administer this law for 2 years, with all of the expense and the bureaus that would have been established, as well as the expense in the State. The gentleman is bound to know that that would be impractical; and no one in this House would oppose a proposition of that kind more readily or eloquently than the gentleman himself. The truth is that he is bound to find some excuse, and that in his estimation nothing good can come out of the Democratic Party. The gentleman knows the inception and origin of this great humanitarian legislation came from and is now proposed by the greatest President this country has had, at least since the Civil War.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment offered by the gentleman from Kentucky.

The amendment was rejected.

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Chairman, the social-security bill will in time affect everyone of us. It is so comprehensive in its scope and so far-reaching in its possibility of assuring security to the people of this country that we should thoroughly examine it and deliberate upon it before we vote on it.

In the short time allowed to me today I can only say a few words about it, but I expect from time to time to speak about the bill more fully and at length.

THE MAIN PROVISIONS OF THE BILL

I shall first review, if only in brief, the chief provisions of this bill.

The bill does not provide direct immediate payments to the aged, to the unemployed, or on behalf of children. The bill does not provide for direct immediate benefit payments of any kind. It does not set up a Federal system of old-age pensions or of unemployment insurance or of child care. I believe the people do not understand this fundamental principle of the bill and will be bitterly disappointed when they realize it. To my mind, it is a fundamental weakness of the bill. The bill does not set up a Federal system of old-age insurance as distinguished from pensions. The payment of insurance benefits under that system to the aged of this Nation will begin January 1, 1942.

The bill does attempt to induce every State of the Union to create, establish, or improve an old-age-pension system or a system of unemployment insurance, called "unemployment compensation" in the bill. In the case of old-age pensions, the Federal Government undertakes to pay large sums of money to those States who have or will establish old-age-pension systems with certain minimum standards. One-half of all money expended by the States for old-age-pension payments is to be paid by the Federal Government.

In the case of unemployment insurance or unemployment compensation, the method resorted to is altogether different. The Federal Government, under the provisions of this bill, will levy a tax on pay rolls of certain employers, viz, those who employ 10 or more persons, of 1 percent in 1936, of 2 percent in 1937, and of 3 percent in 1938, and in every year thereafter. This tax will be levied upon these employers in every State of the Union, regardless of whether or not the particular State has an unemployment-compensation system, but if the State establishes an unemployment-compensation system with certain minimum standards described in the bill, the employers will not have to pay this tax to the Federal Government. To be more exact, the employers will be permitted to set off the unemployment payments which they make to a State fund against the Federal tax levy up to 90 percent of the tax levy. To put it in a still different way, if the employers make payments to an unemployment fund, equal to the payments required by the Federal Government, they need only pay 10 percent of the Federal tax.

The effect of these provisions is that in the States which have unemployment systems, the tax will be paid for the benefit of the employees in that State; in the States which do not have such systems the tax will be paid, but the employees of such a State will derive no benefit from the tax payments, since they will go into the general funds of the Federal Government.

It is quite certain that this should induce most States to pass some sort of unemployment-compensation laws.

A vital defect in the Federal law is that it does not prescribe definite and adequate minimum standards for the State unemployment-insurance systems. This is one of the serious defects of the bill.

PROVISIONS RELATING TO OLD-AGE PENSIONS SHOULD BE LIBERALIZED

As to old-age pensions, this bill requires the States to pay pensions to persons 65 years or over (except that up to the year 1940 a higher age limit is allowed). The Federal Government will make grants to the States of one-half of the money which they pay out for old-age pensions except that the Federal Government will not contribute more than $15 per aged person.

I urged changes in those provisions before the Committee on Ways and Means during the hearings. The age limit should be reduced from 65 to 60 years, so that every person 60 years of age or over should be eligible to old-age-pension payments. The same change should be made in the Federal system of old-age insurance. Further, the payments should be increased. The States will not be more liberal than the Federal Government, and therefore the maximum for all practical purposes will be $30 per aged person. This is far too low from every point of view.

DESIRABLE CHANGES OF UNEMPLOYMENT-INSURANCE PROVISION

In my testimony before the Committee on Ways and Means I also urged changes in that part of the bill relating to unemployment compensation. Industry in the United States is organized along national and not along State lines. Industrial production knows no State lines. Unemployment insurance should be under a Federal system and it should set up standards far superior to those provided for in this bill. It should raise most of the money, if not all of it, by inheritance

and gift taxes instead of by taxes on pay rolls, and it should make provisions for those that are now unemployed.

I have prepared several amendments for the purpose of liberalizing vital and important parts of the bill. From a survey of the sentiment of the Members of the House it is quite clear that under their present state of mind no amendment could possibly pass, and I therefore do not believe that I shall offer them. I shall wait until the bill has passed and a calmer spirit prevails.

THIS BILL IS ONLY A PART OF THE PRESIDENT'S PROGRAM

In justice to the bill, I must emphasize a point that has not been stressed in this debate and which is quite pertinent to what I am now discussing. The bill before us is only a part of the program of the President for social security and for the care of the unemployed. It is only a part; let us remember that.

The President's program contemplates that all those who are now unemployed and who are employable—7,000,000 of them—shall be given jobs; not relief, but jobs under the $4,000,000,000 public-works bill.

The program therefore is to take care of those who are now unemployed by public works and to care for those who will be unemployed in the future by the creation of State-wide unemployment-compensation systems.

I am somewhat skeptical of the ability of the Federal Government to give jobs to all unemployed employables within a reasonable time or even within a year under the $4,000,000,000 public-works program.

PROVISIONS FOR CHILDREN

Other sections of the bill provide that the Federal Government pay one-third of all the money paid by any of the States for the aid of dependent children, children who have lost their father and breadwinnner, and therefore need the assistance of society.

Pennsylvania now has such a law. It is called the "mothers' assistance fund", but Pennsylvania has not appropriated enough money to pay out to these mothers and children what is due them under the State law. The law has been on the statute books in this State, but thousands upon thousands of children and widowed mothers who were entitled to payments did not receive their pension.

Under the Federal bill they will all receive their pension.

We will understand the importance of this part of the bill when we realize that 40 percent of all persons on relief—approximately 9,000,000 individuals—are children under 16 years of age. These 9,000,000 children will be given a fair measure of security with the passage of this bill.

The bill also provides for the expenditure of large sums of money by the Federal Government in aid of the States for maternity and child welfare, for hospitalization of crippled children, for the care of crippled or physically handicapped children after they have been discharged from the hospitals, and for public-health service.

THE SOCIAL-SECURITY BILL IS INADEQUATE

I am not satisfied with the social-security bill as it passed the House of Representatives a few days ago. I am not satisfied with the provisions which it makes for the aged, for the jobless, or for our handicapped orphaned children.

I want to emphasize that point strongly. The bill as it passed the House and as it most likely will pass the Senate of the United States and be enacted into a Federal law is not sufficient. It does not go as far as it should go. Indeed, it does not go as far as we could justly expect it to go.

THE ADOPTION OF THE PRINCIPLE OF SOCIAL SECURITY IS A GREAT STEP FORWARD

But I also want to emphasize another point just as strongly. That point is this: The principle which this bill establishes, the decent and humane philosophy upon which it is based, is more important than its specific provisions. We have the foundation; we can improve and better from time to time what we put on this foundation.

We have here a beginning and, with all its shortcomings, with all its obvious defects, it is a mighty step forward toward the goal of real social justice. Let us keep in mind that high-minded men and women have fought this battle for social-security legislation for many years. They believed and they preached that it was the duty of the Government to care for its aged, to assume responsibility for fatherless or handicapped children, and to provide for the jobless through unemployment insurance.

THE STRUGGLE FOR SOCIAL SECURITY

It seemed almost impossible to convince the rugged individualists who were governing this great Nation that social insurance was a fundamental task of a liberal and democratic government. In all the years during which that battle was fought, no bill was passed in either House of the Congress of the United States concerning any part of social security until the passage last year of my own resolution H. R. 249, which provided for a study of a national contributory system of old-age insurance such as we are going to have under the social-security bill.

These pioneers for social legislation fought that battle in administration after administration in Washington, and they never gained an inch of ground. They got nowhere, and achieved nothing, until this administration under the leadership of Franklin D. Roosevelt came into office. And I want to pay tribute today to his inspired leadership for giving us this bill, for persuading the Congress to accept the principle that the Government of the United States has a solemn responsibility for the well-being of every one of its citizens.

FUTURE SOCIAL LEGISLATION

The mistakes and shortcomings of this bill are quite substantial. But it is a beginning. Let us take new courage and strength from what we have achieved so far. Let us pledge ourselves to continue the fight for social justice. If we fight hard enough, we shall see the enactment of a social-security bill so widened, so enlarged, and so liberalized that there will be real security for everyone in the United States, for dependent mothers and children, for the aged, for the needy, and for the jobless—all of them as important to the progress and security of this country as those more fortunate, and all of them deserving the economic peace and happiness which, I hope, will eventually be theirs.

FUTURE PROSPECTS

I visualize for the future a succession of laws that will look after the children from the day they are born, on through school until they are fully grown—a succession of laws that will guarantee to all men and women in the United States the inalienable right to a job that will pay unemployment benefits during period of unemployment; laws that will set up a system of old-age insurance so that when we have grown older and want to retire from the noise and bustle of this life into the quiet peace of our homes we will be assured a sufficient income either by pensions from the State or by old-age-insurance payments.

Every one of us would feel happier if he were assured security in his life, security in his job, or security of income while he is jobless, and security in his old age. Social-security legislation means just that. It means real security which is to accompany the human being from the time that he is born all through his life and until he reaches the end of his days.

Mr. TERRY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TERRY: Page 6, after line 12, add a new section to read as follows:

"SEC. 4. Whenever the President finds that a State is unable to contribute sufficient funds to furnish a reasonable subsistence compatible with decency and health to aged persons without such subsistence, and the President certifies such fact to the Secretary of the Treasury, then the Secretary of the Treasury shall, through the Division of Disbursements, make such quarterly payments as directed by the President to such State for such aged persons, except that such payments shall not exceed $15 per person per month."

Mr. TERRY. Mr. Chairman, this is a simple amendment. As the bill now reads, the Government will contribute a maximum of $15 for matching the State. There are, as everyone knows, many States which are unable to provide

an old-age pension or contribute to an old-age pension at this time, due to unusual economic distress, that some portions of the country have been undergoing for the last several years. I am speaking in behalf of those old people who live in those sections of the country which are not able to do their part in contributing to the old-age-pension fund at this time. These States are not trying to dodge this responsibility, and this amendment merely provides that those States which claim that they are unable at this time to match the national contribution may have their finances investigated by the President; and it is left to his discretion and to his good judgment to say whether or not those States are, in good faith, unable to contribute at this time. Although I am in favor of a more adequate pension, for the purpose of this amendment I do not seek to raise the maximum amount that the Committee on Ways and Means, in its good judgment, has fixed as the maximum to be contributed by the Government. The amendment merely provides that when the President finds these States are unable to contribute he will direct the Division of Disbursements to make the quarterly payments to such States, not to exceed $15 per month per person. We are now taking old-age pensions as a duty national in scope, on account of the economical condition that the country is facing, and we say the old people should in some measure be taken care of by the National Government.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. TERRY. I yield.

Mr. TAYLOR of Tennessee. I am in thorough sympathy with the amendment offered by the gentleman. I think it is not only logical but it is very humane. This will not be any burden or handicap on the other States. It does not take anything from them at all.

Mr. TERRY. I thank the gentleman. This does not take one cent from the other States and does not add one penny to the maximum amount that the Ways and Means Committee has said the Government must contribute.

Mr. Chairman and members of the Committee, I ask you in the name of humanity, in the name of these old unfortunate people who have the misfortune, if you want to call it that, to live in sections of the country that are not able to contribute at this time, to give them the advantage of this amendment. [Applause.]

[Here the gavel fell.]

Mr. MILLER. I offer a substitute amendment to the amendment offered by the gentleman from Arkansas [Mr. TERRY].

The Clerk read as follows:

Amendment offered by Mr. MILLER as a substitute for the amendment offered by Mr. TERRY: On page 6, line 12, after the word "centum", strike out the period, insert a colon and add the following: "*Provided*, That the States shall not be required to match the funds herein provided prior to January 1, 1938, and the amount provided by this title shall be paid to the respective States to be paid by them to all persons eligible to receive a pension under the provisions of this title."

Mr. MILLER. Mr. Chairman, the reason I am offering my amendment as a substitute is that I believe it will more nearly obtain fair treatment for all and removes the discretion which is permitted under the amendment of my colleague. I am not unmindful of the feeling of this House with reference to amendments, but I have a high regard for the sense of fairness of the American Congress, and it is in that spirit that I want to appeal to you.

Together with my colleague, Mr. Terry, I come from a State that is anxious to discharge its duty as a member of this Union. We want to do all that we can and fully provide our share of the governmental expenses. The State, because of its financial condition, is unable to contribute one single dime to this worthy cause and I do not want my people penalized. The legislature, which has just adjourned, has passed laws in an effort to extract tax money to put ourselves in a position to make a contribution toward the payment of old-age pensions.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. HUDDLESTON. Does the Constitution of the State of Arkansas permit that the legislature shall present a "plan" in order that the gentleman's old people might be benefited by his amendment?

Mr. MILLER. It is very doubtful, and for that reason I think the 2½ years allowed under the substitute amendment is a reasonable time for our States to qualify.

Further, one of the statutes that was recently enacted by the legislature is now in the course of being tested with reference to its constitutionality.

Mr. HUDDLESTON. In my judgment the constitution of the gentleman's State and the constitution of my State as I know, would not permit the legislature to adopt such a plan as required by this bill and therefore with the gentleman's amendment adopted, it would not be possible for his old people to get one penny. Why does not the gentleman provide by amendment which would require the Federal Government to pay the pension direct to those people who are entitled to it?

Mr. MILLER. I do require it. It is required under my substitute amendment.

Mr. HUDDLESTON. The gentleman's substitute amendment does not obviate the "plan."

Mr. MILLER. Yes. It requires the payment of $15 a month only under the limitations and restrictions in this bill, which contains a limitation of 65 years. This requires the money to be paid to the State, to be disbursed by the State to the people who are entitled to it according to the provisions in this bill and the passage of the substitute amendment will solve the question and will guarantee to those States 2½ years in which to comply with the provisions of the bill and place themselves in a position to make the contribution, and pending this time our eligible people will receive the same from the Federal Government as do the people from other more fortunate States.

I do not want to interfere with the theory for the payment of old-age pensions. I realize that every State ought to make its contribution, but we are facing a condition and not a theory. I am speaking to you about actual conditions. I know that Members from New York, Massachusetts, and the more favored States do not want to see old people, wherever they are situated, deprived of this aid. I do not care whether you call it a bounty and I do not care whether you justify it in the name of relief. I do not care whether you say it is a reward for loyal citizenship, but I do know and believe that the Congress is anxious to see justice done to all alike. The substitute amendment I have offered does not permanently relieve the States of their duty to make contributions. Public sentiment in those States will demand that by January 1, 1938, they shall have put their house in order and be in a position to make the contribution. It will render substantial justice, and that is all. It will render substantial justice to Tennessee, to Alabama, and to other States.

Mr. HEALEY. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. HEALEY. Does the gentleman think it is fair to exclude certain States from bearing their share of the burden of supporting the old people?

Mr. MILLER. No, no; but when I look back over the time the gentleman from Massachusetts and I have been here and see the billions of dollars which this Congress has appropriated upon first one pretext and then another, I think it does not lie within the mouths of any of us to begrudge the pitiful sum of $15 a month to any American citizen, be he from Massachusetts, Arkansas, or where not. [Applause.] I do believe that justice ought to be done. That is why I am appealing to you to support this substitute amendment. This substitute amendment will give us a chance to provide our share in paying this pension, and I am sure that our State governments want to do this. As you know, I am not connected with our State government except as a citizen, but I am told that it cannot make its contribution now. This being true, my people will not immediately receive this aid unless you adopt this substitute, and in the name and on behalf of our aged men and women, loyal and good citizens,

I ask you to join me in seeing that they receive what the Federal Government gives to others, even though our State government is at present unable to make its contribution or pay its part.

[Here the gavel fell.]

Mr. HUDDLESTON. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I regret very much to reach the conclusion that the amendment offered by the gentleman from Arkansas [Mr. MILLER] will not obviate the necessity that the State should present a plan. Many of the States have no constitutional authority to present such a plan. Therefore they cannot be benefited by the adoption of the amendment offered by the gentleman from Arkansas.

Now, there are some principles involved in this legislation. The first is: Does the Federal Government owe any duty of relief to the old people of the country when they are in need? If the Federal Government owes no such duty, then this bill has no proper place here.

If, on the other hand, the Federal Government does owe that duty, such obligation is in no wise conditioned upon the States making a contribution to the pension fund. And there is ample room for difference of opinion on whether we owe such duty; there is ample ground to question the wisdom and the soundness of the policy of the Federal Government entering into a pension system. But by this bill that principle is waived, that question is answered in the affirmative; then I say that no man who admits such a duty upon the part of the Federal Government can say that the pension should not be paid, forsooth, because a State fails to make its contribution or because a State is too stricken by poverty to do it. [Applause.]

Now, I say, let us have some regard for principle even at this time. I invite the gentleman from North Carolina [Mr. DOUGHTON] and his associates on the committee to have some regard for principle. Why are they here with this bill? It is because they hold that the Federal Government has a duty to perform. Then I ask how can they come here to recognize that duty as to certain citizens of this country and at the same time ignore it as to other citizens who are equally worthy and equally in need?

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. I yield.

Mr. TERRY. I call the gentleman's attention to the fact that my amendment, not the substitute offered by the gentleman from Arkansas [Mr. MILLER], but my amendment, provides that it is in the good and sound judgment of the President to say whether or not these States are in such financial condition that they cannot contribute.

Mr. HUDDLESTON. Yes; it obviates the necessity for a plan; yet the amendment is hinged upon the President's discretion. If we owe the duty we are they who should recognize it. We should not leave it to the President or to anyone else to decide upon. We cannot acquit ourselves here by such subterfuges as this bill involves in certain of its aspects.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. I yield.

Mr. MILLER. The substitute removes that discretion.

Mr. HUDDLESTON. The gentleman and I differ about that.

Mr. MILLER. The substitute removes that discretion and simply provides for a contribution.

Mr. HUDDLESTON. But for only a limited time. The gentleman's amendment does not recognize any responsibility upon the part of the Federal Government to pay the old-age pensions whether the State pays them or not.

Mr. MILLER. Yes; it does.

Mr. HUDDLESTON. I say that if it is our duty to pay them, we should do it irrespective of whether the States do it or not; that is principle.

Mr. MILLER. I agree with that view; but we are taking into consideration the bill that is provided. We have got to get the best we can for these old people.

Mr. HUDDLESTON. I am not trading.

Mr. MILLER. I am not trading either.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to both the amendment and the substitute.

Mr. Chairman, speaking for the committee, the committee hopes both these amendments will be defeated. We have already passed upon similar amendments this afternoon on at least two different occasions. These amendments in substance have as their objective the same objective had by at least two of the other amendments offered this afternoon.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLER. The amendments passed upon were permanent amendments, were they not?

Mr. McCORMACK. No. There was the amendment offered by the gentleman from Nevada [Mr. SCRUGHAM] which was limited to 1937. Other amendments were offered which had the same objective.

Addressing myself now to the argument I urged in opposing the amendment offered by my distinguished friend, the gentleman from Nevada [Mr. SCRUGHAM], I do not want professional social workers of the Federal Government coming into Massachusetts and dictating to the old people of my State who are receiving benefits from a noncontributary pension system. I do not think the people of Nevada, or the people of any Southern State, of any Northern State, or of any Western State want to have professional social workers of the Federal Government dictating to the unfortunate aged of their State. That is one of the questions involved. A lot of other conditions will follow from such supervision. You cannot give the money of the Federal Government directly without the Federal Government controlling completely the administration of it and dictating to the beneficiaries of such legislation.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLER. My amendment does not make any change whatever in the method of administration.

Mr. McCORMACK. Federal money cannot be given without the Federal Government taking control and supervision over its payment and administration.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TERRY. Whether the State contributes or not, the same administration is had under my amendment.

Mr. MILLER. Under both amendments, as a matter of fact, the money is contributed to the States and is administered by the States under the terms of this bill. This being so, where is there Federal interference any more than is provided in the original bill?

Mr. McCORMACK. My friend does not realize the natural and probable consequences of his amendment. A bill has not been passed but what natural and probable consequences flow therefrom. Will the gentleman from Arkansas stand for a Federal old-age pension without State responsibility?

Mr. MILLER. No.

Mr. McCORMACK. Does the gentleman want the Federal Government to go into Arkansas and give the pensions to the people of his State?

Mr. MILLER. I am not asking that.

Mr. McCORMACK. These are the things which actuated the Ways and Means Committee in their consideration of the bill. We are trying to preserve the dual system of government; trying to provide that the law shall be administered by local hands, responsible to local public opinion, by people who will have sympathy with the beneficiaries of this meritorious and progressive legislation.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am always glad to yield when I have time.

Mr. MILLER. I do not want the Federal Government interfering in our internal affairs in Arkansas or in any other State; and if my amendment is adopted they will not be interfering. All I am asking is that the Congress give to Arkansas and the other States this contribution until 1938, and then if we shall not have put our house in order, cut us off.

Mr. McCORMACK. Until 1938 it is money of the Federal Government, is it not?

Until 1938 the Federal Government is going to administer the spending of this money during which time they are contributing the entire amount. I do not yield further because the gentleman and I have an honest difference of opinion as to the operation of his amendment and the operation of the amendment offered by his colleague from Arkansas.

Mr. Chairman, if there is one State in the Union where they take pride in their local responsibility and in their desire to control the operation of this law, it is and should be Arkansas, and I join with Arkansas and the people of any other State in their desire to reserve to the several States as great power as possible in the administration of this law, so that the unfortunate beneficiaries will not be subjected to the administration of this law by the Federal Government.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the substitute amendment offered by the gentleman from Arkansas [Mr. MILLER] for the amendment offered by the gentleman from Arkansas [Mr. TERRY].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. TERRY].

The question was taken; and on a division (demanded by Mr. TERRY) there were—ayes 59, noes 102.

So the amendment was rejected.

Mr. TAYLOR of Tennessee. Mr. Chairman, I ask for tellers.

Tellers were refused.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: At the end of section 2, on page 4, add a new paragraph, as follows:

"(c) No State shall be disqualified to receive its quota of old-age assistance under this act by reason of failure to submit a plan in conformity with this section or any requirement thereof before July 1, 1937, after which date such State shall be disqualified to receive old-age assistance until its plan has been submitted and approved."

Mr. MARTIN of Colorado. Mr. Chairman, whether all the Members agree with this amendment or not, there can be absolutely no dispute about the facts upon which this amendment is based. It is so very brief that I am going to read it to you again:

No State shall be disqualified to receive its quota of old-age assistance under this act by reason of failure to submit a plan in conformity with this section or any requirement thereof before July 1, 1937.

Mr. Chairman, it will be recalled that in the debate last Saturday I made the statement that certain provisions of section 2 of this act, and particularly subparagraph (2) of section 2, on page 4, would disqualify every State in the Union to receive any old-age assistance under this act until they had passed laws which would enable them to submit a plan in conformity with the act. There was some disposition to question the correctness of my statement, even by members of the committee, but all those who were here will remember that when the argument was concluded it was admitted, and it is shown in the CONGRESSIONAL RECORD covering the debates of last Saturday, that the State of Delaware is the only State in the Union which can comply with the requirements of section 2 of this act and be qualified to receive the old-age assistance provided for therein. That is by reason of the fact you only have to live 5 years in the State of Delaware in order to qualify for a State pension, which is the residence requirement of this bill. The other States require from 10 years upward; my State requires 15; therefore, all those States are disqualified to receive pensions under the Federal requirement and cannot submit a plan which will meet with approval. You will find the table of all State old-age residence requirements in my remarks in the RECORD of April 13, at page 5821.

My thought with reference to section 2 has broadened somewhat since the debate of last Saturday. There are 10 requirements in section 2 that must be complied with. I would be willing to bet any Member of the House $100 that Delaware cannot comply with all these requirements. No fish in the country, however small, can escape the net of this bill. The only thing you can do with it, if you want any of the people of your States to get Federal old-age assistance, is to postpone the operation of this section until July 1, 1937, in order to give them a chance to get their houses in order. Three-fourths of the States are disqualified because they cannot make a contribution. All but one of them are disqualified under the residence clause in section 2 of this bill, and that is admitted, and several of them are disqualified by reason of the fact they will have to amend their constitutions before they can take advantage of this bill.

Mr. MILLER. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from Arkansas.

Mr. MILLER. In the event the amendment offered by the gentleman is adopted, may I ask whether between now and January 1, 1937, the $15 a month is payable to the people of all States alike?

Mr. MARTIN of Colorado. I am going to be frank about this matter.

Mr. MILLER. In other words, is the $15 a month payable to all those over 65 years of age?

Mr. MARTIN of Colorado. This amendment does not expressly call for that. I decided to do the simplest thing possible and that is to offer an amendment which, if adopted, would be at least a declaration by the committee that this section 2 of the law will not go into effect against the States until they have had time to make provision to comply with it.

Mr. MILLER. According to the gentleman's amendment, nothing would be payable or might not be payable until July 1, 1937?

Mr. MARTIN of Colorado. May I say what my amendment does cover. All of the State old-age pensions plan requirements are outlined in section 2 in order that it may conform to the Federal plan. My amendment simply says that no State shall be disqualified until July 1, 1937, for failure to submit such a plan. There can be no mistaking what my amendment means. If its adoption requires the amendment of section 3 also, which provides the plan of Federal payment to the States, we can take care of that when we get to it. It would not be germane to section 2. If we are unable to do that, this amendment would at least be a peg upon which the other body might hang further needed amendments.

The point raised by the gentleman's question has been suggested to me before and I drew several forms of my amendment containing mandatory provision for Federal old-age assistance to all dependent old people, but I finally decided that the simplest move would be the best and I drafted the amendment as it now reads, which does not change a word in the law, but simply adds that the State shall not be disqualified to receive Federal old-age assistance for a period of 2 years because of its failure to submit an approved plan under section 2. In my judgment it will take 2 years for most of them to comply, and the upshot of it will be that the majority of the States will get nothing from the Government the next year or two.

Mr. Chairman, apparently the bill is going through the House just as it came from the committee. Only 50 or 60 of us have voted for the McGroarty, the Lundeen, and the Greenway amendments, each of them intended to give the people a pension as well as a plan. My vote for those three amendments does not mean that I favored all the provisions in them, but it did mean that I favored the principle and spirit of those plans, any one of which, I believe, could be worked into a practicable plan. I believe if we would provide even a modest pension and start in paying it, it would go a long way toward satisfying the great majority of the people. If we expect them to be reasonable, let us treat them reasonably.

Let me say one more word, and this is the important part of my statement. Every man here knows there will not be a dollar paid out under the unemployment title of this bill

for years. Everyone knows there will not be one dollar paid out under the old-age contribution provisions in this bill for years. The only title under which one dollar can be paid to the old people of this country or to the unemployed people of this country is title I of this bill, and if you pass this act with this section in operation in the language it is now, they will not get a dollar under this bill for several years.

Mr. NICHOLS. Mr. Chairman, I offer a substitute for the amendment of the gentleman from Colorado.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS as a substitute for the amendment offered by Mr. MARTIN of Colorado: On page 7, line 17, after the word "individuals", add a new section, as follows:

"SEC. 7. *Provided*, That in the event States do not by January 1, 1936, appropriate funds as herein provided, with which to match funds to be supplied by the Federal Government, the Federal Government shall make payments as provided herein the same as though the State had appropriated money to match Federal funds."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard?

Mr. NICHOLS. Yes; but I am wondering what is the point of order.

Mr. COOPER of Tennessee. The amendment, certainly, is not a substitute for the pending amendment, because it is offered to a different part of the bill.

Mr. NICHOLS. No; it is a new paragraph.

The CHAIRMAN. The point of order is sustained. The proposed amendment is not a substitute for the pending amendment.

Mr. FULLER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado [Mr. MARTIN].

Mr. Chairman, the amendment offered by the gentleman from Colorado, while no point of order was made against it, is not germane to this bill, and its adoption would be a nullity. It does absolutely nothing.

The amendment starts out by saying that no State shall be disqualified until July 1937, but every word and every sentence and the entire spirit of this bill show that they could not possibly be qualified until the States had adopted a uniform plan. So the gentleman takes a negative view of this matter that is not compatible with the language or the theory of the bill. Not only this but if the amendment were adopted 20 States of the Union would be absolutely cut off at the hips, and so I ask that the amendment be voted down.

This is just another attempt to inject something here that has not been considered at all after the committee for 3 months has considered every phase of the subject matter in the bill.

With respect to the amendments that have been offered here by the gentleman from Arkansas, I concurred in them myself for a long time, as a member of the Ways and Means Committee; but we became convinced we could not carry out this social program, we could not provide for a pension that would get by the Executive of this Nation, and we could not have any relief at all if we started to adopt all kind of plans under which various States of the Union would be exempt from contributing.

Mr. Chairman, I ask for a vote on the amendment.

Mr. TRUAX. Mr. Chairman, I offer an amendment to the pending amendment.

Mr. SAMUEL B. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SAMUEL B. HILL. Mr. Chairman, there is an amendment pending, offered by the gentleman from Colorado, on which we are asking for a vote. Has there been any amendment offered to that amendment?

The CHAIRMAN. The gentleman from Ohio [Mr. TRUAX] has been recognized to offer such an amendment.

Mr. KENNEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEY. Mr. Chairman, how many amendments are now pending?

The CHAIRMAN. There is one amendment pending and the gentleman from Ohio is offering an amendment to the pending amendment.

The Clerk will report the amendment of the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. TRUAX to the amendment offered by Mr. MARTIN of Colorado: Page 2, line 17, add a new section, as follows:

"Where State plans have not been submitted or approved by the Social Security Board there shall be paid to all persons, by the United States Government, over 60 years of age, who are citizens of and residing in the United States for a period of 10 years, who are not gainfully employed and who have no income-bearing property in excess of $5,000, the sum of $30 a month. Upon attaining the age of 65 years, the amount of monthly payments shall be increased to $50. Upon attaining the age of 70 years, the amount of monthly payments shall be increased to $75."

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not an amendment to the pending amendment. The amendment is offered to a different section and a different part of the bill and embraces an entirely different subject matter.

Mr. TRUAX. Mr. Chairman, as I understand the amendment offered by the gentleman from Colorado, it pertains to certain States that may be affected adversely during the next 2 years if this bill as written is enacted into law.

My amendment to his amendment prescribes the manner in which certain States will of necessity have to be handled if old-age pensions are to be made applicable to other States where plans have been submitted, and have been disapproved by the Social Security Board, or in certain States, such as the State of Arkansas, where satisfactory plans cannot be submitted to the Social Security Board because of lack of finances with which to meet the share contributed by the Federal Government. I claim that my amendment is germane to his amendment.

The CHAIRMAN. The Chair is ready to rule. The Chair sustains the point of order because the amendment applies to a different place in the bill. The question is on the amendment offered by the gentleman from Colorado [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. MARTIN of Colorado) there were 29 ayes and 108 noes.

So the amendment was rejected.

Mr. NICHOLS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 7, line 17, after the word "individuals", add a new section:

"SEC. 7. That in the event States do not by January 1, 1936, appropriate funds as herein provided with which to match funds to be supplied by the Federal Government, the Federal Government shall make payments as provided herein, the same as though the State had appropriated money to match Federal funds."

Mr. NICHOLS. Mr. Chairman, ladies and gentlemen of the Committee, in presenting this amendment, I would like if possible to get some common ground upon which we could start. I assume by the very fact that the great Ways and Means Committee of this House has spent so much time in the consideration of this legislation, and by reason of the fact that this House is now spending so much time in consideration of this legislation, that by these actions we admit the Federal Government does have some responsibility to the aged people, indigent dependents of this country.

If that is so, and this Congress passes legislation saying to the old people of this country, "We will pay our obligation, provided thus and so"—I do not care what the proviso is—then we have been derelict in our duty to them.

This bill provides that the people in the States can get no benefit unless the legislature of that State sees fit to make appropriations to match the money of the Federal Government. If the legislature does make up its mind to do this, then they must find the funds in the State with which to match the Federal funds. And if the State does not have and cannot raise the money with which to do this, then the old people of that State are sunk.

I submit to you in all fairness that if the Government of the United States admits that they owe the old people of

this country any amount of money in order to help them in their declining years—and I submit that by our actions now we do admit it—I do not care whether it is 1 cent or $100 or $1,000 per month, if the Government admits that they owe that, I say in all fairness it should pay it to them, wherever they are, and not place a penalty on them by reason of their geographical location, where the inhabitants are not able to match the funds of the Federal Government.

My amendment would simply do this. Of course in those States that could appropriate enough money to pay $15 or any other sum and match the money of the Federal Government, the people of that State would be greatly benefited, but in those States where they could not raise the money, the people would still have some help. If it is a responsibility of the Federal Government to contribute in a State where the State can match the money of the Federal Government, it is also a responsibility of the Federal Government to pay in those States that cannot. Some of the members have said to me, "Do you mean to tell me that you favor the Government paying a pension without the State contributing something?" I have answered "Certainly", and I have asked them why they do not favor it. Their answer is "Don't you know that if you do that, every time you make a campaign in your State to come back to Congress you will have to promise the people that you will raise the ante and raise the ante and raise the ante."

I do not know whether that will apply to some of you gentlemen, but it surely would not apply to me, except to this extent: That if I thought the ante should be raised I would promise to try and raise it; if I did not I would simply say I thought they were getting enough. If this bill is passed and becomes a law, and my amendment is adopted and the Government pays direct to the States, under my amendment the Government would pay it through your machinery, Mr. Chairman. I will answer the argument of the gentleman from Massachusetts when he says it would be necessary to send down social-service workers. There is no one in this House more strongly against importing women from one State to another, and calling them social workers and having them go around telling the women of the country how to raise flowers and children, than I am. My amendment will operate right straight through the State machinery just the same as though they were contributing, and no social service or Federal machinery will be necessary.

Mr. Chairman, my reasons for introducing and insisting upon the passage of this amendment, in addition to those above stated, are, briefly, as follows:

The taxes which are used to defray the expense of the Federal Government are collected from all over the United States, and every section of the United States contributes to the Government's support, and the barriers of State lines are considered; and therefore I say that when the benefits of government are to be given back to the people of the United States, and these benefits can only be derived from the collection of taxes, the benefits should be distributed back to the people by the Federal Government without paying any attention to State lines. And this is exactly what you do when you say that these benefits can only be derived by those old people who are so fortunate as to live in a State whose financial condition, or whose legislature will permit the passage of legislation to meet the requirements of this bill.

Frankly, I am of the opinion that the Constitution of the State of Oklahoma will have to be amended before Oklahoma can possibly bring herself within the pale of the provisions of this act. And I know that the old people of Oklahoma should not be penalized by reason of the fact that they live in Oklahoma.

Frankly, I do not think that this act provides a sufficient amount of money to be paid, even if my amendment were adopted, and I will frankly say to you that if my amendment is adopted, I will immediately offer another amendment to raise the amount which the Government must pay direct to the old people who are entitled to receive the pension.

The steam roller manned by you gentlemen who are members of the Ways and Means Committee is oiled and working in perfect condition this afternoon, and I want to warn you that if you crowd this bill down the throats of the American people, and it does not operate any better than I think it will operate, then I say that we are playing into the hands of the Republican Party of this Nation and are probably doing more to hurt the cause of democracy in the United States than anything else we have done this entire session.

I probably will vote for the passage of this bill, but if I do, I will not vote for it because I think it is adequate, nor because I think that it fulfills the pledge that I, and the majority of the Members of this House made, when we ran for office last fall, but I will only vote for it because I hope that every State in the Union can, and will, pass legislation which will permit the old people of those States to enjoy the benefits of this legislation—even though those benefits are not adequate, if and when they receive them, purely upon the theory that it is better to take a half loaf than none at all, and for the further reason that I deem it necessary to at this session of Congress put some sort of old-age pension legislation upon the statute books.

I have ever been for unemployment insurance, but I am not at all sure that if the unemployment insurance which we provide for in this bill is adopted, that it will take care of the situation.

As a matter of fact, I signed the Greenway petition, demanding that the Ways and Means Committee report these measures out, separated from each other, so that we could look at them and see their merits by themselves, and not be compelled to consider them in the form of an omnibus bill whose provisions are so interwoven with each other that it is almost impossible to disect them and know what the net result will be.

This measure will as surely pass this House as I am standing here today, in exactly the same form that it was brought to the floor by the Ways and Means Committee, and I sincerely hope that after we men, who have been flattened out by the wheels of the steam roller which has forced this bill upon us, have shaken ourselves to an awakening and find that the measure is in the hands of the United States Senate for consideration, that that body will have both foresight and intestinal fortitude enough to amend it, as we should have amended it, to bring it somewhere close to the proportions of the law that the old people of this Nation who have worn themselves out through toil and labor that these United States might today enjoy her position at the head of the procession of nations, are expecting.

In closing, I want to say that if I vote for this bill on final passage, I will be in the frame of mind that a man would be in were he to find himself in the middle of a blizzard without clothing, and was forced to put on a thin suit of B. V. D.'s for warmth, by reason of the fact that there were no warmer clothes available.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. TRUAX. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TRUAX. I rise to ask the Chairman if my amendment, just ruled out on a point of order, would be germane to the amendment of the gentleman from Oklahoma?

The CHAIRMAN. The Chair thinks it would not be. It would be germane as an original amendment after this amendment is disposed of.

Mr. McCORMACK. Mr. Chairman, this is the same amendment that has been offered on three different occasions this afternoon. I do not see how any of my distinguished friends who propose such an amendment can argue that the Federal Government contributes all of the money, and at the same time that the Federal Government will, and should not, supervise the spending of that money. One follows the other, no matter what is intended. If the Federal Government is contributing all of the money, I expect the Federal Government to supervise and control the spending of that money. Personally I am opposed to that idea, but if that is to be the policy, then I want the Federal Government to control and supervise the spending of its own money.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. LEE of Oklahoma. Would the gentleman refuse to send Federal funds into a State to help the aged when that State is not able to match the fund?

Mr. McCORMACK. We cannot have two different systems in the United States. We cannot have Federal aid to a State making a State contribution in some States and have total Federal contribution to other States. It is ridiculous, in my opinion, to advocate any such plan; to have some of the States of the Union performing their functions as sovereign States and other States of the Union not performing their functions as sovereign States. I have just as much feeling and sympathy for the infirm and the dependent as has the gentleman or anyone else, and if we could afford a higher amount each month, I know that all would vote for it.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will. I have a very great respect for whatever the gentleman from Alabama says, and when he says anything I consider it very seriously before I disagree with him. I yield to the gentleman.

Mr. HUDDLESTON. Why does not the gentleman or some member of the committee answer my argument on the merits, instead of stating something with reference to the formality of the situation?

Mr. McCORMACK. I believe it is the best policy to have a law which is consistent with our dual system of government, with the Federal Government contributing and the State assuming its responsibility.

Mr. HUDDLESTON. Does the gentleman think that such a measure as this which coerces and bribes the State into a system of Federal aid is conducive to the dual form of government? You are destroying our governmental system.

Mr. DOUGHTON. Oh, I make the point of order, Mr. Chairman, that the gentleman from Alabama is out of order.

Mr. SABATH. This is encouragement to the State.

Mr. HUDDLESTON. What we are doing is to wipe out State lines. We are centralizing all of the powers here in Washington. We are trying to destroy our dual system of government. That is what is the matter with this measure.

Mr. McCORMACK. If we follow the gentleman's idea, we will destroy it. If we are going to take away from the State the State's responsibility, we will destroy our dual system, the State, at the expense of the Federal Government.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield to me?

Mr. McCORMACK. Let me say one more word about the gentleman's amendment. If the gentleman's amendment is adopted, no State intended will get a penny.

Mr. NICHOLS. No, no.

Mr. McCORMACK. Pardon me. What I may say is at least worthy of consideration. The gentleman has asked that the States get Federal contribution up to a certain time.

Mr. NICHOLS. Oh, no. The gentleman did not hear my amendment.

Mr. McCORMACK. The gentleman's amendment provides for Federal contribution as provided in this act?

Mr. NICHOLS. That is correct.

Mr. McCORMACK. What is in this act? Not a penny.

Mr. NICHOLS. Will the gentleman yield right there?

Mr. McCORMACK. Pardon me just a moment. There is nothing in this bill as to what the Federal Government will contribute until the State passes a law. Then the Federal Government says, "We will contribute, dollar for dollar, up to $15 a month."

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. NICHOLS. Mr. Chairman, I ask unanimous consent that the gentleman have two additional minutes. I would like to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. SAMUEL B. HILL. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. NICHOLS].

The question was taken; and on a division (demanded by Mr. McFARLANE and Mr. MARTIN of Colorado) there were ayes 47 and noes 126.

So the amendment was rejected.

Mr. DUNN of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DUNN of Pennsylvania. I would like to ask if it will be germane to offer an amendment asking for $50 a month for every person over 60 years of age who is in need?

The CHAIRMAN. Whenever such an amendment is offered the Chair will pass on it.

Mr. SAMUEL B. HILL. Mr. Chairman, I move that all debate on title I and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. McCLELLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLELLAN: Page 2, strike out title I and all of section 1 of title I, and insert in lieu thereof the following:

"TITLE I. OLD-AGE ASSISTANCE

"APPROPRIATION

"SECTION 1. In order to furnish financial assistance, such as to provide, as far as practical, reasonable subsistence compatible with decency and health to aged individuals without such subsistence, who are American citizens and who have or shall hereafter attain the age of more than 65 years, and who may qualify as eligible to receive such aid under the conditions herein prescribed, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $450,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title."

Mr. McCLELLAN. Mr. Chairman, the purpose of this amendment is to strike at two of the principal faults of title I of this act. The first is that if the Government is going to deal with one of the major problems confronting this Nation, it ought to accept the responsibility for dealing with it to a final conclusion and so as to get satisfactory results.

The subject of title I is Grants to States for Old-Age Assistance. If it was a problem of constructing State improvements or improvements for the Nation, where a State receives some special benefit, where property rights were involved, and where property values were increased, it would be quite appropriate, in my judgment, for the United States Government to say to that State thus affected that the Federal Government will not pay anything for that purpose until and unless the State and its citizens are willing to help raise the revenues for that purpose. But here we are not dealing with property rights. We are not contributing to the material wealth of States as such. We are making a contribution, if we are doing anything, or we ought to be making a contribution, to the individual citizen who desires our aid and whom this legislation proposes to assist.

Under the present bill there is proposed an appropriation of $49,750,000 for the first year. I want to say to you—and I am talking to those who have given the most study and thought to this measure, the members of the Ways and Means Committee—that you are not deceiving anyone. We all know, and you must admit, that during this time of emergency, during this time of distress, when the Government is appropriating $4,880,000,000 to try to find work for able-bodied men, we should consider those who have reached that age where they can no longer work. The emergency is just as great or greater for those people. Still you propose for the next year only $49,000,000 from the Government's Treasury to aid those who are old, infirm, and can no longer earn a livelihood. Of course, you are proceeding on the assumption—and correctly so under the terms of your bill—that States cannot match it, that States will not match it, and State laws will not be effective, and therefore no greater appropriation will be required. That is one of the great injustices this bill inflicts. Do you know what you propose to appropriate—$49,750,000—will provide? It will only amount

to $4.17 per month on the basis of 1,000,000 out of 7,500,000 people who are more than 65 years of age. Is that adequate? I say to you that today there are 2,000,000 or more who ought to have this relief. If you put it on that basis you will provide for only $2.08 for each of these old people each month. That is not adequate to make the contribution to which they are entitled. I realize the temperament of this body, and I know you are going to vote this down. I think this is a problem of such magnitude that partisanship should play no part in it.

I am not interested in warning the Republican Members of their danger, but I say to you, my Democratic colleagues, the responsibility in the passage of this legislation is ours—the one in power today. The President of the United States is our leader and we have a large enough majority in either branch of Congress to pass any bill we desire. The few Republicans here are not in our way. We, as Democrats, must accept full responsibility for this bill and the consequences resulting from its passage. My amendment proposes an appropriation sufficient to pay $15 per month to 2,500,000 who can and will qualify for these benefits, and should be passed. If you pass this bill in its present form with this meager appropriation you are going to seriously discriminate against a large percentage who are entitled to these benefits. It will be disappointing to everyone and result in consequences you shall soon regret.

I plead for your consideration before it is too late. The old and infirm bring to you and me as their representatives their baskets empty and ask for grain. Are you going to fill them with shucks instead and leave them destitute and hungry? Let us not turn them away. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. McCLELLAN] has expired.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, unusual as the practice is in these times, I wish to make an appeal to reason and to logic. This bill provides for a system of State aid for which there is no warrant in the Constitution and which can be sustained, as the Supreme Court has decided in the Massachusetts case, merely because there is nobody eligible to call it in question. It provides for a system of old-age pensions for which there is no warrant in the Constitution, and upon the soundness of which men of ability and character might well find themselves in radical difference.

As I stand in this Chamber I wonder what those who have gone before us would have said had they stood here today. What would Jefferson have said—what would any of the great Democrats of the past have said—had he been in the House and have seen a committee of his party coming in here with a bill based upon such principles as characterize this bill?

By saying that we should have a system of old-age pensions, through a system of State aid, the gentlemen of the committee have conceded the point that the Federal Government is responding to its proper function. They say that we are come upon a new day, in which the Government shall recognize its obligation to pension the old. Discussion of that point has now passed for them. Now, will the Government meet this responsibility? Will we do what we say the Government ought to do?

If members of the committee will not do it, then give me some reason. I appeal to you to answer this on its merit. No member of the committee has attempted to answer on the merits so far as I know. I have heard no defense. I am tired of evasions; I am tired of assigning reasons of formalism and of technicality when reason is appealed to. I am tired of appeals to sentiment and of plays to prejudice against social workers.

One Member replied that not to require contributions from the States would tend to destroy our system of government. What, I ask him, could have more influence toward the destruction of our duality of government than an offer to the legislatures of the States a bribe of a grant of Federal funds to do a thing that they perhaps otherwise would not do? [Applause.] What greater force to destroy our form of government can be offered than for the Federal Government to coerce, through a measure such as this, the States into establishing a pension system which they otherwise might not want to do?

What we are doing here may have consequences reaching far beyond the horizon of the lives of those now here. Its tendency is to destroy our form of government. Its tendency is to centralize all the affairs of government in Washington until, following onto its logical end what is being done by this bill, the time may come when our dual system will be destroyed and the Union be dissolved into sections, not through force but in disgust and by unanimous consent.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 4, section 2, line 6, strike out the word "five" and insert in lieu thereof the word "ten"; and on the same page and section, line 7, strike out the word "nine" and insert in lieu thereof the word "fifteen."

Mr. HOFFMAN. Mr. Chairman, the difficulty the gentlemen on the Democratic side find themselves in and the cause of their bitter disagreement grows out of the fact that they have disregarded a statement of our President. Last year, when he came back from that trip across the Pacific, which he so richly deserved, and stopped over in Wisconsin, he told us very plainly that "you should not rob Peter to pay Paul." That was a sound, sane statement of a principle.

Now you have a plan whereby you propose to take a certain amount from one class of citizens and give it to another class, and today we find Members from some States, the poorer States, States which cannot meet the requirements of this bill, which cannot get anything under the provisions of this bill, opposed to those requirements and arguing with Members of their own party who live in more wealthy States.

The bill itself is merely a modified form of HUEY LONG'S "share the wealth" proposition, a mild version of the Townsend plan. Unlike those plans, it provides the machinery for the collection of the necessary funds to put it into operation.

It takes from thrifty, saving Peter to pay unfortunate Paul, whether that misfortune be due to his lack of opportunity, lack of thrift, aversion to labor or to misfortune over which he had no control.

To the operation of this scheme, as between individuals, you have no objection, but, when you attempt to apply it and the States are each required to furnish an amount to match that taken from a certain class by the Government, then you of the poorer States object and you Democrats of the wealthier States refuse their plea; you will not give to a poor State or to the inhabitants thereof that which you insist the impoverished individual shall have from his more fortunate neighbor—the height of inconsistency. But that is nothing new in your legislation.

The Chairman of the Committee on Rules, Mr. O'CONNOR, this morning asked a question and he made a statement, neither of which should go unanswered. Referring to the Republicans, he said "They fought every humanitarian piece of legislation." Perhaps he made that statement because, when talking, he was a zealous partisan; perhaps he made it because he has always lived in New York and has never visited "the sticks" and by "the sticks" I mean that country west of the western boundary of Pennsylvania and east of the Rocky Mountains—other than Chicago.

His sincerity is unquestioned, his knowledge unbounded, and it could only have been in a thoughtless moment that he advanced that idea; because in Michigan for many years, under Republican rule, we have had legislation granting mother's pensions, aid to children, and workmen's compensation laws. Did he refer to humanitarian legislation? Surely he has not forgotten the legislation which preceded, that which followed, the emancipation proclamation; that

declaration by the first Republican President and those laws enacted by a Republican Congress, the greatest single enunciation looking toward the freeing of humanity ever made by any one man.

And is he familiar with the history of the legislation looking toward the prevention of child labor and of that which was enacted to better the working conditions, not only of women, but of men, as to hours and places and safety of employment? Michigan's statute books contain enactment after enactment for those very purposes.

The number of children who were benefited by the enactment of the Federal laws against the exploitation of childhood was negligible when compared with those benefited by the laws of Northern States enacted under Republican rule.

The gentleman from New York asked the question: "When did the Republicans think of old-age pensions during all the years they were in power?" That is a fair question. Never was there necessity for old-age pensions until you gentlemen began your raids on the Public Treasury. [Applause.] We never even dreamed it would be necessary as a national proposition.

When did we begin to think of it? I will tell you when. When the people discovered that you, as a party, did not mean what you said; when you repudiated the platform you adopted at Chicago; when you repudiated the promises that you made during the campaign and on which your candidates won their election.

Consideration of old-age pensions and like legislation became necessary after business men learned that you did not intend to balance the Budget, that the promises your President had caused to be printed upon the Government's obligations were not intended to be fulfilled; when the regulations imposed by the last Congress, under the present administration, prevented the natural, normal recovery which has always, unaided, followed a national depression.

Some of us remember the administration of Grover Cleveland, the 50-cent wheat, the work in the factories at $3 per week, and we recall that, out of that depression, when McKinley was elected in the campaign where the battle-cry was "a full dinner pail for all", "Protection for American industries", how the wheels of industry, after his election, began again to hum and smoke from the factory chimneys once more clouded the skies.

No; never under the long, long years of Republican control and administration, has it been necessary to consider the question of old-age pensions, of unemployment insurance, as a national question. Only when a Wallace and a Tugwell began their efforts to control the operations of nature did such a question arise.

Oh, I know what you will say: That Harding's administration gave us this depression. But remember that, while there were rascals in the Republican Party, while we had a Teapot Dome, a Doherty, and, to our sorrow, others of like mind, that your party has never been free from men of the same stripe and with the same purpose in mind, and the poorest excuse in all the world and the one which you persistently use is that Hoover did this or that or something else. When she caught me with jam on my face and fingers, mother never accepted the excuse that my little sister had taken it from the shelf.

"Playing politics with human misery"—no; neither good Democrats nor good Republicans would intentionally do such a thing, but, unfortunately, we each, and always a successful party has more of them, have within the party organizations a few plunderers. Never before, however, has a great party openly—yes, proudly—used public money for political ends. During the last campaign, you all know, not that some of your party chiefs played politics with human misery, but that they played politics with money, and that not their own, but the money of the taxpayers.

Nor have you kept faith with the people. I hold in my hand Liberty bond no. 1298252, issued by the United States Government of America, dated October 24, 1918, bearing the authorized facsimile signature of Mr. McADOO, then Secretary of the Treasury. This bond contains this statement:

> The principal and interest hereof are payable in United States gold coin of the present standard of value.

This bond was issued and it was sold during the administration, and presumably with the authority and approval of a great Democratic President.

Last year another Congress and another Democratic President, one who stands for the underprivileged, repudiated this promise. And, for the first time in the history of our country, in the one hundred and fifty-ninth year of our Government, you caused us, as a nation, to violate that promise, to repudiate our obligations.

Honesty the best policy? Why teach the children honesty, if a nation may be dishonest, keeping its promises only as convenience dictates? I shall not say that this repudiation was a lie—that is a harsh word—and it does not apply to the failure to keep a promise which was intended to be kept when made. The repudiation is a breach of good faith.

It is, however, what might be expected from a great national party which adopts a platform, which makes a campaign upon a declaration of principles, upon promises, and then, within a few short months, repudiates the platform, disregards the principles.

No Republican need criticize Democratic policies or legislation. If you wish constructive criticism, turn to the statements of that venerable and patriotic Senator from Virginia, CARTER GLASS; read what Bainbridge Colby, President Wilson's Secretary of State, has said; read and consider what Senator TYDINGS, over in the Senate, had to say just a few days ago about your conduct and what was certain to follow. You will cease to criticize Republicans. You will understand that, however sincere and laudable your purpose may be, the incompetent, arbitrary, and unjustifiable interference with those who produce the wealth of this country by all of these plans, which your President has said were merely experiments and one of which, the triple A, Secretary Wallace is quoted as having said was a "political expediency", give you the real reasons why you are now considering this bill. The quackery practiced by your experts has brought on a disease which you, no doubt, believe can be cured, or at least alleviated, by this remedy. Let us hope and trust you are right. We on this side can do naught else. Let us hope and pray that the results will be no worse than your other so-called "remedies."

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. TRUAX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. TRUAX: On page 2, line 17, add a new section, as follows:
> "Where State plans have not been submitted nor approved by the Social Security Board there shall be paid to all persons by the United States Government, over 60 years of age who are citizens of and residing in the United States, for a period of 10 years, who are not gainfully employed and who have no income-bearing property in excess of $5,000, the sum of $30 per month. Upon attaining the age of 65 years the amount of monthly payments shall be increased to $50. Upon attaining the age of 70 years the amount of monthly payments shall be increased to $75."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment.

Mr. TRUAX. Will the gentleman withhold his point of order?

Mr. COOPER of Tennessee. I reserve the point of order for the present.

Mr. TRUAX. Mr. Chairman, objections to this amendment and other similar amendments have been made by the members of the Ways and Means Committee on the argument that to adopt these amendments would mean a decentralization of the powers invested in the States and in the Federal Government by this bill. May I advise my good

friend the gentleman from Massachusetts [Mr. McCORMACK], that has already been done in the case of Federal relief work in the State of Ohio and some other States.

In the State of Ohio Mr. Harry L. Hopkins a few weeks ago summarily, arrogantly, and unjustly withdrew all cooperative efforts with the State of Ohio in the administration of relief funds. Mr. Hopkins followed with a statement a little later on in which he said that any Members of Congress or other politicians who mixed in relief work in any State would be kicked out, and damn quick.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. May I say to the gentleman from Ohio that there is less power vested in the Federal Government under the administration of title I and the other grants and aids to States than any other similar statutes on the books.

Mr. TRUAX. Mr. Chairman, permit me to say that this Congress has already appropriated from forty to fifty million dollars more for the Army. I understand there will be set aside the sum of $900,000,000, to be spent by Dr. Rexford Tugwell to buy land and to alleviate the dust menace; yet here we are considering and voting to make available a lousy, measly $49,000,000 to take care of 1,000,000 aged people in this great country of ours. Think of it—$49,000,000 as measured against $900,000,000 for Dr. Tugwell's relief. Is that justice? Is that fair? Is that giving the aged people what they deserve? Mr. Chairman, our very eloquent colleague, the gentleman from Alabama [Mr. HUDDLESTON], spoke very feelingly and eulogistically of Thomas Jefferson and George Washington.

In the time of Thomas Jefferson and George Washington there was no need for old-age pensions. Ninety-eight percent of the American people lived on the farms. The farmers were energetic and frugal and the 2 percent who lived in the urban centers of population waxed fat on the toil and production of the farmers. Following the Revolutionary War, Alexander Hamilton, Secretary of the Treasury, found a new-born nation confronted with a seemingly insurmountable debt. The farmers shipped their surplus grains and commodities to Europe. Alexander Hamilton levied a gentle import duty upon the manufactured commodities made in Europe and bought by the American farmers. It was then that Hamilton said that he had "smote the rock from which the golden flow of prosperity gushed forth", when, as a matter of truth, it was the farmers' labor and thrift that did the trick.

The bill we are considering is H. R. 7260, to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes. This bill was introduced in the House of Representatives April 4, 1935.

On April 11 the House adopted the rule making the bill in order and providing for 20 hours of debate.

A careful study of the bill will disclose that in section 1, title I, the sum of $49,750,000 is authorized to be appropriated for the coming fiscal year and for each fiscal year thereafter, a sum sufficient to carry out the provisions of this title. The sums made available shall be used for making payments to States. In my judgment the sum herein appropriated is entirely too small.

In his annual message to the Congress, President Franklin D. Roosevelt said:

> In addressing you on June 8, 1934, I summarized the main objectives of our American program. Among these was, and is, the security of the men, women, and children of the Nation against certain hazards and vicissitudes of life.
>
> At this time I recommend the following types of legislation looking to economic security:
>
> 1. Unemployment compensation.
>
> 2. Old-age benefits, including compulsory and voluntary annuities.
>
> 3. Federal aid to dependent children through grants to States for the support of existing mother's pension systems and for services for the protection and care of homeless, neglected, dependent, and crippled children.
>
> 4. Additional Federal aid to State and local public-health agencies and the strengthening of the Federal Public Health Service. I am not at this time recommending the adoption of so-called "health insurance", although groups representing the medical profession are cooperating with the Federal Government in the further study of the subject, and definite progress is being made.
>
> With respect to unemployment compensation, I have concluded that the most practical proposal is the levy of a uniform Federal pay-roll tax, 90 percent of which should be allowed as an offset to employers contributing under a compulsory State unemployment compensation act. The purpose of this is to afford a requirement of a reasonably uniform character for all States cooperating with the Federal Government.
>
> We pay now for the dreadful consequence of economic insecurity—and dearly. This plan presents a more equitable and infinitely less expensive means of meeting these costs. We cannot afford to neglect the plain duty before us. I strongly recommend action to attain the objectives sought in this report.

Hearings were started on January 21, 1935. The testimony compiled from the hearings before the Committee on Ways and Means on the Economic Security Act totaled 1,141 pages. The recommendations of the committee cover four subjects, namely:

First. Unemployment compensation.

Second. Old-age security.

Third. Security for children.

Fourth. Extension of public-health services.

Yet we authorize only $49,000,000 for the aged! On unemployment compensation the bill proposes a Federal pay-roll tax upon all employers throughout the country who employ four or more employees. A Social Insurance Board is created to consist of three members appointed by the President functioning within the Department of Labor. The old-age security portion of the bill provides for an old-age pension of $30 per month, the cost of which is to be borne equally by State and Federal Governments. In the event of States not passing adequate legislation indigent people 65 years of age will be down and out. The bill provides for an old-age annuity system for all employed persons and for a system of voluntary annuities for people of small incomes. That section which deals with security for children seeks to meet the costs of dependent children, oftentimes referred to as "mothers' pensions." Ten million dollars is proposed for the extension of public-health services. Total appropriations authorized in the bill amount to $98,500,000 in the fiscal year 1936 and $218,500,000 in subsequent years. Only a beginning. That is all and nothing more. We are only scratching the surface; hence, my amendments to obtain funds from the millionaire class.

The minimum age, both in States wherein old-age-pension laws have been enacted, and in the minds of legislators who have given this subject considerable thought, is 65 years. In my judgment, the limit should be reduced to 60 years. The reason for this suggested reduction is twofold. First, it gives the needy individual 5 additional years in which to enjoy, if he can, the fruits of hard toil and industry during the earlier years of his life. Hence, I choose to call all such measures as the one under discussion "old-age rewards." Second, under the system of government which has permitted ultrarich individuals and wealthy corporations and trusts to accumulate 95 percent of the wealth of this country, under a system which has created a mortgaged and bonded indebtedness, public and private, of approximately $230,000,000,000, largely controlled by the international Wall Street bankers and their fellow pirates, the mortgage-loan companies and 36-percent loan sharks, under a system which has resulted in massed finance, massed industry, and 11,000,000 idle men, it is impossible for a man 60 years of age to obtain work, even though he be able-bodied and willing to work.

The average longevity of persons reaching the age of 65 is about 11 years for men, 15 years for women. Eleven short years of picking for men and 15 for women what few crumbs of happiness and contentment that may be gleaned from the festal boards of the twentieth century Dives by the modern Lazarus. Surely, every human being reaching 65 is entitled to 11 short years of relaxation and con-

tentment before being struck down by the withering hand of death.

Mr. Chairman, that a comparatively small class are absorbing the wealth of the country as fast as it is produced, leaving to those who create it scarcely a bare subsistence, is apparent to all.

The people I plead for are the struggling masses, the farmers, the wage workers, small business men, and producers who for 45 years have toiled with hand and with brain, toiling away day by day, month by month, and year by year, creating the wealth of the country, paying the taxes of the country, to have that wealth accumulated by the favored few of special privilege and grand larceny.

During the recent winter practically all of the opponents of taxing the rich were happy and comfortable in their own homes. They were warm. Yet thousands and tens of thousands of little children shivered because of the inability of their parents to buy coal or gas. People still are hungry in a land of plenty. People freeze in a country that abounds in coal and oil. People are homeless because there are too many homes. Eleven million men are still unemployed because there are too many men who want to work. Too many millionaires and too many paupers!

What shall be done with these distressed people? Why, give them the reward of a fixed annuity or retirement when they become 60 years of age and let that reward be at least $50 per month?

You who have a home, who sit by the warmth of your fire in winter, in the coolness of your spacious porch in the summer, who are blessed with an income, it is you who must be your brother's helper in this great crisis. It is easy to be happy and contented when you have a good job or a good income.

It was easy enough to be a good citizen and a consistent patriot when you have plenty. But it is poverty and economic slavery, suffering and distress, sorrow and disappointment, that try men's souls, that proclaim to the world the kind of stuff of which they are made.

Mr. Chairman, we seek to rescue and rehabilitate, with old-age pensions, the human derelicts beached on the sands of misery and despair by the tidal wave of legalized burglary, organized plunder, and bloody racketeering of the Morgans, the Kuhn-Loebs, the Mellons, the Wiggins, the Lamonts, and all the other high priests of the money aristocracy and scavengers of human misery. You cannot do it on $15 a month.

What about the farmer who lost his farm? What about the unemployed home owner who had his home cast upon the bloody altar of the money lender? What about those of us who have a home and means of livelihood? How many of us can sleep soundly tonight, secure in the knowledge that when we reach the age of 60 we will have a roof for shelter and an income sufficient to provide food and warmth for our bodies?

What about the father who wielded the pick, the shovel, the hammer, the saw, that communities might be built? What of the humble tiller of the soil who blazed the trail and made the desert to blossom as the rose?

What of the men who have gone down into the bowels of the earth to bring forth the natural resources for the enrichment of the coal barons, the copper kings, the oil magnates, the steel monarchs, and the electric-power barons?

What of those who have gone down into the factories and shops to feed the roaring blast furnaces, to operate the turning lathe, the punch press, the trip hammer, to become mere cogs in the mechanistic equipment of the gigantic industrialists, only to be kicked out like yellow dogs when they reach middle age. Oh, the Fords, the Schwabs, and other great industrialists boast of high wages and short hours. Yet, with their mammoth conveyor systems, the strain is so great, the toil so devastating, that men are worn out and crushed at 45 and 50 years of age.

No; you cannot provide old-age rewards with a Federal pension of $15 per month. The United States Government, by levying a capital tax on all million-dollar fortunes, a proper tax on all inheritances, gifts, and all incomes, can pay a pension of $50 per month. They can pay it now, they can pay it in 1936, 1937, and 1938. Instead of empty promises, instead of a meaningless pledge, we can give them action; and we can and should give them humane and just legislation now! [Applause.]

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. All time has expired.

Mr. DEEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DEEN. I have tried several times to offer an amendment.

The CHAIRMAN. If the gentleman has an amendment to offer, the Chair will state that he may offer it and it may be voted on without discussion.

Mr. DEEN. Mr. Chairman, I endeavored several times to get recognition. I ask unanimous consent to proceed for 2 minutes in order to present what I think is a worth-while amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DEEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DEEN: On page 7, after line 17, add a new section reading as follows:

"EFFECTIVE DATE

"SEC. 7. The provisions of this title shall not become effective until at least three-fourths of the States have adopted a State old-age assistance plan meeting the requirements of section 2 of this title."

Mr. DEEN. Mr. Chairman, I offer this amendment in order to protect States, like my own State, which will have to have action by the State legislature in the form of a constitutional amendment before they may participate in the benefits involved in this legislation. I do not think it is right or fair for the taxpayers of the Federal Government to give these benefits to some of the States while nearly half of the States will be denied that privilege for the next 2 or 3 years. I think as a matter of policy my amendment ought to be adopted and the proposition approved by three-fourths of the States before it becomes effective, and I hope, Mr. Chairman, this amendment will be accepted. I am in favor of old-age pensions and I want to vote for this bill, but my amendment will enable all the States to participate. As it stands in this bill, only about half of the States will benefit, while all the people will pay the taxes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DEEN].

The amendment was rejected.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MASSINGALE: Amend section 1, title I, by striking out the figures "49,750,000" in line 10 and insert in lieu thereof the figures "500,000,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MASSINGALE].

The amendment was rejected.

Mr. SAUTHOFF. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: On page 2, line 10, after the word "of", strike out "$49,750,000" and insert in lieu thereof "$150,000,000", and on page 4, line 19, after the word "assistance", insert "and which until July 1, 1937, shall be equal to two-thirds and thereafter."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 4, line 1, after the word "than", strike out "65" and insert "60."

The question was taken; and on a division (demanded by Mr. MOTT) there were—ayes 13, noes 115.

So the amendment was rejected.

The Clerk read as follows:

TITLE II. FEDERAL OLD-AGE BENEFITS

OLD-AGE RESERVE ACCOUNT

SECTION 201. (a) There is hereby created an account in the Treasury of the United States to be known as the "Old-Age Reserve Account", hereinafter in this title called the "Account." There is hereby authorized to be appropriated to the Account for each fiscal year, beginning with the fiscal year ending June 30, 1937, an amount sufficient as an annual premium to provide for the payments required under this title, such amount to be determined on a reserve basis in accordance with accepted actuarial principles, and based upon such tables of mortality as the Secretary of the Treasury shall from time to time adopt, and upon an interest rate of 3 percent per annum compounded annually. The Secretary of the Treasury shall submit annually to the Bureau of the Budget an estimate of the appropriations to be made to the Account.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the Account as is not, in his judgment, required to meet current payments. Such investment shall be made in any interest-bearing obligations of the United States or in any obligations guaranteed as to both principal and interest by the United States. The Secretary of the Treasury may at any time sell any such obligations. The interest on, and the proceeds from the sale of, any such obligations shall be credited to the Account.

(c) All amounts credited to the Account shall be available for making payments required under this title.

(d) The Secretary of the Treasury shall include in his annual report the actuarial status of the Account.

OLD-AGE BENEFIT PAYMENTS

SEC. 202. (a) Every qualified individual (as defined in section 210) shall be entitled to receive, with respect to the period beginning on the date he attains the age of 65, or on January 1, 1942, whichever is the later, and ending on the date of his death, an old-age benefit (payable as nearly as practicable in equal monthly installments) as follows:

(1) If the total wages (as defined in section 210) determined by the board to have been paid to him, with respect to employment (as defined in section 210) after December 31, 1936, and before he attained the age of 65, were not more than $3,000, the old-age benefit shall be at a monthly rate of one-half of 1 percent of such total wages;

(2) If such total wages were more than $3,000, the old-age benefit shall be at a monthly rate equal to the sum of the following:

(A) One-half of 1 percent of $3,000; plus

(B) One-twelfth of 1 percent of the amount by which such total wages exceeded $3,000 and did not exceed $45,000; plus

(C) One twenty-fourth of 1 percent of the amount by which such total wages exceeded $45,000.

(b) In no case shall the monthly rate computed under subsection (a) exceed $85.

(c) If the Board finds at any time that more or less than the correct amount has theretofore been paid to any individual under this section, then, under regulations made by the board, proper adjustments shall be made in connection with subsequent payments under this section to the same individual.

PAYMENTS UPON DEATH

SEC. 203. (a) If any individual dies before attaining the age of 65, there shall be paid to his estate an amount equal to 3½ percent of the total wages determined by the board to have been paid to him, with respect to employment after December 31, 1936.

(b) If the board finds that the correct amount of the old-age benefit payable to a qualified individual during his life under section 202 was less than 3½ percent of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which such 3½ percent exceeds the amount (whether more or less than the correct amount) paid to him during his life as old-age benefit.

(c) If the board finds that the total amount paid to a qualified individual under an old-age benefit during his life was less than the correct amount to which he was entitled under section 202, and that the correct amount of such old-age benefit was 3½ percent or more of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which the correct amount of the old-age benefit exceeds the amount which was so paid to him during his life.

PAYMENTS TO AGED INDIVIDUALS NOT QUALIFIED FOR BENEFITS

SEC. 204. (a) There shall be paid in a lump sum to any individual who, upon attaining the age of 65, is not a qualified individual, an amount equal to 3½ percent of the total wages determined by the board to have been paid to him, with respect to employment, after December 31, 1936, and before he attained the age of 65.

(b) After any individual becomes entitled to any payment under subsection (a), no other payment shall be made under this title in any manner measured by wages paid to him, except that any part of any payment under subsection (a) which is not paid to him before his death shall be paid to his estate.

AMOUNTS OF $500 OR LESS PAYABLE TO ESTATE

SEC. 205. If any amount payable to an estate under section 203 or 204 is $500 or less, such amount may, under regulations prescribed by the board, be paid to the persons found by the board to be entitled thereto under the law of the State in which the deceased was domiciled, without the necessity of compliance with the requirements of law with respect to the administration of such estate.

OVERPAYMENTS DURING LIFE

SEC. 206. If the board finds that the total amount paid to a qualified individual under an old-age benefit during his life was more than the correct amount to which he was entitled under section 202, and was 3½ percent or more of the total wages by which such old-age benefit was measurable, then upon his death there shall be repaid to the United States by his estate the amount, if any, by which such total amount paid to him during his life exceeds whichever of the following is the greater: (1) Such 3½ percent, or (2) the correct amount to which he was entitled under section 202.

METHOD OF MAKING PAYMENTS

SEC. 207. The board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive a payment under this title, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with the certification by the board.

ASSIGNMENT

SEC. 208. The right of any person to any future payment under this title shall not be transferable or assignable at law or in equity, and none of the moneys paid or payable or rights existing under this title shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

PENALTIES

SEC. 209. Whoever in any application for any payment under this title makes any false statement as to any material fact, knowing such statement to be false, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

DEFINITIONS

SEC. 210. When used in this title—

(a) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include that part of the remuneration which, after remuneration equal to $3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer with respect to employment during such calendar year.

(b) The term "employment" means any service, of whatever nature, performed within the United States by an employee for his employer, except—

(1) Agricultural labor;

(2) Domestic service in a private home;

(3) Casual labor not in the course of the employer's trade or business;

(4) Service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country;

(5) Service performed in the employ of the United States Government or of an instrumentality of the United States;

(6) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;

(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(c) The term "qualified individual" means any individual with respect to whom it appears to the satisfaction of the board that—

(1) He is at least 65 years of age; and

(2) The total amount of wages paid to him, with respect to employment after December 31, 1936, and before he attained the age of 65, was not less than $2,000; and

(3) Wages were paid to him, with respect to employment on some 5 days after December 31, 1936, and before he attained the age of 65, each day being in a different calendar year.

Mr. VINSON of Kentucky. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment: Page 8, strike out lines 11 to 24, both inclusive, and insert:

"(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the account as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose

such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the account. Such special obligations shall bear interest at the rate of 3 percent per annum. Obligations other than such special obligations may be acquired for the account only on such terms as to provide an investment yield of not less than 3 percent per annum.

"(c) Any obligations acquired by the account (except special obligations issued exclusively to the account) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

"(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the account shall be credited to and form a part of the account.

"(e) All amounts credited to the account shall be available for making payments required under this title.

"(f) The Secretary of the Treasury shall include in his annual report the actuarial status of the account."

Mr. VINSON of Kentucky. Mr. Chairman, this is a committee amendment to which no objection in committee was interposed.

Under title II there are certain annual appropriations that are placed in the old-age reserve account. There is an obligation in this bill upon the part of the Federal Government that such appropriations will earn 3 percent compounded annually, in order to build up the reserve. The committee amendment, as offered, makes it mandatory on the Secretary of the Treasury that the special obligations which may be issued hereunder must yield at least 3-percent interest annually.

This provision is desired in order that there may be no deficit in the old-age reserve account, so that at the time the aged will be entitled to receive the benefits, sufficent money will be in the account.

Mr. KENNEY. Mr. Chairman, I rise in opposition to the committee amendment.

Why should we change the language of this bill at this particular point? And if we are to change it at all, why do we not make an addition to the amendment so that we may be assured of a reserve fund to take care of any contingency that may arise?

We have had heated debate this afternoon, and there arose gentlemen from various States who felt there was a direct obligation on the part of the Federal Government to pay the old-age pensions directly to our people. They reiterated and realleged that under the plan of this bill it would be impossible for their aged to reap any benefit for at least years to come because their States had not the means to match the Federal contribution provided for the States, and I heard the gentleman from Alabama [Mr. HUDDLESTON] ask what would men of character, ability, and understanding do in the circumstances, referring to our great men of the past. The gentleman knows his history, and he must be aware that when this country was faced with financial crises our forefathers, the founders of the Republic, were quick to meet them, and did so by raising large sums of money which were not available from ordinary sources. The time has come, certainly, in view of what has transpired during the debate on this social-security bill, when we should follow in the footsteps of our revered leaders of old, whose judgment we have upheld down through the years, and without quibbling and delay provide for a national lottery. The question was asked emphatically what Thomas Jefferson would do in the case before us, where we are undertaking to assist the States in caring for their aged, but under such conditions that many of the States claim that our legislation will be in vain because of complete lack of funds or on account of some State constitutional limitation. A complete answer to that is that Thomas Jefferson, he who gave his all to his people and grew white and infirm in the service of his country, would do as he was done by in his declining years when he was the recipient of a pension or competence from funds raised for him by lottery. [Applause.]

Either the committee which has jurisdiction should now make provision for the raising of this revenue, or the gentlemen from the States who complain that their treasuries are depleted and exhausted should join the great movement for a national lottery and at once. Once we establish a federally operated lottery the National Government will have ample funds for the payment of the entire amount of $30 a month to men and women over 65 years of age. The lottery money collected by the Federal Government might well be allotted to the various States for use in making payments of their part of the pension or for the discharge of any other obligation.

Instead of trying to get the pension money in its entirety from the Federal Government, which means obtaining it from certain States which will be compelled to bear the whole burden, my colleagues from the hard-pressed States should immediately enlist in the cause for a national lottery. My State of New Jersey is now paying over $96,000,000 a year to the Federal Government and getting back something like $52,000,000, including allotments for relief. In other words the State of New Jersey is contributing $44,000,000 to the Federal Government and part of this money is going out through the Federal Government to the States of the very gentlemen who are here today asking that we pay more.

We cannot pay more without great hardship. Many of our municipalities have defaulted on their bonds and we have our limitations. The time has come when we must lighten the load of our taxpayers. We cannot be held back by unwarranted scruples. Such scruples must be thrown aside. We must be sensible and practical. So stated a gentleman of the Committee on Ways and Means this afternoon. And so we must be—sensible and practical. To be so, all of us, and especially the gentlemen who are seeking the whole pension from the Federal Government, should give impetus to the great movement and establish our own national lottery. We would then have hundreds of millions of dollars available every year for old-age pensions and other worthy purposes. We would have them from our citizens in willing contributions that are now being sent abroad for participation in foreign lotteries. Scruples which are not well founded must not stand in the way. It is our duty to garner this money for revenue and allocate it whenever necessary to the States. Then the States now in dire distress will have money in their coffers and be able to insure the comfort of their people by meeting their share of the required contribution to old-age pensions which are indisputably worthy and desirable. [Applause.]

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word, for the purpose of asking the gentleman from Kentucky a question. There is only one copy of this amendment. I purloined this copy from the Clerk's desk.

Mr. COOPER of Tennessee. Every member of the Ways and Means Committee on both sides had a copy of that amendment.

Mr. WADSWORTH. But those of us who are not on the Ways and Means Committee have no copy. I want to ask the gentleman from Kentucky a question. I find this in the amendment:

The purposes for which obligations of the United States may be used under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the account.

Mr. VINSON of Kentucky. I may say that such authority is in existing law, and I know the gentleman will realize that bringing this quoted language into this bill adds nothing and detracts nothing.

The same principle and policy embodied in the language that the gentleman reads has been operating in the Treasury for several years in previous administrations. There is no new authority embraced in the bill except the one point to which I adverted a moment ago, and that was to require the interest rate on special obligations to yield at least 3 percent. This is desired because of the obligation of the Federal Government to make appropriations yield at least 3 percent compounded annually so that the reserve account would be on hand to pay the benefits under title II.

Mr. WADSWORTH. It is a requirement necessary in the event that the manager of the fund cannot secure or purchase in the market United States bonds or other equivalent

to yield a net of 3 percent; then the Treasury may issue some special bonds.

Mr. VINSON of Kentucky. That is correct with this proviso, that if they cannot get Government securities, or securities the principal and interest of which is guaranteed by the Government to yield annually 3 percent or more, then the special obligations may issue and be sold. If the Federal Government can buy Federal bonds or securities, the principal and interest of which is guaranteed by the Federal Government that will yield an excess of 3 percent, then they can buy them.

Mr. WADSWORTH. In order to keep the fund intact, in the event the Government bonds do not net 3 percent, the Government will issue bonds; in other words, borrow money which will net 3 percent?

Mr. VINSON of Kentucky. That is correct; because they have the obligation set out in this bill that the appropriations will yield 3 percent annually, compounded, the acturial figures are based upon 3 percent interest, compounded annually.

Mr. WADSWORTH. Then, am I far wrong in stating—I cannot help remembering what the gentleman from New York [Mr. REED] said yesterday—that the Treasury under this will be put in the position of borrowing money from the fund?

Mr. VINSON of Kentucky. No. The thing they will do is to get the money from the fund. The Federal Government borrows the money from the fund and replaces it with governmental obligations.

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the pro forma amendment. The gentleman from New York [Mr. WADSWORTH] brings up the very question that I brought up during the consideration of this paragraph in the committee. I was very much surprised to find there was such a large amount of authority vested in the Secretary of the Treasury in relation to the manner in which the funds were to be handled. The amendment that the committee has just offered has new matter in it, as I understand it, bearing on the interest rate only, and perhaps for the sake of the record I should ask to have placed in the RECORD a memorandum that Mr. Bell, the Acting Director of the Budget, sent me in answer to a question asking for information similar to that the gentleman from New York wanted. I ask unanimous consent to have that inserted in the RECORD at this point.

The CHAIRMAN. Is there objection?

There was no objection.

(The communication referred to is as follows:)

TREASURY DEPARTMENT,
Washington.

Hon. ALLEN T. TREADWAY,
House of Representatives.

DEAR SIR: This is submitted in compliance with your request for a statement of the provisions which confer authority on the Secretary of the Treasury to issue special interest-bearing obligations of the United States to the old-age-reserve account created under section 201 (a) of the social-security bill. You are advised that such authority has been granted by the Second Liberty Bond Act, as amended, the pertinent provisions of which are set forth in the attached memorandum.

I trust that the above information sufficiently answers your inquiry.

Very truly yours,

D. W. BELL,
By I. E. ERB,
Acting Director of the Budget.

[NOTE: If the amendment to section 201, which was approved this morning by the subcommittee, is adopted, this memorandum becomes moot, as the amendment contains express authority to issue obligations to the old-age reserve account and specifies the interest rate. I. E. ERB.]

AUTHORITY OF THE SECRETARY OF THE TREASURY TO HANDLE PUBLIC-DEBT TRANSACTIONS PURSUANT TO AUTHORITY CONTAINED IN THE SECOND LIBERTY BOND ACT, AS AMENDED

Section 1 of the Second Liberty Bond Act, as amended, approved September 24, 1917, reads in part as follows:

"That the Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this act, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law * * *.

"The bonds herein authorized shall be in such form or forms and denomination or denominations and subject to such terms and conditions of issue, conversion, redemption, maturities, payment, and rate or rates of interest, not exceeding 4¼ percent per annum, and time or times of payment of interest, as the Secretary of the Treasury from time to time at or before the issue thereof may prescribe * * *.

"The bonds herein authorized shall from time to time first be offered at not less than par as a popular loan, under such regulations, prescribed by the Secretary of the Treasury from time to time, as will, in his opinion, give the people of the United States as nearly as may be an equal opportunity to participate therein, but he may make allotment in full upon applications for smaller amounts of bonds in advance of any date which he may set for the closing of subscriptions and may reject or reduce allotments upon later applications and applications for larger amounts, and may reject or reduce allotments upon applications from incorporated banks and trust companies for their own account and make allotment in full or larger allotments to others, and may establish a graduated scale of allotments, and may from time to time adopt any or all of said methods, should any such action be deemed by him to be in the public interest: *Provided*, That such reduction or increase of allotments of such bonds shall be made under general rules to be prescribed by said Secretary and shall apply to all subscribers similarly situated. And any portion of the bonds so offered and not taken may be otherwise disposed of by the Secretary of the Treasury in such manner and at such price or prices, not less than par, as he may determine * * *."

The first paragraph above quoted was amended by the act of February 4, 1935, to read as follows:

"The Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this act to provide for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor bonds of the United States: *Provided*, That the face amount of bonds issued under this section and section 22 of this act shall not exceed in the aggregate $25,000,000,000 outstanding at any one time."

The Gold Reserve Act approved January 30, 1934, amended section 1 of the Second Liberty Bond Act by adding a new paragraph, as follows:

"Notwithstanding the provisions of the foregoing paragraph the Secretary of the Treasury may from time to time, when he deems it to be in the public interest, offer such bonds otherwise than as a popular loan; he may make allotments in full or reject or reduce allotments on any obligations whether or not the offering was made as a popular loan."

Section 5 of the Second Liberty Bond Act, as amended, provides for the issuance of Treasury certificates of indebtedness as follows:

"In addition to the bonds and notes authorized by sections 1 and 18 and 22 of this act, as amended, the Secretary of the Treasury is authorized, subject to the limitation imposed by section 21 of this act, to borrow from time to time, on the credit of the United States, for the purposes of this act, to provide for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States, and to meet public expenditures authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor (1) certificates of indebtedness of the United States at not less than par (except as provided in section 20 of this act, as amended) and at such rate or rates of interest, payable at such time or times as he may prescribe; or (2) Treasury bills on a discount basis and payable at maturity without interest. Treasury bills to be issued hereunder shall be offered for sale on a competitive basis, under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe, and the decisions of the Secretary in respect of any issue shall be final. Certificates of indebtedness and Treasury bills issued hereunder shall be in such form or forms and subject to such terms and conditions, shall be payable at such time not exceeding 1 year from the date of issue, and may be redeemable before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe."

The Gold Reserve Act of January 30, 1934, further adds a new section (20) to the Second Liberty Bond Act which modifies the authority contained in section 5, quoted above. Section 20 reads as follows:

"SEC. 20. The Secretary of the Treasury may issue any obligations authorized by this act and maturing not more than 1 year from the date of their issue on a discount basis and payable at maturity without interest. Any such obligations may also be offered for sale on a competitive basis under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe, and the decisions of the Secretary in respect of any issue shall be final."

Section 18 (a) of the Second Liberty Bond Act, as amended, provides for the issuance of notes as follows:

"That in addition to the bonds and certificates of indebtedness and war-savings certificates authorized by this act and amendments thereto, the Secretary of the Treasury, with the approval of the President, is authorized to borrow from time to time on the credit of the United States for the purposes of this act, and to meet public expenditures authorized by law * * * and to issue therefor notes of the United States at not less than par in such form or forms and denomination or denominations contain-

ing such terms and conditions and at such rate or rates of interest as the Secretary of the Treasury may prescribe, and each series of notes so issued shall be payable at such time not less than 1 year nor more than 5 years from the date of its issue as he may prescribe, and may be redeemable before maturity (at the option of the United States), in whole or in part, upon not more than 1 year's nor less than 4 months' notice, and under such rules and regulations and during such period as he may prescribe."

The Gold Reserve Act of January 30, 1934, further amended the Second Liberty Bond Act by adding thereto a new section as follows:

"SEC. 19. Notwithstanding any other provisions of law, any obligations authorized by this act may be issued for the purchase, redemption, or refunding at or before maturity of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or to obtain funds for such purchase, redemption, or refunding under such rules, regulations, terms, and conditions as the Secretary of the Treasury may prescribe."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Kentucky [Mr. VINSON].

The committee amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TREADWAY: Page 7, beginning with line 8, strike out all of title II down to and including line 9 on page 15.

Mr. TREADWAY. Mr. Chairman, I think this is the worst title in the bill. It sets up a form of payment that is evidently provided for in an unconstitutional manner. It has been very difficult for even the lawyers of the Department favorable to the legislation to find any excuse for including this special tax. It will be a particularly burdensome tax upon industry, running to 6 percent on pay rolls, and eventually will be a tax on industry of $1,877,000,000. Evidently the majority party has very little consideration for industry. The Secretary of Agriculture, Mr. Wallace, yesterday made one of the worst exhibitions of himself that I think has ever been made, in a trip he made to Maine. He insulted the citizenship of New England in an outrageous manner. It is said that he laughed at the idea of Japanese competition as a threat to the cotton industry in New England, and suggested that the manufacturers in New England seek new lines of endeavor. Why should he tell the manufacturers of New England that they must seek new methods of industry? That is a great idea. Then he is reported to have said:

It gets my goat to see manufacturers trying to pull this sort of stuff. Where is the rugged individualism I have heard so much about?

And then went on to speak of this flabbiness of the third and fourth generations. Those third and fourth generations are just as good in New England today as the people of the day to which he refers in his remark about rugged individualism. He then said that some day we will recognize this as "the worst kind of bad manners, and immorality of the worst kind." What immorality of the worst kind did he find going from Boston to Portland, making dollar signs on the edge of his newspaper? What immorality did he find among the citizens of New England? He is quoted as saying:

It is time for New England to seek new fields of endeavor. I am astonished at all of this whining from New England.

Has not New England the right of livelihood? Evidently he wants to take it away from us, but we will not yield supinely to his orders or to his insults to our section of the country. But it is an indication of the spirit of certain people against New England's industry.

Mr. PARSONS. Mr. Chairman, I make the point of order that the gentleman is not speaking to his amendment.

The CHAIRMAN. The gentleman from Illinois makes the point of order that the gentleman from Massachusetts is not confining himself to his amendment.

Mr. TREADWAY. I am confining myself to references to the effort being made to destroy industry in New England which is backed up by this bill, and we are not going to stand for it.

The CHAIRMAN. The gentleman will please confine himself to the amendment.

Mr. TREADWAY. I thank the Chairman. There is plenty to talk about in connection with the motion which I just made. I do not need to refer to the attitude of the Secretary of Agriculture to get a subject to talk about, because the whole purpose of this title in the bill is to tax industry, and we are overburdened, overtaxed, and overinsulted.

Mr. PARSONS. Mr. Chairman, I renew my point of order that the gentleman is not confining himself to the motion.

Mr. TREADWAY. Does the gentleman want me to read any figures on taxation under this scheme? I will tell him what it is. The Secretary of Agriculture vouches for it, too. He is one of the proponents of this very bill.

Mr. PARSONS. Mr. Chairman, I renew my point of order that the gentleman is not confining himself to the motion.

Mr. TREADWAY. I submit I am speaking in order, and I decline to be interrupted by the gentleman.

The CHAIRMAN. Up to the present time the gentleman has been confining himself to the motion. The gentleman knows the rules of the House and will please confine himself to the motion.

Mr. TREADWAY. Title II is the most offensive title in this measure; and that is saying a whole lot. The majority has tried its best to find a way in which to defend and support the title. They are begging the question here. They cannot stand here in dignity and honor and debate this title II and the tax paid under title VIII. The two go together.

Now, what about this business tax? I said at page 5531, when we had this measure up for general discussion:

Business and industry are already operating under very heavy burdens. Many businesses at the present time are barely able to keep their heads above the water.

That is not only true but, further, if they do not keep their heads above water they have to pay that 6 percent, because that is included in title VIII just the same, whether business is operating at a loss or not.

I hope my motion will prevail.

[Here the gavel fell.]

Mr. LEWIS of Maryland. Mr. Chairman, I do not rise to make any prepared address with reference to title II of the bill. You know, of course, that it is the provision applying the benefits arising under title VIII, namely, the title which imposes certain taxes upon the pay rolls of the country, one-half to be deducted from the employees' wages.

I need not say to you that thrift has been one of the great factors in the progress of the human race. This title is designed to provide a system of organized thrift in the interest of the workers of the country. Organized thrift, ladies and gentlemen, as designed in this bill, receives a most striking illustration in the industrial finances of the country.

I hold in my hand a statement showing the dividends paid by corporations in the United States during 4 years of the depression. Altogether, for the years 1930 to 1933, inclusive, $21,214,925,000 have been paid. Of this sum, $17,267,920,000 have been paid by those companies out of their reserves built up from the profits of previous years. Compare this seventeen billions with the total sums paid in relief, including R. F. C. and Public Works, and the comparative numbers of people involved.

I do not think this fact should be taken as a matter of reproach to the employers of the country. It was good financing; it was high prudence on their part to have set aside some $17,000,000,000 in the years of their good fortune and prosperity, to protect their stockholders and dividend funds when the day of failure and misfortune should come. But when the charge is made on the floor that no member of the Ways and Means Committee will so expose his honor as to defend this section establishing a like organized fund to protect the worker, I want to accept the challenge and say that while it was perhaps natural enough, as things go for these financiers, when setting aside $17,000,000,000 of reserves to protect their stockholders, to overlook the millions of human beings in their employ, we in this House of Representatives cannot overlook such a paramount duty.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MICHENER. Will the gentleman yield?

Mr. LEWIS of Maryland. No. I have given the facts. If $17,000,000,000 are justified in reserves for the stockholders of the country, and I do not deny that they were, then certainly proportionate reserves should be set aside for the laborer and employees who help them make it, for days of similar need and distress. [Applause.]

Mr. MICHENER. Will the gentleman yield?

Mr. LEWIS of Maryland. I yield.

Mr. MICHENER. By reason of the prudence——

Mr. LEWIS of Maryland. Oh, the gentleman is arguing.

Mr. MICHENER. No. I am asking the gentleman a question.

Mr. LEWIS of Maryland. Well, ask the question.

Mr. MICHENER. If, by reason of the prudence and care of those industries of which the gentleman has spoken, the stockholder has been able to receive dividends and the working man has been able to continue his job in many instances throughout the depression, does the gentleman not think they exercised pretty good judgment in the flush days?

Mr. LEWIS of Maryland. I have already commended their judgment as sound. The infirmity in the $17,000,000,000 fund was that it did not include their workers—it all went to the stockholders, it did not save the jobs of the workers. The practical circumstance is this, that with respect to the owners of our industrial system, boards of directors had control of the funds at their source, and were able to establish a system of enforced thrift for the stockholders. They did not put the question to a vote of the stockholders. They simply set the funds aside, from abundant profits, in the form of reserves.

Now the workers were not in a position to control such funds at their source and say, "So much of this excess shall be set aside for our day of tribulation—for the day when they think our arms are not as swift as others to turn the great wheels of competitive industry." That is our work this day. This chapter in the bill only provides the institution necessary for that purpose as is done in other countries. [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Maryland. Mr. Chairman, I ask unanimous consent to include at this point the table to which I have referred.

The CHAIRMAN. Is there objection?

There was no objection.

The table referred to is as follows:

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, April 13, 1935.

To: R. B. HARRIS.
Committee on Economic Security.
From: H. GORDON HAYES,
Chief Division of Economic Research.
Subject: Data for Congressman Lewis re corporate income and dividends.

Profits, cash dividends, and surpluses of all corporations

[Statistics of Income, Bureau of Internal Revenue, Treasury Department]

	Compiled net profit less income tax	Cash dividends paid	Balance after cash dividends paid
1933 [1]	[1] [2] $469,000,000	[1] [2] $2,976,000,000	[1] [2] $3,445,000,000
1932	[2] 4,115,377,000	3,885,601,000	[2] 8,000,977,000
1931	[2] 1,175,596,000	6,151,083,000	[2] 7,326,679,000
1930	3,947,005,000	8,202,241,000	[2] 4,255,236,000
1929	10,676,071,000	8,355,662,000	2,320,409,000
1928	9,552,604,000	7,073,723,000	2,478,881,000
1927	7,538,372,000	6,423,176,000	1,115,186,000
1926	8,280,642,000	5,945,293,000	2,335,349,000
1925	8,146,052,000	5,189,475,000	2,956,577,000
1924	5,913,602,000	4,338,823,000	1,574,779,000
1923	6,697,157,000	4,169,118,000	2,528,039,000
1922	5,183,000,000	3,437,000,000	1,746,000,000

[1] Estimates for columns 2 and 3 for 1933 derived by applying to the Treasury data herein for 1932 the estimated percentage changes of "net dividends paid" and of "corporate losses" from 1932 to 1933 as computed in the national income study by the Division of Economic Research, Bureau of Foreign and Domestic Commerce, and for column 1 by subtracting the derived figure for column 2 from column 3.
[2] Deficit.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know the hour is late, I know the Members are getting impatient to get away, and it is not perhaps the proper time to try to discuss this subject, but I earnestly beseech the Members to give me at least a minute or two of their time.

Not a man on the floor of this House is authorized to stand here and cast his vote on any piece of legislation until he has taken an oath to support the Constitution of the United States, to defend it against all enemies, foreign and domestic, without any mental reservation whatsoever and without any purpose of evasion.

The best legal talent the administration has been able to engage from the departments and elsewhere has endeavored to so frame title II, change its title, distort it, and put the tax features in title VIII, to mislead and deceive, if possible, the Supreme Court of the United States. I stated yesterday, and I state again today, that the members of the committee in their conscience know that title II and title VIII are unconstitutional. They know they are trying to set up as a Federal activity a police power that is reserved to the States.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. No; I cannot just now; I have only 5 minutes. Members of the committees know that the President of the United States, who is now urging that these two titles be enacted into law, when he was Governor of the State of New York in 1930, in a radio address broadcast to the country called attention to the fact that the Federal Government was invading the rights of the States, and he specifically mentioned the very type of legislation we have before us today. He said that this invasion on the part of the Federal Government must stop. Now, my colleagues, you know that what you are attempting to do is unconstitutional, and you know that for that reason title II and title VIII ought to be eliminated from the bill. They are not relief provisions, and they are not going to bring any relief to the destitute or needy now nor for years to come. It is more of your compulsory, arbitrary program. You are saying to a specified class of wage earners, not all—for, as I have said, you are not giving these benefits to the needy at all—but you are saying to the wage earner, "We are going to force you to pay a tax to buy an annuity from the Government." You propose to whip and lash the wage earner into paying this tax, but you are not treating everybody alike. Millions who labor are exempted from benefits. People who work on farms grow old; people who work as domestic servants grow old; they have the problems of old age, but they can starve in their old age so far as getting aid from this bill. Gentlemen, why talk about the difficulty of administering the act as an excuse for omitting them? You found no difficulty in providing for the administration of title I of the act, which reaches every person who is in need; but when it comes to certain classes, then you discriminate. This title ought to be removed from the bill.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I hardly think the argument——

Mr. MICHENER. Mr. Chairman, will the gentleman yield for an inquiry before he starts his statement?

Mr. McCORMACK. Certainly.

Mr. MICHENER. Mr. Chairman, how long is it contemplated that we are to work on the bill tonight?

Mr. McCORMACK. I am just an ordinary Member of the House; I am sorry I cannot answer the gentleman's question.

Mr. MICHENER. Mr. Chairman, may I ask the chairman of the committee how long he expects to keep the committee in session this evening?

Mr. DOUGHTON. I cannot say right now; it depends on what progress we make.

Mr. MICHENER. It is now 5:10, and we are at page 15. We have 59 pages yet to consider. We have been adjourn-

ing at 4 o'clock every day. I, for one, object to running through until we conclude consideration of the bill, and I shall make the point of no quorum. You can get a quorum, probably; you have the votes to go ahead, but the gentleman stated he would handle the matter reasonably.

Mr. COCHRAN. Mr. Chairman, I make the point of order that the gentleman from Michigan cannot take the gentleman from Massachusetts off his feet by a point of no quorum.

Mr. MICHENER. I do not have to ask the gentleman to yield in order to make a point of no quorum.

Mr. McCORMACK. Mr. Chairman, I did not yield to the gentleman to make a point of no quorum.

Mr. TAYLOR of Colorado rose.

Mr. SNELL. Mr. Chairman, I suggest the gentleman from Massachusetts yield to the gentleman from Colorado to make a statement.

Mr. McCORMACK. Mr. Chairman, I gladly yield to the gentleman from Colorado.

Mr. MICHENER. Mr. Chairman, I withdraw my point of no quorum until the gentleman from Massachusetts shall have concluded. Then I shall renew it.

Mr. TAYLOR of Colorado. Mr. Chairman, we hope to finish the consideration of the bill tomorrow. If we can do so, I hope, personally at least, that we may adjourn over Saturday. It does not make much difference how far we go tonight if we can get through tomorrow.

Mr. SNELL. Mr. Chairman, may I address a question to the majority leader?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. SNELL. I think we might have a reasonable understanding about adjourning this evening. As far as delaying the bill for passage tomorrow is concerned, there is no desire to delay the bill in any way. I think when we get by the pending question the major part of the bill that is of a controversial nature will be over. However, it does seem to me we ought to have an understanding that we adjourn at a reasonable time tonight, then we will cooperate with you on the other side with reference to finishing the bill tomorrow. I think we might as well have an agreement now as later in the evening.

Mr. McCORMACK. I think that probably Members on that side would like to get away tomorrow, and probably we can complete the bill tonight. I realize the gentleman may make a point of no quorum, but if it is possible to get through with the bill tonight it might be advisable to do that.

Mr. SNELL. Well, some Members have left the Chamber. There was no suggestion until within the last half hour that it was intended to finish this bill tonight.

Mr. COOPER of Tennessee. I may say to the minority leader that in a brief conference with the ranking minority member of the Ways and Means Committee awhile ago he indicated that after the gentleman from New York spoke there was no one else to speak on this question. I think probably with 5 minutes more we could conclude it on this side and dispose of this section before we adjourned. This would give us ample opportunity to dispose of the rest of the bill tomorrow.

Mr. SNELL. After a speech of 5 minutes on that side and a speech by the gentleman from Ohio [Mr. JENKINS] on this side it will be agreeable to adjourn?

Mr. COOPER of Tennessee. Of course, it is not within my power to say.

Mr. VINSON of Kentucky. A speech by the gentleman from Massachusetts [Mr. McCORMACK] and one other speech on this side.

Mr. MICHENER. Then we will adjourn after two more speeches?

Mr. SABATH. No.

Mr. SNELL. A vote is desired on the pending amendment tonight?

Mr. DOUGHTON. Yes.

Mr. McCORMACK. Mr. Chairman, I hardly think that the closing argument of my distinguished friend the gentleman from New York, with reference to the fact that farmers and domestic servants are not included in title II, and that there is less administrative difficulty, or no more at least, than there is with reference to title I where they are included, presents a fair picture as to the reasons why the farm laborers or the domestic servants are included in title I and are excluded from title II.

Title I is a noncontributory law. Title II is a contributory law. Title I, being noncontributory, every person in need who meets the requirements imposed by a State and who is over the age limit and meets the requirements imposed by this particular bill in the State plan, without regard to their previous employment, should receive the amount set out, provided and intended by this bill.

When we come to the contributory provision, there is an entirely different situation. The administrative cost enters into the picture. Furthermore, whether or not farm laborers and domestic servants receive a salary so that when they reach the age of retirement they will receive an earned annuity above $10 a month is also a matter of consideration. We have also excluded those employed in educational and religious activities and in all kinds of charitable activities. The committee has tried to draft a contributory annuity provision which will not only meet the purposes desired but do so in a manner that can be administered without any great difficulty.

Mr. WADSWORTH. Will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the gentleman from New York.

Mr. WADSWORTH. I am seeking information. Is it not a fact that it is hoped title II will grow and expand if soundly managed to such a point at which title I will cease to be an important obligation to the Government?

Mr. McCORMACK. That is the purpose as I understand it.

Mr. WADSWORTH. All right. Will the gentleman tell the House, if that is the case, why domestic servants are exempt from carrying their part of that burden, which is eventually to relieve the Federal Government of a major part of the straight-out old-age pensions?

Mr. VINSON of Kentucky. Will the gentleman yield to me to answer that question?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. The tax levy in title VIII is upon wages. Taking as a basis the total wage of the domestic servants, then 1 percent of that, and 1½, finally a maximum of 3, then if you multiplied it by 40 you would not have money in the account sufficient to purchase a substantial annuity. You would have a nuisance feature, such as a person being paid $1 wage and taking out 1 penny and having at the end of the road a small sum that would purchase a very small annuity. The same thing applies to agriculture, and the same thing applies to other occupations.

Mr. WADSWORTH. On the ground that the wages are low?

Mr. VINSON of Kentucky. On the ground the total wages over a period of years taxed would be inconsiderable.

Mr. WADSWORTH. That is not true in the field of domestic servants.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MAY. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. MAY. I understood the gentleman from Massachusetts to say that the question of whether a man could comply would depend on regulations as fixed by the State?

Mr. McCORMACK. No; as to title II, the gentleman is in error.

Mr. MAY. I understand that this bill fixes the regulation.

Mr. McCORMACK. No; not title II.

Mr. Chairman, may I address myself now to the gentle- from New York [Mr. WADSWORTH], and I know of no more

distinguished Member of the House. I respect him greatly, even when we disagree.

My viewpoint of this, and this is just my picture for whatever it may be worth, and I approached it very slowly; I weighed the evidence and I considered the experiences of mankind in the past and the probable experiences we shall encounter in the future before I reached this conclusion. If we have a million persons 65 years of age and over, mounting as the years go by, constantly receiving a noncontributory old-age pension, based upon need, there is bound to be a loss of self-respect, and with such a large body throughout the United States growing in number year in and year out, this is bound to have a demoralizing effect upon the spirit of our citizenry in general.

You cannot have 1,000,000 or more people going into the Treasury and taking money out over a period of years without its having a degenerating influence from the viewpoint of good citizenship; and what I wanted was to try to meet one of the causes of dependency in old age, and the main cause is that during the years of productivity they did not or could not put money apart to assure some degree of security. Why they did not do it today is immaterial, so far as the immediate problem is concerned. It is, however, so far as the future is concerned.

Today we are confronted with a condition which requires title I, but we should try to remove as far as possible this condition, so that in the years to come such persons will receive an annuity in their own right.

You may disagree about the pay-roll tax, and I respect you in disagreement, but, frankly, where else could and should we impose it? If we put it upon society in general, it will be a dole. If we raise it through general taxation, we could not identify each one's particular account so we could determine what his annuity would be 30 years or more hence. Some people may ask, why they should be concerned about what may happen 30 years from now? They may say, "I may not be living." But as thinking legislators we should realize that we owe a duty to the future, and title II, in my opinion, meets the main cause of dependency in old age and undertakes to meet it. It is one of the most progressive and constructive of modern legislative history. [Applause.]

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in title I of this bill we recognize a responsibility of the Government, both State and National, to those who have come to the sunset of life and who are not able financially to carry their burdens. In this title we provide for the payment of a small gratuity that we call an old-age pension. I favor this. I made a speech this afternoon favoring a motion to increase the Government's share to be paid from $15 to $20 per month. I am a friend to this legislation, but I fail to understand why the administration is so determined to tie up with meritorious legislation unfair and unnecessary legislation.

In title II we say in effect that by 1970 we are going to forget all about charity. We are by that time going to forget all about our obligations to the old people. We are by title II saying to every young man that if he does not save, if he does not provide for himself and pay for an annuity there will be no old-age pension for him and that charity will have vanished from America. In other words, you enact title I and you boast that you are charitable, and in title II what do you do? You seek to compel every wage earner to pay for an insurance policy even though he cannot afford it. You should not mistake this for a voluntary annuity. They took out the voluntary annuity title, but they retained the compulsory title. You do not say to these people, "If you want to do so we will provide a system whereby you may save." You say, "You have got to save." Thrift is as far from compulsion as freedom is from slavery. Every young man who goes out in life, after this bill is passed and has a job, must pay 3 percent of his money whether he wants to or not, and every employer has got to pay 3 percent also. To whom? To the Secretary of the Treasury, who in this administration is in effect Franklin D. Roosevelt himself. What for? To provide himself with a little annuity insurance policy which the Government will pay him when he is 65 years old. If he works for 10 years and then becomes the owner of the establishment or goes into business that premium that he has paid in has bought him a little annuity that he cannot sell or assign. He must keep it until he dies or until he arrives at the age of 65. This is a regular insurance business that the Government is going into. Why, bless your life, you are going to build up a fund that by 1970 will have a surplus of $33,000,000,000.

This is thirty-three thousand million dollars which will be in the hands of the Secretary of the Treasury and is more money than there is in the world. And you are going to raise this by compulsion. Regardless of its unconstitutionality, you are going to wring it out of the very sweat and the labor of the people; and is there any justice in this or any need of it now? This is only the mill out of which you continue to force from the people who cannot pay their taxes, the millions and the billions that is necessary to satiate the inordinate financial appetite of the greatest money spender that every lived.

Why talk about wanting to relieve the depression, why talk about charity, why talk about all these other things when you are placing a financial lash upon the backs of the people whose backs are breaking under a load of debts and taxes?

This is compulsion of the rankest kind. Do not be misled by the title. The title says "Old-Age Benefits." Shame on you for putting such a misleading and unfair label on such a nefarious bill. Old-age benefits? Think of it! Oh, what a travesty! Yes, if you work and sweat and scheme and drive yourself for a generation or for all your life, this title says that the Government will then pay you a little annuity when you are 65 years of age. Who knows who is going to become 65 years of age? Who knows about the uncertainties of life? All there is that is certain about this is that the Government will have accumulated $33,000,000,000 by 1970. The Government, by virtue of the passage of this act, will have wrung out of the poor people of this coming generation the greatest surplus ever contemplated by the brain of any business man.

Mr. Chairman, what is the hurry? Nobody is going to get a dime out of this until 1942. This will not put anybody to work. This will not buy bread for anybody now. What is the hurry about crowding an unconstitutional proposition like this through the House today? I cannot see it. I repeat, I cannot see it. And I do not believe that Franklin D. Roosevelt himself ever put his stamp of approval on this proposition. Let me tell you why I believe that he did not do so.

If he did, he has gone contrary to the Democratic platform. Of course, that does not hurt him, for he has done that frequently. I do not think he is in favor of this provision, for he permitted the Democratic members of the Ways and Means Committee to strike out title III, which was the title providing for voluntary annuities. They do nothing on the committee unless it is approved by the "brain trust." Title III did have a recommendation that title II does not have, in that title III was optional and a worker could take it or leave it; not so with title II, for it is compulsory. There was a would-be Democratic leader on the Ways and Means Committee who flung defiant lances at the cohorts of the "brain trusters." He promised most vehemently that title II would be stricken from the bill. He claimed that he had 7 votes, who would risk their political lives, if necessary, before they would permit title II to remain in the bill. These 7 votes, with the 7 votes on the Republican side, would have accomplished what he promised to do. Where is that would-be valiant fighter? Where is his valiant army of seven? Alas, he is among the missing. Jim Farley must have blown his withering breath toward them, and they are no more. What cowards politics makes of good men! They traded title III for title II, and the Tammany chief has seven more scalps dangling from his belt. If they had stood as they should have stood, and joined with the Republican vote on the committee, we would not have such an outrageous plan up for consideration today. Ladies and

gentlemen, you cannot with one hand place the crown of charity upon the head of one group and say, "We do this because of the vicissitudes of the depression", and at the same time lay the lash of compulsion upon the bending backs of another group and say to them, "Pay! Pay! Pay regardless of the depression."

Mr. Chairman, it is a shame that we are going to be rushed into a program that puts Uncle Sam into an insurance business that will collect thirty-three thousand million into his Treasury out of the sweat and the blood of the working people of this country when they can scarcely make both ends meet. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I rise in opposition to the pro forma amendment. It is to be regretted that in this discussion we hear politics injected into the debate. Think of it. He regrets that the workingman may secure any money benefits under this title when he arrives at the age of 65. He says shame on us for giving the workers an opportunity to provide subsistence for themselves and families in their old age.

Why, my friends, the railroad workers of this country sought for 10 years and more to procure congressional authority to pay money into a fund in order to get retirement pay. They are today fighting in the Supreme Court to uphold their legislation passed in the last Congress.

The distinguished minority leader of the Ways and Means Committee always shoots at big game. He shoots at the mark. He makes no idle shots. In this instance, when he is attempting to strike out title II from the bill, he is aiming at the very heart and soul of the President's social-security program. I have been asked to say whether or not the President of the United States has advocated title II. I accept the challenge and say that the President of the United States advocates that principle. It is a most important part of his social-security program.

Benefits under this title will bring to the wage earner from $15 to $85 a month after 65 years of age. What will that do? Instead of being a tax burden on the country it will reduce the tax burden. I can only think of one witness who, representing industry, protested its passage. Leading industrial leaders and labor leaders, including William Green, president of the American Federation of Labor, advocated this title.

In 1980 it is estimated that you will have upward of $4,000,000,000 a year to benefit the working man and woman. This in itself will be a great stabilizer of economic conditions of this country.

And, my friends, many of you have advocated for years the elimination of the tax-exempt securities. If you are sincere, let me tell you that if this is written into law the tax-exempt securities can be withdrawn from the open market under the power vested in the Secretary of the Treasury.

I want to repeat that this title is the heart and soul of the President's social-security program. Let no one deceive himself about that.

When you vote I know you will vote to keep in this title and then send this measure down to this great humanitarian, the first President of this country who ever brought to Congress a well-rounded social-security program, looking toward the benefit of the unfortunate men, women, and children of our land.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. JENKINS) there were—ayes 41, noes 131.

Mr. TREADWAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. TREADWAY and Mr. DOUGHTON to act as tellers.

The Committee again divided; and the tellers reported—ayes 49, noes 125.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read title III.

Mr. SNELL. Mr. Chairman, I understood that an agreement was made with the majority leader and the chairman of this committee that we would rise after voting on title II. That was the agreement as I understood it.

Mr. COCHRAN. After voting on the amendment. There might be other amendments.

Mr. SNELL. I ask the majority leader and the chairman of this committee if that was not the understanding?

Mr. DOUGHTON. The gentleman from Massachusetts [Mr. TREADWAY] and I talked about that a few moments ago. We made no agreement. I said that would be satisfactory to me, but we made no agreement.

Mr. COOPER of Tennessee. The gentleman from New York asked me if I would agree, and I said I had no authority to enter into any such agreement.

Mr. SNELL. I understood the majority leader to say that it would be all right to rise after this.

Mr. DOUGHTON. Nobody wants to have a misunderstanding or fool anyone. We want to keep faith. There may have been a misunderstanding.

Mr. SNELL. I certainly understood that was the agreement.

Mr. O'CONNOR. Would the gentleman be satisfied to start the reading of title III?

Mr. SNELL. We have already started the reading of title III.

Mr. REED of New York. Mr. Chairman, I have an amendment which I desire to offer to title II.

The CHAIRMAN. But title II has been disposed of. The Clerk will continue the reading of title III.

Mr. REED of New York. I had this amendment here while title II was under discussion.

The CHAIRMAN. The Chair regrets the fact, but we have disposed of title II.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to return to title II for the purpose of offering an amendment.

The CHAIRMAN. The Clerk had already commenced the reading of title III. The gentleman from New York asks unanimous consent to revert to title II for the purpose of offering an amendment. Is there objection?

Mr. DOUGHTON. Mr. Chairman, I object.

Mr. COOPER of Tennessee. Mr. Chairman, I object.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7260 and had come to no resolution thereon.

CONVENTION OF IMPERIAL COUNCIL, MYSTIC SHRINE

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 97, authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive. The Senate joint resolution is identical with House Joint Resoluton 233.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent for the present consideration of Senate Joint Resolution 97, which the Clerk will report.

The Clerk reported the title of the joint resolution.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Resolved, etc., That the sum of $50,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, payable wholly from the revenues of the District of Columbia, to enable the Commissioners of the District of Columbia to maintain public order and protect life and property in the District of Columbia from the 8th day of June 1935 to the 17th day of June 1935, both inclusive, including the employment of personal services, the payment of allowances, traveling expenses, hire of means of transportation, and other incidental expenses in the discretion of the said Commissioners. There is hereby further authorized to be appropriated the sum of $4,000, or so much thereof as may be necessary, payable as aforesaid, for the construction, rent, maintenance, and for incidental expenses in connection with the opera-

tion of temporary public-convenience stations, first-aid stations, and information booths, including the employment of personal services in connection therewith during such period.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the joint resolution was passed laid on the table.

House Joint Resolution 233 was ordered to lie on the table.

HOUR OF MEETING

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COINAGE OF 50-CENT PIECES COMMEMORATING THE FOUNDING OF HUDSON, N. Y.

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Coinage, Weights, and Measures, I ask unanimous consent to take from the Speaker's table the bill, H. R. 6457, an act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, after "pieces", insert ", and in commemoration of the three hundredth anniversary of the founding of the city of Providence, R. I., there shall be coined by the Director of the Mint 50,000 silver 50-cent pieces, in each case such coins to be"

Page 2, strike out lines 3 to 6, inclusive, and insert:

"SEC. 2. Coins commemorating the founding of the city of Hudson, N. Y., shall be issued at par, and only upon the request of the committee, person, or persons duly authorized by the mayor of the city of Hudson, N. Y., and the coins commemorating the founding of the city of Providence, R. I., shall be issued at par and only upon the request of the Providence Tercentenary Committee."

Page 2, line 9, strike out all after "authorized" down to and including "projects" in line 11, and insert "in section 2, and all proceeds shall be used in furtherance of the commemoration of the founding of the cities of Hudson, N. Y., and Providence, R. I., respectively."

Page 2, line 22, strike out all after "they" down to and including "coins" in line 2, page 3, and insert "may be requested by the committee, person, or persons duly authorized by said mayor of Hudson, N. Y., in the case of coins issued in commemoration of the founding of that city, and by the Providence Tercentenary Committee in the case of coins commemorating the city of Providence, R. I., and in each case only upon payment to the United States of the face value of such coins."

Amend the title so as to read: "An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendments were agreed to.

IMPROVEMENT STEINHATCHEE RIVER

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a memorial and resolution from the State Legislature of the State of Florida.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREEN. Mr. Speaker, I take this opportunity to call to the attention of my colleagues a worthy and important waterways project. It is the opening for navigation of the lower Steinhatchee River in Dixie and Taylor Counties, Fla.

The development of this river will give transportation facilities to a large volume of commerce in the way of sponges, fish, phosphate, lumber, naval stores, and general commerce. We have recently appeared before the Board of Rivers and Harbors Engineers and urged the adoption and completion of this project. The people of central Florida, south Georgia, and Alabama, in particular, are deeply interested in the project.

The board of county commissioners and citizens of Dixie and Taylor Counties, Fla., are lending their best cooperation for the project. In this connection I submit memorial from the Florida Legislature in the form of Senate Concurrent Resolution No. 5.

A MEMORIAL TO THE CONGRESS OF THE UNITED STATES OF AMERICA NOW CONVENED IN SESSION AS THE SEVENTY-FOURTH CONGRESS OF THE UNITED STATES OF AMERICA

Whereas the navigable waterway by name and known as the "Steinhatchee River", traversing the counties of Taylor, Lafayette, and Dixie, with its outlet in the Gulf of Mexico, possesses and has within its channel sand bars and obstructions, preventing travel of river boats and boats of similar character; and

Whereas the said citizens of the State of Florida are using their best efforts in the expenditure of moneys, labor, and materials to their best ability in the opening up, removing sand bars and other obstructions from the channel of the said Steinhatchee River; and

Whereas that the said Steinhatchee River would prove and be of great importance to the United States of America and to the State of Florida in the protection of life and property in time of war, and would provide a safe harbor for ships in time of storms and add to the commerce and shipping within this particular part of the State; and

Whereas it is the desire of the citizens of Florida that the said work of removing such sand bars and obstructions from the channel of the said Steinhatchee River and desiring to secure the assistance of the United States Government to carry on and complete the work now in progress; and

Whereas expenditure of moneys by the United States Government in conjunction with moneys now being expended by the counties and citizens, would provide employment for labor and for usage of materials and supplies in the removing of said sand bars and other obstructions from the channel of the said Steinhatchee River: Be it therefore

Resolved by the Florida Legislature, That the Senators and Representatives of the United States Congress of America, now convened in this the Seventy-fourth Congress, be, and they are herewith and hereby, respectfully requested and urged to make every effort and to appropriate such sums of moneys by their acts, for the purpose and usage to be spent and used in the removing of all sand bars and other obstructions from the channels of the Steinhatchee River, traversing the counties of Taylor, Lafayette, and Dixie, with its outlet in and to the Gulf of Mexico; and be it further

Resolved, That the Senators and Representatives of Congress, now convened in this the Seventy-fourth Congress of the United States, be, and they are hereby, respectfully requested and urged to appropriate sufficient sums of money, in addition to the removing of sand bars and other obstructions from the channels of the Steinhatchee River, to maintain a channel in the said river clear of all obstructions and sand bars; be it further

Resolved, by the membership of the Florida Legislature now convened in regular session, that a copy of this memorial be immediately forwarded under the great seal of the State of Florida, by the secretary of state of Florida, to the President of the United States of America, a copy to the Vice President of the United States of America, a copy to the Speaker of the House of Representatives of Congress, and a copy to each of the United States Senators from the State of Florida, and a copy to each Member of the House of Representatives from Florida, now serving in the Congress of the United States, and a copy to be furnished to the press for publication.

Approved by the Governor April 12, 1935.

PAYMENT OF SOLDIERS' ADJUSTED-SERVICE CERTIFICATE

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a memorial from the State Legislature of the State of Florida.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREEN. Mr. Speaker, although the House has already passed the bonus bill at this session of the Congress, I am sure each of my colleagues will be interested in House Memorial No. 1 from the Florida Legislature, memorializing the Congress to promptly pass this legislation. It gave me pleasure to vote for payment of the bonus each time it has been before the Congress, and it is to be hoped that in the very near future the other branch of the legislature and also the Chief Executive may join with us in the final passage of this worthy legislation. The memorial follows:

A memorial to the Congress of the United States requesting the immediate passage of appropriate legislation for the payment and cancelation of interest charges upon United States veterans' service-adjusted certificates

Whereas it appears that the Government has proposed plans and programs of spending moneys and desires circulation; and

Whereas it appears that this would be a proper method of getting money into circulation and retiring a just obligation by the payment of what is known as "soldiers' bonus"; and

Whereas we deem it a just debt and liability of the United States of America to those who served their country in time of war: Therefore be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States of America is hereby requested and petitioned for the immediate passage of appropriate legislation for the payment of what is known as the "bonus" or United States veterans' adjusted-compensation certificates, now held by ex-service men of the World War; be it further

Resolved, That the Congress of the United States in its wisdom for the immediate passage of appropriate legislation for the payment of what is known as the "bonus" or adjusted certificates that they do include therein such legislation provisions for the cancelation of interest charged and assessed against such adjusted certificate loans outstanding; be it further

Resolved, That a copy of this memorial, under the great seal of the State of Florida, be immediately forwarded by the Secretary of State to the President of the United States of America, to the President of the United States Senate, Hon. JOHN N. GARNER, a copy to Hon. JOSEPH W. BYRNS, Speaker of the House of Representatives of the United States Congress, and copies to be forwarded to the delegation representing the State of Florida in both the House and Senate of the United States Congress; be it further

Resolved, That a copy of this resolution be spread upon the journal in both the house of representatives and State senate; be it further

Resolved, That sufficient copies of this resolution be furnished to the press.

Approved by the Governor on April 11, 1935.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1936—CONFERENCE REPORT

Mr. ARNOLD, from the Committee on Appropriations, submitted a report (Rept. No. 726) on the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments, for printing in the RECORD.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.; and

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p. m.), the House, pursuant to its order heretofore entered, adjourned until tomorrow, Friday, April 19, 1935, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

304. Under clause 2 of rule XXIV a communication from the President of the United States, transmitting a supplemental estimate of appropriations for the legislative establishment, United States Senate, for the fiscal year 1936, in the sum of $8,500 (H. Doc. No. 158), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOLMES: Committee on Interstate and Foreign Commerce. H. R. 4505. A bill granting the consent of Congress to the State of Maine and the Dominion of Canada to maintain a bridge already constructed across the St. John River between Madawaska, Maine, and Edmundston, Canada; with amendment (Rept. No. 699). Referred to the House Calendar.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 6859. A bill granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River, at or near Old Pireway Ferry Crossing, N. C.; without amendment (Rept. No. 700). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 6987. A bill authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87; without amendment (Rept. No. 701). Referred to the House Calendar.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 6997. A bill authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.; without amendment (Rept. No. 702). Referred to the House Calendar.

Mr. SCHAEFER: Committee on Military Affairs. House Joint Resolution 244. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library"; without amendment (Rept. No. 703). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. S. 2035. An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes; with amendment (Rept. No. 724). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 5809. A bill to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia"; with amendment (Rept. No. 725). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EVANS: Committee on Claims. H. R. 781. A bill for the relief of Henry C. Zeller and Edward G. Zeller with respect to the maintenance of suit against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending September 30, 1917, in excess of the amount of tax lawfully due for such period; with amendment (Rept. No. 704). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 2325. A bill for the relief of James P. Whalen; with amendment (Rept. No. 705). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 2730. A bill for the relief of Thomas Harris McLaughlin; with amendment (Rept. No. 706). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 3149. A bill to confer jurisdiction upon the United States District Court for the Southern District of Texas, Corpus Christi Division, to determine the claim of Mrs. L. B. Gentry; with amendment (Rept. No. 707). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 3163. A bill for the relief of the Allegheny Forging Co.; with amendment (Rept. No. 708). Referred to the Committee of the Whole House.

Mr. ECKWALL: Committee on Claims. H. R. 3575. A bill for the relief of Mrs. Lawrence Chlebeck; with amendment (Rept. No. 709). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 3907. A bill for the relief of James L. Park; with amendment (Rept. No. 710). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 4368. A bill for the relief of E. C. West; with amendment (Rept. No. 711). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 4816. A bill for the relief of A. Bruce Bielaski; without amendment (Rept. No. 712). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4821. A bill for the relief of Ward J. Lawton, special dis-

bursing agent, Lighthouse Service, Department of Commerce; without amendment (Rept. No. 713). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4830. A bill for the relief of the Washington Post Co.; without amendment (Rept. No. 714). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4850. A bill to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army; with amendment (Rept. No. 715). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4860. A bill for the relief of Judson Stokes; with amendment (Rept. No. 716). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 4974. A bill for the relief of Rabbi Isaac Levine; with amendment (Rept. No. 717). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 5971. A bill for the relief of Charles Pine; with amendment (Rept. No. 718). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 6177. A bill for the relief of Brooker T. Wilkins; with amendment (Rept. No. 719). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 6825. A bill for the relief of Mrs. Clarence J. McClary; with amendment (Rept. No. 720). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. S. 314. An act for the relief of Vito Valentino; with amendment (Rept. No. 721). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. S. 537. An act for the relief of C. O. Meyer; with amendment (Rept. No. 722). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 920. An act for the relief of Ruth J. Barnes; with amendment (Rept. No. 723). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7183) granting a pension to William L. Collett; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7536) granting a pension to Uriah J. Doneheu; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7581) directing the Court of Claims to reopen the case of William G. Maupin, Jr., and others against the United States, docket no. 34681, and to correct the errors therein, if any, by an additional judgment against the United States; Committee on Claims discharged, and referred to the Committee on the Judiciary.

A bill (S. 2333) for the relief of John W. Dady; Committee on Claims discharged, and referred to the Committee on Indian Affairs.

A bill (H. R. 2502) for the relief of Waldo L. Robichaux; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN (by request): A bill (H. R. 7590) to create a Central Statistical Committee and a Central Statistical Board, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. FADDIS: A bill (H. R. 7591) granting the consent of Congress to the cities of Donora and Monessen, Pennsylvania municipal corporations, to construct, maintain, and operate a bridge across the Monongahela River between the two cities; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7592) to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: A bill (H. R. 7593) to facilitate the extension of agricultural credit at lower interest rates by providing for the issue of certain bank notes, and for other purposes; to the Committee on Agriculture.

By Mr. KENNEY: A bill (H. R. 7594) to supplement and amend the act entitled "An act to incorporate the North River Bridge Co. and to authorize the construction of a bridge and approaches at New York City across the Hudson River, to regulate commerce in and over such bridge between the States of New York and New Jersey, and to establish such bridge a military and post road", approved July 11, 1890; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 7595) to authorize the purchase of certain pictures by Albert Operti of Arctic expeditions; to the Committee on the Library.

By Mr. SMITH of Washington: A bill (H. R. 7596) to provide for the construction of a post-office building at Raymond, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. GRAY of Pennsylvania: A bill (H. R. 7597) to authorize additional clerk hire for certain Members of Congress; to the Committee on Accounts.

By Mr. RYAN: Joint resolution (H. J. Res. 250) making an additional appropriation for the Federal Trade Commission; to the Committee on Appropriations.

By Mr. CROWTHER: Joint resolution (H. J. Res. 251) proposing an amendment to the Constitution relating to the terms of President and Vice President; to the Committee on Election of President, Vice President, and Representatives in Congress.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to provide for repayment of Federal relief loans made to farmers in drought-stricken areas by working on highways and other public projects; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARDEN: A bill (H. R. 7598) for the relief of Brown McCubbin; to the Committee on Claims.

By Mr. COLE of Maryland: A bill (H. R. 7599) for the relief of Norman C. Brady; to the Committee on Claims.

By Mr. DIMOND: A bill (H. R. 7600) authorizing a preliminary examination of the Tanana River and Chena Slough, Alaska; to the Committee on Flood Control.

By Mr. GRAY of Pennsylvania: A bill (H. R. 7601) granting a pension to Millie Walker; to the Committee on Pensions.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 7602) for the relief of Thomas Theodore Foley; to the Committee on Naval Affairs.

Also, a bill (H. R. 7603) for the relief of William Reid; to the Committee on Naval Affairs.

Also, a bill (H. R. 7604) for the relief of John J. Martin; to the Committee on Naval Affairs.

Also, a bill (H. R. 7605) for the relief of Ralph Fern; to the Committee on Naval Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 7606) for the relief of Maj. Edwin F. Ely, Capt. Rayburn Engles, and others; to the Committee on Military Affairs.

By Mr. MONTET: A bill (H. R. 7607) to provide for a preliminary examination and survey for the enlargement

and improvement of the canal beginning at the gravel road in section 27, township 13 south, range 4 east, Louisiana meridian, running southward to the Intracoastal Canal in Vermilion Parish, La.; to the Committee on Rivers and Harbors.

By Mr. ROMJUE: A bill (H. R. 7608) granting a pension to Effie T. McElhiney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7609) authorizing a preliminary examination of Salt River, in Adair County, Mo., with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. SNELL: A bill (H. R. 7610) granting a pension to Sidney Ann Hodges; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 7611) granting a pension to Ida E. Grinnell; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 7612) granting an increase of pension to Emma Turner; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 7613) for the relief of Edward Tumelty; to the Committee on Naval Affairs.

By Mr. WILCOX: A bill (H. R. 7614) granting a pension to William S. Gandy; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 7615) granting a pension to Asa Ennes; to the Committee on Pensions.

By Mr. BULWINKLE: A bill (H. R. 7616) for the relief of the estate of W. W. McPeters; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7206. By Mr. ANDREW of Massachusetts: Petition of the City Council of Salem, Mass., urging that the processing tax on cotton products be abolished, and that regulations be imposed prohibiting the importation of Japanese cotton or Japanese cotton products, also leather, shoes, toys, machinery, etc., to the United States; to the Committee on Ways and Means.

7207. By Mr. BEITER: Petition of the Assembly and Senate, New York Legislature, urging the President and Congress to repeal the charter of the North River Bridge Co., which was granted by act of Congress of the United States (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong., 1922); to the Committee on Interstate and Foreign Commerce.

7208. By Mr. BOYLAN: Concurrent resolution adopted by the Legislature of the State of New York, memorializing the Congress of the United States to repeal the charter of the North River Bridge Co., which was granted by an act of Congress of the United States (Public Act No. 350, 67th Cong.); to the Committee on Interstate and Foreign Commerce.

7209. By Mr. BRUNNER: Resolution of Hon. Carl Pack, State of New York in Assembly, urging Congress to repeal the charter of the North River Bridge Co., which was granted by act of Congress of the United States (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong., 1922); to the Committee on Interstate and Foreign Commerce.

7210. By Mr. COLDEN: Petition submitted by Diantha De Muth and containing the names of 85 residents of the Seventeenth California District, asking that the Townsend old-age pension plan be enacted into law; to the Committee on Ways and Means.

7211. Also, resolution of the Sixty-seventh Assembly District Federation of Democratic Clubs, 11104 South Main Street, Los Angeles, Calif., protesting against the high prices of meat, the lack of proportionate wages for those who are employed in the meat industry, and asking that a congressional investigation of the meat industry be made to discover the cause of the unreasonable rise in meat prices; to the Committee on Agriculture.

7212. By Mr. FITZPATRICK: Petition signed by Arthur S. Otis and a number of others of the World Book Co., publishers, of Yonkers, N. Y., urging the passage of legislation to take profits out of war; to the Committee on the Judiciary.

7213. By Mr. GOODWIN: Petition of the Onondaga Farm Bureau, Syracuse, N. Y., urging favorable report by House Agriculture Committee on House bills 6123 and 5702; to the Committee on Agriculture.

7214. Also, petition of St. Mary's Parish, Coxsackie, N. Y., strongly urging the adoption of the Borah resolution and plan for any religious persecution in Mexico; to the Committee on Foreign Affairs.

7215. By Mr. HART: Petition of Marion Stearns, of Weehawken, N. J., protesting against persecution of Catholics in Mexico; to the Committee on Foreign Affairs.

7216. Also, petition of Victorine Tyndall, of Weehawken, N. J., protesting against the persecution of Catholics in Mexico; to the Committee on Foreign Affairs.

7217. By Mr. HOOK: Resolution passed by the Common Council of the City of Iron Mountain, Mich., petitioning the President and the Congress of the United States to authorize and appropriate moneys sufficient to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on Appropriations.

7218. Also, resolution passed by the Cloverland Chapter, No. 23, of Disabled American Veterans, of Iron Mountain, Mich., petitioning the President and the Congress of the United States to appropriate sufficient moneys to construct a Veterans' Administration hospital in the Detroit area; to the Committee on Appropriations.

7219. By Mr. JOHNSON of Texas: Petition of H. H. Coplen, manager Hartford Fire Insurance Co., of Palmer, Tex., favoring House bill 6452; to the Committee on the Post Office and Post Roads.

7220. Also, petition of the Travelers' Hotel Credit Corporation of New York City, favoring House bill 2798, to restore 2-cent postage; to the Committee on Ways and Means.

7221. By Mr. KENNEDY of New York: Petition of the Legislature of the State of New York, requesting the Congress of the United States to repeal the charter of the North River Bridge Co., which was granted by act of Congress of the United States (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong., 1922); to the Committee on Interstate and Foreign Commerce.

7222. By Mr. KENNEY: Petition of the citizens and taxpayers of the boroughs of Tenafly, New Milford, Dumont, and Bergenfield, all in the county of Bergen, requesting the adoption of a plan, perfected by Maj. L. A. Jenny, a resident of Bergen County and an engineer of wide experience on transportation problems, for linking northeastern New Jersey with New York City by rapid transit; to the Committee on Interstate and Foreign Commerce.

7223. Also, petition of citizens of Leonia, N. J., urging the continuance of the adult education under the Emergency Relief Administration; to the Committee on Appropriations.

7224. By Mr. LUCAS: Petition of Russell Hall and 24 other citizens of Franklin, Ill., relative to old-age and social insurance; to the Committee on Labor.

7225. By Mr. McREYNOLDS: Petition containing the signatures and addresses of 99 citizens of Chattanooga, Tenn., asking favorable consideration of Congress of the extension of the National Recovery Administration; the Wagner labor-disputes bill (S. 6288); the Connery bill (H. R. 6450), labor representation on codes; Connery Resolution No. 141, to prohibit use of Federal arms and supplies during strikes without authority from the Secretary of War; and the Byrnes bill (S. 2039), to stop shipment of strike breakers over State lines during strikes; to the Committee on Labor.

7226. By Mr. MERRITT of New York: Resolution adopted by the New York Clothing Manufacturers Exchange, Inc., of 22 East Seventeenth Street, New York City, N. Y., urging Congress to continue the National Recovery Act; to the Committee on Appropriations.

7227. By Mr. ROGERS of Oklahoma: Petition headed by John C. Moffett, of Knoxville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7228. Also, petition headed by Floyd Moore, Jr., of Sewanee, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7229. Also, petition headed by Charlie Smith, of Moss, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7230. Also, petition headed by Dolphus Buford, of Laurel Hill, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7231. Also, petition headed by L. Brooks of Henderson, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7232. Also, petition headed by V. G. McDonald, of Ripley, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7233. By Mr. RUDD: Petition of T. Tricarico, 694 Wyona Street; M. Desiante, 428 Watkins Street; W. Spencer, 39 Watkins Street; S. Manno, 113 Liberty Avenue; N. Castaro, 287 Stone Avenue; S. George, 155 Ashford Street; all of Brooklyn, N. Y.; and the Mutual Delivery Service Corporation, 521 Fifth Avenue, New York City, concerning the retention of the present ice code without modification; to the Committee on Appropriations.

7234. Also, petition of the Assembly, Legislature of the State of New York, concerning the repeal of the charter of the North River Bridge Co., which was granted by act of Congress of the United States (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong., 1922); to the Committee on Interstate and Foreign Commerce.

7235. Also, petition of the New York State Brewers Association, New York City, concerning McNary bill; to the Committee on Agriculture.

7236. By Mr. SADOWSKI: Petition of the St. Joseph Lodge, No. 1, S. C. U., Calumet, Mich., urging continuation of tariff on copper; to the Committee on Ways and Means.

7237. By Mr. TRUAX: Petition of the United Mine Workers of America, Local Union No. 231, Roswell, Ohio, by their recording secretary, Angelo Campo, urging support of the Wagner labor-disputes bill, Black-Connery 30-hour-week bill, and continuance of the National Recovery Administration; to the Committee on Labor.

7238. Also, petition of Local No. 2, International Brotherhood of Electrical Workers, of St. Louis, Mo., by their secretary, Sidney Weise, urging support of House bill 1628, known as the "Wagner-Connery labor-relations bill", and House bill 7198, the Black-Connery 30-hour-week bill; to the Committee on Labor.

7239. Also, petition of the Norwalk Townsend Club, No. 2, composed of 150 members, by their president, Oscar Teschke, urging support of the Townsend old-age-pension bill; to the Committee on Ways and Means.

7240. Also, petition of the American Legion Auxiliary, Unit No. 526, Osborn, Ohio, by their president, Gertrude Honaker, urging support of House bill 6995, restoring benefits to the Spanish-American War veterans and their widows and dependents; to the Committee on Pensions.

7241. Also, petition of the United Appliance Union, Local No. 18652, Toledo, Ohio, by their secretary, Ruby Rittgus, asking support of the Wagner labor-disputes bill and for the continuance of the National Recovery Act; to the Committee on Labor.

7242. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to provide for repayment of Federal relief loans made to farmers in drought-stricken areas by working on highways and other public projects; to the Committee on Appropriations.

7243. By the SPEAKER: Petition of the American Society for Experimental Pathology, Boston, Mass.; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, APRIL 19, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 18, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 97) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6457) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.; and

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Russell
Ashurst	Coolidge	Keyes	Schall
Austin	Costigan	King	Schwellenbach
Bailey	Couzens	La Follette	Sheppard
Bankhead	Cutting	Lewis	Shipstead
Barbour	Dickinson	Logan	Smith
Barkley	Donahey	Lonergan	Steiwer
Bilbo	Duffy	McGill	Thomas, Okla.
Black	Fletcher	McKellar	Thomas, Utah
Bone	Frazier	McNary	Townsend
Borah	Gerry	Metcalf	Trammell
Bulkley	Gibson	Minton	Truman
Bulow	Glass	Murray	Tydings
Burke	Gore	Neely	Vandenberg
Byrd	Guffey	Norris	Van Nuys
Byrnes	Hale	Nye	Wagner
Capper	Harrison	Pittman	Walsh
Caraway	Hastings	Pope	Wheeler
Carey	Hatch	Reynolds	White
Clark	Hayden	Robinson	

Mr. AUSTIN. I announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent from the Senate.

Mr. LEWIS. I announce that the Senator from Connecticut [Mr. MALONEY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from New Hampshire [Mr. BROWN], the senior Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from California [Mr. MCADOO], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Iowa [Mr. MURPHY], the Senator from New York [Mr. COPELAND], the Senator from Tennessee [Mr. BACHMAN], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New Jersey [Mr. MOORE] are necessarily detained from the Senate. I ask that this announcement stand for the day.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following assembly concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Commerce:

Whereas, in 1921, the States of New York and New Jersey entered into a compact whereby they undertook the future planning and development of the port of New York and created the Port of New York Authority as their joint agent and trustee to provide adequate highway and railway communication within the port of New York district; and

Whereas, in 1922, with the approval of Congress, the two States adopted a comprehensive plan for the development of the port of New York, with particular regard to railroad facilities and improvements; and

Whereas, in 1931, by chapter 47, Laws of New York, 1931, and chapter 4, Laws of New Jersey, 1931, the two States declared and agreed that the vehicular traffic movement across the waters between the States of New York and New Jersey constituted a general movement of traffic and further agreed that the construction, maintenance, operation, and control of all such bridges and tunnels heretofore and hereafter authorized by the two States should be unified under the port authority; and

Whereas the Port Authority is now operating the George Washington Bridge and the Holland Tunnel, constructed at an aggregate cost of approximately $95,000,000, and is engaged in the construction of the Midtown Hudson Tunnel at a cost of approximately $38,000,000, which said facility was included in the comprehensive program of public works pursuant to the National Industrial Recovery Act, and is now in the course of construction; and

Whereas, in 1890, the North River Bridge Co. procured a corporate charter from Congress authorizing it to construct a railroad and vehicular bridge across the Hudson River between the State of New Jersey and the city of New York, and to build freight terminals in connection therewith; and

Whereas the said company originally planned to build such bridge in Hoboken, N. J., but has revised and altered its plans and now intends to build it in the vicinity of Fifty-seventh Street and to a corresponding point over the Hudson River in the State of New Jersey; and

Whereas, although 45 years have elapsed, such bridge has not been constructed and the plans therefor are still on paper and the two States have since developed and are effectuating a railroad and vehicular program in the port district; and

Whereas there is not, and will not for many years to come, be sufficient vehicular traffic across the Hudson River in the mid-Manhattan area to justify the construction of both the Midtown Hudson Tunnel and the proposed Fifty-seventh Street Bridge; and

Whereas the proposed bridge is in direct conflict with all elements of the carefully conceived plans of the two States for the solution of the railroad and vehicular communication problems in the port of New York district, and tends to place these plans and the interests of the two States in jeopardy, and is contrary to sound Federal and State policy: Now, therefore, be it

Resolved (*if the senate concur*), That the President and Congress of the United States are hereby memorialized and requested to repeal the charter of the North River Bridge Co. which was granted by act of Congress of the United States (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong., 1922); and

That a copy of this resolution be transmitted by the secretary of state to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Member of the Senate and House of Representatives of the United States from the State of New York.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Pennsylvania, which was ordered to lie on the table:

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has, by legislative enactment, designated October 11, 1929; October 11, 1931; October 11, 1932; and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved (*if the senate concur*), That the General Assembly of the Commonwealth of Pennsylvania hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress;

Resolved, That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Pennsylvania.

The VICE PRESIDENT also laid before the Senate a memorial of the Legislature of the State of Florida, favoring the making of appropriations to be expended in the removing of all sand bars and other obstructions from the channels of the Steinhatchee River traversing the counties of Taylor, Lafayette, and Dixie, and also in addition thereto to maintain the channel in that river, which was referred to the Committee on Commerce.

(See memorial printed in full when presented by Mr. TRAMMELL on the 18th instant, p. 5917, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a memorial of the Legislature of the State of Florida, favoring the prompt enactment of legislation providing for the payment and cancelation of interest charges upon veterans' adjusted-service certificates (bonus), which was referred to the Committee on Finance.

(See memorial printed in full when presented by Mr. TRAMMELL on the 18th instant, p. 5918, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a letter from J. T. Van Sten, Jr. (Pelham Ice Co.), of Germantown, Philadelphia, Pa., favoring retention of the section of the N. R. A. code with reference to the establishment of new ice plants, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the North-West Side Tax Payers' Association, the Midwest Home Owners' Protective Association, and the Pulaski Improvement Club of the Thirtieth Ward, all of Chicago, Ill., favoring the enactment of legislation to amend the bankrupcty laws, so that all city and town property owners, whether they have one creditor or more, may have the same recourse and the same protection as the Frazier-Lemke bankruptcy amendment provides for farmers, etc., which were referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by a students' meeting at Miami University, Oxford, Ohio, favoring the United States entering into a collective security system providing legislative, executive, and judicial agencies adequate for world government, which was referred to the Committee on Military Affairs.

He also laid before the Senate a resolution adopted at a meeting of the American Society for Experimental Pathology, at Detroit, Mich., endorsing in principle Senate bill no. 5, known as "the food, drugs, and cosmetics bill", which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the town council of South Kingstown, R. I., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. WALSH presented petitions and papers in the nature of petitions from the City Councils of New Bedford and Fall River; the Men's Brotherhood Class of the Parker Street Methodist Episcopal Church and the Italian Women's Club, both of Lawrence, and the Turn Verien Corporation, of Clinton, all in the State of Massachusetts, praying for the taking of adequate measures to afford relief to the cotton-

cloth textile industry, which were referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a petition from the Auxiliary to Joseph L. Stevens Post, No. 1240, Veterans of Foreign Wars of the United States, of Swampscott, Mass., praying for the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented resolutions adopted by the City Council of Quincy and the Board of Aldermen of Chelsea, both in the State of Massachusetts, favoring adequate tariff protection against the importation of foreign goods manufactured by poorly paid labor, which were referred to the Committee on Finance.

He also presented petitions and papers in the nature of petitions from several organizations and sundry citizens in the State of Massachusetts, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Haverhill (Mass.) Labor Conference, favoring the reopening of the Shoe Code of the National Recovery Administration, which was referred to the Committee on Finance.

He also presented a resolution adopted by St. John's Council, No. 404, Knights of Columbus, of Attleboro, Mass., protesting against alleged religious persecutions in the Republic of Mexico, which was referred to the Committee on Foreign Relations.

He also presented memorials of sundry citizens of the State of Massachusetts, remonstrating against alleged religious persecutions in the Republic of Mexico, and favoring the recall of the American Ambassador to that country, which were referred to the Committee on Foreign Relations.

He aso presented a petition of sundry citizens of the State of Massachusetts, praying for the enactment of House bill 6472, to prohibit and prevent what is known as "block booking" in the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from the Plymouth (Mass.) County Board, Ancient Order of Hibernians, praying for the enactment of legislation providing for the issuance of a special postage stamp commemorating the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also presented letters in the nature of memorials from Kalashian Bros., Inc., of Worcester, and the Pittsfield Chamber of Commerce, both in the State of Massachusetts, remonstrating against the enactment of the so-called "Black 30-hour work week bill", and the "Wagner labor-disputes bill", which were ordered to lie on the table.

He also presented letters in the nature of petitions from Local Union No. 2056, United Textile Workers of America, of Uxbridge; and Local No. 86, Moving Picture Machine Operators, of Springfield, both in the State of Massachusetts, praying for the enactment of the so-called "Black 30-hour work week bill" and the "Wagner labor-disputes bill", which were ordered to lie on the table.

PREVENTION OF LYNCHING

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution unanimously adopted by the Fifty-fourth Annual Convention of the American Federation of Labor, calling upon Congress to enact the so-called "Costigan-Wagner antilynching bill."

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the lynching of human beings and mob law are a shame and disgrace to our American civilization, holding our country up to ridicule and condemnation of the entire civilized world; and

Whereas nearly 5,000 lynchings have occurred in the United States of America in the last 50 years, over 1,000 of whom were white people; and

Whereas lynching and mobocratic germs, like disease germs, know no color, race, nationality, or religious lines, since history shows that wherever lynching becomes a custom that a black man may be a victim today but a white man will be the victim tomorrow; and

Whereas mob and lynch law are on the increase, striking here and there at the heart of the labor movement and our constitutional form of government, indicating the utter helplessness of individual States to cope with this crime against humanity: Therefore be it

Resolved, That the Fifty-fourth Annual Convention of the American Federation of Labor, assembled in San Francisco, herewith proclaim to the world its absolute and unequivocal condemnation of lynch and mob law, and call upon Congress and President Roosevelt to enact and execute the Costigan-Wagner Federal antilynching bill, with a view to wiping out this shameful blot of barbarism from American soil; be it further

Resolved, That this resolution be sent to the Members of the House of Representatives and Senators, urging them to back this measure, and that a copy of this resolution also be sent to the following national organizations that are supporting the bill: Federal Council of Churches of Christ in America, National Student Council, Young Women's Christian Association, American Civil Liberties Union, Race Relations Committee, Society of Friends, National Urban League, National Association for the Advancement of Colored People, Public Affairs Committee, National Board of the Young Women's Christian Association, Women's International League for Peace and Freedom, Writers' League Against Lynching, Church League for Industrial Democracy, League for Industrial Democracy, American Federation of Teachers, and the Congregational and Christian Churches.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2193) to provide for the construction, extension, and improvement of public-school buildings in Duchesne County, Utah, reported it without amendment and submitted a report (No. 536) thereon.

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (S. 1495) authorizing the President to order Donald O. Miller before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his separation, reported it with amendments and submitted a report (No. 537) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 2225) authorizing adjustment of the claim of the Western Union Telegraph Co., reported it without amendment and submitted a report (No. 538) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1030) for the relief of the Mutual Savings and Loan Association, Wilmington, Del., reported it with an amendment and submitted a report (No. 539) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. TYDINGS:

A bill (S. 2620) to grant the consent of Congress to the George Washington Memorial Bridge Public Corporation, a corporation, to construct a bridge across the Potomac River; to the Committee on Commerce.

By Mr. FRAZIER:

A bill (S. 2621) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children; to the Committee on Indian Affairs.

By Mr. NEELY:

A bill (S. 2622) to restore to the Neill Grocery Co., of Wheeling, W. Va., the sum of $900, the amount of counsel fee paid by said Neill Grocery Co. in an action brought against them August 10, 1917; to the Committee on Claims.

A bill (S. 2623) granting a pension to Charles E. Conner; to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 2624) authorizing a preliminary examination of the Tanana River and Chena Slough, Alaska; to the Committee on Commerce.

A bill (S. 2625) to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment (with accompanying papers); to the Committee on Commerce.

By Mr. BARBOUR:

A bill (S. 2626) to authorize the sale of Federal buildings; to the Committee on Public Buildings and Grounds.

By Mr. BURKE:

A bill (S. 2627) to amend section 128 of the Judicial Code, as amended; and

A bill (S. 2628) to amend section 5296 of the Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. CUTTING:

A bill (S. 2629) to extend the time for compliance with the drilling requirements of oil and gas prospecting permits; to the Committee on Public Lands and Surveys.

By Mr. McKELLAR:

A bill (S. 2630) to provide for the compiling and publishing of the Official Register of the United States; to the Committee on Civil Service.

A bill (S. 2631) to authorize the operation of stands in Federal buildings by blind persons to enlarge the economic opportunities of the blind and for other purposes; to the Committee on Public Buildings and Grounds.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENTS TO FARMERS' HOME CORPORATION BILL

Mr. McGILL submitted an amendment, Mr. BANKHEAD submitted two amendments, and Mr. BAILEY submitted three amendments, intended to be proposed by them, respectively, to the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, which were severally ordered to lie on the table and to be printed.

ANNUAL REPORTS OF PUBLIC-UTILITY COMPANIES OF THE DISTRICT OF COLUMBIA (S. DOC. NO. 52)

Mr. KING. Mr. President, it has been the habit, and indeed I believe it is the law, to have submitted to the Senate annual reports by the public-utility companies of the District of Columbia. There have been transmitted to me as Chairman of the Committee on the District of Columbia certain reports from the public utilities of the District, and I send them to the desk and ask that they may be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

PROCEEDINGS AGAINST WILLIAM P. M'CRACKEN, JR. (S. DOC. NO. 51)

Mr. HAYDEN. Mr. President, on April 15 I asked to have printed as part II of a Senate document some additional proceedings in the case of William P. MacCracken, Jr., I find that part I of that document is exhausted, and I ask unanimous consent that the entire matter be printed as one document.

The VICE PRESIDENT. Without objection, it is so ordered.

RECOMMITTAL OF A BILL

Mr. POPE. Mr. President, I ask unanimous consent that the bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, now on the calendar, may be recommitted to the Committee on Mines and Mining.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, may I inquire of the Senator from Idaho the purpose of the bill?

Mr. POPE. It is a bill which I introduced relative to mining.

Mr. McNARY. Is it on the calendar?

Mr. POPE. Yes; it is.

Mr. McNARY. Was it reported by the committee?

Mr. POPE. It was reported by the committee, but I understand there are certain amendments which several Senators desire to have printed and presented to the committee. I am willing that shall be done.

Mr. McNARY. The Senator is asking that the bill be recommitted to the committee having jurisdiction of the subject matter?

Mr. POPE. Yes.

Mr. McNARY. I have no objection.

The VICE PRESIDENT. Without objection, the bill will be recommitted to the Committee on Mines and Mining.

NATURAL RESOURCES OF THE PHILIPPINE ISLANDS

Mr. GIBSON. Mr. President, we are about to take a step that will have a far-reaching effect on our relations in the Orient.

We propose, under the Tydings-McDuffie Act, to set up a commonwealth and to take successive steps that will insure the independence of the Philippine Islands in 10 years.

It will be advantageous at the outset to have before us information as to the natural resources of the islands. I propose, from time to time, to call attention to important facts as to this rich dependency so far as these natural resources are concerned. Today I will refer to the production of gold.

The islands have become in recent years an extensive producer. At the present rate of production the 1935 output will surpass that of Alaska and will soon make the Philippines one of the greatest gold production areas of the world.

I ask unanimous consent that a portion of a very interesting article, which appeared in a recent issue of the New York Times, be printed in the CONGRESSIONAL RECORD for the information of the Members of the Congress.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 31, 1935]

By Robert Aura Smith

At the present rate of production gold mining in the Philippines in 1935 will reach by far its highest level and will surpass the Alaskan output.

In 1934 Philippine mines produced gold in excess of ₱22,000,000 (about $11,000,000 at the present exchange). The first 2 months of 1935 showed a production of about ₱6,000,000, and with more mines coming into production the total for the year will probably exceed ₱36,000,000.

The Philippines at present are living in what is actually a gold rush. It is, however, vastly different from the early days of the Klondike or the California fields and, indeed, greatly different from the hectic gold-stock boom days of 1933 in the Philippines.

BOOM FOLLOWS GOLD-PRICE RISE

The increased price of gold in the United States has made it feasible to work some ores of lower grade than were previously mined and to bring into production properties whose commercial exploitation had been problematical. As a consequence there is a steady increase going on in all mining activities. The stock market for mining shares is active, but it is based more on investment than on speculative values.

Mining purchases are being increased both here and in the United States. New mills are being put up. Engineers are being brought out to the islands and pay rolls enlarged. The city of Baguio, around which most of the producing mines are located, is thriving. There is no shack building, but there is a steady increase of good homes, business houses, and general commercial enterprises.

At present there are 11 mines in the Philippines actually producing gold. Of these, five have completely repaid their original investment and are now paying dividends. The oldest of the companies is Benguet Consolidated. Its property lies about 10 miles outside the city of Baguio and has been under steady operation for more than 25 years. It has been producing gold for the last 10 years of that period and has paid large dividends. Its production during 1934 was ₱8,488,959.

A number of other mines will go into production very soon. Efficient small mills have been set up in numerous operations and profitable ore bodies are reported at various points throughout the district. Six of these companies are expected to start production within the next 3 months. Extensive developments are also going on in 14 other large mines and most of these developments have passed the experimental stage.

Mining in the Philippines is marked by very definite assets and liabilities. One of the largest assets is the high degree of accessibility. Beguio is only 125 miles from Manila by air line, has excellent roads and good railway service, and excellent airplane communications are available.

NOTICE OF SPEECH BY SENATOR LONG

Mr. REYNOLDS. Mr. President, I have been requested by the senior Senator from the State of Louisiana [Mr.

LONG] to announce that if he can obtain the floor on Monday, April 22, he will reply to the statements of the Secretary of the Interior.

COMPROMISE BONUS PLAN—ADDRESS BY SENATOR HARRISON

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD an address delivered by the senior Senator from Mississippi [Mr. HARRISON] over the Columbia Broadcasting System on Thursday, April 18, 1935, on the subject "The Compromise Bonus Plan."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It has been my experience that most controversies are occasioned because the separate opinions are constructed upon different foundations and that persons on opposite sides of issues could most times reconcile their opinions were the basic facts carefully ascertained, studied and evaluated.

In a letter addressed to Commander Farmer of the American Legion Post, Henderson, Tex., President Roosevelt stated:

"I appreciate your letter of recent date, and it is particularly interesting in that it confirms an impression that I have had for some time; that is, that the bonus question is not well understood even among the veterans themselves."

Few questions in recent months have held the attention of so large a group of our citizens as has the immediate payment of the so-called "bonus."

It was no easy task in 1924 to pass the Adjusted-Service Certificate Act. It was only accomplished after a bitter legislative struggle, and over a Presidential veto. This act gave to the veteran of the World War an adjusted-service certificate, providing for an endowment-insurance plan in the amount of $1,000, due in 20 years, thereby protecting his dependents, in case of his death.

Those who advocated this plan at that time argued that it was so much better for the veteran to be assured of a nest egg in 1945, when the veteran's age would average 53 years, than to have a bonus given him then, when his age was, on the average, only 33 years. And so that plan was embodied in the present law.

What was that plan? It sought to give the veteran of the World War an extra dollar a day for service at home and $1.25 a day for service abroad, which, on the average, amounted to about $400. The Government said: "We will go further and boost it 25 percent, and we are going to use that amount as a lump-sum payment on a 20-year endowment insurance policy."

The average amount of each policy that the veteran received was $1,000, and the amount, as well as the date of maturity, was written on the face of the adjusted-service certificate. This $1,000 is accounted for by the interest the Government was to allow, at 4-percent interest, compounded through the years, on the amount figured at $1 and $1.25 a day for the number of days each veteran served in the war.

It can be readily seen that under the 1924 act the full value of these certificates will not be due for some 10 years. The policies having run for only 10 years, their present value is, therefore, a little more than half of what it would be when these certificates become due. By no stretch of the imagination and no standard of sound reasoning can the claim be justified that these certificates are now payable in full. But the Congress is confronted with the issue. It constantly bobs up, and will continue to be pressed upon the Congress by organizations composed of men of the highest impulses and the finest motives, whose records upon the battlefields and in defense of the country naturally make their influence felt, and who are entitled to receive the sympathetic consideration of those who direct the national machinery.

A few weeks ago the House of Representatives passed the so-called "Patman bill", which seeks to make these certificates immediately payable and authorizes the Government to issue the money with which to pay them. It will cost the Government in cash, and immediately, $2,300,000,000.

On yesterday I introduced a bill in the Senate, one which represents no extreme viewpoint but which will, if passed, enable the country to be rid of this vexatious and constantly recurring question and at the same time will cause no great shock to the Government's fiscal program. Succinctly stated, the plan embodied in the bill declares a policy of the Government that, in view of the generous benefits accorded by the Government to veterans of the World War in the form of insurance, compensation, disability allowances, hospitalization, vocational rehabilitation, adjusted compensation (as liberalized by this act), preference of various kinds under legislation of general application, and other benefits and allowances, many of which have not been granted to veterans of prior wars, there should not be any general pension laws enacted for veterans of the World War or their dependents.

Of course, one Congress cannot bind another Congress, but such a declared policy by this Congress will announce to the veterans, as well as the country, that they must not in the future look to the Government for general pension legislation. The paramount reason against general pensions to the World War veterans is because of the prompt and generous attitude of the Government toward the World War veteran in the many directions heretofore stated and the tremendous amount that would have to be paid.

While a large majority of the present service certificates date from January 1, 1925, and interest is only calculated from that date, the bill I introduced proposes to pay interest from the signing of the armistice, November 11, 1918. In other words, under this plan the Government will pay the 4-percent compound interest on the certificate from November 11, 1918, and the date that the face value of the certificate will be reached will be greatly accelerated. Every service certificate will be increased in a value due to the amount of the 4-percent compound interest from November 11, 1918.

The bill makes no drain upon the Treasury and calls for no immediate additional taxes. It is true that this proposal will cost approximately $500,000,000 more than under the present law; yet it will cost the Government a billion dollars less than the Patman bill recently passed by the House. My bill proposes to permit those veterans who so desire to immediately convert their certificates into Government negotiable 3-percent bonds. Of course, they cannot be converted to the full amount of the face value of the certificates, but to the amount of the present surrender value of the certificates. As an illustration: If the veteran desires to convert his certificates into a negotiable Government bond, and owes nothing on it, he would receive $750 in bonds and $25 in cash. If the veteran had borrowed against the certificate, the amount of the lien would be deducted from the $775, and the balance would be paid in a bond and cash to the amount further due. If the veteran had secured a loan upon his certificate to the highest possible amount that he would be entitled to borrow, which was still unpaid, he could obtain bonds for $150 and about $25 in cash. Those veterans who do not want to convert their certificates into bonds and who prefer to carry on their insurance for the protection of their families or for their own benefit, are granted this option. They are given the same privileges as are in the present law, as well as the benefits of increased value, because of the interest running from November 11, 1918, instead of January 1, 1925, or some later date.

Under the present law the certificates dated approximately January 1, 1925, will normally mature in 1945, while under the bill I have introduced this issue of certificates will have a surrender value as great as their face value in 1942, and depending upon the age of the veteran, the face value in some instances might be reached immediately. A veteran desiring to immediately convert his certificate into negotiable bonds will be assured of 100-percent return on his bonds. Government 3-percent bonds today in the open market are being quoted between 103 and 104. The bill guarantees 100-percent return, because it provides a heavy penalty against anyone purchasing any of these bonds from a veteran below par. Indeed, the figures I have quoted heretofore as to the amount each veteran will receive by immediately converting his certificate into negotiable bonds will be increased if the present value of these bonds is maintained.

The bill will permit those veterans who desire to retain their certificates after they have reached their full value and the insurance features have been eliminated to carry on their certificate as an investment up until 1945, and during that time receive from the Government 4 percent compound interest on the certificate. In other words, the veteran who desires to ride with the Government until 1945 can draw down on his certificate not the $1,000 as in the present law, but approximately $1,115.

I have proposed the bill in no controversial mood, with no desire to antagonize the viewpoint of others. I concede to everyone the right to his opinion. Only in the spirit of making an honest and sincere effort to compose differences that should not exist have I ventured, as Chairman of the Senate Finance Committee, as a friend of the ex-service man, and as a believer in sound finance, to introduce my bill. I hope it will be accepted by the Congress and the President, so that we may get this troublesome question behind us. In my opinion, it is not only a fair and equitable, but a very practical way of handling this problem. None of the plans calling for immediate full cash payment can be enacted into law at this time. Any further attempt to do so is merely shadow boxing. There are not sufficient votes in one branch of the Congress to override a presidential veto carrying forth any such policy. The proposal I have introduced, if passed by Congress, will, in my opinion, be accepted by the President of the United States and be enacted into law.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

Mr. DICKINSON. Mr. President, I do not believe that the Senate ought to pass the pending bill. I think there are many reasons why a bill of this type should not be passed. In the first place, if we are going to pass this bill, we ought to make the personnel provided to administer it subject to the civil-service requirements under the general civil-service law. In the second place, this bill, in its present form, has no limitation, and under it the Government could sell to any individual any acreage of land for any amount of money; the individual could borrow the full amount of the money necessary to purchase the land, and then take his time to repay it, if he ever should repay it. Thirdly, I believe that, if this bill is to pass, we ought to strike from it the guaranty

by the Government of the payment of the principal and interest of the bonds proposed to be issued.

I wish to take a little time to give to the Senate information as to what we have done with reference to committing the Government to the guaranty of the payment of principal and interest on obligations issued by governmental corporations.

According to the Treasury statement on April 16, which I happened to pick up on my desk, the public debt is now $28,794,000,000 plus. But that does not tell the whole story. If we turn over to the back page of this statement, we find that the obligations of the emergency organizations and the authorizations for expenditure by those various organizations amount to $17,724,000,000 plus. Of that amount, $8,839,000,000 has not been expended. In other words, when that money shall be spent, we are going to have to obligate the Treasury for that additional $8,000,000,000, and that will have to be added to the amount which we already have as the existing public debt. We will then have a public debt of between $35,000,000,000 and $36,000,000,000.

However, that does not tell the whole story. We have recently passed laws authorizing the Government to guarantee different types of bonds and the interest on such bonds. I wish to give the Senate a short summary of what we have done with reference to that particular phase of financing. A great many men who have become financially distressed were not ruined by obligations created by themselves but by endorsing as security the notes of others. I desire every Member of the Senate to understand, and to remember, that every citizen of the United States is a guarantor and an endorser of every bond, and of the interest thereon, to which I am going to refer.

Under the Home Owners' Loan Corporation, we authorized, first, an issuance of bonds, guaranteed by the Government, both as to principal and interest, of $2,000,000,000. We have recently passed a measure providing an additional authorization of $1,750,000,000. We have, therefore, in the case of that one organization alone, notes aggregating $3,750,000,000, guaranteed by every individual citizen of the United States.

Under the Federal Farm Mortgage Corporation there was an original authorization of $2,000,000,000. Under the Reconstruction Finance Corporation authority has been given to issue $5,550,000,000 in bonds, every one of them guaranteed by the taxpayers of the United States. We have also the Tennessee Valley Authority with a $50,000,000 authorization, making a total authorization of $11,350,000,000. We are invited here today to put the Government into the real-estate business and add another $1,000,000,000 to be guaranteed, both principal and interest, by the taxpayers of the Government.

Oh, it is said, that authority has not been used. It has been used to the extent that out of the $11,350,000,000 authorization $7,506,000,000 have already been used, and issues in that amount are now outstanding, guaranteed as I have indicated.

The Home Owners' Loan Corporation up to April 16, 1935, have already issued bonds, guaranteed principal and interest, in the sum of $2,560,842,525.

The Federal Farm Mortgage Corporation up to April 10, 1935, have already issued bonds in the sum of $1,139,928,900.

The Reconstruction Finance Corporation have already issued bonds in the sum of $3,805,499,166.

The Tennessee Valley Authority have to date not issued any bonds. Why? Because they had an allotment under the P. W. A. which gives them working funds, and they have not to date been required to issue any bonds whatsoever. But the three organizations which I have named have issued bonds, guaranteed by the taxpayers of the United States, over and above the national debt, over and above the obligations which have been created in the emergency relief items to which I have heretofore referred, in the sum of $7,506,324,591.

We are now asked to go into the real-estate business and add to this amount another $1,000,000,000. I have never thought the Federal Government was authorized to go into the real-estate business. The only place where I can find there is any authorization or any control over territory is in article 4, section 3, of the Constitution, which reads as follows:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

That was the original grant of power with reference to territory. We also find in the United States Code, Annotated, article 4, section 3, at page 416, this statement:

> The term "territory" as here used is merely descriptive of one kind of property and is equivalent to the word "lands."

Citing the case of *U. S.* v. *Gratiot* (Illinois, 1840; 14 Pet. 537).

I read now from page 411, where I find this statement:

> The right of the United States to public lands originated in voluntary surrenders made by several of the old States of their waste and unappropriated lands to the United States under a resolution of the old Congress, recommending such surrender and cession to aid in paying the public debt incurred by the War of the Revolution. The object of all the parties to these contracts of cession was to convert the land into money for the payment of the debt and to erect new States over the territory thus ceded, and as soon as these purposes could be accomplished the power of the United States over these lands as property was to cease.

Citing the case of *Pollard* v. *Hagan* (Alabama, 1845; 3 Howard, 224).

Yet here we find that the United States is going into the land business. Under the terms of the bill the Government is authorized to buy land—for what purpose? For the purpose of dividing it up and then reselling it to what are known as "worthy farmers."

I do not believe the Government has any authority to buy land. I do not believe the Government under the Constitution was ever expected to go into the land business. I believe that what the Government cannot do directly it cannot possibly do by the agency of setting up a corporation. Under the "new deal" legislation there are numerous instances where an effort has been made on the part of those in charge to escape the responsibility of having a thing done directly by the Government by resorting to the device of having it done by a corporation as an agency of the Government. In my judgment, that is not a proper thing to do, it is not a thing that can be done properly under the Constitution, and it is a thing that should not be done.

As to the purposes of the bill, I believe it should be entitled not for the relief of the tenant farmers, not for the relief of the crop farmers, but for the relief of the landowners. They are the ones who will be benefited by the enactment of the bill, because we are going to find all over the United States an effort on the part of those now owning land to turn it over to the Federal Government, to turn it over to the corporation representing the Government. They will thus get away from the payment of taxes. It has not been a profitable investment for them. Therefore, in my opinion, the bill should be designated "A bill further to relieve the speculator and the present landowner."

Let me read a brief statement from page 37 of the hearings on this bill:

> Mr. RANKIN. It is the most valuable thing that can be taught to people. As I said a while ago, I don't see where opposition to this measure would come from, because, by the very nature of it, it will create a market for land, which is now a drug all over this country, and particularly in the Southern States. Some of our very best people, some of our very best citizens, are land poor. They have got more land than they can operate comfortably, and those places can be cut up into smaller places.

In other words, we find that the one thing which is to be done by the bill is to relieve of his land ownership the man who now has more land than he can profitably operate.

I think another suggestion should be made. It has been the record in my section of the country that if a man had money he could always buy land; and if he was making money he could buy land on credit. I believe if there is one thing that should be said in reference to the land situation it is that there has been too much credit, not too little. The

farmers borrowed more money than they should have borrowed. They have heavier encumbrances on their land than they should have. Many times they increased the encumbrances against their farms in order to buy additional land. As a matter of fact, we should not cater to that sort of operation. What I consider to be the most wholesome feature of the present situation is that the people are gradually realizing that the solution of the depression is going to be accomplished through the effort of our people to get back to the land.

Citing further with reference to the intent of this bill, I desire to read a statement made by Mr. Westbrook, who is the Assistant Administrator of the Federal Emergency Relief Administration, in charge of rural rehabilitation. This statement is found on page 41 of the hearings:

> To begin with, we have about 800,000 farmers who are now on relief. Roughly, those farmers are divided in this way: 300,000 in the South, 300,000 in the drought area, and 200,000 scattered generally throughout the country. In these problem areas, where we have made detailed studies, we have the percentages of people who are in relief and their classification.

Then he goes on and testifies about this situation. What do we have in this bill? At one time we had before the Senate a bill to curtail the production of cotton, and it is my understanding that that bill has put the cropping farmer of the South off his land. Now, on the one hand, we are going to say, "Your allotment is so much; you cannot raise any more cotton; if you try to raise more cotton than that, you will be prosecuted; therefore, the only thing for you to do is to get off your land and go on relief." On the other hand, we are going to say to the cropping farmer, "We are going to furnish you money, we are going to furnish you land, we are going to buy machinery for you, we are going to buy stock for you, we are going to buy seed for you, we are going to furnish you all the necessary equipment, and we are going to put you into the business of producing cotton."

In other words, one hand is working against the other. Perhaps we ought to designate this measure as a bill for the relief of the farmers who have been put on the relief rolls by the famous A. A. A. and its various efforts to bring about farm relief.

I heard the other day with a great deal of interest and read with a great deal of interest the statement of the Senator from Nebraska [Mr. NORRIS] with reference to the experiment which has been conducted in California on projects very similar to the one we have before us today. I think I can say that I have made a reasonable effort to secure the facts in regard to those two projects. I desire now to say that if the State of Alabama or the State of California or any other State in the Union wishes to go into an experimental program for the socialization of land, such as is provided by the pending bill, I should not have any objection. I think, however, I should seriously consider getting rid of my property in that State, if I happened to have any, and getting out of the State, because I do not believe that type of socialization will ever work.

What do we find with reference to those projects in California? It is my understanding that two projects were attempted. The first one was partially successful. It was located, as I remember, at Durham. In that instance, as I understand, the State sought to do exactly what this bill attempts to do. For a while the farmers were able to carry on. In the end it was found that they were not able to make their payments, with the result that the whole project more or less went into a state of collapse.

I also find that an effort was made to establish a colony of this kind at Delhi. There, on account of the condition of the land, and on account of the various elements the settlers were compelled to face and the low prices accompanying the depression, the entire project more or less collapsed.

I am sorry that I could not obtain detailed information as to these two projects, but I desired to make that statement to show what I thought the Senate should know with reference to the projects by reason of the reference heretofore made to them.

I am one of those who believe that there are signs of hope in existing conditions; and those signs are on account of the fact that every farm census report from the Department of Commerce—the last one I have is no. 10—shows that on the average there is an increase in the number of farmers returning to the farm in practically all sections of the country and in practically every county in every State in the Union.

I have made an analysis of one of these reports, and find that in each of 18 counties reporting in Iowa there has been an average increase of 73 farmers going back on the farm.

Coming a little farther east, in Indiana, I find that in each of 10 counties there has been an average increase of 329 farmers going back on the land.

Going a little farther South, in the State of Tennessee, in each of 49 counties there has been an average increase of 378 farmers going back on the land.

In the State of Virginia, in each of 43 counties there has been an average increase of 410 farmers going back on the land.

In the State of Vermont, in each of nine counties there has been an average increase of 228 families going back on the land. In Vermont the counties are extremely large.

In the State of Connecticut, each of 10 counties shows an average increase of 1,487 families going back on the farm.

In Montana each of 16 counties shows an average increase of 104 families going back on the land.

In Wyoming each of 11 counties shows an average increase of 109 families going back on the land.

In my judgment today the only encouraging sign we find today to indicate that we are going to overcome the depression is the desire on the part of the people to go back to the land. The land is where all wealth is produced. If we have any progress it will be based on the land. It is the land and the wealth produced of the land that will bring us back to normal times. Therefore, I contend that one of the encouraging signs of the times is the fact that our people have a desire to return to the land.

In almost every State in the Union a man who wishes to engage in farming has plenty of opportunity to do so. There is land for sale, and there is land for rent. It is only on account of the fact that a stringency has been existing for several years that many farmers have been compelled to give up; but that does not mean that there is a desire on their part to leave the land. From the plat which was placed on our desks here yesterday we find that in the six New England States less than 10 percent of the people occupying farms are tenants; and I desire to say that it is the desire to own land which has encouraged many people to go out on the land and occupy it. Therefore, I repeat the thing which I think is encouraging in this whole program is the fact that a desire is shown on the part of the people to get back to the land.

Reports by the Department of Commerce, Bureau of Census, as to various additional counties show even a larger number going back on the land.

In the State of Illinois, Alexander County shows 299 families going back on the land; Bond County, 199 families; Bureau County, 115 families; Christian County, 323 families; Cook County, 684 families; Tazewell County, 346 families; and so on.

In my own State I find that the increase is not so large. Why? Because our farms are larger. Buena Vista County in Iowa shows 108 additional farmers going back to the land; Emmet County, 37; Hamilton County, 63; Lyon County, 65; Mahaska County, 94; Plymouth County, 106; Sac County, 134; Sioux County, 105.

I find that only in a limited number of areas is there a decrease. I find that there has been a decrease in certain parishes in the State of Louisiana, and a certain decrease is reported in a number of counties in the State of Mississippi. I am not sufficiently well acquainted with conditions there to know why there is a decrease, but I will say that the general trend all over the United States is for an increase in the number of families living on the farm.

The next matter to which I wish to call attention is the fact that this bill may become a land-speculation bill. There is no limitation in it. The corporation to be created could sell to one man all the land he might wish to buy. There are

no restrictions whatsoever. The passage of the bill would set up a policy of socialization of land in this country. I contend that this is a trend in the wrong direction. I contend that it is not the province of the Government. I contend that it is one of the fields into which the Government should not enter at the present time. We now have available all the facilities necessary to enable anyone who desires to occupy a farm to do so; and the bill shows a tendency in a direction to which I am very much opposed.

I read now from a certain article as follows:

The total quantity of cotton to be delivered to the State procuring organizations by collective farms and individual peasant households in 1935 has been set at 1,404,910 tons, according to a recent Government decree.

I quote further:

Flax and hemp deliveries have been set at 360,000 tons of flax fiber, 250,000 tons of flaxseed, 75,000 tons of hemp fiber, and 70,000 tons of hemp seed. Special tax exemptions are established to stimulate the cultivation of these crops.

A listener would think, Mr. President, that I had been reading from the requirements of the Cotton Act as to the allocation and the number of bales of cotton that could be produced in the United States. As a matter of fact, I have been reading from the Economic Review of Soviet Russia, of the Soviet Union; and it sets forth exactly what we are doing here. Yet in this morning's press I read that George Burns and Gracie Allen have just returned from Soviet Russia. They went on a pleasure trip, and they say they are glad to get back home. Then Burns says:

We went to Russia as sightseers and returned as avowed anti-Communists. After a view of that country we realize that the lowliest figure in this country has more life than the average Russian.

However, we seem to be headed in the direction in which Russia is going.

Mr. President, the pending bill should not pass. It should not pass because of the fact that it would not bring about the results claimed for it. It is not difficult for anyone seeking a farm in any section of the country, if he has the ability and facilities, to acquire land at the present time. The average farmer in Iowa and the average farmer in the Mississippi Valley were formerly landowners. They started in and accumulated their stock, they accumulated their machinery, they accumulated their equipment, and in the end, when they had saved sufficiently, they bought farms. That tendency will continue. A tendency along that line is shown by the census reports. It is one of the movements which, in my judgment, we will discourage when we put the Government into the land business purely for the purpose of helping out the landowner.

It was shown here yesterday by the distinguished Senator from Michigan that the farmer has plenty of facilities for credit at the present time. He has at least eight or nine options. Yet I find that there is now an attempt to give him additional financial assistance through the pending bill.

In an address at Springfield, Ill., on October 21, 1932, President Roosevelt said:

At the present time we have at least seven agencies concerned with farm mortgages. * * * I advocate the coordination of such agencies to the end that the Federal agricultural policy in regard to farm mortgages may be guided by a single purpose.

I think we would do well to remember that suggestion. We already have various lending agencies set up. We already have too many of them. We find that the farmer is able to borrow money from half a dozen different sources.

I do not see how we can expect the farmers of this country to have confidence in the future unless we permit them to work out their own salvation, rather than try to regiment them, not only as to the crops they may produce but the money they shall borrow and the land they shall own, and give them no choice of their own.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. The Senator is calling attention, first, to the multiplicity of guaranteed bonds already issued, and, second, to the multiplicity of lending agencies available to farmers. I think he should emphasize the fact that in spite of this formidable and complex system, and the generosity inherent in it, this is the first time, either in respect to guaranteed bonds or in respect to any Government loan, it has ever been proposed to lend 100 percent of the value of the collateral.

Mr. DICKINSON. That is absolutely true. In other words, this measure in effect provides that the Government is to own the land. We are going to convey it either by contract or by deed to a prospective landowner. In order to accomplish that objective, the landowner must be in a position to pay interest on 100 percent of the entire purchase price.

The principal trouble we have, and the reason why we have had such numerous foreclosures, is that many of the landowners have had too large loans on their farms and were not able to pay interest and taxes. That was what created a crucial situation in most of the farming areas, and now we are asked to have the Government lend the full 100 percent of the purchase price.

I know of a great many interests in the Middle West who want someone who will take hold of a piece of land and let them give a note or a mortgage on it, with the hope that they may work it out in the future, and be able to pay the interest and taxes as time goes on.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. The Senator has referred to the fact that the proposed legislation might be chiefly of benefit to the landowner rather than to the tenant who is a prospective proprietor. I call his attention to the address yesterday of the able Senator from Arkansas [Mr. ROBINSON]. I read from page 5925 of the RECORD.

There are many large plantations in the United States, some of them in my own State, held by what may be termed "absentee owners." For the most part, during recent years, such plantations have proved unprofitable; many of them are mortgaged, and, with some others, they might be cut up into small areas, with the approval of the owners, and sold for homes to those who are at present tenants and share-croppers.

In other words, as I read the Senator's statement, he is referring to plantations which, during recent years, have been unprofitable, and which are now to be sold to the tenants. I am unable to discover for myself how that could be considered beneficial to a tenant, when he becomes a copartner in the purchase.

Mr. DICKINSON. In other words, if a landlord cannot operate the land as it is at a profit, then how can we expect a tenant to operate it at a profit? I think it was explained yesterday by the senior Senator from South Carolina [Mr. SMITH] that the tenant, or the "cropper", as he is called in the cotton States, is getting on better than the landlord. We found that condition to exist in practically all of the agricultural sections of the country. It is the man without the responsibility of paying taxes and of paying interest and paying for overhead and for repairs who is getting along all right, but the man who has the obligation of carrying all those expenses is the one who is in trouble. That will be true so long as prices are low, and so long as farming is more or less unprofitable. But the tenant is the man without the responsibility, and many tenants, rather than buy farms, even though they have enough money, will say, "I will wait and see how conditions work out. I will keep my money where it will be available for some other purpose. I do not want to run the risk of having my investment absorbed by taxes and interest until I know the conditions are to be more nearly normal."

Mr. GORE. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. GORE. I think the Senator from Iowa overlooks one point. Under the present system, where there are both a landlord and a tenant, the payments for not cultivating land are split between the landlord and the tenant, and the tenant ofttimes get the worst of the deal. Under the proposed system, where the tenant is to be converted into a landlord and

where he will have no tenant, the new landlord, made out of the tenant, would get all these payments. Does not the Senator think that would inure to his benefit?

Mr. DICKINSON. Does the Senator have reference to what are called "allotment benefit payments" under the A. A. A.?

Mr. GORE. Various and sundry payments; payments not to cultivate the land. Suppose a tenant acquires 160 acres of land and cultivates 10 or 15 acres, and contracts not to cultivate 60 or 80 acres. Does not the Senator see how that would inure to the benefit of the tenant? As Will Rogers says, "If you know what I mean." [Laughter.]

Mr. DICKINSON. I have been under the impression that the A. A. A. payments were to be made out of what is known as the "processing tax." Those interested in cotton seem to know more about that than anybody else at the present time.

Mr. GORE. I think I can elucidate that point, too. Under the processing tax the Government of the United States compels the consumer to pay a tax to pay the producer not to produce in order to raise the price of what he produces to the consumer who pays the tax and the price. [Laughter.]

Mr. SMITH. Outside of that, it is all right?

Mr. GORE. Yes. As "Andy" would say, "It is scientifical." [Laughter.]

Mr. DICKINSON. Mr. President, I think that, with that explanation, I shall pass on, so far as the processing tax is concerned.

I think there is a choice of three things which might be done with reference to the pending bill: First, it ought to be recommitted to the Committee on Agriculture and Forestry. If that cannot be done, then it ought to be rejected. If it cannot be defeated on a roll call, then it ought to be amended; and I desire to suggest three or four amendments.

Mr. GORE. Mr. President, will the Senator yield to me again?

Mr. DICKINSON. With pleasure.

Mr. GORE. In connection with the suggestion as to the recommitment of the bill, I am inclined to agree with the Senator, and I should like to know of the Chairman of the Committee on Agriculture and Forestry whether it would not be possible, if this measure were recommitted, to have hearings and adduce further facts and data with respect not only to its probable consequences but with respect to some of the subsistence homestead projects which have already been embarked upon. If they have succeeded, it would constitute encouragement, I think, for this legislation, assuming it to be constitutional.

Mr. DICKINSON. Let me suggest to the Senator from Oklahoma that one of the things we ought to do is to find out what the experience of the various States of the Union has been with reference to projects of this kind. I have already referred to the California experiment. I tried the best I could to get the data with reference to those two experiences.

I might refer to land financing in the State of South Dakota. It is my understanding that under its farm-credit system the State of South Dakota already has acquired title to more than 22,000,000 acres of land. Of course, it would be a wonderful thing for the State of South Dakota if under this bill it could sell to the Federal Corporation those 22,000,000 acres of land and get the State's money out of it and then have the Government resell it to some tenant on a 100-percent loan, with the chances that the Government would be able to get back its money in time.

The Chairman of the Committee on Agriculture and Forestry has just appeared, and I should be glad to submit to him the request of the Senator from Oklahoma [Mr. GORE], which is that the bill be recommitted to the Committee on Agriculture and Forestry.

Mr. SMITH. Or to the Senate Committee on Banking and Currency. Which does the Senator suggest?

Mr. DICKINSON. I am perfectly willing to see it recommitted to the janitor, if that is preferable.

Mr. SMITH. I suggest that the Senator take his choice.

Mr. DICKINSON. I wish to suggest that no one was called before the committee holding hearings on this bill and asked a single question as to the financing required under the provisions of the bill; as to whether or not we ought to issue a billion dollars in bonds of this kind; as to whether or not it was advisable to give a new corporation or a new board authority to issue another billion dollars in bonds of which every single, solitary taxpayer in America is a guarantor. Let us get this thing down to actualities.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. Neither was any information adduced in the hearings, nor adduced by previous testimony, with respect to the contemplated uses of the $500,000,000 already earmarked for rural rehabilitation and the $5,000,000,000 "pot-luck" appropriation measure already passed.

Mr. DICKINSON. That is true. I presume the only reply that could be made to that suggestion is that we have put in the hands of the Chief Executive power to do anything he pleases with $4,880,000,000, which includes the $500,000,000 to which the Senator from Michigan refers.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. TYDINGS. Occasionally, when there has been before Congress a bill appropriating as much as a billion dollars it has been said that the appropriation of so much money might undermine the credit of the United States. Was any such observation made in connection with this billion-dollar bill?

Mr. DICKINSON. I recall that when the President vetoed the independent offices appropriation bill of last year, which involved an increase, as I understand, of about $200,000,000, it was said that if the bill were passed in that form it would unbalance the Budget and disorganize the finances of the country. It seems that now—without any thought, without any suggestion as to whether or not the Treasury should assume the responsibility—a bill is reported and we are asked to vote on it proposing to provide another billion dollars.

Mr. BYRD. Mr. President, I ask the Senator to yield so that I may ask a question of the Senator from South Carolina, the chairman of the Committee on Agriculture and Forestry.

Mr. DICKINSON. I yield to the Senator from Virginia for that purpose.

Mr. BYRD. I ask the Senator from South Carolina [Mr. SMITH] whether hearings were held on this bill before his committee?

Mr. SMITH. A subcommittee was appointed, and the subcommittee, of which the Senator from Alabama [Mr. BANKHEAD] was chairman, made a report. The Senator from Alabama can advise the Senator from Virginia as to what the subcommittee did. When the subcommittee submitted its report a viva voce vote was taken on the bill.

Mr. BYRD. Has that report been printed, and also the hearings?

Mr. SMITH. Yes; the hearings have been printed and the report has been printed.

Mr. BANKHEAD. Yes, Mr. President, they have been printed.

Mr. SMITH. There were hearings before the subcommittee and the hearings were printed.

Mr. DICKINSON. I think the first thing which should be done, if this bill is to pass, is to provide in connection with the board to be created, which is to be composed of three members to be appointed by the President, that at least one of its members shall be of another political party. No suggestion of that kind is found in this measure.

The second thing which I think should be done is to strike out the provision in the bill which exempts the personnel from the Civil Service. If we are to have legislation of this kind, the personnel should be under the Civil Service.

After an emergency has lasted for so long a time it gets to be an actual condition. It can no longer be said that there is any emergency by reason of which this organiza-

tion ought to be set up quickly. Therefore there is no reason why the personnel of the proposed corporation should not come within the classified service. It ought not to be the purpose of those seeking to pass the pending legislation to want the appointments to be purely political. Therefore an amendment providing for personnel to be appointed under the civil-service law should be adopted.

The first thing we should do is to strike out the provision on page 4, line 16:

> Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

The sponsor of this bill said the other day that this was a self-liquidating proposition. Very well; if it is self-liquidating, let it stand on its own feet. If it is self-liquidating, let it go out and sell its securities in the markets of the world on its own responsibility. It is not only proposed that every taxpayer shall become a guarantor of all these bonds and the interest on them but it is proposed that the guaranty be written on the face of the bonds.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. TYDINGS. How was the sum of $1,000,000,000 arrived at? Why was it not $100,000,000 or $300,000,000? Why is it necessary to have a $1,000,000,000 appropriation? Is it thought that all of $1,000,000,000 can be used immediately to put people on the land?

Mr. DICKINSON. I have been advised so little about this measure that I really do not know how the conclusion concerning a billion dollars was reached, or whether it was considered to be either too much or too little.

Mr. TYDINGS. What would be the average estimated cost per agricultural unit?

Mr. DICKINSON. I should say that in certain areas of the United States it would be from $4,000 to $6,000. In other areas it would be from $10,000 to $20,000.

Mr. TYDINGS. How many farms at $5,000 could be bought for a billion dollars?

Mr. DICKINSON. A good many more than there are in the United States at the present time. I would have to use my pencil.

Mr. TYDINGS. Certainly; whoever wrote the bill did not fix the sum of a billion dollars without some estimate of how many people could be put on the land, and the per unit cost. I should be delighted if someone would explain how the figure of a billion dollars was arrived at. It strikes me that we might begin in milder fashion, and if the plan is successful, build up to the billion dollars. But why take a billion dollars and embark on a program with no per unit estimate and with no survey as to the number of people who might adhere to this plan? Why not cut it to $100,000,000?

Mr. DICKINSON. Without any attempt at criticism of those supporting the measure, I think they wanted the ante high enough so that if there should be any trouble in coming back for more they would not have to come back. In other words, there is a great deal in "getting while the getting is good."

Mr. TYDINGS. With a billion dollars there could be bought 200,000 farms at $5,000 a farm.

Mr. DICKINSON. And there are only 6,000,000 farmers in the United States.

Mr. TYDINGS. With four persons to the farm, that would, roughly, make about a million people who might be transported from the cities, I suppose, to the farms. And as I understand, the tenant farmer who is already on the farm is to become a property owner.

Mr. DICKINSON. That is correct.

Mr. TYDINGS. So that we do not really cure the maladjustment between an overindustrialized situation and an agricultural situation.

Mr. DICKINSON. What is going to be done is to take the cotton farmer, who has been driven off the farm by the restriction of the production of cotton and into the relief line, and buy a farm for him and see if he can make a living on it.

Mr. TYDINGS. Will he not have to curtail his acreage when he gets hold of one of these farms?

Mr. DICKINSON. That is the way he will make his money.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. I further call the Senator's attention, on the question of recommital, to the report which was handed to the Senator from Virginia [Mr. BYRD] when he asked for information. I call his attention to the testimony of the Secretary of Agriculture on page 5, who specifically points out that nobody has taken the trouble to inquire how this program fits into the Budget program, or what it does to the financial program of the President. The Secretary specifically withholds even his limited approval until he can obtain this additional information. And we have no knowledge as to whether there is any additional information.

Mr. DICKINSON. I desire to conclude. I do not know anything about a billion dollars. A billion dollars is beyond my comprehension. I do know something about how much effort it takes to raise $100,000,000. I know that the committees of the Congress, of both Houses, will sit around the table for days and weeks and months trying to figure out some additional taxes which will raise $100,000,000, and have the people enjoy paying them. Then we turn around and impose on the people the obligation which I have suggested here today, whereby every citizen of the United States will be an endorser of these notes, which will amount to nearly $11,500,000,000. Some seem to think that they are doing a public service by permitting this type of legislation to pass without having it properly explained to the people of the country.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. BYRD. I desire to call the attention of the Senator that the bill likewise provides that this Corporation may buy land and lease it to the farmers. In other words, it can do the same thing that is now being done in Russia, to carry out the idea of collective ownership or operation which Dr. Tugwell has advocated in his speeches.

Mr. BANKHEAD. Mr. President, I am sure the Senator from Virginia was not in regular attendance during the discussion of the bill. For his information I will say that the word "lease" was stricken out of the bill by amendment proposed by the Senator from Nebraska [Mr. NORRIS].

Mr. BYRD. If the word "lease" has been taken out of the bill, I am glad to know that it has been slightly improved.

Mr. DICKINSON. Mr. President, does the Senator from Oklahoma desire to ask another question? If so, I yield to him.

Mr. GORE. Mr. President, I believe the Senator indicated that this bill might provide relief for the owners of large tracts of land in the South. I think it would provide relief for them, and it would provide relief, perhaps, for mortgage companies holding mortgages on those lands, and would help to bale out those liabilities. Does not the Senator think that every safeguard ought to be erected to protect the Government and to protect the purchaser in respect to these large tracts of land?

This is what I have in mind: A Government official advised me a few days ago that the Government had been purchasing mules or supervising the purchasing of mules in the program of rural rehabilitation, and it was developed in a public hearing that veterinarians (mule dentists) had been called in to operate on the lower teeth of the mules in order to make the mules appear to be young, to restore them, by a sort of "fountain of youth" process, to make young mules out of old mules. [Laughter.] As I understand, that was developed in a public hearing. If peculations of that sort are to be resorted to, it seems to me that every rational safeguard ought to be erected to protect the Treasury, to pro-

tect the public, and to protect the reputation of the Congress, where we are opening the door so wide to such possibilities.

Mr. DICKINSON. Let me read to the Senator subsection 3, which appears on page 8, and which gives the scope of this proposed legislation:

(3) To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

Under that provision the Government could provide the house; it could supply a washboard; it could supply a cultivator; it could supply a planter; it could supply a seeder; it could build the farm buildings. I think it could even drain the land under the powers conferred by this bill and pay the drainage assessment, and it could clear it of timber, and kill the grasshoppers. In other words, there is absolutely no limitation to the operations of the Government in this respect. So I think there is every reason why this bill should be recommitted to the Committee on Agriculture and Forestry and be given at least some serious consideration.

RISING IMPORTS MADE IN JAPAN

Mr. SCHALL. Mr. President, imports of foreign goods into the markets of the United States, under the artificial price control of the N. R. A. and the A. A. A., have increased by something like one-third since 1932.

Imports into the United States for the calendar year rose from $1,300,000,000 in 1932 to around $1,650,000,000 in 1934, thereby taking away from American farms and mills $350,000,000 of sales of American products made by American labor.

At the same time, American production, if we consider the joint product of farms, mills, mine, and forests, has been reduced in the aggregate by something like one-third.

Moreover, the cost of living in the homes of the wage earners, the farmers, and the unemployed has been increased by something like one-third.

Furthermore, both the public debt and the cost of government have been boosted by over one-third, and national recovery is further off today than ever before, as shown by the $5,000,000,000 demand of the White House, as well as by the army of 11,000,000 unemployed and by the still larger army of 22,000,000 on Federal doles.

In other words, under a new deal which destroys the national wealth and income under the pretext of increasing wealth, we are rapidly stimulating foreign industries and imports from foreign lands, while cutting down the productive resources of the United States and plunging the country into a quagmire of public debt from which it may never rise clean.

We have destroyed the great American cotton industry by plowing under the crop and cutting down the textile product, while building up the cotton-growing industry of Brazil, Egypt, India, Russia, and Asia, and the cotton mills of Japan and Europe.

We have slaughtered our pigs until, instead of being the leading pork-exporting country, we are actually importing pork products to meet the shortage of meat supply.

We have slaughtered our dairy cows and are now importing butter from Australia, Denmark, New Zealand, and Canada.

We have destroyed, by A. A. A. and N. R. A. doles and domination, by Government subsidy, and by corn-hog checks, 40 percent of our corn crop and one-third of our entire food production, until last year total imports of food products reached $500,000,000, and imports of all agricultural productions, both edible and inedible, rose to the ominous total of $840,000,000.

Most of the agricultural commodities represented by this vast importation of $840,000,000 could have been produced on American farms and processed in American mills, thereby affording an honest income to American farmers and employment to our mill hands, except for Federal interference and domination of the laws of industry and trade under the A. A. A. and the N. R. A.

The figures of the Commerce Department likewise show imports of $240,000,000 of textile fibers and manufactures, $180,000,000 of wood and paper products, $140,000,000 of metal and machinery products, and $136,000,000 of chemical and miscellaneous, making a total of $1,634,000,000 of imports for consumption and a grand total of all imports $1,650,000,000.

This is in a country where production has been knocked down through the operation of Federal subsidy, and where 11,000,000 industrial workers are unemployed, not to mention an almost equal number of agricultural laborers and white-collar workers unemployed, with a grand total of 22,000,000 on public pay rolls as public charges.

Under the destructive policies of the new deal, the rising imports, the falling production, the increase of beggared population on public doles, the increased Treasury deficit, and the increased public debt are marching through the land hand in hand.

Hand in hand imports have risen $300,000,000, while production has declined.

Hand in hand the public paupers have increased by 5,000,000 in 2 years, while the public debt has grown by $10,000,000,000.

Hand in hand, though in reverse order, the cotton industry of the world has gone up, while the cotton industry of the South has gone down.

Hand in hand, though in reverse order, agricultural imports have grown to $500,000,000, while farm production has fallen off by still greater hundreds of millions.

Hand in hand, in reverse order, United States Treasury deficits have piled up to an accumulation of $10,000,000,000, including the present fiscal year, while Government credit has gone down until the Treasury is now trying to peddle a "baby bond" of $25 for $18.75, or 30 percent below par.

Cotton affords the crowning example of the disasters of the A. A. A. and N. R. A., because cotton was the first horrible example of the fallacy of the new deal by plowing up 12,000,000 acres of cotton as a pretended aid to recovery and also because cotton was the victim of the first N. R. A. code in July 1933.

From Atlanta, Ga., comes a dispatch of the United Press to the Washington Times of April 11 showing the benefits of the new deal to Japan, and how even an American flag used in this American textile-mill city by a Georgia patriotic organization on tag day bears the printed words "Made in Japan."

Mr. President, I desire to have this interesting article of the United Press read into the CONGRESSIONAL RECORD in connection with my remarks. It will be instructive to the Senators of the majority—the Senator from South Carolina [Mr. BYRNES], the Senator from Mississippi [Mr. HARRISON], and the Senator from Arkansas [Mr. ROBINSON], our chief contact men with the White House and the efficient statesmen to whose generalship we are so generously indebted for the A. A. A. and the N. R. A., together with the destruction of the great cotton industry of the South.

The PRESIDENT pro tempore. Without objection, the article will be read.

The legislative clerk read as follows:

"MADE IN JAPAN" IS TRADE MARK ON UNITED STATES FLAGS

ATLANTA, GA., April 11.—Several weeks ago a tag day was held in Atlanta for the benefit of a patriotic organization.

Small American flags were sold and worn as a symbol of faith in America and things American.

It was discovered that on one of these tiny flags were the printed words "Made in Japan."

This incident served to center attention upon an alarming situation facing Georgia's major manufacturing industry—textiles.

TEXTILE MILLS HIT

Today Japanese textiles, manufactured by cheap labor, are being dumped in this country at such a rate that Georgia textile mills have been forced to reduce operations by 25 percent, a survey today indicated.

Japanese imports of textiles have increased from 30,378 square yards in January 1934, to 24,000,000 square yards in January and February of this year.

T. M. Forbes, secretary of the Georgia Cotton Manufacturers Association, revealed that a large Georgia textile manufacturer received a letter a few days ago from one of his biggest customers in the Middle West. It said:

"The New York representative of a Japanese company has offered us goods 4 cents a pound cheaper than your price. What are you going to do about it?"

FIGURES ON IMPORTS

Some idea of the amazing spurt in the amount of Japanese textiles imported into America is given by these figures from Mr. Forbes' files:

January 1934, 30,378 square yards.
April, 537,000 square yards.
November, 927,000 square yards.
December, 2,210,000 square yards.
January and February 1935, 12,000,000 square yards.

Georgia ranks fourth in the United States as a textile State. The latest check shows that 3,395,420 spindles were in operation when mills were running to capacity.

Mr. SCHALL. Mr. President, under the operations of the A. A. A., the N. R. A., and the new reduction of tariff duties by treaties based on the favored-nation clause, monthly imports of Japanese textiles have grown over one hundredfold within the past 16 months, until the great patriotic State of Georgia, the fourth largest cotton textile State in the Union, holds patriotic parades under banners that bear the tag: "Made in Japan."

Hand in hand, in reverse order, the cotton industry of Georgia and the Carolinas, Alabama and Mississippi, Texas, and Arkansas, is going down, while that of Japan is going up. Are the statesmen of the cotton South, who sit in control of this Congress, going to extend this policy of building up Japan at the expense of their own country?

Do they propose to add 2 years more of this chaos to the A. A. A. and the N. R. A.—2 years more of destroying the South and destroying America, while building up the prosperity of every nation on the globe, except only the United States?

The N. R. A. attempts to substitute the "blue eagle" for the American flag of the fathers. But it seems that patriotic citizens, as in Georgia, are permitted to wave the flag, provided it bears the printed label, "Made in Japan."

A cotton goods mercantile establishment in the Middle West telegraphs New York that the Japs will furnish cotton goods at 4 cents a yard under the American code price, and wants to know:

What are you going to do about it?

That is what the American people are now asking a rubber-stamp majority that wears a tag that resembles a "blue eagle" or other alphabetical design, but being translated reads "Made in Japan."

The "brain trust" which foisted this disastrous nonsense upon the Government, and obtained a rubber-stamp mortgage upon it, seems to have disappeared in a dust cloud of resignations. Perhaps it has flown to Japan. They did to Washington what drought and dust are now doing to the West. Many have wondered where they came from and where they went to. All they left behind was chaos and the dust clouds.

It was presumed that many of them came from the new deals of Mussolini and Hitler or from Soviet Russia. But their baggage bears the mark, "Made in Japan." Japan appears to be the one outstanding beneficiary of the new deal in Washington.

Imports from Japan exceed the total from the United Kingdom, exceed the combined total of United States imports from France and Germany, and exceed those from any foreign country, except only our next neighbor, Canada.

The new deal has cut down our corn crop 50 percent, reduced our national food supply one-third, struck down the industries that paid the taxes and the wages—but it has given Japan the biggest industrial expansion and prosperity of that country's history. So, our new deal, like our flag, may now consistently wear the tag, "Made in Japan."

At the coming Democratic primaries the Senator from South Carolina [Mr. BYRNES], the Senator from Mississippi [Mr. HARRISON], and the Senator from Arkansas [Mr. ROBINSON], who hold the key positions in directing the legislation of the Senate, and also are the mainstay of the administration in the program to extend the A. A. A. and the N. R. A., will be coming up, I assume, for reelection in 1936. They will need slogans for their campaigns. And banners for their parades. Though I am not in their political confidence, it is not difficult to determine the slogans they will employ and the banners their followers may use.

Down the street and over the platform will hang a Blue Eagle banner, and the bunting will carry the tag "Made in Japan."

That "brain trust", if it has not gone to Russia, may now be retired to Tokyo, receiving medals made in Japan, and even the rubber stamp that is the token of our subservience will soon wear the tag "Made in Japan."

The record of the new deal might well read: "Moley planted, Tugwell watered, but Japan showed the increase."

THE COTTON TEXTILE INDUSTRY

Mr. METCALF. Mr. President, I have received some petitions signed by some 2,600 persons in my State. These are signed by the workers and former workers in the cotton mills. They present an earnest prayer from these people to the President and the Congress of the United States to take immediate action to save the textile industry of the country. The petitioners are pleading for their jobs. I hope this very important evidence of the feeling in New England and the South will meet with the sympathy of this body.

The petitions are variously worded, but here is one which is typical:

To the President and the Congress of the United States:

Whereas the right of petition is our only means of impressing our Government with matters of vital importance; and

Whereas the cotton-textile mills are placed in jeopardy by the policies of the national administration; and

Whereas the closing of many mills in Rhode Island has caused unemployment and misery for thousands in this State; and

Whereas the large importations of cheap cotton cloth and the cotton processing tax have made profitable manufacture of cotton cloth almost impossible: Therefore

We, the employees and former employees in the textile mills of Rhode Island, do petition the President and the Congress to take immediate steps to save the cotton-textile industry by protecting American workers against the low wages in foreign countries and by repealing the cotton processing tax.

That and somewhat similar petitions have been signed by 2,622 people of Rhode Island.

I have also received many letters from various sections of the country. I am going to read one or two of them from individuals who are either out of work or afraid they are going to be thrown out of work. Here is a typical letter:

We must awaken to the fact that the textile industry is now facing a crisis. Mills are closing and hundreds are being thrown out of work. We must do something at once. I think it is about time our people began buying the products which keep American labor employed.

Unless something is done about the processing tax and the Japanese imports, I am afraid the production in cotton shall be curtailed.

If the processing tax were eliminated, and some limit of Japanese imports made, I think the cotton manufacturers could plan to add to their force instead of curtailment, as at present.

I am sure you will give this appeal your utmost consideration.

Here is another one:

ESMOND, R. I., *April 16, 1935.*

Senator JESSE H. METCALF,
Washington, D. C.

DEAR SIR: As voters we have a constitutional right to demand that our means of livelihood be protected.

Our jobs are in jeopardy if the processing tax on cotton is continued. I am writing you today requesting that you exert your influence to have this cotton processing tax removed.

I am an employee of the Esmond Mills, and I want my job protected.

Here is a letter from a man who furnished supplies to cotton mills. What has happened to his business? Listen:

EAST PROVIDENCE, R. I., *April 16, 1935.*

Senator JESSE H. METCALF,
Washington, D. C.

DEAR SENATOR METCALF: I am writing you in regards to the present textile situation in New England.

Because of the present condition I have been forced into bankruptcy. While, however, I didn't employ only nine, none as yet have been able to find employment.

My company was the oldest of its kind in America, established in 1868; and, I might add, I was the fourth generation in the same line. Perhaps you knew of my concern—the John McCausland Paper Tube Co., 86 Valley Street, East Providence, R. I.

Trusting that you will see that we get relief as soon as possible. I beg to remain.

What are we going to do about it? It is time something should be done to keep these poor people employed.

Mr. KING. Mr. President, I have sought recognition for the purpose of calling attention of the Senate to a motion which I interposed a day or two ago concerning House bill 7054, an act to provide for the protection of land resources against soil erosion, and for other purposes. I interposed the motion largely because of the absence of the Senator from Oklahoma [Mr. GORE], who desired to make some observations concerning the measure, and also for the purpose of calling attention to one of the provisions of the bill which did not meet my approval. It was not my intention to object to the passage of the bill, though if I believed I could have secured an amendment to the bill in harmony with my views, I should have offered the same. I shall call attention to the matter in a few moments, after I have very briefly replied to the able Senator from Rhode Island [Mr. METCALF], who has just addressed the Senate with respect to a matter quite different from that involved in the soil-erosion bill referred to.

The Senator from Rhode Island [Mr. METCALF], if I understood him correctly, and I came into the Senate from a committee meeting after he had been speaking for a few moments, was indulging in rather solemn lamentations because of the existence of trade between the United States and other nations.

I know that for many years leaders of the Republican Party and some Democrats supported the thesis that trade had only one lane and that was a one-way lane through which American surplus commodities might pass out to other nations, but there was no returning lane through which commodities from other nations might pass to the United States. In other words, their view was that trade was unilateral, and that the United States was to be the only beneficiary of foreign trade, and that under that unilateral theory the United States could export—but under no circumstance import products from other lands.

Recently we have had a number of so-called "economists" who have aggressively advocated what amounted to an embargo upon trade with other nations. Indeed they were contending for what they denominated a self-contained nation, and were satisfied to neither export commodities nor import the products of other nations, but that America should be satisfied with producing all that it consumed and of consuming all that it produced. Under the philosophy of such experts and economists it mattered not that America produced surplus raw materials, some of which were not found in other nations, and produced and had capacity to produce commodities greatly in excess of domestic demands. Neither did it matter to them that other nations produced commodities important and valuable to us and to our well-being which were not indigenous to our land, nor could we produce unless perhaps at excessive cost.

Senators will not forget that when the Tariff Act of 1930 was under consideration it was blithely—indeed, seriously—suggested by an able Senator schooled in the philosophy to which I have referred, that we should exclude by tariff wall bananas grown in other lands and thus compel Americans to eat more apples.

Many of the troubles through which we have passed during the so-called "depression" find their origin in the extortionate rates imposed by monopolies and trusts and tariff barons who exercised dominating influences over the Republican Party. It is one of the anomalies of our economic and political life that the agriculturalists of our country for years were ardent supporters of the tariff cult of the Republican apostles of extreme protection. They knew, or should have known, that their prosperity was largely due to the fact that their surplus agricultural products found a ready market beyond the seas. They were anxious for foreign markets because they knew the domestic market would not consume all their products. And so they shipped abroad wheat and flour and corn and barley and hay and various agricultural commodities, as well as meat products, the aggregate of which was hundreds of millions of dollars, and, indeed, in some years several billions of dollars worth of their surplus commodities. This foreign market tended to stabilize the domestic market and to enable the farmers to realize reasonable profits upon the products which they sold for domestic consumption, as well as satisfactory profits upon their exportable products. As a result of this international trade and commerce in which agriculture played a most important part, the farmers of the United States enjoyed a reasonable degree of prosperity.

Witness the farms of New York, Pennsylvania, Ohio, Illinois, Wisconsin, Minnesota, Indiana, Kansas, Nebraska, Missouri, and many other States. Witness the millions of fine homes and farm equipment and all of the improvements that were placed upon these farms and which added to the comfort, happiness, and well-being of the owners of the same. The value of farm lands increased, and in small communities and towns of 1,000 to 2,000 and 3,000 inhabitants there were found business houses, banks, and in many places industrial units and a prosperous and happy and progressive people.

This favorable condition of agriculture was due very largely to the markets for surplus commodities which the farmers found beyond the seas. The balance of trade increased from year to year and was due in part, indeed in a very great part, to the foreign markets which the agriculturists of the United States were able to enjoy.

I recall a day or two ago listening to a speech of the able Senator from North Carolina [Mr. BAILEY] in which, as I recall, he stated that during a certain period of time the balance of trade in favor of the United States was $34,000,000,000, being almost the entire value of American cotton sold in foreign markets. For years our exports have exceeded our imports, and it is as certain as the night follows the day that our exportable products have resulted in increased employment to millions of American people and added greatly to the profits enjoyed by the American people.

Indeed, our foreign trade has been a most important factor in the development of our industrial and economic life. The factories, plants, mills, fabricating plants—all of these owe, in part, their development to our foreign trade and commerce. It is difficult to estimate the number of persons who have obtained employment by reason of our foreign trade, but the figures would run into the millions. My recollection is that President Hoover in one of his addresses during the campaign when he was a candidate for the Presidency in 1932 referred to the importance of our foreign trade and stated in substance that several million—my recollection is it was between four and five million—Americans derived employment by reason of our foreign trade.

The War of 1812 was, in part, due to the interference by Great Britain with our foreign trade, and our Revolutionary fathers regarded it as one of the justifications for independence that our commerce with foreign nations had been cut off by Great Britain.

The figures, which I happen to have upon my desk, as shown in the Statistical Abstract of the United States for 1931 show that in 1916 our exports were approximately five and one-half billion dollars; in 1917 they were considerably in excess of $6,000,000,000; in 1918 they exceeded $6,000,000,000; in 1919 they approached $8,000,000,000; and in 1920 they exceeded $8,000,000,000. There was a material reduction in our exports during the years from 1921 to 1927, inclusive, though in the latter year they were $4,758,000,000, and in 1928 and 1929 for each year our exports exceeded $5,000,000,000.

Our imports in 1916 were only $2,391,000,000. The following year they increased to $2,952,000,000; in 1919 they were $2,904,000,000; in 1920, $5,278,000,000; in 1922 they dropped down to $2,500,000,000; and for the next 3 years they were from $3,112,000,000 to $3,609,000,000. During 1926, 1927, 1928, and 1929 they ranged between $4,184,000,000 and $4,399,000,000. In 1930 they were $3,000,000,000. An examination of the records of the Commerce Department—and I am now speaking largely from memory—during the years 1931, 1932, and 1933, show a marked decline in exports and imports. In 1933 our total exports, if my memory serves me correctly, were approximately $1,800,000,000 to foreign countries and approximately $200,000,000 to United

States Territories and possessions. During the same year imports from foreign countries were approximately $1,300,000,000. Our exports to Japan in 1933 were $143,000,000 and our imports $128,000,000. I have not seen the latest figures from the Department of Commerce showing exports and imports for 1934, but I am advised that our exports were $2,133,414,000 and our total imports $1,655,000,049. This would show a balance of trade in favor of the United States of $478,365,000.

Senators have read criticisms upon the part of nationals of other countries because of the large imports, as they contended, from the United States; larger, indeed, as the claims were, than the exports to this country. The fact is, Mr. President, that United States has found markets for tens of billions of dollars of American products, and it is a fact which cannot be gainsaid that our exports have been greatly in excess of our imports. For years we manufactured commodities and sold them in foreign lands cheaper than they were manufactured and sold in those countries in which we found markets and cheaper than they were sold in the United States. Our technical development, our superior machinery, and the superior skill of American workmen enabled the United States to produce many commodities cheaper than they could be manufactured or produced in other countries.

What I am saying is not intended as a reply to the Senator from Rhode Island [Mr. METCALF] in his contention that Japanese textiles are finding a market in the United States to the disadvantage of American products. I am only attempting to indicate that the United States and the manufacturers and employees in the United States have profited greatly by our foreign trade and commerce. As Senators know, for years Great Britain purchased commodities from the United States of between $400,000,000 and $500,000,000 annually in excess of the value of those we purchased from her; and Canada has been one of our best markets, buying products of the value of $900,000,000 in some years, while her exports to the United States were between $400,000,000 and $500,000,000.

This world cannot exist without trade and commerce. Isolation means stagnation, with all of the evils that follow—mental, economic, and industrial stagnation.

I have sometimes thought that we have listened too much to the appeals of reactionaries and selfish and greedy industrial interests who have exercised too much influence in formulating tariff legislation. Some of the troubles from which we have suffered are the results of monopolies, trusts, and agreements in restraint of trade and which grew out of unjust tariff laws behind which monopolies fortified themselves to raid the public and to increase their swollen fortunes.

Mr. President, I sympathize with the criticism offered by the Senator from Rhode Island [Mr. METCALF] concerning the processing tax upon cotton goods. I was opposed to that policy adopted by the A. A. A. and believe that some of its activities have been injurious to the farmers and also to the American people. The sooner it abandons some of its archaic, unwise, unsound, and oppressive policies, the better it will be for the American people.

PREVENTION OF SOIL EROSION

But, Mr. President, I intended to say only a word in reply to the Senator from Rhode Island, but took the floor for the purpose of bringing to the attention of the Senate a motion which I submitted a day or two ago with respect to House bill 7054. That bill was taken up during the morning hour and under the 5-minute rule where it was impossible to discuss it or to analyze its provisions, and I asked to reconsider the vote by which it was passed, doing so in part at the request of several who desired to submit a few remarks before final action was taken. I stated then in substance that the bill was meritorious, but I regretted that its administration was not placed in the hands of the Interior Department where soil erosion work for several months has been carried forward. I stated then that I had great confidence in Mr. Ickes, in his executive ability, and for myself I believed that the administration of the provisions of the measure could be more efficiently carried forward and the results would be much more satisfactory, than if any other branch of the Government were charged with the responsibility of formulating comprehensive plans to deal with this important problem and of carrying the same into execution.

I now ask unanimous consent that the Senate take up for consideration the motion for reconsideration, and unless others send in desires to speak I shall withdraw the motion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. BANKHEAD. Mr. President, of course if that shall be done—and I have agreed that it may be done because I understand that the time consumed will be very brief—I wish to have a clear understanding that the matter is not to displace the pending business. The unfinished business will be temporarily laid aside, and will be promptly taken up immediately after the Senator's motion shall have been acted upon.

Mr. KING. That is my understanding. I would not displace the unfinished business.

Mr. BANKHEAD. The Senator did not so state.

Mr. KING. Action taken by unanimous consent would not mean a displacement of the unfinished business, and I did not so intend it.

The PRESIDING OFFICER. If the request of the Senator from Utah should prevail, the business now before the Senate would not be permanently displaced.

Mr. BANKHEAD. As soon as the motion to reconsider shall be disposed of, I understand the consideration of the unfinished business will be resumed.

The PRESIDING OFFICER. The Senate will return to the consideration of the so-called "Bankhead" bill. Is there objection to the request of the Senator from Utah? The Chair hears none.

Mr. HATCH. Mr. President, in view of the statement made by the Senator from Utah that later in the day he will withdraw the motion to reconsider, I shall not take the time of the Senate in making any extended observations on the bill.

However, I do wish to say that at the time the bill was before the Senate on the call of the calendar I mentioned several bills which had been introduced in the House and in the Senate for the same general purposes as House bill 7054. At that time I neglected to state that the Senator from Oklahoma [Mr. GORE] had introduced two bills covering the same subject. In addition to that, the Senator from Oklahoma attended our committee meetings, was present at the time of the hearings, and rendered very valuable services to the committee at those hearings. He also made suggestions concerning amendments which were adopted by the committee and are now in the bill.

I have in mind the particular amendment which designates the agency to be established as the Soil Conservation Service. Heretofore that service has been designated as the Soil Erosion Control Service. It was on the suggestion of the Senator from Oklahoma [Mr. GORE] that we adopted the new name, "Soil Conservation Service", which, to my mind, is much more fitting and much more descriptive of the work to be done under the bill.

I desire at this time to ask the Senator from Oklahoma to make some observations concerning this work, which is of so much importance.

Mr. GORE. Mr. President, I am obliged to the Senator from New Mexico for bearing witness in this place to my interest in the subject of the prevention of soil erosion. Erosion is the evil, and soil conservation is the remedy.

As suggested by him, I introduced a bill upon this subject, Senate bill 2418. The bill was introduced, I believe, on March 27. I may say that on that day Chairman JONES, of the House Committee on Agriculture, introduced House bill 7055. On the same day Representative DEMPSEY, from New Mexico, introduced in the House an identical bill, House bill 7054. The bill which I introduced in the Senate on that day was identical with those two measures.

I have been collaborating with those and other Representatives, with the Senator from New Mexico [Mr. HATCH]

and the Senator from Colorado [Mr. COSTIGAN] in furtherance of this proposed legislation. I wish now to say a few words upon the subject of soil erosion and soil conservation, because soil erosion is not a local question; it is a question of national scope and of national concern.

I may say that this menace or this evil is omnipresent. It is everywhere. This evil is active in every section, in every State, in every county, and in every community, and I might say that it is active or threatening to become active on every farm throughout the entire country. It is, therefore, a matter of vital concern not only to individual farmers but to our entire citizenship, because the existence as well as the prosperity of town and city alike in the last analysis is dependent upon the prosperity of the farm. I think recent tragic history bears witness to the truth of that statement.

Mr. President, as I have just observed, this question not only concerns the individual farmer; it concerns the general welfare. The solution of this problem is indispensable to the prosperity and the well-being of the farmer. It is indispensable to the preservation of our entire economic structure. The soil is the source of wealth. I might say that the soil is the source of life.

Soil lies at the basis of the farm and the home, the basis of organized society. It is the basis of our civilization itself.

Mr. President, our soil, the source of our wealth, is running down to the sea. It is estimated that 3,000,000,000 tons of soil are eroded and destroyed year after year in this country. It is estimated that as much soil fertility, as much plant food, is destroyed every year by erosion as is absorbed by all our agricultural products taken together.

It is estimated that our losses by soil erosion in terms of money amount to $400,000,000 year after year. In every period of 5 years that is 1 percent of our entire national wealth. Our wealth is wasted to that extent.

There are two kinds of soil erosion, one due to wind and one due to water. Of course, erosion by water is general throughout the entire country; that is a permanent menace or evil. It is persistent, and it must be attacked in every community throughout the entire country. It calls for long-term treatment.

Wind erosion is also permanent and persistent. It is not so general throughout the country. Its worst ravages are limited to the section in which I happen to reside, in a vast area on the great plains stretching from Canada almost to the Mexican border.

On the 11th day of last May this country witnessed something new under the sun. It witnessed a dust cloud originating in the Northwest, a dust cloud which darkened the sun. A dust storm originating in the Northwest brought the proof of its ravages as far east as this Capital, as far east as the metropolis of this country, and went far out to sea. Dust from the farms in the section of the country to which I have referred drifted down on vessels 300 miles out in the Atlantic Ocean.

That storm is estimated to have removed 300,000,000 tons of fertile soil. That amounts to stripping 200,000 acres of soil to a depth of 6 inches.

The more recent storms of this kind have originated in my immediate section, have originated for the most part between the thirty-fourth and fortieth parallels, the ninety-ninth and one hundred and fifth meridians. The storm center has been near the point where Oklahoma, Texas, New Mexico, Colorado, and Kansas come together. Cimarron, the most westerly county in Oklahoma, joins Texas, New Mexico, Colorado, and corners with Kansas. I have here a picture from which one can gather some conception of these devastating storms.

Mr. President, the recent dust storms originating in my State have sifted dust down upon the dome of this Capitol. To me these dust storms have been the most tragic, the most impressive lobbyist, that have ever come to this Capital. Like death, they hold every man by the ear; they challenge attention, they demand action, they demand action now, and they give proof positive that there is no economy in delay.

If our own experience were not sufficient warning, we might find sufficient warning in the experience of other countries. Their experience tells the tale, and teaches a lesson which we ought to learn. The fate of other countries in other climes and in other times constitutes a tragic warning. Their ruins stare at us like a death's head. Their soil and their splendor departed together.

Large areas have been destroyed in Italy, vast areas in northwestern China. Erosion has laid vast regions waste and made them desolate.

Fortunately this problem can be solved. The problem has been solved. This evil can be arrested and prevented. Italy has worked out a scientific system of soil conservation not only arresting erosion, not only conserving her soil, but actually reclaiming regions which were lost and condemned to death.

Japan has worked out a scientific system; she has arrested erosion and is doing much to redeem and to reclaim what was lost. Experiments carried on under the auspices of our own Government have demonstrated that much can be done to arrest erosion and to promote conservation.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. GORE. I yield.

Mr. COSTIGAN. Does the eloquent Senator from Oklahoma agree with me that the evidence taken before the committee which considered the pending bill discloses the qualifications of the Soil Erosion Service to deal promptly and scientifically with this grave crisis both by long-time and short-time methods?

Mr. GORE. Mr. President, I think the experience of the Soil Erosion Service has demonstrated that means and methods of a practical kind have been worked out which will greatly reduce, if they do not entirely correct, the dangers and the evil of which I now speak. I will not discuss the details. At any rate, the necessity is so great, it is so overpowering, that, in my judgment, all doubts should be resolved in favor of action. It is certain that inaction will not avail, and this is an evil which will not cure itself. It grows worse with time.

Mr. President, it is estimated that dust from the western counties of Oklahoma amounting to 5,000 tons was deposited in Tulsa County, one of our smallest counties during only one of these recent dust tempests, if I may so term it.

We can, fortunately, solve two problems at once by promoting soil conservation. The Mississippi River drains two-thirds of this country. The Mississippi drains, in whole or in part, 32 different States in the Union. The Mississippi River disgorges into the Gulf of Mexico 400,000,000 tons of soil each and every year. It robs, it impoverishes, the land without enriching the sea. The Mississippi River periodically breaks out of its bounds, it overflows and ravages the Delta. Many times in the past it has occasioned losses in a single season sufficient in value to confine or control its run-away waters to hold in leash its devastating floods.

I do not think we can ever explain to posterity our criminal negligence with reference to the Mississippi River. The control of the Mississippi River is a national problem. It is a national project. It cannot be cared for by any one State. It cannot be cared for by any voluntary association of different States. It must be supervised, conducted, and financed by the National Government.

The Mississippi is a great national highway. It is a navigable stream. The Mississippi cuts across this country, and it may be likened to a mammoth tree, the main stream the trunk of the tree; its various tributaries on either side may be likened to the limbs and the branches of the tree.

The smaller tributaries and creeks may be likened to the smaller branches and twigs and the farms may be likened to the leaves of the tree. I believe the Mississippi can be curbed and its lawless waters held in leash. I think that ought to be done.

How is the best way to do it? Mr. President, the best way is to stop the water where it falls, to stop every drop of water that you can where it strikes the earth. That serves a double

purpose. It diminishes the floods of the Mississippi and it conserves the moisture and the soil where the water falls. By dams and reservoirs along the tributaries—pools and ponds and lakes—along the creeks and the smaller streams, with terracing and conservation on the farm, we can hold back much of these waters and prevent these destructive rampages which return year after year.

I pivot my support of this measure in the main on controlling the flood waters of this navigable stream, controlling the tributaries of the Mississippi, and controlling the watersheds which contribute to the floods and which are accomplices in the disasters which they work.

This is a proper governmental function, because there are some problems in connection with soil erosion and soil conservation which the individual farmer cannot solve for himself—engineering problems. There are situations where one farmer might correct his own trouble and yet destroy the land of his neighbor. There are other places where soil conservation districts can be formed and financed in order to control these outbursts and to insure the permanence of the soil-conservation projects themselves.

Several such districts have already been formed in Oklahoma. The farmers feel and manifest the keenest interest in soil conservation. Not only the farmers but the people in the towns share this interest and support this movement.

Mr. President, we have been spending from time to time—and I do not complain—millions and hundreds of millions of dollars upon the construction of highways. To construct highways by eroded, denuded, and desolated farms is of no particular public service. Highways which render no other service than to enable the impoverished people to make their escape from desolated farms are of no general public concern.

I desire to see adopted and pursued a policy as a long-term policy wherever required, both as to wind and as to water erosion, to enable the individual farmer to help himself, to protect his own farm against this menace and this evil. I would not have the Government drain or protect any farmer's farm at Government expense alone further than to provide demonstrations, and, where necessary, to straighten channels and construct dams. So far as practical let every individual farmer do his own work on his own farm. I believe he will do it, and then he will appreciate it. Every time he stops a drop of water where it fell he helps to conserve the moisture on his own farm and to control the flood waters of the Mississippi, both a private and a public service. The spirit already manifested in Oklahoma in support of this movement confirms my faith in this undertaking.

Mr. President, I desire to say that Oklahoma is the most recent type of our original colonies and our original States. Oklahoma was the last frontier. The people of Oklahoma are the last pioneers. They assembled in that section from every other State in the Union—I might almost say from every quarter of the globe. There they encountered the hardships of the border. They conquered the obstacles of the frontier. Brave men and brave women underwent all the privations of a new country, inspired by the sacred desire to acquire a home. They developed there the virtues of the pioneer, fortitude, self-denial, self-reliance, self-respect—virtues which have made this country great in the past, virtues which alone can keep us great in the years to come.

In our country the pioneers lived in sod houses. They lived in dugouts. They ate kafircorn bread and molasses, and they did so without complaining, inspired by the hope of a home. That country was settled by brave men, by men who dallied with danger as the she tiger fondles her young. They made Oklahoma in their own image. They asked only a chance. Give them a chance and they will rebuild their fallen fortunes. Give them a chance and they will conquer their own destiny. That is my faith. That is my hope.

Mr. President, I ask unanimous consent to print in the RECORD immediately following my remarks the song entitled "My Oklahoma Home", written by an Oklahoma woman, a friend of mine, Mrs. George A. Bottom.

There being no objection, the song was ordered to be printed in the RECORD, as follows:

Respectfully dedicated to Hon. THOMAS P. GORE

MY OKLAHOMA HOME

(Words by Mrs. George A. Bottom, music by Jack Stanley)

Just a picture of my Oklahoma homestead,
Comes to mem'ry as I dream of it tonight.
'Tis a little old brown cabin on the prairie,
Where the western sun shines o'er it clear and bright.
There I took my sweetheart wife one golden summer,
When all the world with Nature seemed at play.
And in our love were happy there together,
In my Oklahoma home so far away.

Chorus

From the mountain tops the purple haze is falling,
While the prairie's breeze I miss where'er I roam;
And old mem'ries come to me like voices calling;
For I'm dreaming of my Oklahoma home.

How I long to see again that old brown cabin,
Though now its roof is falling to decay.
And my sweetheart wife has gone from me forever,
But her mem'ry still grows dearer day by day.
In a grave she sleeps beneath the waving prairie,
As o'er it gently falls the summer rain,
The birds are ever singing songs of sorrow,
'Round my Oklahoma home out on the plain.

Mr. GORE. It is also my desire to have printed in the RECORD at this point a statistical statement showing the extent of soil erosion in the States situated in the great plains country.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SOUTHWESTERN STATES

Area affected by wind erosion

	Acreages of each erosion class	Total acres affected in State	Percent of State affected
Oklahoma		7,014,990	15.7
Moderate wind erosion	320,439		.7
Severe wind erosion	4,736,046		10.6
Destroyed by wind erosion	1,958,505		4.4
New Mexico		14,448,458	18.6
Moderate wind erosion	6,315,918		8.1
Severe wind erosion	7,837,609		10.1
Destroyed by wind erosion	294,931		.4
Colorado		29,335,723	44.2
Moderate wind erosion	20,561,511		31.0
Severe wind erosion	8,686,132		13.1
Destroyed by wind erosion	88,080		.1
Kansas		14,634,590	27.9
Moderate wind erosion	8,837,188		16.8
Severe wind erosion	5,386,092		10.3
Destroyed by wind erosion	411,310		.8
Texas		21,405,624	12.6
Moderate wind erosion	13,327,063		7.9
Severe wind erosion	6,814,825		4.0
Destroyed by wind erosion	1,263,736		.7

DESCRIPTION OF EROSION CONDITIONS

4. Moderate wind erosion. Small amounts of surface soil removed accompanied by local accumulations.

5. Severe wind erosion. Major amounts of surface soil removed. Usually accompanied by local destructive accumulations.

6. Destroyed by wind erosion. Soil losses and drifting too severe for cultivation.

On the map the last two classes have been combined.

The acreages given in the tables represent the areas on which the predominant conditions were found to be as noted by the reconnaissance erosion survey made during July 15 to October 15, 1934.

	Acreages of each erosion class	Total acres affected in State	Percent of State affected
North Dakota		47,725,228	95.1
Moderate	33,616,624		74.3
Severe	9,026,501		20.1
Destroyed	82,103		.2
South Dakota		45,588,861	93.0
Moderate	41,558,452		84.8
Severe	4,020,641		8.2
Destroyed	8,768		.1
Nebraska		20,238,682	41.0
Moderate	16,780,013		34.0
Severe	3,458,669		7.0
Destroyed	None		0
Montana		47,719,139	50.2
Moderate	43,524,732		45.8
Severe	4,172,885		4.4
Destroyed	21,522		.1
Minnesota		12,692,812	24.6
Moderate	9,256,067		18.0
Severe	3,421,203		6.6
Destroyed	15,543		.1

Mr. GORE. Mr. President, I ask unanimous consent to have printed as a public document 10,000 copies of hearings on the subject of soil and water conservation, held in 1914 under my direction when I was Chairman of the Senate Committee on Agriculture and Forestry, the senior Senator from Texas [Mr. SHEPPARD] being chairman of the subcommittee.

The PRESIDING OFFICER. The request of the Senator from Oklahoma will be referred to the Committee on Printing.

FLIGHT OF THE "PAN AMERICAN CLIPPER" TO HONOLULU

Mr. REYNOLDS. Mr. President, I desire briefly to submit a few observations relative to a great feat which has just been performed by American airmen. Those who are in the Chamber at this time doubtless read with unusual interest a few days ago that one of the master clipper ships of the Pan American Air Lines, flying from California to Honolulu over one of the largest stretches of open waters of the world, approximately 2,400 miles, made the trip in something like 17 hours and 45 minutes, thus lowering the record, which had been made in January of 1934 by an American air squadron, by something like 8 hours. The whole world looked to that flight, and I am confident that the nations of continental Europe, particularly France and Germany, were envious of this record trial trip by American-developed aircraft, because it is generally known that both Germany and France, as well as other countries across the seas, are vying with one another to establish air trade routes to every single section of the world, and particularly from the Continent of Europe to South America.

In that connection I desire to read a press report, dated April 8, Paris, France, as follows:

GRAF AND PLANE RACING ATLANTIC—BOTH LEFT EUROPE SATURDAY; NOW ARE NEARING OR OVER BRAZIL

PARIS, April 8.—Racing Germany's *Graf Zeppelin* across the South Atlantic, the French mail plane *Santos Dumont* left Dakar, West Africa, at 4 o'clock this morning with a load of Paris mail for South America.

The *Graf Zeppelin*, which left Friedrichshafen Saturday evening, was somewhere in vicinity of the Canary Islands, proceeding to Rio de Janeiro, where it was scheduled to arrive Tuesday evening.

The *Santos Dumont*, big French flying boat, picked up mail which left Paris shortly after midnight Saturday and arrived at Dakar at 1:45 a. m. this morning, taking off soon afterward for Natal, Brazil, en route to Rio. She was scheduled to reach Natal tonight.

Intense rivalry between Germany and France for air service supremacy on the South Atlantic was symbolized by the speeding craft.

The German Luft Hansa Line is planning a new service, beginning Saturday, by which it is hoped to connect Berlin and Rio de Janeiro in 72 hours.

The French also are testing a new metal giant passenger machine designed for the South American and later for a trans-Atlantic-North American service. This plane, capable of carrying 76 passengers, would take 30 on transoceanic flights.

This machine, weighing from 32 to 37 tons, is 104 feet long, has a wing spread of 162 feet, and stands 30 feet high. Housed in its metal fuselage are 12 de luxe cabins as large as those on trans-Atlantic liners, each with two beds and a private bath. Three years in building, it cost 25,000,000 francs (currently about $1,650,000). Its cruising speed is 145 miles an hour.

I understand that the clipper which made the record flight, with Americans at the controls, weighed something like 17 tons, and that it is capable of carrying a large number of passengers and a great quantity of mail. Of course, the trip which was made was an initial one, for the purpose of gathering actual experience and information of benefit to those who will pilot the ships in the future not only from the shores of America to Honolulu but to Midway, thence to the Philippines, and from there to Hong Kong and Canton.

In this connection I desire to read a statement which was made before a subcommittee of the Committee on Military Affairs day before yesterday by one whose name is familiar to all Members of the Senate. I refer to Gen. William Mitchell, formerly of the Air Corps of the United States Army. In that statement he said that America should give encouragement to the air lines of this country which were attempting to establish airplane connection with all parts of the world.

The first forward step in this direction was made by Pan American Airways when they established lines from American shores to Cuba, Nassau, Haiti, San Domingo, the Virgin Islands, Trinidad, Venezuela, Colombia, Panama, Spanish Honduras, British Honduras, Salvador, Costa Rico, Guatemala, Yucatan, Veracruz, and Mexico City.

The Pan American Line is now expanding into the Orient, and when it shall be completed we can well congratulate ourselves upon the fact that our American lines, from a commercial standpoint, are vying successfully with those of all the other countries of the world, and that, as a matter of fact, we have succeeded in the effort that the foresighted people of this country have made. General Mitchell, in his testimony before the subcommittee of the Committee on Military Affairs, observed:

> We know that with aircraft we can go anywhere. There is no question about it whatever, and we have never tackled a thing yet that we have not gone through with it, because we had a group of men at one time that knew this game and they could devise things to meet it. We had civilians working with us, and we had a great hook-up in this country, but that has all been scattered to the four winds, and I do not know that you can pick it up again in years, and the longer you put it off the worse you will be. The only ray of hope here now is to extend these commercial lines everywhere. They ought to be pushed just as hard as we can push them * * * to all parts of the world. The competition now is to get air lines all over the world, just the same as it was by the steamship lines in the middle of the last century. It is very important * * * because the trade always follows your means of transportation, and that is the way you have got to have foreign trade, and that is the way you transport your goods and your people that sell them and your materials, etc.
>
> We were blocked off the sea after the War between the States by Great Britain, that could construct ships of her own better than we could. Now we have this priceless asset in this country: We can construct aircraft better than anybody if they let us; we have got better means of doing it; we have got all the raw materials and we should dominate the world in the air. * * * Our interests in this country and our means of doing business, the extension of these civil air lines has been very good.

In connection with the flight of the large 17-ton clipper of the Pan American Line, which lessened the time between San Francisco and Honolulu by 8 hours by plane and approximately 4 days by boat, I desire at this time to bring to the attention of the Senate a clipping which I cut from the New York Times of Thursday, April 18, relative to statements made in the form of praise and congratulations by the Honorable James A. Farley, Postmaster General of the United States, and others, reading as follows:

[From the New York Times]

FARLEY PRAISES FLIGHT

WASHINGTON, April 17.—Praising the successful flight of the Pan American Airways clipper ship to Hawaii, Postmaster General Farley sent messages of congratulation today to the operators and to the commander of the flying boat.

To Juan T. Trippe, president of Pan American Airways, New York City, he telegraphed as follows:

"I wish to most heartily congratulate you on the successful flight of your large clipper ship from Alameda, Calif., to Honolulu, Hawaii, which is the initial flight in your proposed trans-Pacific service. I feel sure that Americans generally are thrilled with pride at this accomplishment of an American air transport company and that it is but the forerunner of successful operations on a complete trans-Pacific service."

The Postmaster General sent this message to Capt. Edwin C. Musick at Honolulu:

"Congratulations to you and your crew on behalf of myself and the Post Office Department."

Representative BRUNNER, of New York, sent the following telegram to Mr. Trippe:

"Congratulations on the splendid flight of your clipper and the manner of making it. It indicates that the problem of navigation of the Pacific by air has been scientifically conquered."

SAMUEL W. KING, Delegate to Congress from Hawaii, said in a message:

"For over 100 years Hawaii and California have been joined by a bridge—first of sailing vessels, then steamers, and now by clipper ships of the air. All credit to Pan American for bringing Hawaii as near to California as is New York. We of the islands look forward to the closer linking of our Territory to the mainland."

Senator WILLIAM G. MCADOO, president of the National Aeronautic Association, an outstanding figure in the world of aviation, who has flown in his own plane across the continent from his home in California to Washington and return many times, who has traveled by commercial air lines wherever they have been established in many parts of the world, who realizes and appreciates the immense commercial value to the United States of such a network of airways, and who has contributed generously of his time and thought

to the development and expansion of commercial airways on account of his patriotic interest in American commerce and national defense, sent a telegram to the commander of the Pan American clipper when it was about to take off from the Alameda Airport, Calif., for Hawaii reading:

EDWIN C. MUSICK,
Commander Pan American Clipper,
Alameda Airport, Alameda, Calif.:

On your take-off for the most notable attempts yet made in the history of aviation to conquer the vast Pacific and to demonstrate the feasibility of establishing regular air service between the United States and China I send greetings and warm wishes for success. I am confident that you will carry the American flag triumphantly in this great adventure and demonstrate anew the invincibility of genius, skill, and courage. Your success means a new advance in the unlimited field of commercial aviation with its certain complement of international good will.

W. G. MCADOO,
President National Aeronautic Association.

And after the ship had been smoothly and safely set down upon the blue waters of the harbor at Honolulu he dispatched to the commander a cable extending congratulations.

As good roads in this country, the arteries of modern civilization, have brought closer to the people school houses, libraries, churches, and markets, so have the air lines, now cobwebbing the hemisphere, brought closer together the peoples of the various nations of the world. I know of no other medium by which friendly relations may better be created with the peoples of other countries than by linking up the world by means of air lines. Let us hope that this linking up will be brought about and successfully accomplished by American lines in order that America may profit thereby.

As we know, the first international air line of any great mileage established was that to South America, which now reaches down the eastern coast to Argentina, then across to the western coast of South America, and northward to Mexico City and California. I have heard it stated on innumerable occasions by those residing in countries to the south of us, not only in Mexico and Central America but also in South American countries, that that line has been of great service toward promoting friendly relations and trade between the people of our great Republic and those residing to the south of us.

In conclusion, regarding the air mail transportation, which provides the merchants and the manufacturers and the distributors of our country advantages over those of some other countries which have not established similar lines, I should like to provide some simple and comprehensive information regarding what we may expect in the proposed air mail and passenger service soon to be provided by the Pan American Line from America to China respecting cost:

BREAK-DOWN OF AMOUNT REQUIRED FOR, AND ESTIMATE OF MAIL REVENUE FROM, PROPOSED CALIFORNIA-CHINA AIR MAIL SERVICE

MILEAGE INVOLVED

The direct air-line mileages, point to point, on the route from San Francisco to Canton, China, as furnished by the United States Naval Hydrographic Office on March 25, 1935, are as follows:

San Francisco to Honolulu	2,408.0
Honolulu to Midway	1,306.0
Midway to Wake	1,183.5
Wake to Guam	1,511.0
Guam to Manila	1,593.5
Manila to Canton	778.5
	8,780.5

COST

Based on the maximum mileage payment provided under the Foreign Air Mail Act, of $2 per mile, the maximum cost to the Government per round trip would be $35,122.

If once-a-week service were provided, this would involve a maximum cost for 12 months of $1,826,344.

If the low bid accepted on the advertisement for the service should be less than $2 a mile, or if the mail service for the fiscal year 1936 should not be commenced until after July 1, 1935, the amount required would be proportionately reduced, and such reduction would be turned back into the Treasury as an unexpended appropriation.

ESTIMATED MAIL REVENUE

According to figures given out by the Post Office Department on March 25, 1935, 7.76 percent of all the first-class mail transported to Latin America is transported by air at the fixed air-mail surcharge rates. This excepts Cuba and Mexico, of which no record is available, but, because of the fact that these countries carry lower air-mail rates than any other countries, the percentage figure of 7.76 percent would be higher if these countries were included.

The total annual first-class mail from the United States to the area to be served by the California-China route, averaged over the last 5-year period, is as shown in the table to follow. If the same percentage of these first-class mails across the Pacific should be carried by air as is carried in Latin America, approximately 59,000 pounds would be available outbound and, upon the basis of an air mail rate per half-ounce letter to the public of, say, 25 cents to the Hawaiian Islands, 50 cents to the Philippines, and 60 cents to China (which would yield approximately $10, $20, and $24 per pound of mail, respectively), this volume of air mail would yield the United States Government an annual revenue of approximately $1,156,000 on the outbound mail. Approximately the same revenue could be expected on the inbound air mail. The computation from which these conclusions are derived is shown in the table heretofore referred to.

I ask that the remainder of the memorandum, the table, be printed in the RECORD at this the conclusion of my remarks.

There being no objection, the matter was ordered to be inserted in the RECORD, as follows:

	Annual first-class mail outbound, 5-year average [1]	Percent first-class mail carried by air in Latin America [1]	Resultant pounds of air mail	Rate per pound	Estimated annual air mail revenue
Hawaii	[2] 193,740	7.76	15,034	$10	$150,340
Philippines	135,813	7.76	10,539	20	210,780
Guam	3,498	7.76	271	16	4,336
China and beyond	424,533	7.76	32,943	24	790,632
Total					1,156,088
Add estimated inbound air-mail revenue—approximated same as outbound					1,156,088
Total					2,312,176
Deduct maximum annual cost of service					1,826,344
Net profit to U. S. Government on above hypotheses					485,832

[1] Official figures of Post Office Department.
[2] 1934 figure—5-year average not available—would be higher.

Of course, it would not be expected that at the outset the people would be educated up to the use of the service to the point where the South American percentage would be reached. However, due to the fact that the percentage of business correspondence is higher in the Pacific mails than in the Latin American mails, and to the further fact that the proportionate time saving is greater, the ultimate percentage of first-class mail which would be carried by air on the Pacific route would be higher than on the Latin American routes. If such percentage should reach 10 percent, the Government's annual profit would be approximately $640,000, and if it went up to 12½ percent, the annual profit would be approximately $800,000.

PREVENTION OF SOIL EROSION

Mr. KING. Mr. President, Senators who had the privilege of listening to the impressive and eloquent address of the Senator from Oklahoma [Mr. GORE] must have been impressed with the importance of the question to which he addresses himself. The facts which he has presented conclusively demonstrate the importance of cooperation between the States and the National Government for the purpose of dealing with a problem Nation-wide in its effects. There are questions that are to be dealt with by the States alone, and there are matters which are interstate and, indeed, national in their scope which require cooperation between the sovereign States and the Federal Government. One of those questions relates to harbors and our inland waterways, and it is obvious that in dealing with the waterways of our country the States through which the streams and the rivers flow and the States which they drain are mutually interested in dealing with the problems which they develop.

As has been so well stated by the Senator, large areas of our country are annually being denuded of hundreds of millions of tons of soil, the greater portion of which ultimately finds its way into the rivers and streams, thus resulting in further problems connected with flood control. The winds

which sweep over the land rob it of minerals which are essential to the healthy growth of agricultural crops. Little by little the soil is impoverished and the resultant crops materially diminished in quantity and affected in quality. Because of these enormous losses to the soil, the necessity for fertilizers is increasing, and no little part of the costs of farming today arises from the imperative need for fertilizers, the cost of which is a heavy tax upon the farmers.

It is evident that something must be done to protect the soil from wind and storm. The recent dust storms not only seriously endanger agricultural lands but they have impaired the health of hundreds of thousands, if not millions, of people who have lived within the areas which have been affected. Indeed it has been said that in nearly every part of this broad land the atmosphere has been impregnated with the infinitesimally small particles of earth which have been carried, in many instances, thousands of miles.

Intimately associated with the question of protecting the lands against soil erosion is the question of reforestation and afforestation and the revegetation of vast areas in many parts of our country. I think that we must confess to a serious dereliction in failing to protect our forests and preserve our timber supplies and to provide for reforesting particularly in those sections where the hand of man has wrought such devastation.

We often read of ghost cities found in mining States where, after the mines are exhausted, thousands of people silently departed seeking homes and fortune in other parts of the land. If one travels through the mining regions of the West, he will see some of these ghost cities—places where a few years ago there were thousands of people, hundreds of homes, business houses, and great activity in business, trade, and commerce. In other parts of the United States there are ghost cities and the ruins and the remains of prosperous and progressive communities, the inhabitants of which depended upon the timber and the lumber business. With the destruction of the great forests which furnished employment to hundreds of thousands of people, homes were abandoned and cities and towns fell into ruin and decay. The destruction of timber brought about also, in many places, the destruction of the underbrush and grasses and vegetation—scant though it was, that found refuge and protection under the foliage of the trees.

There has been a lack of appreciation upon the part of the people of the disastrous effects that follow the destruction of forests and the removal of trees. It is time that we were aroused to the evils following the unrestricted destruction of the timber resources of our country. I repeat there should be cooperation between the Federal Government and the States for the protection of our timber supplies and for the adoption of a consistent and comprehensive policy that will result in reforestation in all that that term implies.

There has been too much breaking of the soil in the so-called "prairie and Western States", and too little concern for the consequences that would result from the unwise and unsound use of the great plains and valleys in the central and western part of the United States.

Large areas of our country were peculiarly adapted for wild grasses and grazing purposes, but millions of acres were plowed under. The texture of the soil was broken up and by reason of the work done upon the same by the agriculturists, it was flung to the winds that swept over the land and millions of tons were carried over the land and deposited in distant parts of our country. With the destruction of the trees and the plowing under of large areas of territory, the problem of soil erosion became more acute and of vital importance. We are now reaping the fruits of mistake, if not follies, and must adopt measures that will retrieve, as far as it is possible, the mistakes of the past.

May I refer to a number of trips which I made (a few years ago) through southeastern Europe and particularly through Asia Minor, Syria, and Palestine. A few centuries before the Christian Era and indeed for several centuries thereafter there were millions of people inhabiting what we call Asia Minor, Syria, and Palestine. My recollection is that Josephus, the historian, stated that the inhabitants of Palestine in his day numbered approximately five or six millions of people. We read of the forests of Palestine, the Cedars of Lebanon, of fertile fields and of the rich products of the soil. When I was there a few years ago the situation was vastly different from that of which history gives us record during the period to which I have just referred.

There were not more than six or seven hundred thousand inhabitants of Palestine, most of the lands were barren, the hills and mountains had been largely denuded of their vegetation, and their glistening rocks reflected the burning rays of the sun. That was true likewise of Syria. In Asia Minor in the days when Paul lifted his voice in proclaiming the faith which he espoused, there were perhaps fifteen or twenty millions of people. Large cities were founded with great temples and evidences of a high degree of culture and civilization. The valleys were productive and yielded abundantly in response to the efforts of the husbandman. In 1926 I traveled over a large part of Asia Minor. I visited sections where there had been cities and millions of inhabitants. A great change had taken place. Many of the valleys were barren and devoid of vegetation.

The hills and the mountains had been stripped of their trees and vegetation, and wandering shepherds, rather limited in number, sought as they wandered over arid lands, food for their diminished herds. When the trees and vegetation were destroyed and the rains fell, the soil was stripped from the mountains and the hills and carried into the lower regions where fetid swamps were developed. Perhaps not more than five or six million people occupied a territory which formerly supplied homes to fifteen or twenty millions of inhabitants.

Timbers, trees, and forests are needed not only for utilitarian purposes but they are vital in their effects upon climatic conditions. It is common now to speak of becoming "air-minded" or of "peace-minded." May I say that it is important that we become "forest minded" and "timber minded" in the sense that we must be aroused to the importance of protecting the limited timber supply which we have and giving attention to denuded lands which call for reforestation.

In 1916 and 1917 Senator Newlands occupied a seat in this Chamber. He was one of the ablest statesmen of his time, and he gave a great deal of attention to the question of protecting and preserving the public domain, protecting flood control, developing our inland waterways as well as our harbors. Perhaps no one in the United States was as familiar with these problems as he. May I add that it was he that took the leadership in giving to our country the Reclamation Act, which is called by many, and should be by all, the Newlands Act. I had the pleasure and the privilege of conferring with him frequently when he was preparing a measure which called for the creation of a commission to have charge of waterways, rivers, harbors, protection of flood control, and generally the protection of the timber supplies of the United States.

President Wilson was profoundly interested in the plan and intended to carry it forward to a successful conclusion. Unfortunately the World War frustrated the plan and shortly thereafter the great Senator from Nevada passed from our midst. It was a great plan which he and President Wilson conceived. I am not sure that it should not be revived. At any rate, and I repeat, the problems of reforestation, flood control, and soil erosion are so intimately associated, that they should be dealt with in a constructive, and, if I may use the expression, "coordinate and composite way." I believe that a conference between the States and the Federal Government could devise a program that could deal with these vital questions in a manner that would be satisfactory and would assure the highest and most beneficial results. However, that question is not before us. Today we are dealing with but a segment of the circle, a part of a great problem which sooner or later must command our

attention and be worked out in all its details and consistent with the best interests of our country and the welfare of its people.

I am glad that the question of soil erosion has recently been again brought to the attention of the Government and the people. The Secretary of the Interior, notwithstanding the important duties resting upon him, found time to devote to this problem; and more than a year ago laid the foundation of a plan which if carried into effect would undoubtedly bring most important reslults. As Senators know, the Department of the Interior has charge of all public lands. There are tens of millions of acres, mineral and agricultural, that constitute a part of the public domain. Large areas of the public lands have been set apart as national parks, and still larger areas hve been carved out of the public lands and placed within forest reserves. It is true the forest reserves were placed years ago under the control of the Department of Agriculture. I might add in passing that this policy has some irreconcilabilities, if I may use that expression, and certainly some incongruities. Titles to public lands must come from the Department of the Interior.

Surveys of the public domain are made under the direction of the Department of the Interior; the mineral lands are controlled by the Department of the Interior, and, as stated, the tens of millions of acres of public domain are under the jurisdiction of the Department of the Interior. From many of these public lands streams flow carrying annually millions of tons of soil. The Colorado River lies in the public-land States and it carries annually enormous quantities of soil down to the Gulf of Mexico. The Government is spending tens of millions of dollars for the construction of Boulder Dam. The streams that flow into and through the Boulder Dam rise in the States of New Mexico, Colorado, Utah, Wyoming, and Nevada. They carry millions of tons of soil annually. It is important that soil erosion be prevented lest the capacity of the Boulder Dam be somewhat reduced.

The Missouri River and other great streams that flow into the Mississippi River arise within and are fed by waters flowing from public-land States. The Senator from Oklahoma has referred to these rivers that carry enormous quantities of soil from the land out into the sea. It has seemed to me that the soil-erosion agency should be under the control of the Department of the Interior. However, a different plan seems to have been agreed upon, although I may say that there are many who take the view which I have expressed. The able Congressman from New Mexico, Mr. DEMPSEY, entertained this view and offered a bill in the House of Representatives which emphasized this position, and if it were the law would give jurisdiction of this important matter to the Department of the Interior.

Many of us have learned of the executive ability, the integrity, and the high sense of justice which have characterized the administration of Secretary Ickes. Without derogating in any degree from the ability of the officials in other departments, it may be said that the administration of the Soil Erosion Act by the Department of the Interior would inspire confidence and would meet the approval of many who are most familiar with this subject.

Mr. President, I appreciate how important it is to secure legislation dealing with soil erosion. There are persons who have been engaged in working out plans under the Secretary of the Interior, and I am advised that some at least will be permitted to carry forward the present plans, doubtless with some expansion, even though jurisdiction of this matter is transferred to another department of the Government. Notwithstanding this fact, I cannot help but believe that it is a mistake to place this matter in the hands of another department.

Mr. President, I have said all that I care to say. I now withdraw the motion heretofore submitted.

The PRESIDING OFFICER. Without objection, the motion is withdrawn.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

Mr. ROBINSON. Mr. President, there are about 12 Senators absent who, I am advised, would like to be recorded on this bill. If an agreement limiting debate may be entered into, I know of no reason why the Senate should not take a recess until Monday. I am about to submit a request for unanimous consent.

I ask unanimous consent that after today, should the consideration of the present bill be not concluded, debate be limited so that no Senator shall speak more than once or longer than 15 minutes upon the bill, or more than once or longer than 10 minutes upon any amendment that may be pending or that may be offered.

Mr. VANDENBERG. Mr. President, I apprehend there is nothing in the proposed agreement which would interfere with a motion to recommit.

Mr. ROBINSON. No; I do not so understand.

Mr. VANDENBERG. I do not, either.

Mr. BYRD. Mr. President, I desire to serve notice that on Monday I shall make a motion to recommit the bill to the Committee on Banking and Currency. I make no objection to the suggestion of the Senator from Arkansas, provided the same restrictions which apply to the bill itself shall apply to debate on the recommittal of the bill.

Mr. ROBINSON. Very well; I think that is a proper suggestion. I modify the request so that the debate shall be limited to 15 minutes on the bill and 10 minutes on any amendment or motion that may be offered.

The PRESIDING OFFICER. Is there objection?

Mr. AUSTIN. Mr. President, reserving the right to object, I desire to say that there are Senators who are not present at this time who are interested in such an agreement.

Mr. McNARY entered the Chamber.

Mr. AUSTIN. The Senator from Oregon having entered the Chamber, I shall not proceed further.

Mr. ROBINSON. Mr. President, I will state for the benefit of the Senator from Oregon [Mr. MCNARY], who has just come into the Chamber and with whom I had not the opportunity of conferring heretofore, that there are a number of Senators absent, perhaps 12, who would like to be recorded on this bill. I have asked unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon on Monday, and that thereafter no Senator shall speak more than once or longer than 15 minutes on the bill, or more than once or longer than 10 minutes on any amendment or motion that may be pending or that may be offered.

Mr. McNARY. Mr. President, I have not had an opportunity to confer with the Members on this side of the aisle, but I am sure the limitation on general debate should be extended to 30 minutes. I know of one or two Senators who desire to speak, and I think they could not conclude their remarks within 15 minutes.

Mr. ROBINSON. I may suggest to the Senator from Oregon that the entire remainder of today is open for debate. The debate on the bill has proceeded in a somewhat leisurely fashion for several days. I do not feel like moving a recess until Monday if debate on the bill can now proceed, and if Senators desire to prolong the debate.

It seems to me the request I have made is a reasonable one. The entire remainder of today is open to debate if Senators wish to avail themselves of it; but I do not think Senators should absent themselves indefinitely from the Senate and then insist upon a prolongation of debate on a measure which has been pending as long as this one has.

Mr. McNARY. Mr. President, the proposal of the Senator from Arkansas is reasonable, and yet it is susceptible of modification. If we are to recess, I think some consideration should be given to recessing early today.

Mr. ROBINSON. It is my intention to move a recess as soon as Senators indicate they have concluded the debate for the day. I do not wish to preclude any Senator from

going on with the debate today if he wishes so to do, and I have been advised that one Senator would like to speak for a few minutes.

Mr. McNARY. I do not see anything unreasonable in extending the limit upon debate from 15 minutes to 30 minutes. No Senator is going to take advantage of an opportunity to extend the debate beyond the time actually necessary.

Mr. ROBINSON. But the point is, if the Senator pleases, that we are proposing to recess early on Friday over Saturday, and the debate may very well proceed if there is a necessity for lengthy debate. I do not wish to shut off debate. My object is to serve the convenience of Senators who have found it necessary to go away.

I submit the request, Mr. President.

Mr. McNARY. Mr. President, I have indicated in the best of good faith, and for substantial reasons, that I think the limitation should be 30 minutes. I am willing to agree that after 3 o'clock debate shall be limited to 15 minutes, but from 12 to 3 I think the limit should be 30 minutes.

Mr. ROBINSON. If the measure shall not be sooner disposed of?

Mr. McNARY. Certainly.

Mr. ROBINSON. Very well; I will modify my request to that effect.

I ask unanimous consent that when the Senate concludes its labors today it take a recess until 12 o'clock noon on Monday next; that after the meeting of the Senate at noon on Monday, and until the hour of 3 o'clock, no Senator shall speak more than once or longer than 30 minutes on the bill, or more than once or longer than 10 minutes on any amendment or any motion that may be pending or that may be offered; and that after the hour of 3 o'clock no Senator shall speak more than once or longer than 15 minutes on the bill, or more than once or longer than 10 minutes on any amendment or motion that may be pending or that may be offered.

The PRESIDING OFFICER. Is there objection?

Mr. GORE. Mr. President, what would be the parliamentary status if the Senator from Virginia [Mr. BYRD] should make a motion to recommit and the motion should prevail?

Mr. ROBINSON. If the motion to recommit should prevail it would end the matter.

Mr. GORE. I will say to the Senator from Arkansas that I desired to have the statement in the RECORD so that there would not be any doubt about it.

The PRESIDING OFFICER. The Chair will state to the Senator from Oklahoma that the motion to recommit is embraced within the request of the Senator from Arkansas; and that motion would be subject to debate under the restriction proposed in the request of the Senator from Arkansas.

Mr. GORE. My assumption was that a motion to recommit, being a privileged motion, would prevail over any other order, even a unanimous-consent agreement; but I desired to get that statement in the RECORD.

Mr. ROBINSON. No, Mr. President; any motion that may be pending or that may be offered will be subject to a limitation of debate to 10 minutes. If the motion to recommit should be made at once, and should prevail, of course that would end the consideration of the bill for the present.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. McGILL. Mr. President, I send to the desk an amendment to the pending bill which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. BAILEY. Mr. President, I offer four amendments to the pending bill, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. BANKHEAD. Mr. President, the National Committee on Small-Farm Ownership is meeting in Washington today, and I have just been furnished with copy of a resolution adopted by the committee. I ask unanimous consent that there be printed in the RECORD the names of the members of the committee, together with the resolution which they have adopted.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE NATIONAL COMMITTEE ON SMALL-FARM OWNERSHIP

Mr. George Foster Peabody, chairman; Dr. W. W. Alexander, director, Commission on Interracial Cooperation; Rev. W. Howard Bishop, past president the National Catholic Rural Life Conference; Dr. Edwin R. Embree, president Julius Rosenwald Fund, Dr. Ivan Lee Holt, Federal Council of the Churches of Christ in America; Mr. William Green, American Federation of Labor; Dr. Charles S. Johnson, director department of social science, Fisk University; Mr. F. E. Murphy, the Tribune, Minneapolis, Minn.; Dr. Howard Odum, the University of North Carolina; Mr. Charlton Ogburn, counsel American Federation of Labor; Prof. Frank O'Hara, Catholic University; Dr. Clarence Poe, editor the Progressive Farmer, Raleigh, N. C.; Mr. B. Kirk Rankin, editor Southern Agriculturist, Nashville, Tenn.; Rev. Edgar Schmiedeler, director rural life bureau, National Catholic Welfare Conference; Mr. M. W. Thatcher, the Farmers Educational and Cooperative Union of America; Mr. Cal Ward, the Farmers Educational and Cooperative Union of America; Mr. Innis Hubert; Mr. Donald Comer, Avondale Mills, Birmingham, Ala.; Mr. Clark Howell, editor the Atlanta Constitution; Mr. Frank O. Lowden, of Illinois; Mr. John B. Miller, president Farmers Cooperative Council; Maj. Robert Russa Moton, Tuskegee Institute, Alabama; Rt. Rev. John A. Ryan; National Catholic Welfare Conference; Mr. Edgar B. Stern, New Orleans; Mr. Louis J. Taber, president the National Grange; Gen. Robert E. Wood, president Sears, Roebuck & Co., Chicago, Ill.

STATEMENT ON THE BANKHEAD FARM-TENANCY BILL BY THE NATIONAL COMMITTEE ON SMALL-FARM OWNERSHIP

No greater problem confronts our rural community than the persistent growth of farm tenancy. Nearly one-half of all our farmers are now tilling land owned by others, and if the present tendency toward converting the independent farmer into a dependent and propertyless tenant continues, then we must abandon hope of achieving a stable and progressive rural civilization. No satisfactory rural community can be either developed or maintained on a tenancy basis. In eight of our States farm tenants represent more than 60 percent of all farm operators. Nor is the problem a sectional one. Ten of the Wheat and Corn Belt States show from one-third to one-half of the farms operated by tenants, and even in such Western States as Montana and Idaho one-fourth of the farm operators are tenants. Nor is the problem a racial one. There are three times as many white as Negro tenants in the United States, and even in the South there are twice as many white as colored farm tenants.

In view of all of these facts we consider the proposed bill for the gradual conversion of the tenant into a landowner as one of the most important and constructive pieces of legislation ever voted upon by the Congress of the United States, and the National Committee on Small-Farm Ownership takes this formal occasion to comend Senator BANKHEAD for bringing the problem of farm tenancy in the United States before the American Congress and expresses the hope that the bill which is now before the Senate will be adopted. If passed, it will make possible the growth of a secure and prosperous rural community that owns the land it tills and that can develop to the fullest its share of the great American heritage.

APRIL 19, 1935.

LIQUIDATION OF CLOSED BANKS

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Representative McLEOD, of Michigan, in reply to a letter from the Comptroller of the Currency, which was printed in the RECORD some days ago.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 15, 1935.

Hon. JAMES F. BYRNES,
United States Senate, Washington, D. C.

MY DEAR SENATOR BYRNES: My attention has been called to certain statements by Mr. J. F. T. O'Connor, Comptroller of the Currency, which, together with an article appearing in a Detroit newspaper, were inserted by you in the CONGRESSIONAL RECORD of April 9.

In his statement Mr. O'Connor charges me with grossly misrepresenting facts in a statement to the press. This attack was inspired by a resolution of inquiry I introduced in the House calling for certain information which has been withheld concerning liquidation of closed banks.

Such attacks can be answered by Members of Congress in many ways and I have considered the methods which would appeal to

the fair play and sense of justice for which you are noted. For that reason I am writing you this letter in answer to that which you placed in the RECORD, and I am asking that you give it the same treatment which you accorded Mr. O'Connor's, thus showing that your part in this controversy is entirely unprejudiced and unswayed by political motives.

In his letter Mr. O'Connor makes the first of 18 assaults upon my character by referring to an article in a Detroit newspaper with the remark that I "so misrepresented and misstated facts and figures that the article cannot go unanswered." It is, of course, unnecessary for me to say that this is absolutely false. Proof is contained in the facts I shall cite in reply to the 17 remaining baseless allegations.

Second, Mr. O'Connor states that I led a newspaper correspondent into an article which does not contain one correct paragraph, and then goes on to say that "the subheading 'McLEOD wants choice of receivers explained' is information which is available to everyone." Here the Comptroller again resorts to his favorite device of quibbling, as anyone who has every endeavored to obtain information from the office of the Comptroller of the Currency will know.

Third. Mr. O'Connor makes the statement that "evidently Congressman McLEOD seeks to condemn the Comptroller of the Currency because he retained in office two receivers who had been appointed by Republican Comptrollers." This remark has reference to the receivers of the closed banks in Detroit. Mr. O'Connor knows quite well that I have never directed any personal criticism against either of the receivers concerned with the two large Detroit banks, and that my objections to receiverships have been leveled entirely and consistently at the system itself and as a whole.

Fourth. Mr. O'Connor charges me with having deceived the newspaper correspondent by introducing an entirely different resolution from the one described in the newspaper article. A glance at the resolution as introduced will show conclusively that the information called for is the same as reported in the press. The resolution as introduced provided for furnishing the same information without the expense of an investigation, and it will easily be seen that certain unnecessary words were eliminated for the sake of brevity and to insure the resolution coming within the requirements of the House rules pertaining to privileged resolutions of inquiry.

Fifth. Mr. O'Connor states: "Much of this information Congressman McLEOD has already received, and he has never been denied any information that he has requested from the office of the Comptroller of the Currency." It is somewhat mild to term this statement merely untrue. His office refused, only a few weeks ago, to let me have information concerning liquidation expenses of closed national banks. During my efforts in the last Congress to secure the enactment of my bank depositors' pay-off bill, the Comptroller refused even to let me have the names of the national banks which were in the hands of receivers. He did finally let me know the numbers, by States, of the national banks which had closed.

Sixth. Mr. O'Connor goes on to state that I would require him to add a score or more employees to be paid out of depositors' funds in order to furnish detailed information in all of the more than 1,500 closed national banks. Still the House Banking and Currency Committee, in its Report No. 630, states that the Comptroller agreed to supply this information, and same will be available in the annual report of the Comptroller, which is now said to be in the Government Printing Office. If this is true, Mr. O'Connor must now have the information and must already have spent enough of the depositors' funds to obtain it. It would appear that Mr. O'Connor either misled the Banking and Currency Committee or is not aware of what is being done in his office.

Seventh. Mr. O'Connor mentions that if I would take the trouble to look in his annual report, I would find a long list of data pertaining to closed banks. I am perfectly familiar with the type of information which satisfies a "banking expert" such as Mr. O'Connor. My resolution of inquiry, however, calls for information which would tell the bank depositors what is being done with their money.

Eighth. Mr. O'Connor states that "each receiver makes a quarterly report showing receipts and disbursements in his particular trust, and this report is posted in his bank and is available to every one of the depositors." What Mr. O'Connor neglects to say is that this information has been refused me on more than one occasion by his office and that, furthermore, his office has declined to give me even the names of the closed national banks still in the hands of receivers.

Ninth. The Comptroller charges that the facts concerning receivership costs were twisted in order to color the statement. I only wish it were possible to paint the costs of receiverships in bright hues, but the truth is, that with some few exceptions, these costs are an ever darkening cloud upon the horizon of the victimized bank depositors. The fact cannot be overlooked that the mere expenses incurred by the receivers do not comprise the total loss to depositors because of present liquidation methods. Only abolition of the existing receivership system and its replacement by the R. F. C. as a long-term liquidating agency can cut liquidating costs to the minimum depositors have every right to expect.

Tenth. He criticizes and distorts the data relating to the Bain banks, a group of State banks in the State of Illinois, whose liquidation costs have been unreasonably excessive. Mr. O'Connor objects to the mention of these banks on the ground that such data are irrelevant, and intimates that banks of this type could not come under the provisions of my bill to abolish receiverships, H. R. 2847. Evidently he has never read my bill, for if he had done so, he would know that the bill calls for abolition of receiverships by having the R. F. C. purchase all their remaining assets which have a value. Of course, he may be laboring under the misapprehension that a receiver could still operate without a bank or without any assets to liquidate.

Eleventh. He asserts "Not satisfied with giving misinformation, Congressman McLEOD then resorts to rumors" concerning legal fees paid attorneys for the receivers of banks in Detroit. He further states "the positively false rumor was never inquired into by Congressman McLEOD, but was given free circulation." This is a malicious distortion of the facts. Mr. O'Connor cannot help knowing that the very rumors of this which appeared in the daily papers, formed one of the reasons for the introduction of my resolution. This rumor owed its origin in large part to the cloak of secrecy imposed by Mr. O'Connor which my resolution was aimed to dispel, and on April 12 Mr. O'Connor was forced to admit publicly, in a letter to a member of the House Banking and Currency Committee, that the rumors were to a large extent true, when he disclosed that one partial and incomplete bill submitted by the attorney for the receiver of a closed bank in Detroit amounted to $165,000 for just 10 of the more than 24 months in which he has represented the receivership.

Twelfth. Mr. O'Connor goes on to say, "Congressman McLEOD is quoted as saying that receivers are public servants paid from funds of the depositors. This is as nearly accurate a statement as anyone who knows the Congressman would expect him to make." This statement is, of course, merely another expression of personal vindictiveness on his part. Following this, he intimates that the more than 10,000,000 depositors whose funds are still tied up in closed banks are too few in number to be classed as a part of the public.

Thirteenth. Mr. O'Connor states that "The Reconstruction Finance Corporation is a large creditor in most of the receivership banks and Congressman McLEOD would place the Corporation in the embarrassing position of being a trustee for the other creditors, and in some instances the Corporation might be compelled to bring action against itself." Apparently the difficulties which Mr. O'Connor conjures up have not occurred to the experts of the R. F. C., who have assured me that they are in a proper position to liquidate these banks.

In his next three statements Mr. O'Connor exercises his remarkable legerdemain by attributing to me expressions which, it is apparent to any intelligent person reading the article in question, were not made by me. Mr. O'Connor obviously is not contented with distorting what I have said, but is so determined to defend himself that he imagines other attacks in order to arise to his own defense.

In the seventeenth instance Mr. O'Connor endeavors to place me in the false light of one who uses his official position to seek private gain by stating that the law firm with which I am associated received $11,924 as attorney's fees for receiverships of three closed banks. Commenting editorially on Mr. O'Connor's criticism, the Detroit News summed up the issues in two questions: 1. Did Mr. McLEOD use his influence to get employment for his law firm? and 2. Did he profit by his law firm having the employment? My reply, which was carried in a following Detroit News editorial, is as follows:

1. "I recommended to the Comptroller of the Currency, as highly qualified, the law firm which includes my name, due primarily to the fact that Arthur Fixel and Rowland Fixel over a long period of years have had experience in bankruptcy proceedings. This is and has been their specialty. I qualify this by stating that I have been informed by Mr. Rowland Fixel, of this firm, that legal opinions drafted by him, at the request of the Comptroller's representative, Mr. Hatch, have been sent throughout the country by the Comptroller's office for the guidance of receivers in national banks.

2. "The articles of partnership of this law firm will disclose that I could not in anywise participate in any fees whatsoever which might come to this law firm because of their handling of any legal matters pertaining to the Federal Government or its affairs, and the books of the law firm will show that I have not participated in any such fees."

Mr. O'Connor has been in direct charge of liquidation of closed national banks for the past 2 years. He is, and has been, in a position to know that the services rendered by this particular firm have been entirely satisfactory. In these three small banks, which are grouped together under but one receiver, the attorney's fees paid since the original assignment back in 1931 would average only $1,050 yearly per bank, and the total amount of fees is $9,800 instead of $11,924, as asserted by Mr. O'Connor. This firm is proud of the fact that they were able to save the depositors of these banks so much money by handling the legal affairs of the receiverships so economically.

Mr. O'Connor's hysteria, always apparent when he is questioned, rises to a crescendo toward the conclusion of his statement, which includes this choice bit: "If the article was intended by Mr. McLEOD to further unrest and to give encouragement to those who would destroy all forms of representative government, it will in a measure serve that purpose."

Mr. O'Connor is, to my mind, an expert on the destruction of "all forms of representative government." Citizens of a republic become readily disgusted when officials refuse to, or are unable to, answer with sanity to the public for their public acts. Until Mr. O'Connor realizes that he is occupying a public office and that he is answerable to the public for his conduct of that office, he will continue to foment the discontent which he already sees arising.

While this last effort on the part of Mr. O'Connor is a resort to calumniation of the worst sort, it is quite in keeping with the tenor of the other groundless and perfidious statements which have emanated from Mr. O'Connor concerning my efforts to obtain the enactment of legislation that would provide the maximum possible amount of relief for depositors of receivership banks.

I repeat to you, Senator, the assurances of my regard and my confidence that you will give this regrettably long letter the same treatment which you accorded that of Mr. O'Connor.

Very sincerely yours,

CLARENCE J. MCLEOD,
Member of Congress.

UNEMPLOYMENT CENSUS

Mr. COSTIGAN. Mr. President, the injection into today's discussion of other subjects than the pending bill leads me to refer to certain reports in the press of yesterday and today to the effect that the President, acting on the advice of the Secretary of Commerce, expects to utilize part of the funds appropriated in the relief and work-relief joint resolution for an unemployment census. If so, it should be said that the President of the United States, the Secretary of Commerce, and the country are alike to be congratulated.

On February 28, after conference with the Secretary of Commerce and representatives of the Census Bureau, I introduced a bill (S. 2104) particularly intended to hasten such an unemployment census, as part of a population census, to be taken during the present calendar year.

An unemployment census is needed. Generally, but without sufficient proof, it has been assumed that the figures on unemployment now frequently used in public discussions and the press are reasonably accurate. It has been popularly taken for granted that one of the early measures introduced by the Senator from New York [Mr. WAGNER] calling for information on unemployment, which became law under President Hoover, meets the demand for precise information. This has not been the case, because that law calls mainly for deductions by the Labor Department from certain basic facts, and those basic facts have themselves undergone a great change since the last census. The results have been surprising. We have seen variations in unemployment figures for the United States running from one to two millions or more, offered for the same period by governmental and nongovernmental agencies, alike supposed to be reasonably dependable.

Now that the Federal Government has enacted the largest peace-time appropriation in history for combined relief and work relief, and is considering social-security legislation, there can no longer be any question of the value of more dependable Nation-wide information about the extent and nature of employment and unemployment, changes in population from State to State and from city to city, and resulting human need. Indeed, the importance of a new census has been such that high officials in Washington early in the session urged the Director of the Bureau of the Budget to approve it.

Few citizens realize how defective is much of our present knowledge of fundamental facts about population and unemployment. As already suggested, our present conclusions are based on inferences from old figures. Yet since 1930 there have been great and unrecorded shifts in population from city to city, State to State, and city to country. Birth rates, taking the country as a whole, have been declining rapidly. Large numbers of people have joined the ranks of transients, moving from place to place in search of work and new homes. Immigration has largely ceased. Such claims as declining death rates in large cities like New York are perhaps exaggerated because they are based on the assumption that the population in such cities since 1930 has remained the same, whereas most indications are that the numbers of people in such cities have become substantially less.

Under such circumstances, it is difficult to know or foresee as accurately as formerly the best locations for new business undertakings in relation to consumers markets and in the field of Government activities, the needs for new municipal conveniences and necessities, school facilities, and aids to large groups of distressed citizens in cities and country whose plight cannot be ignored. In a word, national planning either for individual welfare or industrial or agricultural policy is seriously handicapped by the lack of such information as can only be secured through a new census. If it be said that changes in employment are very rapid, and that any new census will soon be out of date, the answer is that it is no longer safe to base calculations on 1930 figures, and that for several years hereafter reasonable inferences may be drawn by the Labor Department and the public from the facts tabulated in 1935. This, however, as shown is only one of many reasons for such a census in the fifth year after the former census.

The reported action of the President will serve the useful purpose of directing public attention to this important subject. The hour has arrived for ceasing to found our inferences on underlying facts which everyone knows have suffered unprecedented changes.

Mr. President, concluding these remarks, I request that the bill heretofore introduced by me may be incorporated in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

A bill to provide for a census of unemployment, occupations, and population

Be it enacted, etc., That to provide information concerning the numbers, classes, and geographical distributions of persons unemployed and part-time employed and their dependents, and concerning employment and occupations, to aid in determining the formulation of a program of the nature and extent of needed legislation for unemployment relief, the Director of the Census shall take within 8 months from the passage of this act a census of unemployment, employment, and occupations in the 48 States and the District of Columbia: *Provided*, That such census may include such enumerations of population as the Director of the Census may deem appropriate and necessary for the purpose of this section.

SEC. 2. All of the provisions in the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929 (46 Stat. 21; U. S. C., Supp. VII, title 13, ch. 4), shall, so far as not inapplicable, apply to the taking of the census provided for in section 1 of this act. In applying such provisions the period from the date of enactment of this act until the completion of such census, and all reports and publications relating thereto, shall be deemed to be a decennial census period. Temporary personnel in the District of Columbia, employed to carry out the provisions of this act, may be allowed leave of absence with pay at a rate of 1¼ days per month.

SEC. 3. For the purpose of carrying out the provisions of this act during the decennial census period provided in section 2 of this act, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $13,250,000. Amounts so made available shall remain available until expended.

PREVENTION OF LYNCHING

Mr. COSTIGAN. Mr. President, a few moments ago the Senator from New York [Mr. WAGNER] submitted for the CONGRESSIONAL RECORD a resolution of the American Federation of Labor, adopted at a recent convention, approving the antilynching bill, to which the Senator from New York and I have given particular attention. Two or three days ago there was some preliminary discussion in the Senate of this measure, which we hope to have made during the coming week, the next order of business of the Senate.

No one, I trust, cherishes more devotedly than myself the noblest traditions of the South and the right of the South to be heard upon questions it considers of special concern to the South is fully acknowledged.

As stated by me the other day, it is my personal judgment that the antilynching bill deals with a national evil, and is in no controlling sense local or sectional. Whatever view is correct, I ask leave to incorporate in the RECORD, following these remarks, certain telegrams received by me within the last 2 or 3 days from representative citizens, both men and women, of Southern States; also certain editorials favorable to the proposed antilynching legislation and published in well-known newspapers within recent months in many leading Southern States of the Union.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

FLORENCE, S. C., *April 19, 1935.*

Senator COSTIGAN:

Two hundred delegates in session at missionary conference in Bishopville voted unanimously on the following declaration: We

declare lynching is an indefensible crime, destructive of all principles of government, hateful and hostile to every ideal of religion and humanity. We want this crime outlawed.

Mrs. G. E. EDWARDS,
President.

JACKSONVILLE, FLA., *April 18, 1935.*

Senator EDWARD P. COSTIGAN,
Senate:

Over 27,000 southern women representing Christian and civic groups and over 1,000 men, including many officers of law, have signed association's declaration against lynching for any cause and emphatically repudiate claim attributed to Senator SMITH that "lynchings are necessary for womanhood's protection."

Mrs. WILLIAM P. CORNELL,
Chairman Florida Council Association of Southern Women for the Prevention of Lynching.

NASHVILLE, TENN., *April 18, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building:

Passing of Costigan-Wagner bill urgent. The pretext for lynching is false except in less than one-sixth of cases.

ESTELLE HASKING.

JACKSONVILLE, FLA., *April 18, 1935.*

Senator EDWARD P. COSTIGAN,
Senate:

Claim attributed to Senator SMITH that lynchings are necessary for womanhood's protection does not express conviction of leaders among southern men or women.

FRANK A. JUHAN,
Episcopal Bishop of Florida,
Chairman State Interracial Committee.

MILLEDGEVILLE, GA., *April 18, 1935.*

Senator COSTIGAN:

Urge that Congress pass antilynching bill.

SIDNEY L. MCGEE, *G. H. C. W.*

WINTERPARK, FLA., *April 19, 1935.*

Senator COSTIGAN:

We urge immediate passage of Costigan-Wagner bill and pledge support.

ROLLINS COLLEGE INTERSOCIAL COMMITTEE.

NASHVILLE, TENN., *April 17, 1935.*

Hon. EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Urge vote upon and passage of Costigan-Wagner antilynching bill. Davidson County grand jury again reported no indictment in Cheeks lynching. Lynchers definitely identified, but four grand juries have failed to indict. Case typical. Must have Federal legislation. Alleged crimes against women are less than sixth all lynching cases.

ALBERT E. BARNETT.

NASHVILLE, TENN., *April 17, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

The community relation committee of Collegeside Congregational Church heartily approve antilynching bill and hope for its immediate passage.

D. M. MANN,
Chairman of Committee.

NASHVILLE, TENN., *April 16, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Large group of southern men and women favor Costigan-Wagner antilynching bill. Use all your influence toward its passage this week.

JOHN DILLINGHAM.

NASHVILLE, TENN., *April 17, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

As chairman interracial committee, Woman's Council, Southern Methodist Church, hope for early passage antilynching bill. Thousands of southern women approve the bill as necessary to protect us from demoralization of mob as well as protect victims from lynching. Resent propaganda that lynching is for the protection of women. The honor of women is not remotely involved in the overwhelming majority of lynchings.

LOUISE YOUNG.

NASHVILLE, TENN., *April 18, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Group representing 16 Southern States urge passage Costigan-Wagner bill.

SCARRITT STUDENT BODY.

MEMPHIS, TENN., *April 17, 1935.*

Senator COSTIGAN,
Senate Office Building, Washington, D. C.:

Southern division of National Student Council of Young Women's Christian Association vigorously urge passage of Costigan-Wagner bill. Consider it absurdity to presume rate will increase. As a step toward order and security there is an imperative need for the immediate passage of this measure.

GRACE TOWNS HAMILTON,
National Student Secretary
Southern Division, Y. W. C. A.

JACKSONVILLE, FLA., *April 17, 1935.*

Senator EDWARD P. COSTIGAN,
The Senate, Washington, D. C.:

Representing many Southern women, we emphatically deny claims made at hearing that Southern women regard lynching as necessary for their protection.

Mrs. WALTER F. JONES,
President Y. W. C. A.
Mrs. M. M. LANDER,
General Secretary Y. W. C. A.

NASHVILLE, TENN., *April 17, 1935.*

Hon. EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Tennessee Conference Woman's Missionary Society, Methodist Episcopal Church South, in session Nashville April 11, unanimously petitioned Senate pass Costigan-Wagner antilynching bill. Southern women resent false notion that lynching protects them. Alleged crimes against women involved in less than sixth of all lynching cases.

LUCY B. BARNETT,
Chairman Legislative Committee, Tennessee Conference.

NEW YORK, N. Y., *April 17, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office:

As a lifetime resident of Atlanta, Ga., I wish to repudiate the statement made by Senator SMITH that lynching is necessary for the protection of white womanhood of the South.

DOROTHY MAY FISCHER.

MILLEDGEVILLE, GA., *April 18, 1935.*

Senator COSTIGAN:

We are eagerly hoping for passage of antilynching bill.

GEORGIA STATE COLLEGE FOR WOMEN Y. W. C. A. CABINET.

JACKSONVILLE, FLA., *April 18, 1935.*

E. P. COSTIGAN,
United States Senate:

Contentions lynching necessary protect southern women preposterous, unfounded in fact, insult to South.

MINISTERIAL ALLIANCE.

JACKSONVILLE, FLA., *April 18, 1935.*

EDWARD P. COSTIGAN,
The Senate:

Representing Southern Methodist women of Florida, will say we do not believe lynching necessary for the protection of southern women and are positively opposed to it, calling it a crime.

Mrs. O. O. MCCOLLUM,
Superintendent Christian Social Relations.

MILLEDGEVILLE, GA., *April 18, 1935.*

Senator COSTIGAN:

We are anxiously awaiting passage of antilynch bill.

GEORGIA STATE COLLEGE FOR WOMEN STUDENT BODY.

MILLEDGEVILLE, GA., *April 18, 1935.*

Senator COSTIGAN:

Students of Georgia State College for Women urge that Congress pass antilynch bill.

SOPHOMORE CLASS.

TALLADEGA, ALA., *April 18, 1935.*

Senator COSTIGAN,
Hall of Congress:

Spare no effort for urging passage of antilynching bill.

FACULTY AND STUDENT BODY TALLADEGA COLLEGE.

NASHVILLE, TENN., *April 18, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

We Alabama women knowing conditions existing in South urge Costigan-Wagner bill be brought to vote and passed. Resent position of some politicians in opposing passage bill on grounds of protecting southern white women. Prefer legal action to mob violence.

JULIA SARGENT.
BETH CUNNINGHAM.
JULIA LOVIN.
CLEO BARBER.
THEO SPEER.
THELMA BICKLEY.

NASHVILLE, TENN., *April 18, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Undersigned women representing four Southern States urge vote upon and passage of Costigan-Wagner antilynching bill. Feel Federal legislation imperative; State courts ineffective. Alleged crimes against women involved in only sixth of cases.

Margaret Rue, Virginia; Opal Rogers, Texas; Ethel Cunningham, Missouri; Mattie Cunningham, Texas; Ola Barnett, Missouri; Barbara Lewis, South Carolina.

MILLEDGEVILLE, GA., *April 18, 1935*

Senator COSTIGAN:

Am wholly in favor of antilynch bill and urge its passage.

RUTH VINSON.

[From the Chattanooga (Tenn.) News of Apr. 5, 1935]

LYNCHING MUST STOP

For quite a number of years a large section of southern leadership has been viewing with increasing concern the tragedy of lynching in these Southern States. A number of earnest efforts have been made to arouse sober southern concern about this evil and to cause the States themselves to instrument in an effective fashion the machinery both for preventing mob violence and, when it occurs, for insuring the punishment of those guilty of this heinous crime against an ordered society.

Progress along these lines, however, remains fearfully slow and disappointing. Commissions study the background of the situation, remedial State statutes are suggested and urged, but the inertia of legislative indifference all too often prevents anything being done. Thus, year after year the South has repetitions of lynching terrors. There was the outbreak at Sherman, Tex., which ended with men burned to death and courthouse destroyed. Ocilla, Cartersville, and Ailey, in Georgia, added to the shameful record. A lynch-bent mob at Shelbyville, Tenn., destroyed a courthouse. A gruesome scene at Marianna, Fla., lingers in the memory as an exhibition of the sadistic depths to which bloodthirsty mobs will sink.

With such a record, and with the tardiness of successful implementation of local legal machinery for its correction, it is little wonder that for some years important groups all over the Nation have been urging Federal antilynching legislation. In the present Congress, Senator WAGNER and Senator COSTIGAN, both stanch Democrats of excellent record, have sponsored a bill which would permit the Federal Government, when local government does not act, to take a hand in the apprehension of the wreakers of lynch law.

The South has been opposed traditionally to Federal interposition in any type of racial relationship. The historical background behind this feeling makes it altogether understandable. Southern suspicion of Federal legislation is a legacy of the age of hate succeeding the Civil War. Its direct progenitors were the clamant radicals of Reconstruction. These men's experience had been one of inflammatory agitation; their war cries were of destruction. They were sophomoric in any technique of evolutionary social readjustment; had no conception of the need for cushioning the dislocations of social change.

At any event, they assumed that, by legislation passed in Washington, millions of ignorant freedmen could be made the rulers of the great white majority of the Southern States. Due to them, the fifteenth amendment was added to the Federal Constitution, the so-called "civil rights amendment", and efforts were made by the Congress to implement it so as to set up not a workable relation in the post-Appomatox South but a hierarchy of carpetbag scalawag control. When such measures were brought before the Supreme Court of the United States, they were not sustained. In the nineties similar efforts were made, largely under the leadership of Henry Cabot Lodge, of Massachusetts. These were bitterly resented by the southern leadership and were defeated by filibuster.

These particular animosities, however, have happily disappeared. No longer is the North represented in the Congress by a group of hate-filled radicals anxious to put the bottom rail on top. The North is now represented in the Congress by Members who are the grandsons and often great-grandsons of the generation which was represented by the bloody shirt of the Thaddeus Stevens-Charles Sumner-Zach Chandler-Ben Wade group. Certainly, no charge of animus or bitterness against the South can be brought against either Senator WAGNER or Senator COSTIGAN. The Federal antilynching machinery they have brought forward has no such animosity back of it as the Lodge force bills.

Changing, too, is the attitude of a large section of the South, as is shown by the offering of many leading southern newspapers. For example, the Macon Telegraph, one of the most forceful journals of the cotton South, in a recent discussion of the Wagner-Costigan bill, indicated that in its opinion "public sentiment in the South has about crystallized into the feeling that only by Federal intervention can we ever hope to wipe out lynching." To this it added:

"There will be a certain amount of opposition to this bill here in the South, but it is a fair question to ask: What else are we to do? Lynching goes on year after year, and punishment for the crime is practically unknown. One of the most revolting of these crimes was the latest to gain general attention, when a Florida mob near Marianna, after bringing the victim from an Alabama jail, where he had been taken for safe-keeping, sent out invitations in the morning to attend the lynching, which resolved itself into slow torture, with gruesome details hardly fit to be printed."

Members of that mob were well known to the officers of the law, who, indeed, might have prevented the lynching in the first place if they had cared to do so, and yet no one was ever punished, as no one in that State has ever been punished for such a crime, although, as the women of the State themselves point out, there have been 30 lynchings.

This brutality simply cannot go on. The States have had ample opportunity through the years to do something to prevent this barbaric crime. The time has come when something must be done, and the Federal antilynching bill appears to be the answer.

There is considerable merit to the statement of our Macon contemporary. Anyone studying the lynching record will agree that his brutality simply cannot go on. We ourselves have hoped for the instrumentation by the States themselves of legal machinery to put an end to the tragedy of lynching. But if the States themselves will not do it, and the Federal Government can fill this vacuum of efficient law enforcement, it would seem to us that there is no recourse but for a Federal agency to do so.

It is all important, of course, that the Federal legislation to be enacted will be of a character which can be expected to work. There would be no use whatever merely putting another unenforcible law upon the statute books. But if the States themselves will not act, and intelligent and effective Federal legislation can be provided, the evils involved are certainly grave enough to warrant the introduction of the Federal corrective.

[From the New Orleans (La.) Item of Mar. 15, 1935]

EXCUSELESS SAVAGERY

A Mississippi mob lynches a Negro for killing a highway worker. It was no crime of lust or hate. The killer was simply drunk and having himself a time with a pistol, firing it promiscuously. The victim demanded that he stop firing, lest he hurt someone. So the Negro shot him.

In this unhappy event the apologist for lynch law will seek in vain for any element that might pardonably stir a community to a frenzy of vengeful indignation. Even the brother of the dead man counseled that the law take its course, and sent out messengers to intercept the mob. Mobs must act swiftly, else reviving sanity or decency will disintegrate them. This one lynched its victim in a school yard.

A few public lectures in that schoolyard would be timely. The teacher should trace for the audience the connection between a drunken Negro, careering about with a pistol, and white man's laws which permit anybody, criminal, moron, or lunatic, to buy and carry firearms. He might also be able to convince them that they have made themselves in some degree responsible for the present campaign to take the disciplining of lynchers away from States and give it to the Federal Government.

[From the El Paso (Tex.) Herald Post of Mar. 14, 1935]

DISEASE AND REMEDY

On Tuesday a Mississippi mob crossed the Tennessee line, captured Ab Young, a Negro, accused of fatally shooting a white laborer, placed him in a truck, and drove into a school yard. There they tied a rope around his neck, fastened the rope to a tree, and drove the truck from under the praying victim.

This was the third lynching since January 1, the other two being in Louisiana, a State that Senator LONG says knows how to prevent such crimes without help from the Federal Government. It is the second interstate lynching within a year, the other being the unspeakably savage killing of Claude Neal, in Florida, last October. It is the ninety-sixth lynching in the past 5 years.

The lynch evil is a cankerous social disease. Congress has a remedy, if not a cure. It is the antilynching bill, making such mob murders Federal offenses and holding counties financially liable for them.

On Tuesday the Senate Judiciary Committee put this measure squarely up to the Senate membership by voting unanimously to report it. Its authors, Senators COSTIGAN, of Colorado, and WAGNER, of New York, are determined to reach a vote early in the sessions to prevent a filibuster. Obstructive tactics by Southern Senators last session killed this same measure. By the same method the Dyer antilynching bill was killed in the Senate in 1920, after it had passed the House by a 2-to-1 vote.

The Costigan-Wagner bill is backed by organizations with membership of more than 40,000,000 citizens. President Roosevelt supported it by inference when he said in his message to Congress: "Crimes of organized banditry, cold-blooded shooting, lynching, and kidnaping have threatened our security."

The humble graves of more than 5,000 lynch-mob victims, killed in the past 50 years, testify that local communities are not coping with this evil. A Federal law will not cure the disease outright, but it will remedy it. Southern Senators will have much to answer for if they kill this measure again.

[From the Norfolk (Va.) Pilot of Feb. 16, 1935]

PASS THE ANTILYNCHING BILL

The country made no real headway against the scourge of kidnaping and high-pressure gangsterism that descended on it in recent years, until the Federal Government took a hand in the

war. Logically, the punishment of these crimes was the exclusive business of the States. One after another the States failed to deal with these crimes effectively. Public opinion in all the afflicted States has approved the Federal intervention. Chiefly to this intervention we owe the fact that Al Capone is in jail instead of in business, that the Dillinger gang is extinct instead of a going concern, and that kidnapings and other atrocious crimes in great number have been punished instead of left unwhipped of justice.

The analogy between the racketeering that proved to be beyond the exterminating power of the States and the lynchings which equally defy State suppression, is not complete, for the two kinds of impotence derive from different causes. But it is close enough to warrant the belief that the same Federal intervention will produce measurably the same results.

To the Virginian-Pilot, which has in the past feared that the difficulties that would flow from a Federal antilynching law might outweigh its benefits, it no longer seems reasonable to entertain that view. It has become wholly illogical, it seems to us, to applaud the Federal Department of Justice for its effective pursuit of bank robbers, and at the same time to distrust a proposed Department of Justice pursuit of persons who, as members of orgiastic mobs, hang men to trees or burn them at the stake, without benefit of judge or jury.

No prompt eradication of the lynching infamy is to be expected from the enactment of the Costigan-Wagner antilynching bill, for the Federal law, like the present State laws against this crime, must depend for its effectiveness on the action of grand juries and the judgment of petit juries drawn from the environment of the crime and therefore reflecting its prevailing attitude. But one thing the Federal law may accomplish which seems beyond the power of the State laws—the termination of the attitude of indifference which immobilizes the law enforcement agencies in the presence of a typical lynching, and prevents them from making more than a cursory effort to track down and arraign the lynchers.

On the question of the constitutionality of the Wagner-Costigan bill we offer no opinion. That may be left to the courts. Its invasion of States rights should cause no southern heartburnings. There is no such thing, morally speaking, as a reserved right to deal in our own way with a form of collective murder which our own way has uniformly failed to punish.

[From the Houston (Tex.) Post, Feb. 16, 1935]

ANTILYNCHING LEGISLATION

The Costigan-Wagner antilynching bill, which is due to receive the approval of the Senate Judiciary Committee, is a measure with several strict provisions. Some of them are likely to meet with severe objection, but if the proposed law should be really put into operation it is safe to predict that lynchings would soon become few and far between.

The first objection to be raised to the bill, of course, is that it authorizes an invasion of the right of the State. A Federal antilynching law will be another step in Federal usurpation of State authority. Formerly, when such legislation was proposed, the South assumed that it was intended as a slap at this section. There is no warrant for such an assumption today. Lynching occurs at times in nearly all the States. It is not now a sectional evil.

Whatever protest the South raises against the Costigan-Wagner bill should be on the ground that it invades State's rights and that penalizing counties in which lynchings occur is an unsound provision, and not upon the ground that it is aimed particularly at the South.

Suppression of lynching is primarily a State function. The data on lynchings in the last few years reveal that far more lynchings have been prevented than occurred. That shows that local, and sometimes State officers, have done much to suppress lynching. The number of lynchings that were not allowed by officers to happen should be taken into consideration when discussion of State failure to eradicate lynching comes up.

Still, it is a fact that the States have not eradicated the evil of mob action. They have been particularly derelict in their duty of bringing lynchers to justice. In many cases officers foil mobs intent on seizing prisoners, but rarely, after a victim is done to death, are the perpetrators of the mob murder apprehended and punished.

The proposed Federal legislation would not only apply stiff penalties to officers who did not use due diligence in preventing lynchings but it would levy an indemnity on the county in which the lynching occurred. Whether the prospect that the county would have to pay off in case of a lynching would deter mobs in some cases is questionable.

This much is true: If this Congress enacts an antilynching statute, it will be because the States invited such action by their negligence in not stamping out mob outrages. Had the States made a practice of "cracking down" on mob murders after each lynching, there would have been no occasion for action at Washington.

[From the Roanoke (Va.) World of Feb. 16, 1935]

THE ANTILYNCHING BILL

The Costigan-Wagner antilynching bill, now being considered by the Senate Judiciary Committee, seems to be much less objectionable than the Dyer antilynching bill that passed the House of Representatives in 1922, but which did not come to a vote in the Senate. The subject has been before Congress in one form or another for the past 15 years, most of the bills having been offered for political effect, and having met vigorous opposition from advocates of State rights, who hold that it is no part of the duty of the Federal Government to interfere with the police administration of the States.

The bill offered by Senators COSTIGAN and WAGNER was reported favorably by the Judiciary Committee last year, but did not come to a vote in either branch of Congress. Following passage of the so-called "Lindbergh Act", which makes kidnaping a Federal offense if either the kidnaped person is carried across State lines or the ransom negotiations are carried on in another State, there has been a renewed demand for some act of Congress in regard to lynching. In his message to Congress, President Roosevelt said:

"Crimes of organized banditry, cold-blooded shooting, lynching, and kidnaping have threatened our security."

The pending bill provides that Federal courts shall have jurisdiction to try any member of a lynching mob, but only if States are lax in prosecution, or if jurors obtainable for service in a State court are manifestly opposed to punishment for the lynching. These two prerequisites are held automatically to exist if within 30 days after a mob offense no effort has been made to apprehend, indict, or prosecute the guilty parties. States have the first chance to act. It is only when they fail to act that the Federal courts may step in and take charge.

Any county or city in which mob violence occurs is made subject to a fine of from $2,000 to $10,000, to be paid to the injured person or his estate. Action to recover these damages is to be brought by the Federal Government. If more than one county is involved in a lynching, each is liable for damages. And any State employee or official who neglects his duty of protecting an individual against mob violence or neglects to prosecute persons guilty of such violence is made guilty of a felony. On conviction he may be fined up to $5,000 or imprisoned up to 5 years, or both.

The question of a fine to be imposed on a county in which a lynching takes place has occasioned the warmest debate, for it is argued that the decent, property-owning, tax-paying element in a county, that has no part in the work of a lynching mob, should not be penalized for its acts. The answer has been that, while this decent, property-owning, tax-paying element has had no actual part in the lynching, it has not in a number of instances insisted that the members of the mob be brought into court and convicted. In a number of instances sheriffs and Commonwealth's attorneys who failed in their duty at the time of a lynching have been reelected by the voters of this "decent" element that had no part in the lynching itself, but which by its subsequent actions condoned it.

The Costigan-Wagner bill undertakes to avoid the question of constitutionality by declaring that if any State or political subdivision fails to protect a person against mob violence, or to punish his attackers, such person shall be held to have been denied due process of law and equal protection of the laws as guaranteed by the Federal Constitution.

The evil of lynching is in the lawlessness it provokes—in the effect on the mob as much as on its victim. It is an attack on the law itself, and is an evidence of gross cowardice when an armed mob takes vengeance on an unarmed and defenseless prisoner. Yet many people opposed to lynching doubt the effectiveness of any Federal statute, or the advisability of Federal interference in State legal processes.

Probably more could be done to put an end to lynching if proper attention were given to revision of the procedure of criminal courts, to disbarment of shyster criminal lawyers, and to the securing of speedy justice without interminable delays and endless appeals. If the lynching mob was sure that the courts would act with promptness, and that legal tricks would not intervene to defeat the ends of justice, the last shred of argument for taking the law into its own hands would have vanished. More effective than any antilynching statute, State or Federal, would be a procedure under which those who commit crimes of violence would be called upon promptly and surely to pay the penalty.

[From the Knoxville (Tenn.) Sentinel of Feb. 15, 1935]

JUNGLE JUSTICE

The Hauptmann trial was not a demonstration of civilization at its best. It was at times a disgracefully cheap performance. But it was a trial, conducted in the open, under the rules of law protecting the rights of the accused before a jury of his peers.

Contrast with the Hauptmann trial the thing which the Costigan-Wagner antilynching bill seeks to abolish.

Hearings on the bill were opened yesterday before a Senate committee. Last year the committee reported this measure unanimously, but it was not allowed to come to a vote on the floor. This year it should be passed.

"No government pretending to be civilized can go on condoning such atrocities", H. L. Mencken told the committee, "either it must make every possible effort to put them down or it must suffer the scorn and contempt of Christendom."

[From the Newport News (Va.) Press of Feb. 15, 1935]

ANTILYNCHING LAW

The Senate Judiciary Subcommittee has begun hearings on the Costigan-Wagner antilynching bill. The measure lays down severe penalties for lynchings, officers who fail to do their duty against them, and counties where mobs take the law into their own hands. The bill, of course, will be vigorously opposed by a number of Southern States. But the chances are that it will be enacted into

law—and when it is another phase of State's rights will have passed into discard.

But the Southern States which will protest the loudest against passage of the bill have no one but themselves to blame. They have been given every opportunity to make an end of lynching—and have spurned it. Hence the Federal Government is virtually forced to step in to maintain law and order.

Lynchings can be prevented where the people want them prevented. Virginia's record is proof positive of this statement. But because the people of some other States close their eyes to lynch law Virginia and the other law-abiding States will be classed along with the lawless.

It may be, of course, that the antilynching bill will not be adopted by the Congress now in session. But if it is not, and lynchings do not stop, it will be adopted by some other Congress; in fact must be adopted if the machinery of justice is to function.

[From the Miami (Fla.) News of Feb. 13, 1935]

TO STOP LYNCHINGS

Since 1882 there have been 5,068 lynchings in the United States. The crime is no longer committed as frequently as it was a decade or two ago, but as long as it is permitted at all we do not escape the shameful blot. There were 28 lynchings in 1933; last year the number dropped to 16. There is more than a suspicion that the drop was occasioned by the threat of the antilynching bill then before Congress, for it would hold counties financially liable for mob violence within their own boundaries. While that measure was pending there were no lynchings. When it was evident that Congress was not inclined to act they began again.

A courageous Tennessee sheriff showed recently how lynchings could be stopped without the necessity of such a law. He held his prisoners even at the cost of the lives of several members of the mob who were shot down when they attempted to storm the jail. But such instances are rare. Usually the mob encounters little resistance to its lawless purpose. Nine of the victims last year were taken from peace officers. Once a lynching has been accomplished, rarely, if ever, are the perpetrators brought to judgment, let alone punished.

A Federal measure ending this virtual immunity to justice would put a powerful check on the mob spirit. Sociological studies have established a definite relation between ignorance and poverty and lynchings. The evil should be attacked at this source. Meanwhile, the antilynching bill, once more before Congress, should be enacted without further delay.

[From the Wheeling (W. Va.) Register of Feb. 13, 1935]

THE ANTILYNCHING BILL

There are many evils which not only cannot be cured by the simple process of passing a statute forbidding them, but which on the contrary may even be aggravated by such a statute if it undertakes to go too far, or does not deal with the matter in a practical way.

Drinking and gambling belong in that class, but lynching certainly does not. Everyone must agree that the severest possible laws against lynching would be entirely justified; and that the passage of severe laws against lynching could not possibly have the effect of encouraging the perpetration of such crimes.

Public sentiment against lynching should also be built up. But in this case the passing and enforcement of laws cannot in any way conflict with public sentiment. Severe laws should be passed and should be enforced. The Costigan-Wagner bill, which is now before Congress again, should be passed. It has been pointed out that there was a decrease in lynching when this bill was up for consideration before; and that the crime increased during the time when the bill was shelved. This may of course have been merely a coincidence. But the fact remains that in the interest of law and justice, the Costigan-Wagner bill should be passed and it would not be amiss to mention this fact to any of your Representatives in Washington with whom you may happen to be communicating.

[From the Birmingham (Ala.) Age-Herald of Dec. 6, 1934]

WARNING

"It is about time the Federal Government acted in the Marianna, Fla., lynching. For once, in the lynching of Claude Neal, the fourteenth amendment ought to be used for its intended purpose instead of for the protection of corporate privilege. Certainly in this well-planned and publicized lynching—a lynching that might easily have been prevented by Florida authorities—a man was deprived of his life 'without due process of law' and denied 'equal protection of the laws.' There are grounds aplenty under the fourteenth amendment and under the Federal antikidnaping law for Federal action."

Thus the New York Post opens its comment on the report given out by the N. A. A. C. P. on the origin and procedure of the Marianna affair. And the demand for enforcement of existing law is significant because its sequel is bound to be a demand for specific legislation directed at lynching. In other words, the movement to obtain the passage of the Wagner-Costigan bill to make lynching a Federal offense has now been given an immense impetus. It is hard to imagine a set of circumstances more definitely calculated to arouse the country and to force congressional action than this Marianna atrocity.

The worst of it, from the standpoint of Alabamians, is that their State is involved. If the authorities at Brewton had faced up to their responsibility, that Florida mob might have gone away empty-handed. And the failure of the Escambia County grand jury to take satisfactory action in the premises simply heightens the bad effect already made. One almost wishes that Governor Miller, after ordering the investigation, might have seen fit to express his opinion of the outcome. That, at any rate, would have served to put in the record an official condemnation of the incompetence which handed over Claude Neal to a crowd of outsiders avowedly intent upon lynching him.

What southerners ought to realize is that the continuance of lynching makes Federal legislation quite inevitable. If there is any validity in the contention that States can deal with mob violence, it is best attested to, not by claims, but by events. In view of the Marianna horror, it is perhaps too late to prevent the enactment of some such law as Senators WAGNER and COSTIGAN intend to introduce again. But there is surely no hope of preventing it, if sheriffs fail to do their duty boldly and if Governors, like the Florida executive, decline utterly to rise to the height of their clear obligation.

[From the Newport News (Va.) Press, Dec. 5, 1934]

MOB RULE

It begins to appear almost a certainty that Congress is going to enact an antilynching law at its next session. The Southern States which have opposed such a law will be responsible for it, in that they have failed to make an end of lynchings. As the Richmond News Leader says, "Lynchings can be controlled where there is the will to act. Once in 20 years, perhaps, a mob may get out of hand even in a well-ordered community; but if there is stiff State legislation, courageously enforced, the fear of the law will prevent the creation of 'the mob mind.' On the other hand, a perfunctory grand-jury investigation, leading to the usual report that the responsible persons 'cannot be identified', is a direct invitation to further crime.

"Proof of all this to be found in the operation of the North Carolina antilynching law and of the more recent Viriginia statute. In neither case has there been an absolute stoppage of lynchings since the passage of the law; but in both States public sentiment so thoroughly approves the acts that mob violence is very rare."

The people of the South have long been champions of State rights. Hence they have opposed a Federal lynching law. But lynching is not the right of any State, and by their failure to take adequate action to prevent lynchings the Southern States have brought so widespread a demand for Federal action that it appears Congress will be forced to act.

After all, the Government is merely being asked to assure a fair trial for the accused and to put an end to mob rule.

[From the Columbia (S. C.) Record of Dec. 4, 1934]

TOWARD THE INEVITABLE

Every lynching, as the Record has pointed out time after time, is an argument for the enactment of a Federal antilynching law.

The lynching of Claude Neal, a Florida Negro, was a better argument even than the average, for it involved what the Supreme Court might term "interstate commerce." Neal, moved to a small Alabama jail where he could be more easily reached than in one of the larger Florida cities, was taken from the Alabama officers by a Florida mob and brought back to Marianna, Fla., where after such tortures and mutilation as would shame the savage he was killed.

And already the lynching—the seventeenth lynching of the year—is being used as an argument for support of a Federal antilynching law.

"With legitimate pride", the Knoxville News-Sentinel declares, for example, "Attorney General Cummings points to his Department's record for catching and punishing kidnapers. His new division of investigation in 1 year has wiped out some of the Nation's most ruthless gangs, cleaned up 27 notorious kidnap cases, obtained 3,531 criminal convictions. * * *

"While the Federal Government is meeting the challenge of criminal gangs, it is silent on an equal menace to law, the lynch mob.

"On December 10 Attorney General Cummings is calling a national conference on crime. He has been asked whether he will put before this conference the lynching problem, whether he will ask support for the Costigan-Wagner Federal antilynching bill. He has not replied."

Nor is the News-Sentinel alone among southern newspapers in advocating Federal intervention to punish lynchers and to discourage lynching. There is, for example, the Atlanta Constitution, in Georgia, which found the thirteenth or fourteenth lynching of the year enough to persuade it that it was time for the South to turn over the job of enforcing its laws to Washington.

And unless the States themselves take action to uphold their own laws, unless they discourage lynching by apprehending and punishing lynchers there is no doubting the fact that eventually the Federal antilynching law will be passed. The only convincing argument against it is the demonstration that it isn't needed because the States are doing what a Federal law might not itself be able to accomplish, gangsters being one thing and getting enough evidence to convict the members of a lynching mob being another.

[From the Bristol (Va.) Herald-Courier of Nov. 27, 1934]

THE WAY TO STOP LYNCHING

The Nashville Banner recently carried on its editorial page a cartoon which we do not believe was intended to reflect that excellent paper's attitude regarding the evil of mob lawlessness. "How to stop lynching" was the caption of the cartoon, which pictured a man representing the South pointing to a placard reading, "Stop crimes against the womanhood of the South."

In the first place, to stop crimes against the womanhood of the South would not stop lynching, since mobs frequently put men, and even women, to death who are not guilty of a more serious offense against the law than a misdemeanor, if they are guilty of any offense. And, again, the law in Tennessee provides the death penalty for crimes against women and it is therefore not necessary for mobs to presume to punish such crimes.

To be sure, if no crimes were committed against women there would be no lynchings for such crimes. But, as already said, the lynching mob would continue to operate. It might be added that if no crimes or misdemeanors were committed there would be no need for laws and courts and officers, and the taxpaying public would be saved a great deal of expense. May we suggest that the way to stop this expense is to stop offenses against the law?

Crimes continue to be committed, and lynching is one of them. Lynching is mob murder and violates not only the law of the State but the Constitution of the United States, which provides that no person shall be deprived of life or liberty or property without due process of law. That is why there is an increasing demand for a Federal antilynching law and why such a law doubtless will be enacted in the near future.

The law should move swiftly and surely and relentlessly against men, white or black, who commit crimes against women. But it is equally the duty of the law to move swiftly and surely against the mob which defies it and denies its right to try an accused person by putting the person to death, thereby committing the crime of murder. Constituted authority, thus challenged, should determinedly assert itself by running mob murderers to earth and sending them to prison for long terms. That, we submit, is the way to stop lynching.

[From the Macon (Ga.) Telegraph of Nov. 7, 1934]

UNCLE SAM TO STOP LYNCHING

It was freely predicted when the latest lynching took place in Florida that it would almost inevitably bring nearer the enactment of a Federal antilynching law, and now it appears that such a bill will be introduced almost as soon as Congress assembles.

The President has been asked also to investigate the possibility of having the persons who abducted and killed the latest victim prosecuted for kidnaping under the Lindbergh law.

This law, passed in March 1932, makes the abduction of a person across State lines a capital offense if it involves extortion and personal injury. In the law as amended the interstate abduction is defined as an act undertaken for ransom or reward "or otherwise."

It is maintained by many investigators of the subject that the Federal law proposed a year ago by Senators ROBERT F. WAGNER, of New York, and EDWARD P. COSTIGAN, of Colorado, would prove effective in suppressing the acts of a mob.

Under the Wagner-Costigan bill a mob or riotous assemblage is defined as a group of three or more persons acting in concert and without authority of law to kill or injure any person in the custody of any peace officer with the purpose or consequence of depriving such person of due process of law or the equal protection of the laws.

The measure sets forth that any State or governmental subdivision which fails, neglects, or refuses to protect the life of a person against a mob shall have not only failed to guarantee constitutional rights under its own constitution but that of the United States. This condition, therefore, calls for Federal intervention.

Any peace officer having an accused person in charge, who fails or neglects to protect him from the mob or refuses to make all diligent efforts to do so, is held guilty of felony. He is likewise culpable if he fails or omits to try diligently to arrest all persons who have taken a part in a lynching. Upon conviction he may be punished by a fine not to exceed $5,000 or by not more than 5 years imprisonment, or by both penalties.

If it is true that an official is in collusion or conspiracy with a member or members of the mob to surrender his prisoner to vengeance, he and those plotting with him may be punished by a prison sentence of not less than 5 years nor more than 25 years.

Trials for violation of the proposed law would take place in the Federal district court. The National Government would be empowered to act if the State did not do so within 30 days after the commission of the crime.

In the opinion of many, the vital provision of the bill is that it punishes the community itself. Any county in which a lynching occurs is held liable to the injured person, or to his heirs or legal representatives in the event of his death.

The sum recovered may be not less than $2,000 nor more than $10,000 as liquidated damages. It may be recovered in a civil action against the county brought in the United States district court having the proper geographical jurisdiction. If the amount of a judgment is not paid, the United States marshal can levy on the property of the county, and the sum recovered is exempt from all claims made by creditors of the deceased or injured person. If the mob victim is transported from one county to another, all the counties become jointly liable.

In spite of the drastic laws in many States in which a lyncher is subject to death or life imprisonment, no such sentence has ever been pronounced.

In 1920 there had been outbreaks of lynching, 65 in all, or twice as many as in the preceding year. A determined agitation was started for a Federal statute on the lines of the bill introduced by Representative L. C. Dyer, of Missouri. Then came a slight decline in the number of lynchings, and the Dyer bill, passed by the House, was defeated in the Senate. In 1924 and 1925 the number of lynchings was, respectively, 16 and 18, but in 1926 it jumped to 34; and Victor Berger, of Wisconsin, in that year introduced another Federal antilynching bill. It was defeated, but its mere introduction seemed to serve to decrease the number of lynchings again until 1930, when the number rose to 25; and in 1933, when the number went up to 28, the Costigan-Wagner bill was introduced.

Apparently the mere threat of the Federal antilynching bill has a wholesome effect, and the time has come when even the South would vote for such a bill.

[From the Cumberland (Md.) Times of Nov. 3, 1934]

ANTILYNCHING PROGRESS

Following the recent lynching in Florida, Senators WAGNER of New York and COSTIGAN of Colorado announced their intention of introducing again in Congress their antilynching bill, which was defeated in the last session.

More important, however, than laws providing for the punishment of lynchers will be public education on this subject and a stiffening of the public determination to stop it. There is evidence that this process is already well begun.

The Virginia Council of Southern Women for the Prevention of Lynching sent a telegram to the Attorney General of the United States affirming their opposition to lynching for any cause and urging him to investigate the Florida lynching and bring the guilty to justice. From the western North Carolina conference of the Methodist Episcopal Church South, in its annual session, a telegram was sent to the President asking him to invoke the Lindbergh law against the lynchers who first kidnaped their victim and held him a day before completing their mob crime. Other groups show the same attitude.

It is no justification of any lynching to say that the victim deserved his fate. Even if that were true, the use of mob violence, the disregard of the legal channels of justice and the arousing of hideous mass emotions would remain wholly degrading to the participants and menacing to society.

[From the Winston-Salem (N. C.) Sentinel of Oct. 30, 1934]

"AS ADVERTISED"

A Florida mob takes a Negro from an Alabama jail, carries him to the woods, and lynches him, "as advertised."

The mob was from Florida. A Florida girl, according to the warrant duly drawn, had been criminally assaulted and killed by this Negro.

Under the law, the Negro, if convicted of a first-degree offense of this nature, would forfeit his life by due process.

But the Florida mob had no intention of letting this black man die by due process of law. It imagined it could make death more horrible for him.

The mob advertised to the world just what it intended to do. Then after the officers of the law had full warning, the mob proceeded to do what it had declared it would do.

We have a great many lynchings in the South. All we have are useless, cruel, disgraceful. But we seldom have an affair of this sort in which the law enforcement agencies of the community are warned well in advance. In this respect the Florida lynching is unique.

The atmosphere here doesn't look healthy. Maybe it was impossible for the officers of community and State to prevent the lynching, but the State had other resources with which to cope with organized defiance of the law. It had the National Guard. The guard wasn't used, although the Governor offered to call it out if local officers thought it necessary.

But the crowning insult to law and decency came after the actual lynching. Then the Negro was dragged to the courthouse square of the Florida county seat town of Marianna. There the dead body was stretched up to be the target of knives and bullets. Where the "law" was while this was going on is not clear. The press report says "no officers were identified in the crowd."

The warning of the lynchers was a challenge to authority. It was not accepted. What happened to the manhood of Florida in this case? Men who love law and order, justice and equity in the handling of grave interracial problems have a right to ask this question. This Florida mob has again blotched the fair name of the South. It has thus been stained many times with blood. But what has complacent, indifferent laxness or moral weakness in this case on the part of those sworn to uphold and defend the processes of law done to Florida and the South? Probably this question is the most important query which could be raised in connection with the instance of barbarism.

[From the Birmingham (Ala.) Age-Herald of Oct. 27, 1934]

INTERSTATE LYNCHING

Concerning the carrying off of the Negro taken from the jail at Brewton, many Alabamians will be disposed to shrug off the inci-

dent as a Florida affair. Yet it was nothing of the kind. If custodial responsibility was accepted by an Alabama sheriff, and if he could not contrive to protect the prisoner from the mob which had been pursuing him for a week, this is our business, and a thoroughly bad business it is.

For what is to be borne in mind is that easy transportation has eliminated State lines to the extent of making the point of custody the all-important factor. Mississippians contributed to the so-called "Tuscaloosa lynchings", some investigators have concluded. In the case at hand, an Alabama sheriff was so naive and an Alabama jailor was so weak, that they permitted a vengeful band of Floridians to seize a prisoner who should have been saved from this fate at every cost.

If this is the way in which outsiders are dealt with, what is to be expected when home folks make the same demand? We have not yet managed to educate our officers to a sense of their obligation in such circumstances. Too many of them accept any pretext to rid themselves of a crucial test. The time cannot be far off when we shall have a law imposing on sheriffs and localities associated with lynchings a penalty for failing to do their full duty. That should have a deterrent effect.

[From the Miami (Fla.) News of Aug. 29, 1934]

SIGNIFICANT FIGURES

During the first 5 months of this year there were but two lynchings in the entire country. Throughout that period there was a possibility that Congress might pass the Federal antilynching bill, providing severe Federal penalties for lynchers and local officials failing to resist them and levying heavy fines on communities in which the crimes occur.

The bill was pigeonholed about June 1. Since that time there have been 12 lynchings, an average of more than one a week. None of the mob leaders has been punished. If the record of the past holds, none will be. Whether or not the surprising difference in the number of lynchings during the two periods is the result of the threat of Federal action in the one case and removal of the threat in the other, it would be worth passing the Wagner-Costigan bill to make sure. * * * The problem is one on which Congress should act in the next session.

[From the El Paso (Tex.) Herald-Post, Aug. 27, 1934]

A LYNCHING A WEEK

From January 1 to June 1 there were two lynchings in the United States. Since June 1 there have been 12 lynchings.

Prior to June 1 the Wagner-Costigan Federal antilynching bill was a live issue in Congress. It provided drastic Federal punishment of lynchers and local officers who fail to resist lynch mobs, and assessed heavy fines against the communities in which lynchings occur. Apparently this threat of Federal interference was a strong deterrent to lynching in the first 5 months of the year.

This threat was removed about June 1, when the Wagner-Costigan bill was pigeonholed. Since that date mob murders have proceeded at the rate of more than one a week. In none of the instances have lynchers been punished, nor is it likely that any will be punished.

The National Association for the Advancement of Colored People has appealed to President Roosevelt to insist at the opening of the next congressional session upon passage of Federal antilynching legislation. "The parade of bold mob murders," says the association, is proof that "the States are unwilling or unable to check lynching, and that the only method left is the invocation of the power of the Federal Government."

At the next session of Congress, it seems to us, the President should give to the Wagner-Costigan bill more than his tacit approval.

SALE OF PROPERTY UNDER COURT ORDER

Mr. KING. Mr. President, I ask the attention of Senators, particularly those on the other side of the aisle, and especially of the able leader on the other side, to a request I am about to prefer.

The Department of Justice sent to the Committee on the Judiciary a short time ago the draft of a bill relating to the sale of property under decree of court. The present law permits the sale of property, but it is not clear as to what steps should be taken in the event the appraisal is less than two-thirds of what the judge may deem to be proper.

The bill was introduced and is on the calendar, being the bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts." The bill clarifies the question with respect to public sales, but does not deal with the matter of private sale.

The important change in the law is brought about by the fact that the Government has a number of oil properties situate in different States, which properties belong to one corporation which is in the hands of a receiver. The Government has this property on its hands and desires to effectuate sale of it. It has to sell the properties separately under the present law, though they are owned by the same corporation, and if the properties are sold separately, it would militate against obtaining a reasonable value for them.

The important amendment is that which provides that, if a court desires, it may order one advertisement and one sale, instead of having property sold in two or three States.

I ask unanimous consent for the consideration of the bill, which was unanimously reported by the Committee on the Judiciary after full consideration.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY rose.

Mr. KING. If there is any objection, I will withdraw the request.

Mr. McNARY. Mr. President, my objection goes more to the practice than to the merits of the bill.

Mr. KING. I understand. If I may make a further observation, the Department of Justice is holding up several matters awaiting the enactment of the bill, and it is resulting in great cost to the Government. The enactment of the measure will save several thousand dollars, and I am a little derelict in having failed to press the measure at an earlier date.

Mr. McNARY. I am sure the Senator cannot justly penalize himself.

I have not had time to look into the measure. The Senator from Utah has made a very pleasing statement, but it is the practice itself which offends me, the practice of taking up bills from the calendar late in the afternoon, without notice. My objection really goes to the practice rather than to the merits of the measure. I would have no objection to the consideration of the bill on Monday, but on Friday I must object.

Mr. KING. I withdraw the request.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. NEELY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers for appointment, by transfer, in the Regular Army, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the first business in order on the calendar.

INTERNATIONAL TRADE IN ARMS TREATY

The legislative clerk proceeded to read Executive H (69th Cong., 1st sess.), a Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, Switzerland, on June 17, 1925.

Mr. KING. Mr. President, I did not anticipate that this treaty would be taken up today. I thought we would be concerned during the entire day with the Farmers' Home Corporation measure, and I should be glad to have the treaty go over until Tuesday or Wednesday of next week, or whenever the Senator from Nevada may desire to have it called up.

Mr. PITTMAN. Mr. President, this is a very important treaty and should be given careful consideration. It is a treaty with regard to the export of arms and munitions of war. A similar treaty was ratified by the Senate on a prior occasion, containing a reservation offered by the Senator from Utah [Mr. KING]. Since that time reasons have arisen which caused the Committee on Foreign Relations to deem the reservation of the Senator inadvisable, and the treaty has now been reported without the reservation of the Senator from Utah, and on that subject he desires to

have discussion. I realize that the Senator is very busily engaged on an important committee and is occupied with other important legislative matters; and, while I regret to have this treaty go over, I feel that in justice to the Senator from Utah it should go over, but I desire to have it understood that if there shall be an executive session on Tuesday or Wednesday, or any time after Monday, I shall then feel it to be my duty to move the consideration of the treaty.

Mr. KING. I thank the Senator.

INTERNATIONAL COPYRIGHT CONVENTION

The Senate, as in Committee of the Whole, proceeded to consider Executive E (73d Cong., 2d sess.), the International Convention of the Copyright Union, as revised and signed at Rome on June 2, 1928, which was read the second time, as follows:

[Translation]

BERNE CONVENTION OF SEPTEMBER 9, 1886, FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS, REVISED AT BERLIN NOVEMBER 13, 1908, AND AT ROME, JUNE 2, 1928

The President of the German Reich; the Federal President of the Republic of Austria; His Majesty the King of the Belgians; the President of the United States of Brazil; His Majesty the King of the Bulgarians; His Majesty the King of Denmark; His Majesty the King of Spain; the President of the Republic of Estonia; the President of the Republic of Finland; the President of the French Republic; His Majesty the King of Great Britain, Ireland and the British Dominions Beyond the Seas, Emperor of India; the President of the Hellenic Republic; His Most Serene Highness the Regent of the Kingdom of Hungary; His Majesty the King of Italy; His Majesty the Emperor of Japan; Her Royal Highness the Grand Duchess of Luxemburg; His Majesty the Sultan of Morocco; His Most Serene Highness the Prince of Monaco; His Majesty the King of Norway; Her Majesty the Queen of the Netherlands; the President of the Polish Republic in the name of Poland and of the Free City of Danzig; the President of the Portuguese Republic; His Majesty the King of Rumania; His Majesty the King of Sweden; the Federal Council of the Swiss Confederation; the States of Syria and the Great Lebanon; the President of the Czechoslovak Republic; His Highness the Bey of Tunis—

Equally animated by the desire to protect in as efficacious and uniform a manner as possible the rights of authors as to their literary and artistic works,

Have resolved to revise and complete the Act signed at Berlin on November 13, 1908.

They have, consequently, named as their plenipotentiaries:

The President of the German Reich:
- His Excellency, Dr. Baron Constantin von Neurath, Ambassador of Germany at Rome;
- Mr. Georg Klauer, Ministerial Counselor in the Ministry of Justice;
- Mr. Wilhelm Mackelen, Counselor of Legation in the Ministry of Foreign Affairs;
- Dr. Eberhard Neugebauer, Ministerial Counselor in the Ministry of Posts and Telegraphs;
- Dr. Johannes Mittelstaedt, Privy Counselor for Justice, Attorney before the Supreme Court of the Reich;
- Mr. Maximilian Mintz, President of the German Group of the International Literary and Artistic Association;
- Dr. Max von Schillings, Professor, Senator of the Prussian Academy of Fine Arts, Member of the Committee of the Association of German Composers;
- Dr. Ludwig Fulda, Senator of the Prussian Academy of the Fine Arts, President of the Society of German Dramatic Authors and Composers, President of the International Federation of Dramatic Authors and Composers and Vice-President of the International Confederation of the Societies of Authors and Composers.

The Federal President of the Republic of Austria:
- Dr. Auguste Hesse, Ministerial Counselor.

His Majesty the King of the Belgians:
- His Excellency the Count della Feille de Leverghem, Ambassador of His Majesty the King of the Belgians at Rome;
- His Excellency Mr. Jules Destrée, Member of the Chamber of Representatives, Minister Plenipotentiary;
- Mr. Paul Wauwermans, Member of the Chamber of Representatives.

The President of the United States of Brazil:
- His Excellency Mr. F. Pessoa de Queiroz, former diplomat, journalist, Deputy, Member of the Chamber Commission on Diplomacy and Treaties;
- Mr. Joao Severiano da Fonseca Hermes, Jr., First Secretary of the Embassy of Brazil at Rome.

His Majesty the King of the Bulgarians:
- Mr. Stoil C. Stoiloff, Counselor of the Legation of Bulgaria at Rome.

His Majesty the King of Denmark:
- His Excellency Mr. I. C. W. Kruse, Chamberlain, Minister of Denmark at Rome;
- Mr. F. Graae, Chief of Department in the Ministry of Public Instruction.

His Majesty the King of Spain:
- Mr. Francisco de Paula Alvarez Ossorio, Attorney, Chief of Administration of the Corporation of Archivists, Librarians, and Archeologists, Assistant Director of the National Archeological Museum.

The President of the Republic of Estonia:
- His Excellency Mr. Karl Tofer, Envoy Extraordinary and Minister Plenipotentiary of Estonia at Rome.

The President of the Republic of Finland:
- His Excellency Dr. Emile Setälä, Professor in the University of Helsingfors, Envoy Extraordinary and Minister of Finland at Copenhagen, formerly Minister of Foreign Affairs;
- His Excellency Dr. Rolf Thesleff, Envoy Extraordinary and Minister Plenipotentiary of Finland at Rome;
- Mr. George Winckelmann, Counselor of Legation, Chief of the Juridical Office in the Ministry of Foreign Affairs.

The President of the French Republic:
- His Excellency Mr. Maurice de Beaumarchais, Ambassador of the French Republic at Rome;
- Mr. Marcel Plaisant, Deputy, Attorney before the Paris Court of Appeals;
- Mr. Grunebaum Ballin, Honorary Master of Requests in the Council of State, President of the Council of the Prefecture of the Seine, Jurisconsult of the Office of the Director General of Fine Arts;
- Mr. Drouets, Director of Industrial Property in the Ministry of Commerce;
- Mr. Georges Maillard, Attorney before the Paris Court of Appeals, President of the International Literary and Artistic Association;
- Mr. André Rivoire, President of the French Society of Orators and Lecturers, formerly President of the Society of Dramatic Authors and Composers, President of the International Confederation of the Societies of Dramatic Authors and Composers;
- Mr. Romain Coolus, Honorary President of the Society of Dramatic Authors and Composers, Delegate General of the Confederation of Intellectual Workers:
- Mr. André Messager, Member of the Institute, formerly President of the Society of Dramatic Authors and Composers.

His Majesty the King of Great Britain, Ireland and the British Dominions Beyond the Seas, Emperor of India:
- For Great Britain and Northern Ireland:
  - Sir Sydney Chapman, K. C. B., C. B. E., Principal Economic Counselor of the Government of His Britannic Majesty;
  - Mr. William Smith Jarratt, Comptroller in the Department of Industrial Property;
  - Mr. Alfred James Martin, O. B. E., Assistant Comptroller in the Department of Industrial Property.
- For the Dominion of Canada:
  - The Honorable Philippe Roy, C. P., Commissioner General of Canada at Paris.
- For the Commonwealth of Australia:
  - Sir William Harrison Moore, K. B. E., C. M. G.
- For the Dominion of New Zealand:
  - Mr. Samuel George Raymond, K. C.
- For the Irish Free State:
  - Mr. Michael MacWhite, Representative of the Irish Free State to the League of Nations.
- For India:
  - Mr. G. Graham Dixon;

The President of the Hellenic Republic:
- His Excellency Mr. Nicolas Mavroudis, Envoy Extraordinary and Minister Plenipotentiary of Greece at Rome;

His Most Serene Highness the Regent of the Kingdom of Hungary:
- His Excellency André de Hóry, Envoy Extraordinary and Minister Plenipotentiary of Hungary at Rome.

His Majesty the King of Italy:
- His Excellency Professor Vittorio Scialoja, Minister of State, Senator;
- His Excellency Mr. Edoardo Piola-Caselli, President of Chamber in the Court of Cassation;
- Mr. Vicenzo Morello, Senator, President of the Society of Authors;
- Mr. Ermanno Amicucci, Deputy;
- Mr. Arrigo Solmi, Deputy, Professor in the University of Pavia;
- Professor Amedeo Giannini, Honorary Envoy Extraordinary and Minister Plenipotentiary;
- Mr. Domenico Barone, Counselor of State;
- Mr. Cesare Vivante, Professor of Commercial Law in the University of Rome;
- Mr. Emilio Venezian, Inspector General in the Ministry of National Economy;
- Dr. Alfredo Jannoni-Sebastianini, Director of the Bureau of Intellectual Property;
- Mr. Mario Ghiron, Professor in the University of Rome.

His Majesty The Emperor of Japan:
- His Excellency Mr. Michikazu Matsuda, Ambassador of Japan at Rome;
- Mr. Tomoharu Akagi, Director in the Bureau of Reconstruction.

Her Royal Highness The Grand Duchess of Luxemburg:
- Mr. Victor Auguste Bruck, Doctor of Laws, Consul of Luxemburg at Rome.

His Majesty The Sultan of Morocco:
His Excellency Mr. Maurice dé Beaumarchais, Ambassador of the French Republic at Rome.
His Most Serene Highness The Prince of Monaco:
Mr. Raoul Sauvage, Chancelor of the Legation of Monaco at Rome.
His Majesty The King of Norway:
His Excellency Mr. Arnold Raestad, Doctor of Laws, formerly Minister of Foreign Affairs.
Her Majesty The Queen of the Netherlands:
Mr. H. L. De Beaufort, Doctor of Laws:
Dr. F. W. J. G. Snijder de Wissenkerke, former Counselor of the Ministry of Justice, former President of the Council of Patents, President of the Netherlands' Group of the International Literary and Artistic Association;
Dr. L. J. Plemp van Duiveland, Director of the Press Service in the Ministry of Foreign Affairs.
The President of the Polish Republic:
For Poland:
His Excellency Mr. Stefan Sieczkowski, Solicitor of the Court of Cassation at Warsaw, Director of the Legislative Department in the Ministry of Justice;
Professor Fryderyk Zoll, Professor in the University of Krakow.
For The Free City of Danzig:
His Excellency Mr. Stefan Sieczkowski, Solicitor of the Court of Cassation at Warsaw, Director of the Legislative Department in the Ministry of Justice.
The President of the Portuguese Republic:
His Excellency Mr. Enrique Trindade Coelho, Envoy Extraordinary and Minister Plenipotentiary of Portugal at Rome.
His Majesty the King of Rumania.
Mr. Theodore Solacolo, Attorney.
His Majesty the King of Sweden:
His Excellency Baron Erik Marks de Wurtemberg, former Minister of Foreign Affairs, President of the Court of Appeals of Stockholm.
Mr. Erik Lidforss, Attorney.
The Federal Council of the Swiss Confederation:
His Excellency Mr. Georges Wagnière, Envoy Extraordinary and Minister Plenipotentiary of Switzerland at Rome.
Mr. Walther Kraft, Director of the Federal Bureau of Intellectual Property.
Mr. Adolph Streuli, Doctor of Laws and Attorney at Zurich.
The President of the French Republic:
For the States of Syria and Great Lebanon:
His Excellency Mr. Maurice de Beaumarchais, Ambassador of the French Republic at Rome.
The President of the Czechoslovak Republic:
His Excellency Dr. Voitech Mastny, Envoy Extraordinary and Minister Plenipotentiary of Czechoslovakia at Rome.
Dr. Karel Hermann-Otavsky, Professor in the Faculty of Law of the Carolina University at Prague, President of the National Group of the International Literary and Artistic Association.
His Highness the Bey of Tunis:
His Excellency Mr. Maurice de Beaumarchais, Ambassador of the French Republic at Rome.

Who, being thereunto duly authorized, have agreed upon the following:

ARTICLE 1

The Countries to which the present Convention applies shall be constituted into a Union for the protection of the rights of authors in their literary and artistic works.

ARTICLE 2

(1) The term "literary and artistic works" shall include all productions in the literary, scientific, and artistic domain, whatever the mode or form of expression, such as: books, pamphlets, and other writings; lectures, addresses, sermons and other works of like nature; dramatic or dramatico-musical works; choreographic works and pantomines, the staging (*mise en scène*) of which is fixed in writing or otherwise; musical compositions with or without words; drawings, paintings; works of architecture and sculpture; engravings and lithographs; illustrations; geographical charts; plans, sketches, and plastic works relating to geography, topography, architecture, or the sciences.

(2) Translations, adaptations, arrangements of music and other reproductions transformed from a literary or artistic work, as well as compilations from different works, shall be protected as original works without prejudice to the rights of the author of the original work.

(3) The countries of the Union shall be bound to secure protection in the case of the works mentioned above.

(4) Works of art applied to industry shall be protected so far as the domestic legislation of each country allows.

ARTICLE 2 BIS

(1) The authority is reserved to the domestic legislation of each country of the Union to exclude, partially or wholly, from the protection provided by the preceding Article political discourses or discourses pronounced in judicial debates.

(2) There is also reserved to the domestic legislation of each country of the Union authority to enact the conditions under which such lectures, addresses, sermons, and other works of like nature may be reproduced by the press. Nevertheless, the author alone shall have the right to bring such works together in a compilation.

ARTICLE 3

The present convention shall apply to photographic works and to works obtained by any process analogous to photography. The countries of the Union shall be bound to guarantee protection to such works.

ARTICLE 4

(1) Authors within the jurisdiction of one of the countries of the Union shall enjoy for their works, whether unpublished or published for the first time in one of the countries of the Union, such rights, in the countries other than the country of origin of the work, as the respective laws now accord or shall hereafter accord to nationals, as well as the rights specially accorded by the present convention.

(2) The enjoyment and the exercise of such rights shall not be subject to any formality; such enjoyment and such exercise are independent of the existence of protection in the country of origin of the work. Consequently, apart from the stipulations of the present Convention, the extent of the protection, as well as the means of redress guaranteed to the author to safeguard his rights, shall be regulated exclusively according to the legislation of the country where the protection is claimed.

(3) The following shall be considered as the country of origin of the work: for unpublished works, the country to which the author belongs; for published works, the country of first publication, and for works published simultaneously in several countries of the Union, the country among them whose legislation grants the shortest term of protection. For works published simultaneously in a country outside of the Union and in a country within the Union, it is the latter country which shall be exclusively considered as the country of origin.

(4) By "published works" ("*oeuvres publiées*") must be understood, according to the present Convention, works which have been issued ("*oeuvres éditées*"). The representation of a dramatic or dramatico-musical work, the performance of a musical work, the exhibition of a work of art and the construction of a work of architecture shall not constitute publication.

ARTICLE 5

Authors within the jurisdiction of one of the countries of the Union who publish their works for the first time in another country of the Union, shall have in this latter country the same rights as national authors.

ARTICLE 6

(1) Authors not within the jurisdiction of any one of the countries of the Union, who publish their works for the first time in one of the Union countries, shall enjoy in such Union country the same rights as national authors, and in the other countries of the Union the rights accorded by the present Convention.

(2) Nevertheless, when a country outside of the Union does not protect in an adequate manner the works of authors within the jurisdiction of one of the countries of the Union, this latter Union country may restrict the protection for the works of authors who are, at the time of the first publication of such works, within the jurisdiction of the non-union country and are not actually domiciled in one of the countries of the Union.

(3) Any restriction, established by virtue of the preceding paragraph, shall not prejudice the rights which an author may have acquired in a work published in one of the countries of the Union before the putting into effect of this restriction.

(4) The countries of the Union which, by virtue of the present article, restrict the protection of the rights of authors, shall notify the fact to the Government of the Swiss Confederation by a written declaration indicating the countries in whose case protection is restricted, and indicating also the restrictions to which the rights of authors within the jurisdiction of such country are subjected. The Government of the Swiss Confederation shall immediately communicate this fact to all the countries of the Union.

ARTICLE 6 BIS

(1) Independently of the author's copyright, and even after assignment of the said copyright, the author shall retain the right to claim authorship of the work, as well as the right to object to every deformation, mutilation or other modification of the said work, which may be prejudicial to his honor or to his reputation.

(2) It is left to the national legislation of each of the countries of the Union to establish the conditions for the exercise of these rights. The means for safeguarding them shall be regulated by the legislation of the country where protection is claimed.

ARTICLE 7

(1) The duration of the protection granted by the present convention shall comprise the life of the author and fifty years after his death.

(2) In case this period of protection, however, should not be adopted uniformly by all the countries of the Union, its duration shall be regulated by the law of the country where protection is claimed, and it cannot exceed the term fixed in the country of origin of the work. The countries of the Union will consequently not be required to apply the provision of the preceding paragraph beyond the extent to which it agrees with their domestic law.

(3) For photographic works and works obtained by a process analogous to photography; for posthumous works; for anonymous or pseudonymous works, the term of protection shall be regulated by the law of the country where protection is claimed, but this term shall not exceed the term fixed in the country of origin of the work.

ARTICLE 7 BIS

(1) The term of copyright protection belonging in common to collaborators in a work shall be calculated according to the date of the death of the last survivor of the collaborators.

(2) Persons within the jurisdiction of countries which grant a shorter period of protection than that provided in paragraph 1 cannot claim in the other countries of the Union a protection of longer duration.

(3) In any case the term of protection shall not expire before the death of the last survivor of the collaborators.

ARTICLE 8

Auhors of unpublished works within the jurisdiction of one of the countries of the Union, and authors of works published for the first time in one of these countries, shall enjoy in the other countries of the Union during the whole term of the right in the original work the exclusive right to make or to authorize the translation of their works.

ARTICLE 9

(1) Serial stories, tales and all other works, whether literary, scientific, or artistic, whatever may be their subject, published in newspapers or periodicals of one of the countries of the Union, may not be reproduced in the other countries without the consent of the authors.

(2) Articles of current economic, political, or religious discussion may be reproduced by the press if their reproduction is not expressly reserved. But the source must always be clearly indicated; the sanction of this obligation shall be determined by the legislation of the country where the protection is claimed.

(3) The protection of the present Convention shall not apply to news of the day or to miscellaneous news having the character merely of press information.

ARTICLE 10

As concerns the right of borrowing lawfully from literary or artistic works for use in publications intended for instruction or having a scientific character, or for chrestomathies, the provisions of the legislation of the countries of the Union and of the special treaties existing or to be concluded between them shall govern.

ARTICLE 11

(1) The stipulations of the present Convention shall apply to the public representation of dramatic or dramatico-musical works and to the public performance of musical works, whether these works are published or not.

(2) Authors of dramatic or dramatico-musical works shall be protected, during the term of their copyright in the original work, against the unauthorized public representation of a translation of their works.

(3) In order to enjoy the protection of this article, authors in publishing their works shall not be obliged to prohibit the public representation or public performance of them.

ARTICLE 11 BIS

(1) The authors of literary and artistic works shall enjoy the exclusive right to authorize the communication of their works to the public by broadcasting.

(2) It belongs to the national legislatures of the countries of the Union to regulate the conditions for the exercise of the right declared in the preceding paragraph, but such conditions shall have an effect strictly limited to the country which establishes them. They can not in any case adversely affect the moral right of the author, nor the right which belongs to the author of obtaining an equitable remuneration fixed, in default of an amicable agreement, by competent authority.

ARTICLE 12

Among the unlawful reproductions to which the present Convention applies shall be specially included indirect, unauthorized appropriations of a literary or artistic work, such as adaptations, arrangements of music, transformations of a romance or novel or of a poem into a theatrical piece and vice-versa, etc., when they are only the reproduction of such work in the same form or in another form with non-essential changes, additions or abridgments and without presenting the character of a new, original work.

ARTICLE 13

(1) Authors of musical works shall have the exclusive right to authorize: (1) the adaptation of these works to instruments serving to reproduce them mechanically; (2) the public performance of the same works by means of these instruments.

(2) The limitations and conditions relative to the application of this article shall be determined by the domestic legislation of each country in its own case; but all limitations and conditions of this nature shall have an effect strictly limited to the country which shall have adopted them.

(3) The provisions of paragraph 1 shall have no retroactive effect, and therefore shall not be applicable in a country of the Union to works which, in that country, shall have been lawfully adapted to mechanical instruments before the going into force of the Convention signed at Berlin, November 13, 1908; and, in the case of a country which has acceded to the Union since that date, or shall accede to it in the future, then when the works have been adapted to mechanical instruments before the date of its accession.

(4) Adaptations made by virtue of paragraphs 2 and 3 of this article and imported, without the authorization of the parties interested, into a country where they would not be lawful, shall be liable to seizure there.

ARTICLE 14

(1) Authors of literary, scientific or artistic works shall have the exclusive right to authorize the reproduction, adaptation, and public representation of their works by means of the cinematograph.

(2) Cinematographic productions shall be protected as literary or artistic works when the author shall have given to the work an original character. If this character is lacking, the cinematographic production shall enjoy the same protection as photographic works.

(3) Without prejudice to the rights of the author of the work reproduced or adapted, the cinematographic work shall be protected as an original work.

(4) The preceding provisions apply to the reproduction or production obtained by any other process analogous to cinematography.

ARTICLE 15

(1) In order that the authors of the works protected by the present Convention may be considered as such, until proof to the contrary, and be admitted consequently before the courts of the various countries of the Union to proceed against infringers, it shall suffice that the author's name be indicated upon the work in the usual manner.

(2) For anonymous or pseudonymous works, the publisher whose name is indicated upon the work shall be entitled to protect the rights of the author. He shall, without other proof, be considered the legal representative of the anonymous or pseudonymous author.

ARTICLE 16

(1) All infringing works may be seized by the competent authorities of the countries of the Union where the original work has a right to legal protection.

(2) Seizure may also be made in these countries of reproductions which come from a country where the copyright on the work has terminated, or where the work has not been protected.

(3) The seizure shall take place in conformity with the domestic legislation of each country.

ARTICLE 17

The provisions of the present Convention may not prejudice in any way the right which belongs to the Government of each of the countries of the Union to permit, to supervise, or to forbid, by means of legislation or of domestic police, the circulation, the representation or the exhibition of every work or production in regard to which competent authority may have to exercise this right.

ARTICLE 18

(1) The present Convention shall apply to all works which, at the time it goes into effect, have not fallen into the public domain of their country of origin because of the expiration of the term of protection.

(2) But if a work by reason of the expiration of the term of protection which was previously secured for it has fallen into the public domain of the country where protection is claimed, such work shall not be protected anew.

(3) This principle shall be applied in accordance with the stipulations to that effect contained in the special Conventions either existing or to be concluded between countries of the Union, and in default of such stipulations, its application shall be regulated by each country in its own case.

(4) The preceding provisions shall apply equally in the case of new accessions to the Union and where the protection would be extended by the application of Article 7 or by the abandonment of reservations.

ARTICLE 19

The provisions of the present Convention shall not prevent a claim for the application of more favorable provisions which may be enacted by the legislation of a country of the Union in favor of foreigners in general.

ARTICLE 20

The governments of the countries of the Union reserve the right to make between themselves special treaties, when these treaties would confer upon authors more extended rights than those accorded by the Union, or when they contain other stipulations not conflicting with the present Convention. The provisions of existing treaties which answer the aforesaid conditions shall remain in force.

ARTICLE 21

(1) The international office instituted under the name of "Bureau of the International Union for the Protection of Literary and Artistic Works" ("Bureau de l'Union internationale pour la protection des oeuvres littéraires et artistiques") shall be maintained.

(2) This Bureau is placed under the high authority of the Government of the Swiss Confederation, which controls its organization and supervises its working.

(3) The official language of the Bureau shall be French.

ARTICLE 22

(1) The International Bureau shall bring together, arrange, and publish information of every kind relating to the protection of the rights of authors in their literary and artistic works. It shall study questions of mutual utility interesting to the Union, and edit, with the aid of documents placed at its disposal by the various administrations, a periodical in the French language, treating questions concerning the purpose of the Union. The governments of the countries of the Union reserve the right to authorize the Bureau

by common accord to publish an edition in one or more other languages, in case experience demonstrates the need.

(2) The International Bureau must hold itself at all times at the disposal of members of the Union to furnish them, in relation to questions concerning the protection of literary and artistic works, the special information of which they have need.

(3) The Director of the International Bureau shall make an annual report on his administration, which shall be communicated to all the members of the Union.

ARTICLE 23

(1) The expenses of the Bureau of the International Union shall be shared in common by the countries of the Union. Until a new decision, they may not exceed one hundred and twenty thousand Swiss francs per year. This sum may be increased when needful by the unanimous decision of one of the Conferences provided for in Article 24.

(2) To determine the part of this sum total of expenses to be paid by each of the countries, the countries of the Union and those which later adhere to the Union shall be divided into six classes each contributing in proportion to a certain number of units to wit:

	Units
1st class	25
2nd class	20
3d class	15
4th class	10
5th class	5
6th class	3

(3) These coefficients are multiplied by the number of countries of each class, and the sum of the products thus obtained furnishes the number of units by which the total expense is to be divided. The quotient gives the amount of the unit of expense.

(4) Each country shall declare, at the time of its accession, in which of the above-mentioned classes it demands to be placed, but it may always ultimately declare that it intends to be placed in another class.

(5) The Swiss Administration shall prepare the budget of the Bureau and superintend its expenditures, make necessary advances and draw up the annual account, which shall be communicated to all the other administrations.

ARTICLE 24

(1) The present Convention may be subjected to revision with a view to the introduction of amendments calculated to perfect the system of the Union.

(2) Questions of this nature, as well as those which from other points of view pertain to the development of the Union, shall be considered in the Conferences which will take place successively in the countries of the Union between the delegates of the said countries. The administration of the country where a Conference is to be held shall, with the cooperation of the International Bureau, prepare the agenda of the same. The Director of the Bureau shall attend the meetings of the Conferences and take part in the discussions without a deliberative voice.

(3) No change in the present Convention shall be valid for the Union except by the unanimous consent of the countries which compose it.

ARTICLE 25

(1) The countries outside of the Union which assure legal protection of the rights which are the object of the present Convention, may accede to it upon their request.

(2) Such accession shall be communicated in writing to the Government of the Swiss Confederation and by the latter to all the others.

(3) The full right of adhesion to all the clauses and admission to all the advantages stipulated in the present Convention shall be implied by such accession and it shall go into effect one month after the sending of the notification by the Government of the Swiss Confederation to the other countries of the Union, unless a later date has been indicated by the adhering country. Nevertheless, such accession may contain an indication that the adhering country intends to substitute, provisionally at least, for Article 8 concerning translations, the provisions of Article 5 of the Convention of the Union of 1886, revised at Paris in 1896, it being of course understood that these provisions relate only to translations into the language or languages of the country.

ARTICLE 26

(1) Each of the countries of the Union may, at any time, notify in writing the Government of the Swiss Confederation that the present Convention shall be applicable to all or to part of its colonies, protectorates, territories under mandate or all other territories subject to its sovereignty or to its authority, or all territories under suzerainty, and the Convention shall then apply to all the territories designated in the notification. In default of such notification, the Convention shall not apply to such territories.

(2) Each of the countries of the Union may, at any time, notify in writing the Government of the Swiss Confederation that the present Convention shall cease to be applicable to all or to part of the territories which were the object of the notification provided for by the preceding paragraph, and the Convention shall cease to apply in the territories designated in such notification twelve months after receipt of the notification addressed to the Government of the Swiss Confederation.

(3) All the notifications made to the Government of the Swiss Confederation, under the provisions of paragraphs 1 and 2 of this article, shall be communicated by that Government to all the countries of the Union.

ARTICLE 27

(1) The present Convention shall replace in the relations between the countries of the Union the Convention of Berne of September 9, 1886 and the acts by which it has been successively revised. The acts previously in effect shall remain applicable in the relations with the countries which shall not have ratified the present Convention.

(2) The countries in whose name the present Convention is signed may still retain the benefit of the reservations which they have previously formulated on condition that they make such a declaration at the time of the deposit of the ratifications.

(3) Countries which are at present parties to the Union, but in whose name the present Convention has not been signed, may at any time adhere to it. They may in such case benefit by the provisions of the preceding paragraph.

ARTICLE 28

(1) The present Convention shall be ratified, and the ratifications shall be deposited at Rome not later than July 1, 1931.

(2) It shall go into effect between the countries of the Union which have ratified it one month after that date. However, if, before that date, it has been ratified by at least six countries of the Union it shall go into effect as between those countries of the Union one month after the deposit of the sixth ratification has been notified to them by the Government of the Swiss Confederation and, for the countries of the Union which, shall later ratify, one month after the notification of each such ratification.

(3) Countries that are not within the Union may, until August 1, 1931, enter the Union, by means of adhesion, either to the Convention signed at Berlin November 13, 1908, or to the present Convention. After August 1, 1931, they can adhere only to the present Convention.

ARTICLE 29

(1) The present Convention shall remain in effect for an indeterminate time, until the expiration of one year from the day when denunciation of it shall have been made.

(2) This denunciation shall be addressed to the Government of the Swiss Confederation. It shall be effective only as regards the country which shall have made it, the Convention remaining in force for the other countries of the Union.

ARTICLE 30

(1) The countries which introduce into their legislation the term of protection of fifty years provided for by Article 7, paragraph 1, of the present Convention, shall make it known to the Government of the Swiss Confederation by a written notification which shall be communicated at once by that Government to all the other countries of the Union.

(2) It shall be the same for such countries as shall renounce any reservations made or maintained by them by virtue of Articles 25 and 27.

In faith whereof, the respective Plenipotentiaries have signed the present Convention.

Done at Rome, the second of June, one thousand nine hundred and twenty-eight, in a single copy, which shall be deposited in the archives of the Royal Italian Government. One copy, properly certified, shall be sent through diplomatic channels to each of the countries of the Union.

For Germany:
C. von Neurath.
Georg Klauer.
Wilhelm Mackeben.
Eberhard Neugebauer.
Maximilian Mintz.
Max von Schillings.

For Austria:
Dr. August Hesse.

For Belgium:
Cte. della Faille de Leverghem.
Wauwermans.

For the United States of Brazil:
F. Pessoa de Queiroz.
J. S. da Fonseca Hermes Jr.

For Bulgaria:
G. Radeff.

For Denmark:
I. C. W. Kruse.
F. Graae.

For the Free City of Danzig:
Stefan Sieczkowski.

For Spain:
Francisco Alvarez-Ossorio.

For Estonia:
K. Tofer.

For Finland:
Emile Setälä.
Rolf Thesleff.
George Winckelmann.

For France:
Beaumarchais.
Marcel Plaisant.
P. Grunebaum-Ballin.
Cn. Drouets.
Georges Maillard.
André Rivoire.
Romain Coolus.
A. Messager.

For Great Britain and Northern Ireland:
S. J. Chapman.
W. S. Jarratt.
A. J. Martin.
For Canada:
Philippe Roy.
For Australia:
W. Harrison Moore.
For New Zealand:
S. G. Raymond.
For the Irish Free State:
[No signature.]
For India:
G. Graham Dixon.
For the Hellenic Republic:
N. Mavroudis.
For Hungary:
Andre de Hory.
For Italy:
Vittorio Scialoja.
E. Piola Caselli.
Vicenzo Morello.
Amedeo Giannini.
Domenico Barone.
Emilio Venezian.
A. Jannoni Sebastianini.
Mario Ghiron.
For Japan:
M. Matsuda.
T. Akagi.
For Luxemburg:
Bruck.
For Morocco:
Beaumarchais.
For Monaco:
R. Sauvage.
For Norway:
Arnold Raestad.
For The Netherlands:
A. van der Gols.
For Poland:
Stefan Sieczkowski.
Frédéric Zoll.
For Portugal:
Enrique Trindade Coelho.
For Rumania:
Theodore Solacolo.
For Sweden:
E. Marks von Würtemberg.
Erik Lidforss.
For Switzerland:
Wagnière.
W. Kraft.
A. Streuli.
For Syria and Great Lebanon:
Beaumarchais.
For Czechoslovakia:
Dr. V. Mastny.
Prof. Karel Hermann-Otavsky.
For Tunis:
Beaumarchais.
A true copy
For The Minister of Foreign Affairs of Italy
Fani

Mr. PITTMAN. Mr. President, this convention was considered for a long time by a subcommittee, unanimously favorably reported by the subcommittee to the full committee, and unanimously favorably reported by the Foreign Relations Committee. I ask for action upon it.

The PRESIDING OFFICER. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the adherence by the United States to Executive E, Seventy-third Congress, second session, the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

Mr. AUSTIN. Mr. President, Senators on this side of the aisle could hear nothing but a murmur, and we do not know what is the pending question.

The PRESIDING OFFICER. The question before the Senate was whether the Senate would advise and consent to adherence to the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928.

Mr. ROBINSON. It is my understanding that the Chair ruled that, in his opinion, two-thirds of the Senators had voted to advise and consent to adherence to the convention. It is necessary, of course, to announce it.

Mr. AUSTIN. I was just considering the question whether I would move for reconsideration, because what was done was done so quietly that it was not heard over here.

Mr. PITTMAN. Mr. President, I will say to the Senator from Vermont that I stated that this copyright convention had been before the Senate for many years; and finally, after exhaustive hearings on the subject by the subcommittee of the Committee on Foreign Relations, and by the committee itself, at the request of the State Department, the convention was unanimously favorably reported by the subcommittee, and also unanimously favorably reported by the Committee on Foreign Relations.

Mr. AUSTIN. Mr. President, I appreciate that explanation. I have no objection.

POSTMASTERS

The legislative clerk read the nomination of Samuel M. Glading to be postmaster at Wenonah, N. J.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of J. Pierrepont Moffat, of New Hampshire, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

RECESS

Mr. ROBINSON. Mr. President, pursuant to the unanimous-consent agreement, I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 2 o'clock and 53 minutes p. m.) the Senate, under the order previously entered, took a recess until Monday, April 22, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 19 (legislative day of Apr. 15), 1935

UNITED STATES ATTORNEY

Francis H. Inge, of Alabama, to be United States attorney, southern district of Alabama, vice Alexander C. Birch, term expired.

UNITED STATES PUBLIC HEALTH SERVICE

Dr. Harry C. Knight to be assistant surgeon in the United States Public Health Service, to take effect from date of oath.

POSTMASTERS

ALABAMA

Frank A. Bryan to be postmaster at Columbia, Ala., in place of C. T. Harris. Incumbent's commission expired December 16, 1934.

Herman L. Upshaw to be postmaster at Eufaula, Ala., in place of L. R. Maugans, resigned.

ALASKA

Agnes L. Reinert to be postmaster at Ketchikan, Alaska, in place of E. E. Blackmar. Incumbent's commission expired May 29, 1934.

ARIZONA

Harriet C. Dean to be postmaster at Duncan, Ariz., in place of J. L. T. Watters. Incumbent's commission expired April 3, 1934.

ARKANSAS

Harvey H. Fuller to be postmaster at Eureka Springs, Ark., in place of L. K. Charles, removed.

CALIFORNIA

Charles D. Printz to be postmaster at Caruthers, Calif., in place of W. H. Lawrence. Incumbent's commission expired April 8, 1934.

Katherine V. Lera to be postmaster at Millbrae, Calif., in place of Angelina O'Brien. Incumbent's commission expired September 19, 1933.

Matie L. McCormick to be postmaster at Ojai, Calif., in place of C. C. King. Incumbent's commission expired December 18, 1933.

Alla P. Tidwell to be postmaster at Pine Knot, Calif., in place of M. E. Crane. Incumbent's commission expired January 5, 1933.

Albert G. Stewart to be postmaster at Sanger, Calif., in place of W. L. McLaughlin. Incumbent's commission expired May 7, 1934.

COLORADO

Darius Allen to be postmaster at Colorado Springs, Colo., in place of E. E. Ewing. Incumbent's commission expired February 6, 1935.

CONNECTICUT

Charles A. Babin to be postmaster at Waterbury, Conn., in place of A. N. Colgrove. Incumbent's commission expired January 15, 1933.

FLORIDA

Edwin A. Acree to be postmaster at Groveland, Fla., in place of A. A. Kurfiss. Incumbent's commission expired December 18, 1934.

Elizabeth A. Cantrell to be postmaster at Kissimmee, Fla., in place of R. W. Pherigo. Incumbent's commission expired December 20, 1934.

GEORGIA

Fletcher N. Carlisle to be postmaster at Flowery Branch, Ga., in place of F. N. Carlisle. Incumbent's commission expired February 25, 1935.

IDAHO

Harry L. Yost to be postmaster at Boise, Idaho, in place of L. W. Thrailkill. Incumbent's commission expired January 22, 1935.

Frank H. Chapman to be postmaster at Parma, Idaho, in place of R. L. Fisk. Incumbent's commission expired April 3, 1934.

Guy E. Van Buskirk to be postmaster at Potlatch, Idaho, in place of E. M. Renfrew. Incumbent's commission expired March 18, 1934.

Herman A. Krier to be postmaster at Troy, Idaho, in place of J. O. McComb. Incumbent's commission expired February 6, 1934.

ILLINOIS

Helmer D. Carlson to be postmaster at Fox Lake, Ill., in place of H. L. Scott, resigned.

O. Rice Jones to be postmaster at Paris, Ill., in place of L. E. Lamb. Incumbent's commission expired May 7, 1934.

INDIANA

Clarence E. Steward to be postmaster at Bainbridge, Ind., in place of Samuel Ratcliff, removed.

Ray Dills to be postmaster at Farmersburg, Ind., in place of Wade Denney. Incumbent's commission expired January 28, 1935.

Firm I. Troup to be postmaster at Nappanee, Ind., in place of R. R. Berlin. Incumbent's commission expired February 18, 1933.

Richard G. Averitt to be postmaster at Plainfield, Ind., in place of T. H. Johnson. Incumbent's commission expired December 20, 1934.

Heber L. Menaugh to be postmaster at Salem, Ind., in place of M. W. Zaring. Incumbent's commission expired February 25, 1935.

IOWA

Augustus W. Lee to be postmaster at Britt, Iowa, in place of T. S. Healy. Incumbent's commission expired December 9, 1934.

Samuel H. Sater to be postmaster at Danville, Iowa, in place of Adna Miller. Incumbent's commission expired April 28, 1934.

Walter R. Price to be postmaster at Earlham, Iowa, in place of P. E. Rose. Incumbent's commission expired December 13, 1932.

Nora E. Knapp to be postmaster at Quimby, Iowa, in place of G. A. Fox, deceased.

Hazel O. Graves to be postmaster at Stanton, Iowa, in place of S. C. V. Blade. Incumbent's commission expired April 2, 1934.

Mary C. Ilgen Fritz to be postmaster at Winterset, Iowa, in place of W. H. Vance. Incumbent's commission expired May 16, 1934.

KANSAS

Thomas L. Lozier to be postmaster at Edna, Kans., in place of Laura Kesler. Incumbent's commission expired April 15, 1934.

Henry J. Hibler to be postmaster at Neodesha, Kans., in place of Ernest Toomey. Incumbent's commission expired February 6, 1934.

KENTUCKY

J. Roy Cox to be postmaster at Livermore, Ky., in place of Q. C. Quigg. Incumbent's commission expired April 22, 1934.

Laura B. Blackburn to be postmaster at Versailles, Ky., in place of W. D. McCammish, resigned.

MAINE

Harold E. Weeks to be postmaster at Augusta, Maine, in place of J. C. Arnold, retired.

Ava P. Galusha to be postmaster at Clinton, Maine, in place of L. A. Harmon. Incumbent's commission expired December 20, 1934.

Earle F. Wilson to be postmaster at Gray, Maine, in place of E. H. Lowe. Incumbent's commission expired April 28, 1934.

William H. Albee to be postmaster at Hallowell, Maine, in place of D. C. Skillin. Incumbent's commission expired December 20, 1934.

Aubrey Kelley to be postmaster at Solon, Maine, in place of J. E. Nottage. Incumbent's commission expired January 22, 1935.

Donald P. George to be postmaster at Thomaston, Maine, in place of T. R. McPhail. Incumbent's commission expired December 20, 1934.

MASSACHUSETTS

Earle A. Brown to be postmaster at Lunenburg, Mass., in place of C. E. Brown. Incumbent's commission expired May 8, 1934.

Anna Wohlrab to be postmaster at South Sudbury, Mass., in place of F. D. Bradshaw. Incumbent's commission expired January 28, 1934.

MICHIGAN

John L. Swartout to be postmaster at Addison, Mich., in place of C. L. Slocum. Incumbent's commission expired April 28, 1934.

Ozro K. Hess to be postmaster at Akron, Mich., in place of Isaac Hurst. Incumbent's commission expired March 18, 1934.

Helen M. Mitchell to be postmaster at Algonac, Mich., in place of L. M. Gunniss, resigned.

Abbie J. Mackley to be postmaster at Armada, Mich., in place of G. L. Anderson. Incumbent's commission expired May 29, 1934.

Charles W. Holt to be postmaster at Athens, Mich., in place of E. L. Fox. Incumbent's commission expired March 18, 1934.

Grace S. Shearer to be postmaster at Auburn Heights, Mich., in place of F. A. Milldebrandt. Incumbent's commission expired June 17, 1934.

George P. Siagkris to be postmaster at Base Line, Mich., in place of G. P. Siagkris. Incumbent's commission expired December 8, 1934.

Bernie C. McLeish to be postmaster at Bay Port, Mich., in place of F. J. Eisengruber. Incumbent's commission expired January 8, 1934.

Benjamin J. Beasley to be postmaster at Britton, Mich., in place of A. W. Lee. Incumbent's commission expired May 29, 1934.

LaVern D. Cash to be postmaster at Brooklyn, Mich., in place of P. W. Totten. Incumbent's commission expired March 18, 1934.

William H. Cronin to be postmaster at Brown City, Mich., in place of Herman Buby. Incumbent's commission expired March 18, 1934.

Henry Miltner to be postmaster at Cadillac, Mich., in place of P. F. Powers. Incumbent's commission expired January 28, 1934.

Cornelius Oosta to be postmaster at Caledonia, Mich., in place of C. E. Ford, retired.

Kay Rice to be postmaster at Camden, Mich., in place of V. L. Amsbaugh. Incumbent's commission expired March 22, 1934.

Leo A. Jonas to be postmaster at Capac, Mich., in place of I. W. Wagner. Incumbent's commission expired December 16, 1933.

Harzey J. Fisher to be postmaster at Crystal, Mich., in place of J. M. Lascelle. Incumbent's commission expired January 22, 1934.

Sarah G. Howard to be postmaster at Custer, Mich. Office became Presidential July 1, 1934.

Frederick M. Cunningham to be postmaster at Dexter, Mich., in place of K. A. Boettger. Incumbent's commission expired January 28, 1934.

Fred W. Schroeder to be postmaster at East Detroit, Mich., in place of O. C. Miller, removed.

Joseph F. Roberts to be postmaster at Elkton, Mich., in place of H. T. Trumble. Incumbent's commission expired March 8, 1934.

George B. McIntyre to be postmaster at Fairgrove, Mich., in place of F. W. Cutler. Incumbent's commission expired April 15, 1934.

Norman C. Lee to be postmaster at Farmington, Mich., in place of T. H. McGee. Incumbent's commission expired February 25, 1934.

Harry T. McKerring to be postmaster at Flushing, Mich., in place of L. J. Hough. Incumbent's commission expired March 22, 1934.

Roscius G. Southworth to be postmaster at Galesburg, Mich., in place of W. R. Rice. Incumbent's commission expired June 17, 1934.

James L. Heslop to be postmaster at Gladwin, Mich., in place of Richard Stephenson. Incumbent's commission expired March 22, 1934.

Samuel J. Leach to be postmaster at Hersey, Mich., in place of M. E. Blanchard. Incumbent's commission expired May 9, 1934.

Peter P. Quinlan to be postmaster at Keego Harbor, Mich., in place of F. P. Claflin. Incumbent's commission expired June 17, 1934.

Leo G. Burns to be postmaster at Kingston, Mich., in place of Harvey Tewksbury. Incumbent's commission expired April 15, 1934.

Leon T. Gilson to be postmaster at Lake Odessa, Mich., in place of N. W. Roe, removed.

Stuart J. Haddrill to be postmaster at Lake Orion, Mich., in place of O. J. Benaway. Incumbent's commission expired March 22, 1934.

Frank E. Moore to be postmaster at Lakeview, Mich., in place of C. L. Meach, resigned.

Emmett E. Scofield to be postmaster at Leslie, Mich., in place of M. E. Allen. Incumbent's commission expired May 9, 1934.

Royal L. Beckwith to be postmaster at Luther, Mich., in place of Stephen Fairbanks. Incumbent's commission expired July 3, 1934.

Elizabeth M. Lynch to be postmaster at Mayville, Mich., in place of H. L. Fox. Incumbent's commission expired January 22, 1934.

Lloyd M. Kohn to be postmaster at Mesick, Mich., in place of F. B. Gates, resigned.

Clare E. Bishop to be postmaster at Millington, Mich., in place of G. L. Riker. Incumbent's commission expired December 8, 1932.

James F. Jackson to be postmaster at Mohawk, Mich., in place of J. F. Jackson. Incumbent's commission expired February 25, 1933.

Emily E. Derr to be postmaster at Montgomery, Mich., in place of C. E. Aukerman. Incumbent's commission expired December 8, 1932.

Edna L. Mitchell to be postmaster at Morley, Mich., in place of B. E. Van Auken. Incumbent's commission expired May 29, 1934.

Anna S. Warner to be postmaster at Mount Pleasant, Mich., in place of W. J. Morrison. Incumbent's commission expired March 18, 1934.

Albert A. LeFevre to be postmaster at New Baltimore, Mich., in place of J. H. Fink. Incumbent's commission expired December 16, 1933.

Claude J. Tessman to be postmaster at New Haven, Mich., in place of R. S. Kendrick. Incumbent's commission expired March 8, 1934.

William E. Frederick to be postmaster at North Adams, Mich., in place of C. B. Van Wert, resigned.

Earl H. Snow to be postmaster at Otsego, Mich., in place of J. W. Barton, removed.

James J. Harrington to be postmaster at Painesdale, Mich., in place of Albert Steinen, deceased.

Jessie M. Stackhouse to be postmaster at Rochester, Mich., in place of C. P. Neumann. Incumbent's commission expired April 15, 1934.

Glenn Davis to be postmaster at Rockford, Mich., in place of Selma O'Neill, transferred.

Victoria S. Nye to be postmaster at Rose City, Mich., in place of G. R. Whitney, resigned.

Gilbert H. Davis to be postmaster at Royal Oak, Mich., in place of L. J. Campbell, removed.

Joseph W. Zinger to be postmaster at Ruth, Mich., in place of M. A. Zinger. Incumbent's commission expired December 8, 1932.

Glenn Cline to be postmaster at Sherwood, Mich., in place of J. H. Wright. Incumbent's commission expired January 28, 1934.

Jacob E. Whitcomb to be postmaster at Spring Lake, Mich., in place of C. E. Voss. Incumbent's commission expired January 22, 1934.

Charles E. Weaver to be postmaster at Standish, Mich., in place of J. L. Blakeley. Incumbent's commission expired January 8, 1933.

Archie M. Stinchcomb to be postmaster at Sunfield, Mich., in place of R. S. Wiggins, removed.

Williard A. Beuerle to be postmaster at Suttons Bay, Mich., in place of G. K. Hoyt. Incumbent's commission expired May 2, 1934.

Albert M. Lewis to be postmaster at Swartz Creek, Mich., in place of Belle Quick. Incumbent's commission expired January 9, 1932.

Bert Shedd to be postmaster at Tekonsha, Mich., in place of G. W. Davis. Incumbent's commission expired March 22, 1934.

Florence G. Street to be postmaster at Wheeler, Mich., in place of J. W. Ellsworth. Incumbent's commission expired January 22, 1934.

Hazel A. Graham to be postmaster at Whittemore, Mich., in place of F. C. Curtis. Incumbent's commission expired April 28, 1934.

Matthew Max to be postmaster at Ypsilanti, Mich., in place of G. M. Gaudy. Incumbent's commission expired December 16, 1933.

MINNESOTA

Ingebright A. Hanson to be postmaster at Frost, Minn., in place of I. A. Hanson. Incumbent's commission expired May 7, 1934.

Carl E. Young to be postmaster at Good Thunder, Minn., in place of F. H. Griffin, deceased.

Clyde H. Hiatt to be postmaster at Granada, Minn., in place of C. H. Hiatt. Incumbent's commission expired February 20, 1935.

Ora M. Goodfellow to be postmaster at Kenyon, Minn., in place of G. W. Hanson, removed.

Oliver A. Matson to be postmaster at Kiester, Minn., in place of O. A. Matson. Incumbent's commission expired May 20, 1934.

Alvin E. Comstock to be postmaster at Lakefield, Minn., in place of A. E. Comstock. Incumbent's commission expired February 25, 1935.

Gerald F. Wrucke to be postmaster at Minnesota Lake, Minn., in place of R. V. Townsend. Incumbent's commission expired April 2, 1934.

Jessie B. Reynolds to be postmaster at Motley, Minn., in place of E. G. Haymaker. Incumbent's commission expired December 18, 1933.

Arthur J. Suel to be postmaster at New Prague, Minn., in place of W. J. Kritta. Incumbent's commission expired April 2, 1934.

Erna A. Baumhefner to be postmaster at Norwood, Minn., in place of E. E. Meyer. Incumbent's commission expired December 20, 1932.

Herman B. Nelson to be postmaster at Sherburn, Minn., in place of S. A. Lane. Incumbent's commission expired December 20, 1932.

Leon L. Bronk to be postmaster at Winona, Minn., in place of E. B. Hicks. Incumbent's commission expired June 20, 1934.

MISSISSIPPI

Jesse E. Patridge to be postmaster at Duck Hill, Miss., in place of J. E. Patridge. Incumbent's commission expired March 18, 1934.

Abner W. Flurry to be postmaster at Perkinston, Miss., in place of C. C. Swetman, deceased.

John L. Owen to be postmaster at Utica, Miss., in place of Alexander Yates. Incumbent's commission expired February 6, 1934.

MISSOURI

Adam B. Jenkins to be postmaster at Advance, Mo., in place of M. E. Prather. Incumbent's commission expired April 30, 1934.

William H. Ward to be postmaster at Bonne Terre, Mo., in place of I. S. Jones. Incumbent's commission expired February 14, 1935.

Floy E. Buxton to be postmaster at Carl Junction, Mo., in place of R. E. Miller, removed.

Roy M. Burchett to be postmaster at Elsberry, Mo., in place of B. D. Marling. Incumbent's commission expired February 25, 1933.

Etta Boswell to be postmaster at Forsyth, Mo., in place of J. C. Arnold. Incumbent's commission expired May 23, 1933.

Melissa M. Wilson to be postmaster at Hartville, Mo., in place of W. E. Fuson, removed.

Fred B. Pollock to be postmaster at Lilbourn, Mo., in place of G. E. Richars. Incumbent's commission expired June 20, 1934.

William T. McMahan to be postmaster at Marshfield, Mo., in place of S. A. Shelton. Incumbent's commission expired January 19, 1933.

Clyde E. Walker to be postmaster at Mountain View, Mo., in place of W. O. Landrum, removed.

Robert Stemmons to be postmaster at Mount Vernon, Mo., in place of L. R. Millsap, removed.

Mae B. Whitfield to be postmaster at Oronogo, Mo., in place of H. O. Hopp, removed.

Tom B. Northcutt to be postmaster at Seligman, Mo., in place of Milton Wilhelm. Incumbent's commission expired February 6, 1934.

William E. Murphy to be postmaster at Sumner, Mo., in place of B. F. Northcott. Incumbent's commission expired April 8, 1934.

NEBRASKA

Patrick J. Norton to be postmaster at Boys Town, Nebr. Office became Presidential April 1, 1935.

John H. Hutchins to be postmaster at Falls City, Nebr., in place of E. D. Fisher. Incumbent's commission expired June 20, 1934.

Julius J. Weidner to be postmaster at Humphrey, Nebr., in place of J. J. Weidner. Incumbent's commission expired February 14, 1935.

NEW JERSEY

Della Young to be postmaster at Singac, N. J., in place of A. A. Kleuser, removed.

NEW YORK

Claude E. Shill to be postmaster at Avoca, N. Y., in place of W. W. Hendryx. Incumbent's commission expired March 18, 1934.

Leon H. Ingersoll to be postmaster at Cincinnatus, N. Y., in place of R. M. Newkirk. Incumbent's commission expired June 20, 1934.

John Roe to be postmaster at East Durham, N. Y., in place of G. O. Meloy. Incumbent's commission expired May 16, 1934.

Gerald Carmichael to be postmaster at Eastport, N. Y., in place of C. L. Tuthill. Incumbent's commission expired June 20, 1934.

May T. Powers to be postmaster at Essex, N. Y., in place of C. E. Van Ornam. Incumbent's commission expired December 16, 1933.

John F. Kelly to be postmaster at Fleischmanns, N. Y., in place of F. F. Schaefer, resigned.

Harold O. Denegar to be postmaster at Germantown, N. Y., in place of H. S. Decker. Incumbent's commission expired April 8, 1934.

Laura H. Springsteen to be postmaster at Greenlawn, N. Y., in place of D. M. Brehme. Incumbent's commission expired April 22, 1934.

George Heal to be postmaster at Holley, N. Y., in place of L. F. Hawley. Incumbent's commission expired May 16, 1934.

Clarence M. Magee to be postmaster at Kinderhook, N. Y., in place of Jul Johnson. Incumbent's commission expired May 29, 1934.

John N. Copeland to be postmaster at Lakewood, N. Y., in place of E. L. Winch. Incumbent's commission expired May 16, 1934.

Harry D. Hickey to be postmaster at Lewiston, N. Y., in place of S. E. Childs. Incumbent's commission expired May 29, 1934.

Charles E. Williams to be postmaster at Middlesex, N. Y., in place of J. H. Underwood. Incumbent's commission expired July 1, 1934.

Lyle W. Shonyo to be postmaster at North Bangor, N. Y., in place of F. W. McKenzie, deceased.

Roy Brant to be postmaster at Remsen, N. Y., in place of O. J. Griffith. Incumbent's commission expired March 18, 1934.

William H. Butler to be postmaster at Saranac Inn, N. Y., in place of Harrington Mills. Incumbent's commission expired December 16, 1933.

Marjorie W. Gehrke to be postmaster at Sidney Center, N. Y., in place of C. B. Dibble. Incumbent's commission expired March 8, 1934.

C. Edward Conroy to be postmaster at Stanley, N. Y., in place of J. F. Cooper. Incumbent's commission expired June 9, 1934.

Charlotte House Schoonmaker to be postmaster at Ulster Park, N. Y., in place of H. W. Osborn. Incumbent's commission expired April 8, 1934.

C. Green Brainard to be postmaster at Waterville, N. Y., in place of E. J. Conger, resigned.

John E. Abplanalp to be postmaster at Youngsville, N. Y., in place of E. P. Patterson. Incumbent's commission expired June 20, 1934.

NORTH CAROLINA

Henry A. McNeely to be postmaster at China Grove, N. C., in place of J. E. Correll. Incumbent's commission expired January 22, 1935.

Ferdie B. Johnson to be postmaster at Clinton, N. C., in place of M. J. Thornton. Incumbent's commission expired February 28, 1933.

James O. Purnell to be postmaster at Franklinton, N. C., in place of G. T. Whitaker. Incumbent's commission expired December 20, 1934.

Duncan F. McGougan to be postmaster at Tabor City, N. C., in place of D. A. Norris. Incumbent's commission expired June 20, 1934.

NORTH DAKOTA

Anna Holkesvik to be postmaster at Carson, N. Dak., in place of M. H. Aasved, deceased.

Fred C. Maier to be postmaster at Zeeland, N. Dak., in place of Henry Walz. Incumbent's commission expired January 8, 1934.

OHIO

Charles J. Neff to be postmaster at Canfield, Ohio, in place of J. B. Jones. Incumbent's commission expired March 22, 1934.

Leo A. Bietz to be postmaster at Kent, Ohio, in place of W. W. Reed. Incumbent's commission expired July 1, 1934.

William R. Calovini to be postmaster at Laferty, Ohio, in place of A. L. Stanchina, Jr., resigned.

William J. Moriarty to be postmaster at Lorain, Ohio, in place of Joseph Jameson. Incumbent's commission expired December 18, 1934.

George A. Greenbaum to be postmaster at New Lexington, Ohio, in place of La Bert Davie, deceased.

George J. Munger to be postmaster at Perrysburg, Ohio, in place of A. G. Williams. Incumbent's commission expired January 22, 1935.

Bernard F. McCann to be postmaster at Put in Bay, Ohio, in place of William Schnoor. Incumbent's commission expired December 18, 1934.

Earl C. Windle to be postmaster at Sebring, Ohio, in place of S. L. Eardley. Incumbent's commission expired June 17, 1934.

S. Bruce Lockwood to be postmaster at South Euclid, Ohio, in place of D. D. Fierbaugh. Incumbent's commission expired December 18, 1934.

Merle G. Van Fleet to be postmaster at Waterville, Ohio, in place of William Disher. Incumbent's commission expired December 18, 1934.

OKLAHOMA

Robert R. McCarver to be postmaster at Wister, Okla., in place of O. G. Bohannon, removed.

OREGON

Elof T. Hedlund to be postmaster at Portland, Oreg., in place of B. L. Hagemann, deceased.

George E. Travis to be postmaster at St. Benedict, Oreg., in place of J. W. Dunn, resigned.

George W. T. Doty to be postmaster at West Linn, Oreg., in place of M. F. Melvin. Incumbent's commission expired December 8, 1932.

PENNSYLVANIA

Robert W. Baggs to be postmaster at Beaver Falls, Pa., in place of W. T. Levis, removed.

Ottis S. Williams to be postmaster at Canton, Pa., in place of D. T. Lindley. Incumbent's commission expired April 2, 1934.

J. Robert McClure to be postmaster at Dillsburg, Pa., in place of C. E. Cook. Incumbent's commission expired May 17, 1932.

Albert G. Lassinger to be postmaster at Saxonburg, Pa., in place of J. E. Muder. Incumbent's commission expired January 16, 1934.

Bessie S. Ferrell to be postmaster at Westtown, Pa., in place of H. C. Taylor, resigned.

SOUTH CAROLINA

S. Russell Floyd to be postmaster at Olanta, S. C., in place of D. N. Baker. Incumbent's commission expired January 28, 1934.

TENNESSEE

Emmie A. Williams to be postmaster at Green Brier, Tenn., in place of B. S. Russell, removed.

James E. Burke to be postmaster at Morristown, Tenn., in place of Conley Collins, removed.

TEXAS

Edmund T. Caldwell to be postmaster at Bovina, Tex., in place of J. G. Flato, removed.

Oscar G. Williams to be postmaster at Conroe, Tex., in place of Leo Yell, transferred.

William C. Allen to be postmaster at Hearne, Tex., in place of I. G. Ferguson. Incumbent's commission expired February 20, 1935.

Clara C. White to be postmaster at Megargel, Tex., in place of C. C. White. Incumbent's commission expired May 12, 1932.

Grace M. Barnett to be postmaster at Palacios, Tex., in place of R. J. Sisson, removed.

Melrose H. Russell to be postmaster at Robert Lee, Tex., in place of M. L. Hurley. Incumbent's commission expired May 29, 1934.

UTAH

Richard R. Francis to be postmaster at Morgan, Utah, in place of W. W. Porter, removed.

VIRGINIA

Thomas E. Chambers to be postmaster at Blackstone, Va., in place of H. S. Robertson. Incumbent's commission expired January 28, 1935.

John W. Rodgers to be postmaster at Hampden Sydney, Va., in place of J. W. Rodgers. Incumbent's commission expired February 14, 1935.

WASHINGTON

Lloyd Sullivan to be postmaster at Chehalis, Wash., in place of J. R. Imus. Incumbent's commission expired January 22, 1935.

Charles E. Kinnune to be postmaster at Grand Coulee, Wash. Office became Presidential January 1, 1935.

Hazel M. Surber to be postmaster at Pe Ell, Wash., in place of J. F. Greer, deceased.

John O. Fresk to be postmaster at Raymond, Wash., in place of William Busch. Incumbent's commission expired March 18, 1934.

Will W. Simpson to be postmaster at Spokane, Wash., in place of W. M. Hubbell, resigned.

WEST VIRGINIA

Frank C. Ellis to be postmaster at Dunbar, W. Va., in place of Thaw Stewart. Incumbent's commission expired December 18, 1934.

Orrin D. Madison to be postmaster at Powellton, W. Va., in place of T. C. Bond, removed.

WISCONSIN

Rudolph J. Lueders to be postmaster at Columbus, Wis., in place of H. J. Altschwager. Incumbent's commission expired June 20, 1934.

Hazel I. Hicks to be postmaster at Linden, Wis., in place of H. I. Hicks. Incumbent's commission expired February 20, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 19 (legislative day of Apr. 15), 1935

DIPLOMATIC AND FOREIGN SERVICE

Jay Pierrepont Moffat to be consul general.

POSTMASTER

NEW JERSEY

Samuel M. Glading, Wenonah.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 19, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, when we consider the works of Thy hand, the moon and the stars which Thou hast ordained, we are touched to wonder and awe; but when we unveil the cross and behold infinite love struggling for expression, when we see Thy heartache revealed on Calvary's brow we are moved to supplication, humility, and penitence. O, darkness that tells of the light that will never fade away; we turn our faces

toward the earth. Compassionate Father, have mercy, forgive us our sins; separate them from us, for the remembrance of them is grievous unto us. Mercifully grant that we, walking in the way of the cross, may find it none other than the way of life and peace. O hide the gloom through the everlasting promise: "Lo, I am with you always, even unto the end of the world." Quicken our memories today as never before and take our places with Him in the world's redemption. Clothe us with courage to befriend, with sincerity to shield, and with charity to be merciful to all. Let the shadow of the cross be our watchword. In His holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 15, 1935:

H. R. 5576. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; and

H. R. 5577. An act to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve.

On April 17, 1935:

H. R. 2881. An act authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes.

On April 18, 1935:

H. R. 6290. An act to authorize acquisition of land to provide appropriate means of access to the post-office building at Jonesboro, Ark.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that on next Friday, April 26, I may be permitted to address the House for 20 minutes after the reading of the Journal and conclusion of business on the Speaker's table.

The SPEAKER. The Chair hopes the gentleman will withhold his request in view of the announcement the Chair made some time ago that the Chair would not recognize a Member to submit a request to speak until the day before the speech was to be made, and the Chair is sure the gentleman appreciates the reason for this policy.

Mr. SNYDER. Mr. Speaker, I withdraw my request.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7260, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

TITLE III. GRANTS TO STATES FOR UNEMPLOYMENT-COMPENSATION ADMINISTRATION

APPROPRIATION

SECTION 301. For the purpose of assisting the States in the administration of their unemployment-compensation laws, there is hereby authorized to be appropriated, for the fiscal year ending June 30, 1936, the sum of $4,000,000, and for each fiscal year thereafter the sum of $49,000,000, to be used as hereinafter provided.

PAYMENTS TO STATES

SEC. 302. (a) The board shall from time to time certify to the Secretary of the Treasury for payment to each State which has an unemployment-compensation law approved by the board under title IX such amounts as the board determines to be necessary for the proper administration of such law during the fiscal year in which such payment is to be made. The board's determination shall be based on (1) the population of the State; (2) an estimate of the number of persons covered by the State law and of the cost of proper administration of such law; and (3) such other factors as the board finds relevant. The board shall not certify for payment under this section in any fiscal year a total amount in excess of the amount appropriated therefor for such fiscal year.

(b) Out of the sums appropriated therefor the Secretary of the Treasury shall, upon receiving a certification under subsection (a), pay, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, to the State agency charged with the administration of such law the amount so certified.

PROVISIONS OF STATE LAWS

SEC. 303. (a) The board shall make no certification for payment to any State unless it finds that the law of such State, approved by the board under title IX, includes provisions for—

(1) Such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the board to be reasonably calculated to insure full payment of unemployment compensation when due; and

(2) Payment of unemployment compensation solely through public employment offices in the State; and

(3) Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied; and

(4) The payment of all money received in the unemployment fund of such State, immediately upon such receipt, to the Secretary of the Treasury to the credit of the unemployment trust fund established by section 904; and

(5) Expenditure of all money requisitioned by the State agency from the unemployment trust fund in the payment of unemployment compensation, exclusive of expenses of administration; and

(6) The making of such reports, in such form and containing such information, as the Board may from time to time require, and compliance with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and

(7) Making available upon request to any agency of the United States charged with the administration of public works or assistance through public employment, the name, address, ordinary occupation, and employment status of each recipient of unemployment compensation, and a statement of such recipient's rights to further compensation under such law.

(b) Whenever the Board, after notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is—

(1) a denial, in a substantial number of cases, of unemployment compensation to individuals entitled thereto under such law; or

(2) a failure to comply substantially with any provision specified in subsection (a);

the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that there is no longer any such denial or failure to comply. Until it is so satisfied, it shall make no further certification to the Secretary of the Treasury with respect to such State.

Mr. LORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LORD: Page 18, after line 18, insert the following new title:

"TITLE IV—UNEMPLOYMENT COMPENSATION

"DEFINITIONS

"SECTION 401. As used in this title, the term or terms—

"'Employer' shall mean any person, partnership, association, corporation, or the legal representative, trustee in bankruptcy, receiver, or trustee thereof, or the legal representative of a deceased person, who or whose agent or predecessor in interest has, within each of 20 or more calendar weeks in the taxable year, employed at least 10 persons in employment subject to this act, except that the term 'employer' shall not include the Federal Government, the governments of the several States, municipal corporations, or other governmental instrumentalities. In determining whether an employer employs enough persons to be an 'employer' subject hereto, and in determining the amount of a tax or contribution hereunder, he shall, whenever he contracts with any subcontractor for any work which is part of his usual trade, occupation, profession, or business, be deemed to employ all persons employed by such subcontractor on such work, and the tax or contribution hereunder shall be measured by wages paid to such persons for such work, except as any such subcontractor who would, in the absence of the foregoing provision, be liable to pay any part of such a tax accepts exclusive liability for the contractor's portion thereof under an agreement with such contractor made pursuant to regulations promulgated by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury.

"'Employment' shall mean any employment in which all or the greater part of the person's work is or was performed within the continental United States under any contract of hire, oral or written, express or implied, whether such person was hired and paid directly by the employer or through any other person employed by the employer, provided the employer had actual or constructive knowledge of such contract; except that for the purposes of this act it shall not include—

"(1) Employment as an agricultural laborer;
"(2) Employment in the domestic service of any family or person at his home;
"(3) Employment as a teacher in any school, college, or university for the regular annual term for which such school, college, or university is in session;
"(4) Employment as a physician, surgeon, interne, or nurse in a hospital, sanatorium, or other similar private endowed institution not operated for profit;
"(5) Employment of a physically handicapped person by an institution financed largely by charitable donations and organized not for profit but primarily for the relief and rehabilitation of such handicapped persons;
"(6) Employment of the father, mother, spouse, or minor child of the employer;
"(7) Employment in the service of a common carrier subject to the provisions of the Emergency Railroad Transportation Act of 1933 (48 Stat. 211);
"(8) Any employment for which unemployment compensation shall have been provided directly by act of Congress.

"'Pay roll' shall mean the total amount of all wages paid by the employer during the taxable year to persons employed by him in employment subject to this act; except that pay roll shall not include the wages paid to a person employed by the employer within such year on a minimum fixed salary basis of $250 or more for each month in which the person was thus employed.

"'Wages' shall mean every form of remuneration for employment received by a person from his employer, whether paid directly or indirectly by the employer, including salaries, commissions, bonuses, and the reasonable money value of board, rent, housing, lodging, payments in kind, and similar advantages.

"'Compensation' shall mean the cash benefits payable under this act to employees for their unemployment.

"'Employee', as used in this act, shall mean any employed person who is or may become eligible for compensation hereunder.

"UNEMPLOYMENT INSURANCE FUND

"SEC. 402. A Federal unemployment insurance fund is hereby created to consist of the taxes levied by this act on employers and employees and contributions hereunder by the United States Government. The Commissioner of Internal Revenue shall collect or receive such taxes and contributions and pay them into such fund, which shall be in the custody of the Secretary of the Treasury who shall invest them in such liquid securities that the amount of compensation chargeable at any time to such fund under this act shall be immediately available for payment thereof.

"ADMINISTRATION OF FUND

"SEC. 403. The Department of Labor shall administer the unemployment relief fund, and payments therefrom shall be made on its order. Such Department also shall carry out the provisions of this title and may make all needful rules and regulations therefor, which shall have the force and effect of law.

"TAXES AND CONTRIBUTIONS

"SEC. 404. (a) There shall be levied, assessed, and collected monthly from every employer subject to this act, for the taxable year beginning July 1, 1935, and for each taxable year thereafter, an excise tax measured by 1 percent of the employer's pay roll, as defined by section 402.

"(b) There also shall be levied, assessed, and collected, from and after July 1, 1935, from every employee eligible for compensation hereunder, an income tax of 1 percent of the wages paid him from time to time. The amount thereof shall be deducted, whenever the wages are payable, by the employer, who is hereby constituted an agent of the Commissioner of Internal Revenue for such purpose. This subdivision shall not be construed to apply to an employee whose wages are not included in the pay roll, as defined by section 2, on which the employer is required to pay a tax.

"(c) The tax imposed on the employer and the tax collected by him from his employees shall be paid into the unemployment insurance fund at the close of each taxable month, except that the tax due from the employer may be so paid in quarterly installments, under rules promulgated by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

"(d) The United States shall contribute to such fund, annually, at the close of each taxable year, an amount equal to 1 percent of each pay roll on account of which a tax is due hereunder from any employer.

"COMPENSATION FOR UNEMPLOYMENT

"SEC. 405. An employee eligible to compensation hereunder shall be paid from such fund, while out of work through no fault of his own, seven or more dollars each week, and at least his average wage earnings for 20 hours of work while he had employment, but such payments shall not extend over a total period of 30 weeks in any taxable year, nor begin prior to July 1, 1936.

"DEFICIT IN FUND; HOW MET

"SEC. 406. If, during any taxable year, such fund becomes exhausted, by withdrawals for payment of compensation, the United States shall contribute such additional amounts to such fund, from time to time, as may be necessary to pay compensation accruing during the remainder of the year.

"ELIGIBILITY FOR COMPENSATION

"SEC. 407. An employee who shall have been on a pay roll or on pay rolls for an aggregate period of 10 weeks, within any period of 12 months after June 30, 1935, shall be eligible to compensation hereunder. If the employment period shall be less than that above required, he shall be paid from such fund the amount of any tax he shall have paid hereunder during such 12 months."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against this amendment on the ground that it is not germane to the title to which it is offered.

Mr. SNELL. Mr. Chairman, will the gentleman withhold his point of order to permit the gentleman from New York to be heard?

Mr. COOPER of Tennessee. Mr. Chairman, I reserve the point of order if it will be any accommodation to the gentleman.

Mr. LORD. Mr. Chairman, the proposed amendment is a bill I introduced on the 16th of January to provide for unemployment insurance. It varies with the plan set forth in the pending bill in that my amendment assesses the tax equally on the employer, the employee, and the Federal Government; each bears one-third of the expense of administering this insurance benefit.

I believe that if we leave it to the States one State may provide a 3-percent contribution by the employer, another State may provide a 1-percent contribution on the part of the State, 1 percent by the employee, and 1 percent by the employer, and still another State may provide a different rate of contribution; or they may provide 1 percent to be contributed by the employer and 1 percent by the employee. So we shall find a difference of expense on manufacturers in different States which, of course, will have to be added to the price of their product. So as between manufacturers in different States we shall have one manufacturer assessed perhaps 1 percent, another 2 percent, and still another 3 percent. The manufacturer that pays only 1 percent will have a 2-percent advantage in price over the one that is paying 3 percent when he comes to sell his goods. The great trouble with the plan in the pending bill is the inequality between manufacturers. I believe, therefore, Mr. Chairman, that we should change this provision in order that the burden will fall equally on all manufacturers throughout the Nation so that when they come to sell their goods as between manufacturers in the different States they will have an equal chance. I believe that my amendment to the bill has many other features that are much better than the bill before us and should be adopted. The employee should, to my mind, contribute to the unemployment insurance and in that way help build up an annuity for the time when he is out of work.

Insurance providing an annuity for old age has become very popular and should be and is being encouraged. This is being built up by the individual at his own expense and should be carried by everyone that can afford to carry it.

This bill provides for an old-age pension that is to be built up over a term of years with contributions coming in part from the person that is to receive the benefit, and while it will be a great expense in the total, it will also be a lasting benefit to all in after years when it is expected to be self-supporting.

There are many bad features like the one that I am trying to amend in this bill, and I believe that this bill should have been in three separate measures, yet there are many good features in it and perhaps the good predominate. It can be amended later and is a start at any rate that has been too long neglected.

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The Chair sustains the point of order. Titles III, IV, V, and VI do not deal with taxation.

The Clerk read as follows:

TITLE IV—GRANTS TO STATES FOR AID TO DEPENDENT CHILDREN

APPROPRIATION

SECTION 401. For the purpose of enabling each State to furnish financial assistance assuring, as far as practicable under the conditions in such State, a reasonable subsistence compatible with decency and health to dependent children without such subsistence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $24,750,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The

sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Board, State plans for aid to dependent children.

STATE PLANS FOR AID TO DEPENDENT CHILDREN

SEC. 402. (a) A State plan for aid to dependent children must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim with respect to aid to a dependent child is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; and (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports.

(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes as a condition of eligibility for aid to dependent children, a residence requirement which denies aid with respect to any child residing in the State (1) who has resided in the State for 1 year immediately preceding the application for such aid, or (2) who was born within the State within 1 year immediately preceding the application.

PAYMENT TO STATES

SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-third of the total of the sums expended during such quarter under such plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 for any month with respect to one such dependent child and $12 for such month with respect to each of the other dependent children.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than two-thirds of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of dependent children in the State, and (C) such other investigation as the Board may find necessary.

(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified.

OPERATION OF STATE PLANS

SEC. 404. In the case of any State plan for aid to dependent children which has been approved by the Board, if the Board, after notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

(1) that the plan has been so changed as to impose any residence requirement prohibited by section 402 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 402 (a) to be included in the plan; the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State.

ADMINISTRATION

SEC. 405. There is hereby authorized to be appropriated for the year ending June 30, 1936, the sum of $250,000 for all necessary expenses of the Board in administering the provisions of this title.

DEFINITIONS

SEC. 406. When used in this title—

(a) The term "dependent child" means a child under the age of 16 who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, or aunt, in a residence maintained by one or more of such relatives, as his or their own home;

(b) The term "aid to dependent children" means money payments with respect to a dependent child or dependent children.

Mr. JENKINS of Ohio. Mr. Chairman, I wish to propound a parliamentary inquiry, but I will do that more appropriately after amendments are offered, if there are any.

Mr. TAYLOR of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offer this pro forma amendment for only one purpose, and will perhaps not occupy all of the time allotted to me. I take this opportunity to develop a point which I do not think was given sufficient emphasis in the discussion on yesterday or during general debate on the bill. It is perfectly apparent to everyone that with the exception of only a few wealthy States, the rest of the States of the Union will not participate in the old-age benefits of this bill. The tragedy of this situation, Mr. Chairman, is that the indigent aged in these States which have made no provision to comply with the plan outlined in this measure—and my State is in that category—will receive no benefits whatsoever pending such qualification and yet the taxpayers of the States thus discriminated against will have to bear their share of the $15 contribution which the Federal Government will make to the favored States. To me this is a rank and unwarranted discrimination, and that was my reason for supporting the various amendments offered yesterday to correct these evils.

In the course of a debate yesterday, someone, referring to this hardship, said it was a case of "robbing Peter to pay Paul." I think a much more appropriate comparison might have been made if the speaker had said that it is a case of "robbing Lazarus to pay Dives."

Mr. Chairman, the more I contemplate the consequences that will follow the enactment of this bill as is, without provision for the discontinuance of the discrimination I have just mentioned, the more I am horrified. Each day I am receiving an increasing number of letters from indigent aged constituents, asking me when they may expect to receive their first check, and some of them, doubtless thinking the bill has already become a law, ask me how to proceed to apply for pension and requesting the necessary blanks. Mr. Chairman, it is a melancholy situation which appeals to my sense of justice and humanity!

We can get some conception of the magnitude of the problem of misery when we take into consideration that according to data compiled by actuaries of the United States Government and the large life insurance companies of America that, out of the average 65 persons who attain the age of 65, only 1 is well-to-do, 4 are able to support themselves in ordinary comfort, 5 are able to maintain themselves only partially, and 54 are totally dependent on public or private charity or upon relatives or friends. In other words, four-fifths of the people who reach the age of 65 are wholly unable to support themselves. These figures speak for themselves and clearly exemplify the tremendous gravity of the problem.

Mr. Chairman, I have exerted every means in my power to help amend this bill so as to eliminate its hardships, its injustices, its inequities, but without avail. My conscience is clear. The blood is not on my hands. Whatever glory or ignominy that may attach to this measure belongs to the Democratic administration, because in all of my legislative experience I have never seen a steam roller operate with such facility and precision. Having failed in my efforts, along with others, to enact a just and equitable old-age-pension law that would be a blessing to the indigent aged of every State in the Nation, I shall, with more or less misgivings, vote for the bill, for two reasons: First, I shall vote for it in the hope that when it reaches the Senate that body will correct the unconscionable evils perfectly manifest to me. And second, I shall vote for it in the further hope that, if

the Senate shall not substantially change its provisions and the bill becomes the law of the land, that at an extra session of the Tennessee Legislature, which, I understand, will certainly be called by the Governor of my State within the next 60 or 90 days, the necessary legislation will be enacted to comply with the requirements of this measure to the end that the aged of Tennessee may participate on an equal footing with the aged of other States of this Union.

Mr. SAUTHOFF. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: Page 20, lines 21, 22, 23, 24, and 25, page 21, lines 1 and 2, after the word "plan", strike out "not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 for any month with respect to one such dependent child and $12 for such month with respect to each of the other dependent children."

Mr. SAUTHOFF. Mr. Chairman, my purpose in offering this amendment is on the theory that $18 a month for a mother with a minor child which she must look after is entirely inadequate. This means $9 a month for the mother and $9 for the minor child. That is apparently so insufficient that it seems to me it ought to be amended.

We are giving in this bill a maximum of $30 a month to people over 65 years of age. If there are two old people, this would mean $60 a month. Why give only $18 for a young mother with a minor child? The theory of aid to dependent children in my State and in other States that have this legislation, and Wisconsin has had it for years, is that we want to preserve the mother and keep her in the home with her young child, so she will not have to go out into industry in order to try to earn her own living.

I appreciate the fact, Mr. Chairman, the argument is made that this is based on the allowances under the Veterans' Act, but may I call attention to the fact that there is a pension of $30 a month for the mother in the Veterans' Act also. You will note that there is an additional $12 in case there is a second child, which means $30 a month for 3 of them, namely, the mother and the 2 infant children. This is $1 a day to take care of three people. To me it is inconceivable that such an amount could be considered adequate.

Mr. Chairman, I appreciate the fact that perhaps in some of the Southern States it might be possible to do that, although I do not know. You must remember, however, that we of the Northern States have to contend with about 5 months of the year when fuel must be had.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. What is the average grant to a child in Wisconsin?

Mr. SAUTHOFF. The average?

Mr. VINSON of Kentucky. Yes. We were told in committee that for 1933 and 1934 the average monthly grant per child in Wisconsin was $10.13.

Mr. SAUTHOFF. Yes.

Mr. VINSON of Kentucky. I may say to the gentleman that there is only one State in the Union that has more than $18 and that is Connecticut. It runs from this amount down to a minimum of $1.99 per child, with a number of States not having any dependent children statutes at all.

Mr. SAUTHOFF. May I say in answer to the gentleman that in my own State I aided in administering the first law in the county in which I reside back in 1915. We ran as high as $60 a month. I live in a wealthy county. We perhaps were more fortunately situated than other less fortunate counties. I also appreciate the fact that in my State there are northern counties that are today insolvent and could not pay. I presume this situation is true in many other States. I take it that States like Mississippi and Arkansas, for instance, would have the greatest difficulty in meeting any kind of payment, either under the old-age-pension plan or for dependent children.

Mr. VINSON of Kentucky. They have no dependent-children statutes in those States.

Mr. SAUTHOFF. Mr. Chairman, I merely offer the amendment as a suggestion, because I feel that the present provision is inadequate, just like I felt that $30 a month for the aged people was inadequate. I am trying to get a little more benefit.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman overlooked the fact in the discussion of these various titles, I, III, and IV, the present one being IV, that they are simply grants in aid to the States, the primary duty being upon the States to take care of the unfortunates within their own boundaries. The Federal Government proposes to help to the extent set out in this bill.

The committee has given a great deal of time and consideration to this particular phase of the subject, and it was the unanimous opinion of the committee that we were very liberal in this allowance. The money provided in this bill is in addition to what the States themselves must put up if this aid is intended, and we ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SAUTHOFF].

The question was taken; and on a division (demanded by Mr. MOTT) there were—ayes 19, noes 100.

So the amendment was rejected.

Mr. CARMICHAEL. Mr. Chairman, I am not conscious of favoring all the provisions of the bill under consideration. Probably I would not have initiated it. It is not for me to know who prepared the bill. The distinguished and very able Chairman of the Committee on Ways and Means assures the House that the President did not do it. Probably I would have been better pleased with it and more sanguine in my support if I knew that he did it with his own hand. In a high degree the President is responsible for all of this legislation. It is his responsibility. He will have stars in his crown if there be a crown and if there be any stars.

I have not forgotten the three departments of government under our Constitution—executive, legislative, and judicial—but all over the world in every nation and every clime the executive is most important. The legislature rejoices if it can work in harmony with the Governor and the Congress is buoyant as it follows the President's lead. Thomas Carlyle said in his Heroes and Hero Worship:

If we will think of it, no time need have gone to ruin could it have found a man great enough, a man wise and good enough wisdom to discern truly what the time wanted and valor to lead it on the right road. This is the salvation of any time.

It seems to me that the President is that man. The people of the United States found him. "The common people hear him gladly." They have a definite good wish for him. In this great emergency they are not so much interested in the Constitution, though, for one, I believe in it as I do in the Apostles' Creed. They are not so much interested in the Democratic Party, nor the Republican Party, nor in the personnel of their Congressmen, much as we think of ourselves and of each other, but they are tremendously interested in a system of relief and of government that will guarantee life, liberty, and the pursuit of happiness, a system that will justify the continued existence of a government that was not built "in dim eclipse nor rigged with curses vile." This house was not built on the sand. We have millions of panicky people. They have wiped out the Indian trails. They have cast the mountains into the sea. They have left their homes. The church chimes no longer call them into their places of worship. They are hungry. They are transients. They have fallen among thieves, but this does not mean a dissolution of our indestructible union of States. It calls for a reenactment of the Golden Rule, another Good Samaritan, a going back home—

'Mid pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home,
A charm from the sky seems to hallow us there,
Which, seek through the world is ne'er met with elsewhere.
An exile from home, splendor dazzles in vain,
Oh, give me that lowly thatched cottage again.
The birds singing gaily, that come to my call
And that peace of mind dearer than all.

We need a rededication of our lives and all that we are to the simple life, to the permanent and paramount doctrine of self-help. I never expect to see equality of men and women or of wealth or of achievement. "One star differeth from another star in glory", I do expect to see equal opportunities. Infinite "wisdom, a word that all men love", gave us the planets and stars, the mountains and valleys, the magnificent magnolia and the humble azalea, blondes and brunettes, all different, all the perfect product of His divine handiwork. All of these are beautiful in groups, in regimentation, if you please, but the milky way is blurred, let me see Venus. The Follies are alluring, but please let me see Janet Gaynor.

The Prince of Denmark was the creation of a lone worker. The Madonna smiles at the great painter who breathed into her the deathless life. I believe in groups and armies, but after all our country is the lengthened shadow of men, of one man if you please. I want every man, every woman, every child, and every corporation to have an opportunity to pluck fruit in a lawful way from the tree of life. But what are we going to do with these thousands of young men and women just out of college who are seeking destiny? What with these young men and women not college bred, who yield easily to temptation? What with these men and women who stand here in the market places all the day idle because no man hath hired them? What with these men and women of three score years and five, who have lived by the sweat of their brows, sons and daughters of toil, who have drunk the bubbling draft down to the dregs? What with these washed-out ones, who, without sin, have come on the stage without even a crutch? What with these prattling babes who are on the stage, some of them unattended? Whence came all of these? Like sheep without a shepherd. Who has sinned, who will be the good Samaritan, who will carry them to the inn?

Is it possible that our Government has been so conducted as that we have accumulated all of these sick ones, all of these naked ones, all of these hungry ones? Is this constitutional government?

My friends, the responsibility is that of the Democratic Party, that of patriots without regard to party. We can, as I believe, under the Constitution and without violating a jot or tittle of it, put all of these on this great Ship of State.

Sail on, thou Ship of State,
Sail on, oh Union, strong and great;
Humanity, with all its fears,
With all its hopes of future years,
Is hanging, breathless, on thy fate.

Mr. Chairman, I have not given this bill the careful and long thought and consideration which it has had by the very able Ways and Means Committee, and, for this reason and others that I might mention, my opinion of it is not so important. Let me say, however, in all candor, that I would not have initiated it in all its terms. Without any effort at all, it makes me happy to concur in many of its provisions; some of them give me pain. For lack of vision and courage, I would have made a poor record had I been cast into the den of lions, or into the fiery furnace; and yet the Book says that the angel locked the lions' mouths, and that the fourth man in the furnace chilled its fires. For the same reason, I would have been most unhappy had I been called on to follow Moses across the Red Sea; but the waters banked up and there was a safe, dry way into the land of Canaan. I would have been slow to have moved in a covered wagon with the forty-niners to the far West, but the gold that these pioneers uncovered still glitters in dollars and on diamonds. I would not have enlisted with Christopher Columbus in making that long voyage over the trackless seas, and yet his incomparable courage and sovereign imagination gave mankind a new world, a new heaven, and a new earth.

"All's well that ends well." I do not see any beaten tracks. I do not see any signboards; but President Roosevelt says in a loud voice, as did Emma Sansom when she was guiding the Confederate troops under the command of the great leader Forrest over swollen streams, "I will show you the way." His voice is loud and clear. I am following him. The responsibility is his. I shall vote for the bill in all its substantial provisions, remembering the language of the immortal Lincoln when he was suffering the agony which comes from the unrequited love of friends and the hate of enemies, "This, too, will pass." [Applause.]

Mr. MASSINGALE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish to say a few words regarding this proposed bill. I do not believe this Congress ought to send out any message to the depressed people in America that they are getting an old-age-pension bill that will be of any service to them, at least for the coming year, or the fiscal year beginning July 1.

This bill figures, on the assumption that every person estimated to be of the age mentioned in the bill is eligible, $6.63 per person for the year ending June 30, 1936. In my State of Oklahoma I estimate there are 150,000 people over the age limit of this bill. This means that we will get probably $1,000,000 out of the $49,750,000 provided, and, of course, the people in my State, if they all qualify—and they cannot all qualify—will receive the princely sum of $6.63 for the first year of the operation of this bill.

We ought to be frank about it. We ought not to try to deceive these people. The distinguished Chairman of the Rules Committee got up here yesterday and made the statement that there were a lot of decent, destitute, but deluded people in America—those who favor the Townsend plan. I do not think the chairman ought to have made that statement. He does not know the people in my country. They are not deluded. I will tell you what he might have said. He might have said that they are denuded, because they have not anything to eat or anything to wear, and you can see how Dr. Townsend can get the immense following throughout the Nation that he has aroused in support of his pension plan.

A great deal of derision has been cast upon Dr. Townsend, and I think it should not have been done. He has aroused the public conscience of America and he has brought more forcefully to this Congress than anybody else that I know the articulate demands of the poor people of this country, and I will say this to you: I voted for the modified Townsend plan or the McGroarty plan, and I did it intentionally, and I did it for the purpose of trying to provide something for the people who are now hungry, without clothes, and in distress throughout this Nation.

I do say this about the pending bill: I think in all probability, after this coming year, there may be some relief for these people, but we ought not to deceive them.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto do now close.

Mr. KENNEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEY. Mr. Chairman, I just sent to the desk an amendment to title IV. I understand it is in order, and I would like to be heard on the amendment.

Mr. DOUGHTON. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this title and all amendments thereto close in 15 minutes.

Mr. JENKINS of Ohio. Mr. Chairman, reserving the right to object, I think this is an appropriate time for me to submit my parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENKINS of Ohio. At the conclusion of the debate on this title I wish to offer the amendment which I referred to 2 or 3 days ago, making provisions for the blind. I wish to offer this amendment as a new title to the bill and I wish to ask whether the proper time to offer this amendment will be after the vote on title IV?

The CHAIRMAN. Yes; if it is offered as a new title.

Mr. JENKINS of Ohio. It should be offered at the conclusion of the consideration of title IV?

The CHAIRMAN. Yes.

Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, very briefly, speaking for a portion of the minority, it is difficult, indeed, to know how to vote on this measure. It is useless to talk about the constitutionality of it, as many have, including the gentleman from Ohio [Mr. JENKINS] and the gentleman from New York [Mr. REED], but we will leave that for the Supreme Court to possibly give its approval as to its constitutionality—not like the gold decision, place a curse upon it.

It is useless for the gentleman from New York [Mr. WADSWORTH] to talk about the fund of $33,000,000,000 and how it may be wisely used or manipulated by the fiduciary of such a tremendous power for the good or evil of our Government.

I pay tribute to the chairman of the committee and the gentleman from Washington [Mr. HILL], whose arguments I have read, regarding State responsibility, which has been disappearing rapidly.

I am considerably troubled as to whether industry must absorb this expense or hand it along to the consumer. Secretary Wallace, in his insulting speech on Wednesday, declared that our textile plants did not absorb the processing tax, but does hand it on, as all other expenses are included in the selling price.

Certainly we should now thank the farmers of the country. Wonderful indeed is their willingness to sanction section II. They are not included in this section, and if industry can hand on the 6 percent as a part of the expenses, the farmers of the country will loyally pay the bill, and, of course, the farmers' Representatives here must know and apparently approve of it.

That very fact that the farmers will now come to the aid of industry and will willingly pay higher prices for their purchase, brought about by the taxation features of this bill, makes me willing to vote for this measure, but great is my surprise that it is being endorsed by those usually so watchful of their interests.

But what will the farmers say to their Representatives? Are you prepared to tax them to this extent to keep industrial workers only?

I should thank you cordially for this action, because it appears to be a measure that will pay a very great price.

The thought I want to convey is this: State responsibility is rapidly disappearing. Massachusetts has an old-age pension and many other social-relief measures. Wisconsin also has many such progressive laws. The Milwaukee Journal, however, says that Wisconsin has already gone too far in these matters.

Like Massachusetts, Wisconsin has made the belated discovery that social legislation may proceed too rapidly for the common good. Wisconsin has enacted a great many laws which are beneficial in themselves, but, as a whole, have handicapped her industries in their competition with those elsewhere. The consequences have been similar to those in Massachusetts. As the Milwaukee Journal expresses it:

"We have a preposterously inflated ambition to apply locally what can only be applied, without crippling ourselves, on a national scale. * * * Wisconsin isn't competent to move forward or leftward, alone or independent, too far in advance of the American parade. * * * A steady stream of additional uncertain forms * * * is bringing confusion and a creeping paralysis in Wisconsin industry. * * * Industry slowly is disintegrating under this onslaught * * * is oozing out of the State. We can "kid" ourselves all we want, but the overtures of these other more favorable localities are being given more consideration as the depression continues and the selling competition in the national market continues harsh."

For many years our Commonwealth has been enacting social laws more advanced than those of our New England and southern competitors. Local industry is now suffering from the cumulative effects. As in Wisconsin, it is seeking fields where the rules of the game apply equally to everybody. In considering new social legislation, therefore, our general court will do well to act with extreme care and to examine the statutes of our rivals.

The Wisconsin discussion centers on the enactment of a 30-hour-week bill. The argument applies equally to measures in our own legislature.

Mr. Chairman, Wisconsin says that, like Massachusetts today, she is now in dire straits in her industries. The National Government must now do it. Our poor old Federal Government! With a ceiling of $50,000,000,000 debt already in sight! But, if industry can really pass this on to the farmer, why should we from the industrial States vote against this measure? During the last several years we have tried to do much for the farmer. Also, I repeat, and in spite of the warning of our friend Mr. HUDDLESTON on yesterday—who wants now to speak plainly about it—that this is only another long step toward a central government. Let us get ready to give up our statehood rights. Consider the Florida situation: Fifty-five million last year without matching a dollar! She exempts homes from any taxation up to $5,000! Practically all municipal treasuries are empty!

Of course, the Federal Government will take care of Florida, but Florida's Senators will still desire to write the tariff bill for New England, will they not? [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. JENKINS of Ohio. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JENKINS: Page 23, after line 23, insert the following new title:

"TITLE V—GRANTS TO STATES FOR AID TO BLIND INDIVIDUALS

"APPROPRIATION

"SECTION 501. For the purpose of enabling each State to furnish financial assistance assuring, as far as practicable under the conditions in such State, a reasonable subsistence compatible with decency and health to blind individuals without such subsistence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $9,950,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Board, State plans for aid to blind individuals.

"STATE PLANS FOR AID TO BLIND INDIVIDUALS

"SEC. 502. (a) A State plan for aid to blind individuals must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any blind individual, whose claim for aid is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; and (6) provide that the State agency will make such reports, in such form and containing such information, as the board may from time to time require, and comply with such provisions as the board may from time to time find necessary to assure the correctness and verification of such reports.

"(b) The board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes as a condition of eligibility for aid to blind individuals, a residence requirement which denies aid with respect to any blind individual who has resided in the State for 5 years immediately preceding the application for such aid.

"PAYMENT TO STATES

"SEC. 503. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to blind individuals, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total of the sums expended during such quarter under such plan, not counting so much of such expenditure with respect to any blind individual for any month as exceeds $30.

"(b) The method of computing and paying such amounts shall be as follows:

"(1) The board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of blind individuals in the State, and (C) such other investigation as the board may find necessary.

"(2) The board shall then certify to the Secretary of the Treasury the amount so estimated by the board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the

amount certified for any prior quarter greater or less than the amount estimated by the board for such prior quarter.

"(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the board, the amount so certified.

"OPERATION OF STATE PLANS

"SEC. 504. In the case of any State plan for aid to blind individuals which has been approved by the board, if the board, after notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

"(1) that the plan has been so changed as to impose any residence requirement prohibited by section 502 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

"(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 502 (a) to be included in the plan;

the board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State.

"ADMINISTRATION

"SEC. 505. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $50,000 for all necessary expenses of the board in administering the provisions of this title.

"DEFINITIONS

"SEC. 506. When used in this title—

"(a) The term 'blind individual' means a blind person over the age of 16 and under the age of 65;

"(b) The term 'aid to blind individuals' means money payments to blind individuals."

Mr. JENKINS of Ohio. Mr. Chairman, this amendment which I have offered is worthy of the most careful consideration of all of you and also of your espousal and of your vote. This is an amendment to title IV. Title IV, as you know, provides $25,000,000 for aid to dependent children. This is, in effect, a relief for widows and children. This amendment that I am offering is in the same language and provides the same system of administration in every detail that is provided for dependent children. It provides for an appropriation of $10,000,000 for aid to the poor and needy blind of our whole country. This is the most deserving class of people that we know anything about and I am appealing to the sense of fairness of the Democratic leaders to permit their membership the freedom to vote as their conscience dictates for once at least. My friends, I ask you, Who comes under the glance of your eye that needs assistance any more than the poor blind man that holds out the tin cup on the street corner? Who is it that elicits your sympathies more than the poor blind beggar? I am sure that you agree with me that there is no affliction worse than blindness when accompanied with poverty. All my life I have maintained that there should be no poor blind. In this great land of plenty we should see to it that no man afflicted with blindness is compelled to beg for his morsel of bread or for the pennies with which to buy his food. In this bill relief is extended to the aged and to the crippled children and to the mothers, but the poor blind man is the forgotten man. God pity us if we do not on this, one of the greatest days in the year—Good Friday, feel some of that compassion that the Savior showed toward the poor blind with whom He came in contact. With the rich man flying by in his limousine, with the athlete skipping by in the full flower of health, with the grand lady in her rustling silks passing by with her vain superiority complex, with the happy care-free children, and with the great concourse of humanity, some care-free and some care-encumbered passing and repassing, in sunshine and in shadow, there sits the poor blind man with his little tin cup extended. Are you going to leave him on the street or will you assist me to put him upon his feet?

Should there be any prejudice because this amendment is offered by a Republican I am perfectly willing to ask unanimous consent to withdraw my name from it and insert the name of any Democrat that you select.

There is no doubt that you have all had sympathy for the blind man with the tin cup on the street corner, and no doubt you have resolved if the time ever came that you could relieve his poverty or his affliction you would like to do something for him in a big way. Here is your chance. Include him within the provision and protection of this bill. What is it going to cost? Just a little measly $10,000,000. There was a time when this would be considered a large sum but not since Franklin D. Roosevelt came upon the scene. If the experts say that is too much, we will cut it down one million or two million and if they say that is not enough, we will add a million or two. All I want to do is to do something for the poor blind man and the poor blind woman.

Let them have a little bit of consideration from the time they are 18 years old until they are 65. We are not even asking that this bill carry them beyond 65, because then we feel that they will then be eligible to an old-age pension. Surely they are entitled to that when they get to be 65 years of age. What can be wrong with this amendment? Why not vote for it? Why not pass it? I know that those charged with the responsibility of securing the passage of this bill have great pride in their skill and technique in parliamentary maneuvering, but that should not be enough to keep you from doing your duty by the poor blind man who holds out the tin cup to you today. Pride of a capable congressional leader in his handiwork does not restore the sight of the poor blind man nor appease his hunger. I, too, have pride in this bill. I spent many weeks in the committee hearings working on it. I think this bill is put together from the standpoint of English and correct legal language better than any bill that has ever come into this House. It is almost a perfect bill in that respect. As you know, I have been on the floor for days as we have been considering this bill, and I have fought two titles of this bill as vigorously as I could, and I have no apology to make to anybody in the world for that. If I had any more capacity, I would use it against title II and title VIII, but I am going to vote for this bill regardless of title II and title VIII. Why do you leaders not have some consideration? Why can you not go along and give the blind man a chance? Why not add this amendment and give the blind man the same consideration that is given all others?

This amendment is drawn exactly like the amendment for widows and children. There are no parliamentary obstacles. You cannot challenge it on a point of order. It appeals to your sense of fairness and justice. It grips your heart in the vise of sympathy. It will meet with the universal approval of the people. Why then, in the name of common sense, cannot we put an amendment like this into this bill? Is there any reason why you cannot provide a substitute for the nickel or the dime for the tin cup of the blind man on the street corner? I am going to leave it to you, and if you do not raise up to meet your responsibility I am going to be deeply disappointed, because I know, in your hearts, that you have compassion. I also know that you have the votes, and I know that the President in the White House will not castigate any of you for asserting yourselves and doing something on this great day—Good Friday—that will be an honor to you and to your country, and a benefit to the most pitiable group that any of us know.

Mr. MAY. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. MAY. I am going to vote for the amendment because I think a blind man is in worse shape than an old man with two good eyes.

Mr. JENKINS of Ohio. I am glad one Democrat has stood up and said he would vote for the amendment. I hope all of you will do the same.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. JENKINS] has expired. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Ohio [Mr. JENKINS]. The gentleman from Ohio is a diligent, able, and faithful member of the Ways and Means Committee, as well as one of the ablest men of this House. I know he is sincere and modest in this matter, but this question was thoroughly considered in the committee, and if at that time the gentleman's sympathy had been aroused to the degree of emotion that it is at present, my memory does not serve me

well—although, of course, we always have the privilege of amending our thoughts or changing our position.

This question was discussed at length in our committee. The reason that the provision containing the substance of the amendment was not adopted in committee was that it was represented in committee that the blind people, on whom the hand of affliction for some unknown reason, has been laid so heavily and for whom we have the deepest and most profound sympathy, were, perhaps, better taken care of now, more adequately and more humanely taken care of, than any other class of people in the United States. Now, that was not disputed. That fact was not controverted. I think the gentleman from Arkansas, a member of the committee, brought up the question, and it was debated at length. It was represented that in practically all States there are homes in which the blind are humanely and adequately cared for. The gentleman from Ohio [Mr. JENKINS] knows this. The appeal which this class of unfortunate people makes to the human instincts and impulse, regardless of party, is a stronger appeal than that made, perhaps, by any other class of people. For that reason the States have taken great pains to care for and provide for this unfortunate class of people.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. JENKINS of Ohio. If I withdraw my name from this amendment and ask that the name of the gentleman from North Carolina be substituted, will the gentleman accept it?

Mr. DOUGHTON. Oh, does the gentleman think it is jealousy? That is interpreting my position on most too low an estimate. I hope the gentleman will withdraw that statement, and I hope he would not think I am opposing this only because of pride of authorship. I know the gentleman does not feel that way about it. I know the gentleman knows we cannot take care of every deserving class of people in this bill. We cannot go all the way at one journey. We are doing more than has ever been done in any piece of legislation for unfortunate people. This is one class of unfortunate people that it was explained fully to the committee were better taken care of than any other class of people. As far as concerns the State, which I have the honor in part to represent, I know the blind are well taken care of in contrast or comparison with other classes of dependent humanity.

Another thing, we do not have the data. We have no information about this. This amendment has been brought up here on the spur of the moment. To consider an amendment having this far-reaching effect, we should have all the facts. I am sure that with the influence my friend has, he can have it put on in the other body.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. JENKINS].

The question was taken; and on a division (demanded by Mr. JENKINS of Ohio) there were ayes 54 and noes 100.

So the amendment was rejected.

The Clerk read as follows:

TITLE V—GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

PART 1—MATERNAL AND CHILD HEALTH SERVICES

Appropriation

SECTION 501. For the purpose of enabling each State to extend and improve, as far as practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $3,800,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services.

Allotments to States

SEC. 502. (a) Out of the sums appropriated pursuant to section 501 for each fiscal year the Secretary of Labor shall allot to each State $20,000, and such part of $1,800,000 as he finds that the number of live births in such State bears to the total number of live births in the United States.

(b) Out of the sums appropriated pursuant to section 501 for each fiscal year the Secretary of Labor shall allot to the States $980,000 (in addition to the allotments made under subsection (a)), according to the financial need of each State for assistance in carrying out its State plan, as determined by him after taking into consideration the number of live births in such State.

(c) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 504 until the end of the second succeeding fiscal year. No payment to a State under section 504 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

Approval of State plans

SEC. 503. (a) A State plan for maternal and child-health services must (1) provide for financial participation by the State; (2) provide for the administration of the plan or the supervision of the administration of the plan by the State health agency; (3) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Chief of the Children's Bureau to be necessary for the efficient operation of the plan; (4) provide that the State health agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for the extension and improvement of local maternal and child-health services administered by local child-health units; (6) provide for cooperation with medical, nursing, and welfare groups and organizations; and (7) provide for the development of demonstration services in needy areas and among groups in special need.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State health agency of his approval.

Payment to States

SEC. 504. (a) From the sums appropriated therefor and the allotments available under section 502 (a), the Secretary of the Treasury shall pay to each State which has an approved plan for maternal and child-health services, for each quarter, beginning July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified.

(c) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotments available under section 502 (b), and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor.

Operation of State plans

SEC. 505. In the case of any State plan for maternal and child-health services which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 503 to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

PART 2—SERVICES FOR CRIPPLED CHILDREN

Appropriation

SEC. 511. For the purpose of enabling each State to extend and improve—especially in rural areas and in areas suffering from severe economic distress—as far as practicable under the conditions in such State, services for locating crippled children, and for providing medical, surgical, corrective, and other services and care,

and facilities for diagnosis, hospitalization, and aftercare for children who are crippled or who are suffering from conditions which lead to crippling, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $2,850,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services.

Allotments to States

SEC. 512. (a) Out of the sums appropriated pursuant to section 511 for each fiscal year the Secretary of Labor shall allot to each State $20,000, and the remainder to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.

(b) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 514 until the end of the second succeeding fiscal year. No payment to a State under section 514 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

Approval of State plans

SEC. 513. (a) A State plan for services for crippled children must (1) provide for financial participation by the State; (2) provide for the administration of the plan or the supervision of the administration of the plan by a State agency; (3) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Chief of the Children's Bureau to be necessary for the efficient operation of the plan; (4) provide that the State agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for carrying out the purposes specified in section 511; and (6) provide for cooperation with medical, health, nursing, and welfare groups and organizations and with any agency in such State charged with administering State laws providing for vocational rehabilitation of physically handicapped children.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State agency of his approval.

Payment to States

SEC. 514. (a) From the sums appropriated therefor and the allotments available under section 512, the Secretary of the Treasury shall pay to each State which has an approved plan for services for crippled children, for each quarter, beginning July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified.

Operation of State plans

SEC. 515. In the case of any State plan for services for crippled children which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 513 to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

PART 3. CHILD-WELFARE SERVICES

SEC. 521. For the purpose of enabling the United States, through the Children's Bureau, to cooperate with State public-welfare agencies in establishing, extending, and strengthening, in rural areas, public-welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $1,500,000. Such amount shall be allotted for use by cooperating State public-welfare agencies, to each State $10,000, and such part of the balance as the rural population of such State bears to the total rural population of the United States. The amount so allotted shall be expended for payment of part of the costs of county and local child-welfare services in rural areas. The amount of any allotment to a State under this section for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under this section until the end of the second succeeding fiscal year. No payment to a State under this section shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

PART 4—VOCATIONAL REHABILITATION

SEC. 531. (a) In order to enable the United States to cooperate with the States and Hawaii in extending and strengthening their programs of vocational rehabilitation of the physically disabled, and to continue to carry out the provisions and purposes of the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment", approved June 2, 1920, as amended (U. S. C., title 29, ch. 4; U. S. C., Supp. VII, title 29, secs. 31, 32, 34, 35, 37, 39, and 40), there is hereby authorized to be appropriated for the fiscal years ending June 30, 1936, and June 30, 1937, the sum of $841,000 for each such fiscal year in addition to the amount of the existing authorization, and for each fiscal year thereafter the sum of $1,938,000. Of the sums appropriated pursuant to such authorization for each fiscal year, $5,000 shall be apportioned to the Territory of Hawaii and the remainder shall be apportioned among the several States in the manner provided in such act of June 2, 1920, as amended.

(b) For the administration of such act of June 2, 1920, as amended, by the Federal agency authorized to administer it, there is hereby authorized to be appropriated for the fiscal years ending June 30, 1936, and June 30, 1937, the sum of $22,000 for each such fiscal year in addition to the amount of the existing authorization, and for each fiscal year thereafter the sum of $102,000.

PART 5—ADMINISTRATION

SEC. 541. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $425,000, for all necessary expenses of the Children's Bureau in administering the provisions of this title.

(b) The Children's Bureau shall make such studies and investigations as will promote the efficient administration of this title.

(c) The Secretary of Labor shall include in his annual report to Congress a full account of the administration of this title, except section 531.

Mr. PETERSON of Florida. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PETERSON of Florida: Page 25, line 15, after the word "State", strike out the semicolon and insert the following: " or political subdivisions thereof ".

Mr. PETERSON of Florida. Mr. Chairman, the proposed amendment is for the purpose of allowing participation by States which, under their constitution, cannot participate as States. There are certain State constitutions which place certain limitations and, in some instances, certain specific duties upon political subdivisions of the State. In my own particular State—Florida—section 3 of article XIII of the constitution reads as follows:

The respective counties of the State shall provide in the manner prescribed by law for those of the inhabitants that by reason of age, infirmity, or misfortune may have claims upon the aid and sympathy of society.

In certain portions of this bill it is generally stated that the local contribution will be contribution by political subdivisions, but in the plan itself, not only in this place but in the preceding title with reference to old-age pensions and in the subsequent section on page 30, line 12, it provides for financial participation by States.

Mr. McCORMACK. Will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. McCORMACK. I think the gentleman is properly calling to the attention of the House a very pertinent matter—whether or not some States will be precluded from participating under this bill—whether or not under their constitution they have the power to submit a State plan is a very important question. Of course, none of us want any State excluded. However, the gentleman and his colleagues

are to be complimented for calling this matter to our attention and having it rectified if necessary. I will say, however, the committee had given consideration to this question. Also, as a result of a talk which I had with the gentleman from Florida yesterday, I have looked into the matter further, and I have been assured that this does not exclude any State. I understand that while Florida cannot contribute directly to beneficiaries and that it must be done through the counties, nevertheless Florida can contribute something toward the administration, and if the State constitution precludes direct participation or direct aid to its own citizens, but provides that it must be done through the political subdivisions, yet if it can contribute something toward the administration of the plan, that, in my opinion, will meet the provisions of this law. I am assured that Florida, under those conditions, can participate. Other States are similarly situated.

I do not know how many of the present States with old-age-pension laws have similar constitutional provisions. I understand that some have, and the constitutional provisions have not prevented the passage of such legislation. The matter is being further investigated, however, and if there is any doubt I will join with the gentleman, and I know I can speak for my colleagues of the committee in seeing that an appropriate amendment is put in the bill in the Senate; but we have been assured that the present provision does not preclude any State in the Union from submitting a State plan.

Mr. PETERSON of Florida. Do I understand from the gentleman's statement that it is the intention of the committee which held the hearings upon this subject and which drafted this bill, that the verbiage of this title shall be construed as including participation even to the extent of $1 or by local subdivisions?

Mr. McCORMACK. Exactly; if any State contributes even $1 toward administration, it meets that provision of this bill on administration. I have been assured that if a State, the constitution of which prohibits direct contribution, contributes any amount for administration it complies with the provisions of the bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. MAY. Does it apply equally to administrative costs and contributions to beneficiaries?

Mr. McCORMACK. My understanding is—and my information came only this morning, but it came from one in whom I have confidence and one who has advised the committee—that it applies to the administrative cost. There will be this reservation, however, so that the gentleman will not press his amendment now, that the matter is being further looked into. While I cannot speak for the other members of the committee, not having talked to them on the subject, I am sure I bespeak their favorable consideration; and I will join with the gentleman in trying to have a proper amendment put into the bill to take care of the situation in the Senate, if later we find it necessary.

Mr. PETERSON of Florida. Mr. Chairman, in view of the statement of the gentleman from Massachusetts, in view of the explanation he has given, which will, in the event of construction by the courts, throw light on the intent of the provision, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 26, line 5, after the semicolon, strike out the word "and"; and in line 7, after "need", insert a semicolon and the following: "and (8) provided that the services furnished under the plan shall not extend to any child over 1 year of age."

Mr. COCHRAN. Mr. Chairman, I would like the attention of the members of the committee for just a minute. This section, of course, reminds us of the Sheppard-Towner Act; it is back here, but in a little different form. The Sheppard-Towner Act was discontinued by Congress. I was opposed to the continuance of the Sheppard-Towner Act. It had served its purpose by stimulating action in the States. During the period that the act was in force I made quite an extensive investigation as to what the money was being spent for. So did the American Medical Association. The legal definition of "infant" or of "child" is "one under 21 years of age." Unless we provide in this bill a definition within the meaning of the act, so we can designate what the money under this section can be spent for, we shall find the same situation as we did under the Sheppard-Towner Act. For instance, the State of Pennsylvania used the money that was supposed to take care of the mother and child at the time of birth, to fix the teeth of school children 15 years of age; and other States used the money for various purposes other than those contemplated by the act, or at least what those responsible for the act thought the money was to be used for. Therefore, as in common law, any person under the age of 21 is a child or an infant. I simply seek to place in the bill a proviso that, so far as this money is concerned, it cannot be used except for the purpose intended. I know you cannot strike out the word "child." If you wish the money used for the purpose intended, adopt my amendment limiting the spending of this money on a child not over 1 year of age. That will accomplish the purpose. I think it is a good amendment; it is simply a clarifying amendment, and I hope the committee will agree to it. If there are objections to the amendment, I should like to hear from some member of the committee.

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the distinguished gentleman from Missouri is one of the most capable men serving in this body. He has stated the purpose of his amendment; but the amendment, of course, is much broader than he contemplates. Part I, to which he offers this amendment, is that portion of the bill which deals with maternal and child health services; it is under the general title of grants to States for maternal and child welfare. The amendment the gentleman offers, it seems to me, quite seriously endangers the use of this money for maternal care; and I know the gentleman does not have that in mind.

Mr. COCHRAN. I am following the suggestion of the legislative counsel, the one who assisted the committee, in offering the amendment at this place.

Mr. VINSON of Kentucky. I am speaking of the language of the amendment. I do not believe the gentleman quite appreciates the extent of the effect of his amendment. The point is that part I provides for grants in aid, Federal contributions, to a State or States.

The age of the child should not be fixed by the Federal Congress. That is a matter which is left to the discretion of the legislatures of the States. In other words, there may be a difference in the age in one State from the age in other States.

Mr. Chairman, I call the attention of the committee to the fact that under section 502 (a) you have a Federal grant, $20,000 annually per State; then you have an appropriation of $1,800,000 that must be matched by the States. I believe that the Congress can well leave it to the discretion of the States to define who are children, and to fix in the State law the age of the children that would be affected by the money with which they match the Federal money. In section (b) you have $980,000 that does not have to be matched. This money is distributed according to the financial needs of each State for the assistance contained in this section of the bill.

Mr. COCHRAN. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman well knows there are various States of the Union that are absolutely opposed to this class of legislation. If I am not mistaken, the State of Massachusetts took the Sheppard-Towner Act to the Supreme Court of the United States.

Mr. VINSON of Kentucky. I may say to the gentleman that any State opposed to this character of legislation does not have to provide one single thin dime to match a thin dime of Federal money.

Mr. COCHRAN. If the State of Pennsylvania, for instance, not approving of the Sheppard-Towner Act to which I just referred, used that money to take care of school children's teeth, what is going to prevent it from doing so unless there is some proviso in here limiting the age of the child to be taken care of?

Mr. VINSON of Kentucky. That is a question for the State of Pennsylvania to decide what it wanted to do.

Mr. COCHRAN. The gentleman has an objective. Does he want the State of Pennsylvania to set that objective aside and get the money to be used by them for purposes that are not intended by this bill, by the committee or Congress?

Mr. VINSON of Kentucky. We do not intend to invade the State jurisdiction and State discretion. I believe I know the gentleman and his philosophy well enough to know that he is on our end of the single tree in this respect.

Mr. COCHRAN. I agree with the gentleman as to that, but I do not think the States of the Union should be permitted to use money which the Government is going to advance for purposes other than the purposes for which this bill is passed. That is my reason for offering the amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The amendment was rejected.

Mr. PFEIFER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PFEIFER: On page 24, line 12, change "$3,800,000" to "$5,000,000"; line 19, change "$20,000" to "$50,000", and change "$1,800,000" to "$2,000,000"; and in line 24 change "$980,000" to "$1,000,000."

Mr. DOUGHTON. Will the gentleman yield?

Mr. PFEIFER. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. PFEIFER. Mr. Chairman, this amendment does not materially change the purposes of the bill. It only increases the amount to that which is absolutely necessary to take care of unfortunate mothers and children, the real foundation of our country. The sum of money that this bill calls for, $3,800,000, will not take care of those unfortunates who are entitled to that which is necessary for the welfare of this country.

Mr. Chairman, may I go back to the record for a minute and say that in 1933 the birthrate was 16.6. Over 2,000,000 babies were born in the United States. To be exact, the number was 2,082,000. That is less than any time since 1916. However, the death rate was 10.7. In other words, 1,342,000 babies died, more than half of the number which were born. The small amount of money that this bill calls for in order to take care of those unfortunate victims is far below that which is essential to serve the purposes of this bill. I, therefore, ask for your consideration in connection with an adequate sum of money in order to carry out the purposes set out in the bill.

Mr. COOPER of Tennessee. Mr. Chairman, I rise in opposition to the amendment, and will take only a moment.

Mr. Chairman, these amounts have been arrived at after a most careful and thorough consideration by the committee. The Chief of the Children's Bureau, and other officials connected or related with this work, gave us the benefit of the best information available on this subject, and we arrived at the amount set out in this bill after a careful and thorough consideration of all these matters. We therefore ask, Mr. Chairman, that this amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. PFEIFER].

The amendment was rejected.

Mr. KENNEY. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KENNEY: On page 35, line 2, after the word "and", insert the word "also."

Mr. KENNEY. Mr. Chairman, the insertion of the additional word will not change the meaning of this particular part of the bill. It will, however, add emphasis, and I think that we ought to be a little more emphatic with respect to vocational rehabilitation.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. KENNEY. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. I did not get the place where the gentleman's amendment applies.

Mr. KENNEY. On page 35, line 2.

Mr. Chairman, the insertion of the word will, I believe, bring home to the States more emphatic approbation of the wonderful accomplishments that are being had under vocational rehabilitation. Because I think it is very pertinent, I should like to read a letter which I received from the efficient, humane director of the New Jersey Rehabilitation Commission, Mr. J. J. Toohey, Jr. The letter is as follows:

STATE OF NEW JERSEY,
REHABILITATION COMMISSION,
Newark, N. J., April 17, 1935.

Hon. EDWARD A. KENNEY,
Washington, D. C.

MY DEAR CONGRESSMAN: The New Jersey Rehabilitation Commission, as you perhaps know, comprises the following members: Dr. Fred H. Albee, Mrs. A. Harry Moore, Mr. Joseph G. Buch, Dr. Charles H. Elliott, Hon. William J. Ellis, Mr. Thomas F. Martin, Mr. Bernard Hollander, and myself.

It is the obligation of our commission to cooperate with those citizens of our State who are crippled and who may be subject to physical and vocational rehabilitation, to the end that they may ultimately become self-supporting and self-sustaining.

You undoubtedly appreciate the fact that our State has established a most favorable reputation throughout the Nation as relating to the rehabilitation of our crippled children and adults. This fine work has been due to the coordination of the efforts of the service clubs of the State, the State boards of freeholders, the medical profession, and the cooperation our commission receives from the State's crippled children's commission.

I am writing you in this regard because the New Jersey Rehabilitation Commission is intensely interested in part 4, vocational-rehabilitation section, of the general security bill, H. R. 7260.

Rehabilitation of the crippled citizens of our State has never been a controversial subject. It affects the welfare of approximately 35,000 physical handicaps in New Jersey.

The Federal Government since 1920 has cooperated with New Jersey and other States in this humanitarian field of endeavor, and in behalf of our commission I am respectfully asking your support of part 4 of the aforementioned bill.

Would you be good enough to kindly advise me in this regard?

Sincerely,

J. J. TOOHEY, Jr.,
Director New Jersey Rehabilitation Commission.

I am happy right now to advise our solicitous director from the floor of this House that this part of the bill meets with my hearty approval, and I am going to vote for it along with the other worthy provisions of the bill.

In matters of vocational rehabilitation and adult and child welfare New Jersey commands a leading position, and no word of our progress in these things would be complete without paying tribute to a man who has been foremost in our endeavors along these lines and in his regard and solicitude for our crippled children—A. HARRY MOORE, United States Senator from New Jersey.

As our Governor, he has never lost interest in the little children. In his honor and for all that he has done for the afflicted little ones, there stands today in Jersey City a home which houses many of the most needy of them. It bears his name and is widely known as "The A. Harry Moore Home for Crippled Children." Senator MOORE stands out for his many accomplishments as Governor of our State, and he is beloved and held in highest esteem because of what he did for those injured in industry and for the mothers and crippled children of our State. In the Senate of the United States he will, I am sure, prove to be the leading proponent of the humane works and deeds he so nobly

carried out in New Jersey and for which he holds a very warm spot in the hearts of all of the people of our State. By his presence in the Senate, this provision of the bill will be friended as will all humane legislation of its kind; and, in consequence, this country will profit. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

TITLE VI—PUBLIC HEALTH WORK

APPROPRIATION

SECTION 601. For the purpose of assisting States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate public-health services, including the training of personnel for State and local health work, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $8,000,000 to be used as hereinafter provided.

STATE AND LOCAL PUBLIC HEALTH SERVICES

SEC. 602 (a) The Surgeon General of the Public Health Service, with the approval of the Secretary of the Treasury, shall, at the beginning of each fiscal year, allot to the States the total of (1) the amount appropriated for such year pursuant to section 601; and (2) the amounts of the allotments under this section for the preceding fiscal year remaining unpaid to the States at the end of such fiscal year. The amounts of such allotments shall be determined on the basis of (1) the population; (2) the special health problems; and (3) the financial needs of the respective States. Upon making such allotments the Surgeon General of the Public Health Service shall certify the amounts thereof to the Secretary of the Treasury.

(b) The amount of an allotment to any State under subsection (a) for any fiscal year remaining unpaid at the end of such fiscal year shall be available for allotment to States under subsection (a) for the succeeding fiscal year in addition to the amount appropriated for such year.

(c) Prior to the beginning of each quarter of the fiscal year the Surgeon General of the Public Health Service shall, with the approval of the Secretary of the Treasury, determine in accordance with rules and regulations prescribed by such Surgeon General after consultation with a conference of the State and Territorial health authorities, the amount to be paid to each State for such quarter from the allotment to such State, and shall certify the amount so determined to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay in accordance with such certification.

(d) The moneys so paid to any State shall be expended solely in carrying out the purposes specified in section 601 and in accordance with plans presented by the health authority of such State and approved by the Surgeon General of the Public Health Service.

INVESTIGATIONS

SEC. 603. (a) There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $2,000,000 for expenditure by the Public Health Service for investigation of disease and problems of sanitation (including the printing and binding of the findings of such investigations), and for the pay and allowances and traveling expenses of personnel of the Public Health Service, including commissioned officers, engaged in such investigations or detailed to cooperate with the health authorities of any State in carrying out the purposes specified in section 601: *Provided*, That no personnel of the Public Health Service shall be detailed to cooperate with the health authorities of any State except at the request of the proper authorities of such State.

(b) The personnel of the Public Health Service paid from any appropriation not made pursuant to subsection (a) may be detailed to assist in carrying out the purposes of this title. The appropriation from which they are paid shall be reimbursed from the appropriation made pursuant to subsection (a) to the extent of their salaries and allowances for services performed while so detailed.

(c) The Secretary of the Treasury shall include in his annual report to Congress a full account of the administration of this title.

Mr. SISSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for several months, and during a large part of the time when this splendid Ways and Means Committee was working on this social-security bill which is now before the House and also during a large part of the time when the Committee on Economic Security, appointed by President Roosevelt, pursuant to his message to Congress of June 8, 1934, was working on this same vital subject, Members of Congress have been deluged with letters and petitions by the advocates of the so-called "Townsend plan."

The originator of the Townsend plan, Dr. Townsend, had furnished a plan whereby each of its beneficiaries would have $200 a month for the rest of their lives, and the only condition required, in addition to their age and need, was that they must immediately spend the said $200 a month. Hundreds of thousands of people approaching the twilight of their lives were led to believe in this as they believe in God. Many of them, in anticipation, have in their imaginations already been spending the money. The fallacy, the utter sham of the Townsend plan, is shown by the fact that the maker and proponents of the plan have had to revise it once, twice, and now, I think, three times, so that now, in the consideration of the social-security bill, we had before us a Townsend plan which its makers even are compelled to admit would not furnish $200 a month to its beneficiaries, but would furnish only, at the most, $50 a month and with no sound, just, and practical means provided for even raising that amount of money.

After the many able speeches that have been made by the members of the Ways and Means Committee who brought out this real social-security bill, and the explanation made by them and other supporters of the bill, there is little in the very limited time that I have been able to devote to the study of the bill and the voluminous hearings and reports made by the Committee on Economic Security and the Ways and Means Committee or in the brief space of time at my disposal today that would add anything to clarify or explain this bill or strengthen its support. I do want to congratulate the Ways and Means Committee on the splendid work they have done. Where so many have contributed so much, to single out any one person who has helped to give us this bill, or to make comparisons between them, would be idle and unjust; but I cannot refrain from speaking of a few whose labors for the benefit of the Congress and the benefit of the country stand out. Two from my own State of New York, Senator WAGNER and Secretary of Labor Perkins, were among the pioneers. Secretary Perkins' statement before this committee was classical in its simplicity and clearness and the comprehensive grasp shown of the whole subject. On this committee the able chairman, Mr. DOUGHTON, Mr. SAMUEL B. HILL, of Washington, my good friend Mr. LEWIS of Maryland, Mr. COOPER of Tennessee, Mr. VINSON of Kentucky, Mr. MCCORMACK, of Massachusetts, have all given us a splendid service. I have read in the RECORD, after listening to them on the floor, two great speeches made by two members of the Ways and Means Committee on this bill, one by Mr. LEWIS of Maryland and one by Mr. COOPER of Tennessee. It is a good bill for the beginning of raising the structure of economic and social security. It is, of course, not the finished edifice; as Mr. LEWIS of Maryland has said, "you have to have the foundation before you can erect the building."

I have read only a small part of the several thousand pages of the report of the Committee on Economic Security and of the hearings of the Ways and Means Committee on this bill, and I can add little on the bill. There are some things, however, for the benefit of the country that ought to be said about this Townsend plan and some of its advocates. So far as I could find, there has been more sound than sense, and more oratory and rhetoric than reason and facts and figures produced by its advocates.

I have no respect for the man who will delude the people with false hopes. "Hope deferred maketh the heart sick." It was a cruel thing for Dr. Townsend to make some hundreds of thousands of people, nearing the twilight of their lives, believe that they would soon receive a comfortable living, and that all they have to do is to spend the money. The original Townsend plan, it was estimated by its advocates, would cost at least $20,000,000,000 a year. There is only one place from which taxes can come in the last analysis, and that is from our total earnings as a people. Our total income is probably a little less than fifty billions a year. A plan that provides for taking 40 percent of our total income would, of course, have meant the end of our economic structure, and the fact that it is disguised by being a tax on trans-

actions only conceals but does not take away its utter unsoundness. I suppose a great many of the Members of Congress have been petitioned by thousands of people, honest, well-meaning, and well-intentioned, but led astray by the originator and advocates of this plan.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SISSON. I am not quite sure whether the Townsend plan was simply a vague, beautiful dream or whether it was a racket designed to take money out of the pockets of those already impoverished. At any rate, I propose to make it known to my constituents and to as many of the Townsend victims as possible that I contended against a gag rule on this bill and for an open rule, and I propose to make it known, as far as tongue and pen can do it, that I would have voted against the Townsend plan or any of the other unsound plans had they come to a record vote. I thought an open rule on this bill would serve the same purpose as sometimes is served by the surgical operation necessary to remove a malignant growth from the physical body.

The people of my district elected me to represent them and to represent all the people of this country, as is the case with all the other Members of this body. And in order to do this they intended me to be governed by reason, and not by propaganda, and to use my own best judgment; and before I will fail in that duty and violate the oath I took, by voting for and helping to fasten upon my country a thing which would destroy its economic system, a thing which I know to be unsound, I will, if necessary, let the people retire me at the end of this term or any other term and go back to my little law shop and practice law.

The able Chairman of the Rules Committee of this House, Mr. O'CONNOR, of New York, said, in bringing out and explaining this very liberal and open rule on this bill which the Rules Committee reported, that he hoped that the Townsend plan would be held to be germane to this bill in order that it might be voted on and in order that he might vote against it. That was true leadership. [Applause.] I am glad to follow such leadership, because that is the way to preserve the integrity of our party, the integrity of this House, the integrity of our country and its economic structure, and to bring false prophets and unsound leadership and unsound plans out into the light of day, where the spurious may be detected from the genuine.

I claim no superior virtue. I believe what I claim for myself is true of the vast majority of the Members of this body on both sides of this aisle. But I have heard Members speak here against this bill and in support of the Townsend plan who obviously did not study the bill, or if they had, had not profited by their study, like the gentleman from California, where the Townsend plan originated, who was talking about a title of this bill which he had not even read.

But I felt more hopeful of the integrity and soundness of this body when I saw how courageously my good friend FRANK BUCK, in that same State of California, stood up in debate against this Townsend plan and racket, even though it might well be that he was sacrificing his political life to serve his country, while some Townsend advocate or orator might conceivably even succeed to this place of public trust, because he had succeeded—to paraphrase the words of Lincoln—in fooling some of the people some of the time. The debate on this bill, the result of the votes on this bill and upon the unsound plans offered in place of this bill, furnishes hope to the people of this country and will go far to allay the apprehensions of those who feared that this Congress might be either so unsound or so supine as to yield to the clamor and threats to which it has now for some months been subjected. [Applause.]

The Clerk read as follows:

TITLE VII—SOCIAL SECURITY BOARD

ESTABLISHMENT

SECTION 701. There is hereby established a Social Security Board (in this act referred to as the "board") to be composed of three members to be appointed by the President, by and with the advice and consent of the Senate. Each member shall receive a salary at the rate of $10,000 a year and shall hold office for a term of 6 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of the enactment of this act shall expire, as designated by the President at the time of appointment, 1 at the end of 2 years, 1 at the end of 4 years, and 1 at the end of 6 years, after the date of the enactment of this act. The President shall designate one of the members as the chairman of the board.

DUTIES OF SOCIAL SECURITY BOARD

SEC. 702. The board shall perform the duties imposed upon it by this act and shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects.

EXPENSES OF THE BOARD

SEC. 703. The board is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures as may be necessary for carrying out its functions under this act.

REPORTS

SEC. 704. The board shall make a full report to Congress, at the beginning of each regular session, of the administration of the functions with which it is charged.

Mr. SAUTHOFF. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 39, line 3, after the word "established", insert "within the Department of Labor."

Mr. SAUTHOFF. Mr. Chairman, the purpose of this amendment is simply to put all of these functions under the Department of Labor. All your employment service is under the Department of Labor, and this will coordinate with it.

Secondly, the Secretary of Labor is mentioned again and again in the bill. Therefore it seems to me that it is extremely desirable that we have uniformity and that we should place this under the Department of Labor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and the amendment was rejected.

Mr. PFEIFER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 39, line 5, after the word "members" insert "one of which shall be a member of the medical profession."

Section 701 will then read in part as follows:

"There is hereby established a Social Security Board (in this act referred to as the board) to be composed of three members, one of whom shall be a member of the medical profession, to be appointed by the President by and with the advice and consent of the Senate."

Mr. PFEIFER. Mr. Chairman and gentlemen, this amendment will not alter the bill in any way except to provide for a member of the medical profession to be placed on the board.

We realize that all through the bill the intent is for the welfare of the unfortunates. These functions call for the aid of the medical profession—providing medical, surgical, and other services and care and facilities for diagnosis, hospitalization, and everything pertaining to health.

Mr. SAMUEL B. HILL. If the gentleman will yield, titles I, II, III, and IV are under this security board.

Mr. PFEIFER. You read further and, on page 29, referring to the services to crippled children, it calls for the care of indigent by this board.

Mr. SAMUEL B. HILL. That is under the Children's Bureau of the Department of Labor. Title V is under the Surgeon General's Department of Public Health.

Mr. PFEIFER. Disregarding all that, I still maintain that section 1 is for the welfare of the unfortunates. A medical man should be placed on the board for their welfare.

Mr. COOPER of Tennessee. In addition to the statement made by the gentleman from Washington, does not the gentleman from New York feel that the President of the United States can be trusted to select the best possible available men to be placed on the board? Is he not willing that the President of the United States may exercise his discretion in selecting the proper personnel for the board. I am sure if the gentleman will present his views to the President, the President will give them full consideration.

Mr. PFEIFER. I do not question the President's good intent, but the insertion of just five words calling for the appointment of a medical man will make it certain.

Mr. MEAD. Will the gentleman yield?

Mr. PFEIFER. I yield.

Mr. MEAD. I realize that the distinguished Representative from my home State is one of the eminent surgeons of this country, and I would like to ask him what action the medical fraternity have taken in regard to this bill?

Mr. PFEIFER. They have requested the board and begged for the provision that a medical man should be placed on the board.

The medical profession recognizes the necessity under conditions of emergency for Federal aid in meeting basic needs of the indigent; the house of delegates of the American Medical Association deprecates, however, any provision whereby Federal subsidies for medical services are administered and controlled by a lay bureau. While the desirability of adequate medical service for crippled children and for the preservation of child and maternal health is beyond question, the house of delegates deplores and protests those sections of the bill which place in the Children's Bureau of the Department of Labor the responsibility for the administration of funds for these purposes.

The house of delegates condemns as pernicious that section of the bill—section 701, title VII—which creates a social insurance board, without specification of the character of its personnel to administer functions essentially medical in character and demanding technical knowledge not available to those without medical training.

Mr. VINSON of Kentucky. The present president of the American Medical Association, Dr. William L. Bierring, appeared before the committee and endorsed the health title of this bill.

Mr. MEAD. Did he represent the American Medical Society?

Mr. VINSON of Kentucky. He was speaking as its president, I understood.

Mr. MEAD. I believe the gentleman's request is a reasonable one.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PFEIFER. Mr. Chairman, I ask unanimous consent to proceed for 1 minute more.

The CHAIRMAN. Is there objection?

Mr. VINSON of Kentucky. Mr. Chairman, I am constrained to object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VIII—TAXES WITH RESPECT TO EMPLOYMENT

INCOME TAX ON EMPLOYEES

SECTION 801. In addition to other taxes, there shall be levied, collected, and paid upon the income of every individual a tax equal to the following percentages of the wages (as defined in section 811) received by him after December 31, 1936, with respect to employment (as defined in section 811) after such date:

(1) With respect to employment during the calendar years 1937, 1938, and 1939, the rate shall be 1 percent.

(2) With respect to employment during the calendar years 1940, 1941, and 1942, the rate shall be 1½ percent.

(3) With respect to employment during the calendar years 1943, 1944, and 1945, the rate shall be 2 percent.

(4) With respect to employment during the calendar years 1946, 1947, and 1948, the rate shall be 2½ percent.

(5) With respect to employment after December 31, 1948, the rate shall be 3 percent.

DEDUCTION OF TAX FROM WAGES

SEC. 802. (a) The tax imposed by section 801 shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the wages as and when paid. Every employer required so to deduct the tax is hereby made liable for the payment of such tax, and is hereby indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

(b) If more or less than the correct amount of tax imposed by section 801 is paid with respect to any wage payment, then, under regulations made under this title, proper adjustments, with respect both to the tax and the amount to be deducted, shall be made in connection with subsequent wage payments to the same individual by the same employer.

DEDUCTIBILITY FROM INCOME TAX

SEC. 803. For the purposes of the income tax imposed by title I of the Revenue Act of 1934 or by any act of Congress in substitution therefor, the tax imposed by section 801 shall not be allowed as a deduction to the taxpayer in computing his net income for the year in which such tax is deducted from his wages.

EXCISE TAX ON EMPLOYERS

SEC. 804. In addition to other taxes, every employer shall pay an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in sec. 811) paid by him after December 31, 1936, with respect to employment (as defined in sec. 811) after such date:

(1) With respect to employment during the calendar years 1937, 1938, and 1939, the rate shall be 1 percent.

(2) With respect to employment during the calendar years 1940, 1941, and 1942, the rate shall be 1½ percent.

(3) With respect to employment during the calendar years 1943, 1944, and 1945, the rate shall be 2 percent.

(4) With respect to employment during the calendar years 1946, 1947, and 1948, the rate shall be 2½ percent.

(5) With respect to employment after December 31, 1948, the rate shall be 3 percent.

ADJUSTMENT OF EMPLOYERS' TAX

SEC. 805. If more or less than the correct amount of tax imposed by section 804 is paid with respect to any wage payment, then, under regulations made under this title, proper adjustments with respect to the tax shall be made in connection with subsequent wage payments to the same individual by the same employer.

REFUNDS AND DEFICIENCIES

SEC. 806. If more or less than the correct amount of tax imposed by section 801 or 804 is paid or deducted with respect to any wage payment and the overpayment or underpayment of tax cannot be adjusted under section 802 (b) or 805 the amount of the overpayment shall be refunded and the amount of the underpayment shall be collected, in such manner and at such times (subject to the statutes of limitations properly applicable thereto) as may be prescribed by regulations made under this title.

COLLECTION AND PAYMENT OF TAXES

SEC. 807. (a) The taxes imposed by this title shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury and shall be paid into the Treasury of the United States as internal-revenue collections.

(b) Such taxes shall be collected and paid in such manner, at such times, and under such conditions, not inconsistent with this title (either by making and filing returns, or by stamps, coupons, tickets, books, or other reasonable devices or methods necessary or helpful in securing a complete and proper collection and payment of the tax or in securing proper identification of the taxpayer), as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

(c) All provisions of law, including penalties, applicable with respect to any tax imposed by section 600 or section 800 of the Revenue Act of 1926, and the provisions of section 607 of the Revenue Act of 1934, shall, insofar as applicable and not inconsistent with the provisions of this title, be applicable with respect to the taxes imposed by this title.

(d) In the payment of any tax under this title a fractional part of a cent shall be disregarded, unless it amounts to ½ cent or more, in which case it shall be increased to 1 cent.

RULES AND REGULATIONS

SEC. 808. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make and publish rules and regulations for the enforcement of this title.

SALE OF STAMPS BY POSTMASTERS

SEC. 809. The Commissioner of Internal Revenue shall furnish to the Postmaster General without prepayment a suitable quantity of stamps, coupons, tickets, books, or other devices prescribed by the Commissioner under section 807 for the collection or payment of any tax imposed by this title, to be distributed to, and kept on sale by, the various postmasters in the United States. The Postmaster General may require each such postmaster to furnish bond in such increased amount as he may from time to time determine, and each such postmaster shall deposit the receipts from the sale of such stamps, coupons, tickets, books, or other devices, to the credit of, and render accounts to, the Postmaster General at such

times and in such form as the Postmaster General may by regulations prescribe. The Postmaster General shall at least once a month transfer to the Treasury as internal-revenue collections all receipts so deposited.

PENALTIES

SEC. 810. (a) Whoever buys, sells, offers for sale, uses, transfers, takes or gives in exchange, or pledges or gives in pledge, except as authorized in this title or in regulations made pursuant thereto, any stamp, coupon, ticket, book, or other device prescribed by the Commissioner of Internal Revenue under section 807 for the collection or payment of any tax imposed by this title shall be fined not more than $1,000 or imprisoned for not more than 6 months, or both.

(b) Whoever, with intent to defraud, alters, forges, makes, or counterfeits any stamp, coupon, ticket, book, or other device prescribed by the Commissioner of Internal Revenue under section 807 for the collection or payment of any tax imposed by this title, or uses, sells, lends, or has in his possession any such altered, forged, or counterfeited stamp, coupon, ticket, book, or other device, or makes, uses, sells, or has in his possession any material in imitation of the material used in the manufacture of such stamp, coupon, ticket, book, or other device, shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

DEFINITIONS

SEC. 811. When used in this title—

(a) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include that part of the remuneration which, after remuneration equal to $3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer with respect to employment during such calendar year.

(b) The term "employment" means any service, of whatever nature, performed within the United States by an employee for his employer, except—

(1) Agricultural labor;

(2) Domestic service in a private home;

(3) Casual labor not in the course of the employer's trade or business;

(4) Service performed by an individual who has attained the age of 65;

(5) Service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country;

(6) Service performed in the employ of the United States Government or of an instrumentality of the United States;

(7) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;

(8) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Mr. VINSON of Kentucky. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. VINSON of Kentucky: Page 45, lines 2 and 3, strike out "the various postmasters in the United States" and insert: "all post offices of the first and second classes, and such post offices of the third and fourth classes as (1) are located in county seats, or (2) are certified by the Secretary of the Treasury to the Postmaster General as necessary to the proper administration of this title."

Mr. VINSON of Kentucky. Mr. Chairman, this is a committee amendment to which no objection was interposed. The provisions of the amendment are agreeable to the Treasury and to the Post Office Department.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. TREADWAY. I am sure there is no objection on this side to that amendment.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. REED of New York. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Beginning on page 40, in line 10, strike out all of title VIII down to and including line 19 on page 47.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. REED of New York. Yes.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate upon this title and all amendments thereto close in 15 minutes.

Mr. TREADWAY. Mr. Chairman, I reserve the right to object. I suggest to the gentleman that he withdraw that and let the debate run along on the amendment of the gentleman from New York, temporarily.

Mr. DOUGHTON. Mr. Chairman, I withdraw the request.

Mr. REED of New York. Mr. Chairman, I believe that a bill as important as this should demand the attention of the House, especially if there is matter in the bill with which Members should be familiar before they cast their votes. One of the most important matters contained in this bill, affecting the individual citizen, is deliberately concealed within the language of the bill. There is a portion of this bill which gives to the Secretary of the Treasury power to issue regulations for the administration of this tax. Do you gentlemen realize that this is one of the bills of regimentation of the "brain trust"? Do gentlemen realize that this tax does not go into effect until the 1st of January 1937, while the unemployment-insurance tax goes into effect in 1936? Why is that? It is political and nothing else. Do gentlemen realize that under the terms of this bill on the 1st of January 1937, 25,804,000 wage earners of this country will have to submit themselves to a Federal bureau to be fingerprinted before they can walk across the threshold of any employer of labor in this country?

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. No. Wait a minute.

Mr. SAMUEL B. HILL. There is nothing in the bill to that effect.

Mr. REED of New York. Oh, yes, there is.

Mr. SAMUEL B. HILL. Show it to us.

Mr. REED of New York. Under section 808 there is a provision giving the Secretary of the Treasury power to issue regulations. The gentleman who interrupted me, Mr. HILL, and every man on the committee knows that a member of the "brain trust" came before our committee and inadvertently dropped the word that the provisions of title II and title VIII could not be carried out without subjecting the employees to a fingerprint test. It means the setting up here in Washington of a Federal bureau with a fingerprint test of regimentation not only comparable to but greater than anything of its kind to be found in Russia, Germany, or Italy under the three dictators. It means absolute regimentation, and if you gentlemen, when you come up the Avenue, will look at the buildings on that side of the street, you will find the sign on the window the whole length of the building, "Fingerprint department."

So, you are going to fingerprint 25,804,000 wage earners after the election in 1936. You would not do it before. You delay it for a month after election, hoping that you can corrupt the electors of this country with your $5,000,000,000 slush fund, and then put this compulsory tax and the fingerprint system into operation. Then the lash of the dictator will be felt, and 25,000,000 free American citizens will for the first time submit themselves to a fingerprint test and have their fingerprints filed down here with those of Al Capone and every jailbird and racketeer in the country. That is what it means, and it means that no man can go to an employer and get a job until he goes there with a card issued by the Bureau and can answer the questions and prove that he has been fingerprinted; and if he is not, and they employ him, he is subject to a fine of $1,000 or 5 years imprisonment, or both. That is what you are trying to do in this bill, and it is in harmony with the dictatorship program launched under the new deal and to be carried on by it. It is carrying out a program of Karl Marx from beginning to end, the domination of the citizen and the destruction of private industry. This is only one more effort under a dictatorial program to regiment labor and make

them submit themselves to this Federal test before wage earners can go to an employer and get a job to earn their daily bread.

I was taught and the people I have the honor to represent believe that the greatest heritage of a free people is the right to transmit that freedom to their children. I loathe this attempt to deceive and betray industry and labor and further fasten upon them this foreign system of regimentation. I shall not—I will not—vote for this bill if title II and title VIII remain in this measure.

The CHAIRMAN. The time of the gentleman from New York [Mr. REED] has expired.

Mr. MEAD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the only reason for my assuming the floor at this time is to call the attention of the House and the committee to the fact that this bill imposes upon the Post Office Department a tremendous burden. By the terms of the bill it will be the collecting and distributing agency, and it will in no wise be recompensed for this added volume of work.

The Post Office Department in recent years has taken on other burdens. Only a short time ago it assumed the custodial work in connection with the Federal buildings of the country at a cost to the Department of several million dollars annually for which it is not compensated.

Under this bill, as I understand it, all the postmasters of the United States will be supplied with the necessary stamps by the Internal Revenue Bureau, and they will in turn dispose of them to their patrons who come under the provisions of this law. They will make sales of stamps, coupons, books, and so forth, and be responsible for the money from those sales while it is within their keeping and until they turn it back to the Treasury of the United States. That will entail a large added volume of work, and some arrangement ought to be made in the bill to compensate the Department.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. VINSON of Kentucky. I want to say to my friend, the Chairman of the Committee on the Post Office and Post Roads, that the matter to which he refers was submitted to the Ways and Means Committee, but we felt that that was completely and exclusively within the jurisdiction of the gentleman's committee, and we refrained from taking any action relative thereto. We took the same position as to the added cost incident to this work. We felt that it was a matter for the Appropriations Committee.

Mr. MEAD. I know the gentleman is very friendly to the objective I have in mind, but I recognize also the fact that if it is within the province of the committee to direct the Post Office Department to do the collecting and to have the care of this property, it is also within the jurisdiction of the gentleman's committee to provide that they be compensated for the work. In view of the fact that the gentleman's committee favors it, I want the support of the committee and the House when that legislation is reported from our committee.

Mr. VINSON of Kentucky. Of course, it was within our jurisdiction to direct the Postmaster General and the postmasters to cooperate and participate in the sale of these stamps as a tax proposition.

Mr. MEAD. And it would also be within the jurisdiction of the gentleman's committee to make a suitable allowance to the Post Office Department to compensate them for their work.

Mr. VINSON of Kentucky. That is an appropriation matter.

Mr. MEAD. However, authority for that allowance could be contained in this bill and then the Appropriations Committee could, by reason of that authorization, include in the Post Office Department appropriation bill an item sufficient to cover this added expense.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. SAMUEL B. HILL. Just reiterating what the gentleman from Kentucky [Mr. VINSON] said, it was within the jurisdiction of the gentleman's committee.

Mr. MEAD. I deeply appreciate that; but let me respectfully remind the members of the Ways and Means Committee that you have invaded the province of our committee frequently in the past, and again only recently. You levied a charge on first-class mail of 3 cents instead of 2 cents.

Mr. VINSON of Kentucky. And we did it with your acquiescence and your approval.

Mr. MEAD. I appeared before your committee in the first instance and asked that you leave it with our committee. I also brought to your attention the fact that our committee was in opposition to the increase; but after the matter had been reported by your committee and had been included in the emergency taxes, I told you that as long as it was but a temporary measure we would refrain from voicing our objection. However, it was certainly within the province of our committee, and the fact that you took it away from us establishes a precedent for your consideration of the minor matter I am just bringing to your attention. If you order the Post Office Department to do the work, you should order someone to pay the bill.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last word.

If I could encourage this fight between these two distinguished Democrats, I would like to do it; but I am afraid that if I did they would both jump on me. But before we pass on this motion to strike out title VIII, permit me to say that my good friend and able colleague from New York [Mr. REED] was not able to discuss the question of the constitutionality of that section in the time allotted to him. I am not going to do it, but I just want the RECORD to show at this place that we still maintain as strongly as ever that this section is unconstitutional.

While I have 5 minutes, I would like to ask a question of somebody on the Democratic side with reference to the table which appears on page 6 of the committee report. I do this because I want to know. I do not ask it in any critical manner or with any critical intention in my mind or heart. You will notice that in the column showing the amount added to the reserve the amount increases until 1955, when it commences to drop and continues to drop almost to the vanishing point. If it continues at that rate, the whole colossal reserve of thirty-three thousand million would be wiped out. On the right-hand side of table 4, on page 6, the contributions are increased gradually from 1937. Those are the Government's contributions. Naturally, the interest will increase. Naturally, the benefits that will be paid will increase. They increase until the first column amounts to $2,000,000,000. The interest amounts to $1,000,000,000 a year, and the benefits to be paid are merely $3,000,000,000 a year. I am worried about the last three figures in next to the last column. It will be noticed that in 1960 the amount carried over to reserve is $1,032,000,000. In the next 5 years you lose $400,000,000. In the next 5 years years you lose $400,000,000 more. Now, if you carry that figure on down another 5 years at that proportion, you would be down beyond the point where the expenditures would exceed the receipts.

You would be cutting into your reserves. If this continues it will not be more than 20 or 30 years at the outside until your big reserve is greatly threatened. What is the solution; what is the answer?

Mr. SAMUEL B. HILL. If the gentleman will yield, my attention had not been called to these figures, but it occurs to me the explanation is that as we approach the period 1970, we approach the peak of those who receive benefits, so that the reserves and the accretions to the reserves will be more nearly in balance with the payments to the beneficiaries.

Mr. JENKINS of Ohio. Will not the gentleman extend his remarks in the RECORD at this point and explain the matter in more detail? It is for the benefit of all of us.

Mr. SAMUEL B. HILL. Maybe I can get the information for the gentleman right now if the gentleman will be so kind as to state his question again. I will try to get some facts and extend them in the RECORD.

Mr. JENKINS of Ohio. Near the end of the last column it will be observed that the loss is $400,000,000 a year. If this is kept up it will not be many years before the reserve will be gone entirely and the whole big financial structure will bust up.

Mr. SAMUEL B. HILL. It is my opinion the reserve will take care of it; but we shall not have such a big piling up in the reserve in future years.

Mr. JENKINS of Ohio. Will the gentleman at this point extend his remarks and give an explanation?

Mr. SAMUEL B. HILL. I will see if I can get the information, but I shall not make any rash promises.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think a few further observations are proper at this time in corroboration of the statement made by the gentleman from New York [Mr. REED] relative to fingerprinting. The representative of the majority, the gentleman from Washington [Mr. HILL], was correct, I think, in saying there is no direct reference to fingerprinting in the bill. There purposely is not; but there is authority in the bill for the Secretary of the Treasury to make rules and regulations:

SEC. 808. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make and publish rules and regulations for the enforcement of this title.

I respect executive sessions of a committee. At the same time, this permission granted to make rules and regulations is the result of a request coming to us from the Treasury Department and from the Internal Revenue Bureau to set up a fingerprinting system as part of the regulations for the enforcement of the compulsory contributory annuity system set up under titles II and VIII. This is the authority of my colleague the gentleman from New York [Mr. REED] for making the statement he did.

I want, in perhaps the last remarks I shall make on this bill, to call attention once more to the effect of the tax that is contained in title VIII, which title I am in favor of striking out, and its effect on the wage earners and the taxpayers. The majority, of course, have a right to say that no evidence was submitted to us of a very definite nature in opposition to these taxes. I severely censure and blame big industries, employers of thousands of people, for not having appeared here in opposition to this tax, because we know that if they have any sense at all as business people they are opposed to it; and they should have come here and told the Ways and Means Committee they were opposed to it. You could not even get insurance companies to testify in opposition to it.

Mr. JENKINS of Ohio. Why not?

Mr. TREADWAY. Because they would be regimented out of business, just like employees are going to be regimented here. They were perfectly willing, so far as they are concerned, to allow the Government to set up an insurance scheme against them. Business did the same thing. Here is a pay-roll tax. You call it in one instance an excise tax and in another instance an income tax, but it is the same old tax. You are levying a tax to the extent of 3 percent against the pay roll of the employer, and you are levying another tax of 3 percent on that same pay roll when it gets into the hands of the employee.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I dislike to, but I will.

Mr. KVALE. In this connection title IX provides for a further tax of 3 percent which makes a total tax of 9 percent.

Mr. TREADWAY. The tax provided in title VIII is a tax on employer and employee. With the additional pay-roll tax provided in title IX it makes a total tax of 9 percent.

I want to read certain figures, Mr. Chairman. They are a matter of record. I am reading from a table in the majority report on page 15, table 9. I am going to read it all:

TABLE IX.—*Revenue estimates (from taxes on employees and employers imposed by title VIII, secs. 801 and 804)*[1]

Combined rate of tax	Fiscal year received into Treasury	Estimated fiscal year receipts
2 percent	1937	$278,800,000
2 percent	1938	560,200,000
2 percent	1939	565,600,000
3 percent	1940	714,600,000
3 percent	1941	864,800,000
3 percent	1942	873,000,000
4 percent	1943	1,028,800,000
4 percent	1944	1,185,900,000
4 percent	1945	1,196,900,000
5 percent	1946	1,359,400,000
5 percent	1947	1,523,300,000
5 percent	1948	1,536,900,000
6 percent	1949	1,706,300,000
6 percent	1950	1,877,200,000

[1] Each of the 2 taxes is estimated to produce one-half of the total receipts shown.

I also want to read the table showing the number of workers who will be taxed under title VIII, which is as follows:

TABLE VIII.—*Estimate of number of employees covered under the tax provided in title VIII*

[Based upon 1930 census]

Total number of gainful workers		48,830,000
Total number of owners, operators, self-employed (including the professions)		12,087,000
Total of workers excluded because of occupation (farm labor, domestics, teachers, and governmental and institutional workers)		9,389,000
Total number of workers in eligible occupations		27,354,000
Excluded:		
Casuals	500,000	
Over 65	1,050,000	
		1,550,000
Estimated coverage		28,804,000

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. You will notice there are progressive increases in the tax every year until 6 percent is reached in 1949, with a yield of $1,706,300,000. The yield in 1950, at the same rate, would be $1,877,200,000.

If this is not of interest to the business world and they do not want to come here and tell their Representatives in Congress to oppose such taxation on their business, they should swallow their medicine. As Andy says, "I'm regusted."

I am "regusted" at the attitude of business in that it has not shown the proper interest in protecting itself by stating its case before Congress. I cannot conceive why, unless it is because, as the gentleman from Ohio indicated a while ago, they are scared blue, but they might as well tell their story when they are scared blue as to be absolutely bankrupt before they get around to telling us. They will tell us all right when we go home and inform them that such a bill as this has been passed by the Congress. My answer to them is, "Why did you not come down and tell us while it was time to tell us?" That is going to be my answer.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. I wonder if the gentleman is not mistaken as to the attitude of business and industry toward this legislation?

Mr. TREADWAY. No; I think I am stating the case absolutely correct. They have not shown the interest they should have. I know what the gentleman is going to say. He may say that they do not mind the tax. But you tell the people they are going to be taxed to the extent of $278,000,000 to $1,800,000,000 more than they are being taxed at the present time and see whether they like it or not. That may be the gentleman's answer, but it is a false answer.

Mr. SAMUEL B. HILL. They are not usually modest about protecting their own interest.

Mr. TREADWAY. The gentleman thinks it is so blamed small they are not going to pay any attention to it. The gentleman should not fool himself.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Will the gentleman cite a single instance in his long and splendid service here when industry which was objecting to a tax did not flood Washingto with personages and a lot of propaganda?

Mr. TREADWAY. That is what they should have done here, and they would have done a good job if they had continued it in this case, but that is no proof they are not going to be sadly fooled and much opposed to it when they get to paying this tax.

Mr. MAY. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Kentucky.

Mr. MAY. Perhaps the gentleman from Massachusetts thought that business may have concluded that they were killed, anyhow.

Mr. TREADWAY. Yes. I may say that New England industry feels that way today.

Mr. HOFFMAN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is it not very possible they thought that we had good judgment and common sense?

Mr. TREADWAY. We represent them and they should tell us their views, but they have not done so.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. DOUGHTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close in 10 minutes.

Mr. HOEPPEL. Mr. Chairman, reserving the right to object, I tried to get the floor for 4 or 5 hours yesterday and since I have been here today. I would like to know whether the gentleman will give me 5 minutes in which to discuss this title?

Mr. DOUGHTON. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this title and all amendments thereto close in 15 minutes.

Mr. WADSWORTH. Mr. Chairman, will time be allowed to discuss title IX?

The CHAIRMAN. The request of the gentleman from North Carolina applies only to title VIII.

Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. TABER. Mr. Chairman, I am not surprised that the members of the Ways and Means Committee on the majority side have not replied to the charge made by the gentleman from New York [Mr. REED], that this bill was designed to fingerprint and enslave every worker of this land. Never in the history of the world has any measure been brought in here so insidiously designed as to prevent business recovery, to enslave workers, and to prevent any possibility of the employers providing work for the people.

Mr. Chairman, is it not about time that every one of us woke up and realized our constitutional responsibility to pass on legislation intelligently, on its merits, or, as in this case, on its absolute lack of merit, throwing those things out that are absolutely vicious? Do any of you suppose that you can go back home and justify the 6-percent pay-roll tax under title VIII, and the 3-percent pay-roll tax under title IX, and the fingerprint provision under section 808? Oh, that the membership of this House might appreciate its responsibility, that it might stand for the preservation of American liberty, that it might stand for giving the people of America an opportunity to work out their salvation instead of enslaving them and preventing forever an opportunity for America to rise and triumph over this trouble. I hope that the House of Representatives, represented by its Committee of the Whole here today, will vote to strike out title VIII and pass the motion which has been offered by the gentleman from New York [Mr. REED].

Mr. HOEPPEL. Mr. Chairman, if a big, heavy truck passes down Pennsylvania Avenue here in the city of Washington and side swipes from one side to the other, and damages various automobiles on the highway, including your own, what would you expect? You would look forward to recovery from the owner of the truck of the amount of your loss resulting from the damage his truck inflicted upon your machine.

In this bill, we are doing just the opposite. We are proposing a tax on the employed instead of a tax on mass-production machinery which is the very vehicle which causes unemployment. The modern machine, with its resultant mass production, is forcing more people out of employment than any other agency. In this bill under discussion, in order to relieve the situation, we are proposing to tax the workmen, the very individuals who are suffering because of mass production, rather than the agency responsible for their plight.

Mr. Chairman, I have in my hand a clipping quoting a famous economist to the effect that we are going to have unemployment permanently. Mr. Hopkins, Director of Federal Emergency Relief, made the statement recently that we are bound to have at least 5,000,000 or more unemployed at all times. I vehemently disagree with the statement of the economist, as well as with the statement of Mr. Hopkins. There is no necessity for a permanent list of unemployed of 5,000,000 or more in these United States.

As a "new dealer", perhaps Mr. Hopkins might follow in the footsteps of the Secretary of Agriculture, Mr. Wallace, who ordered the destruction of pigs and crops in order to relieve the market from an oversupply of these products. I do not believe in destroying any of God's products; neither do I believe in the theory that the only way we can solve the unemployment problem would be through a similar process of destruction applied to our people, thus reducing the competition in the labor market.

The new deal has been credited with having "brain trusters" at the helm, yet none of them, to my knowledge, has yet advanced a single plan to remove the basic causes of the depression. To meet the situation I have proposed an adequate tax to control the modern machine which displaces labor and the control and extension of credit through a central Government bank, with subsidiaries in every State. These plans offer a practical and constructive means of solving our present difficulties.

The bill which we are voting on today, in my opinion, is a monstrosity and I propose to vote against it. The Townsend plan has been described as "cock-eyed" and "fantastic" but no one has ever seriously questioned the honesty and sincerity of its objective, or its efficacy as a recovery measure.

I am especially opposed to the unemployment insurance features of this bill. Mr. Stephenson, former president of the American Bankers' Association, is quoted as saying:

> Unemployment insurance is, in fact, merely an industrial dole.

Speaking further, he says:

> I believe industry's real contribution to this problem can, and should be one of prevention of general unemployment rather than an attempt to patch up with doles a situation created largely by lack of industrial foresight.

Lack of industrial foresight exists in this Congress of the United States. Not only have we, as Representatives, closed our eyes to the human significance of modern machine development, but the Democratic administration has failed to recognize the menace of the machine which is creating unemployment in increasing numbers.

We evidence our archaic attitude by following the old-deal methods of voting tax-exempt bonds in order to obtain funds to give a crust of bread to the unemployed and their families,

and we obtain these funds from the very agency—that is, entrenched wealth—which controls the machines and which, in this manner, constantly adds to our unemployment problem. Until we adequately tax the machine which displaces human labor we will continue to grope in the dark for a solution of our unemployment problem.

New deal! Where is the new deal in this bill? The theory and plan of this measure is predicated upon the experiences and practices of Europe. Instead of traveling to Europe last year to survey conditions there, why did not Mr. Hopkins stay here in the United States and go into the industrial centers and to the farms to investigate conditions, consult with the unemployed, and hear their stories? Instead, he journeys abroad and comes back here with a European monstrosity! The social-security bill is not a new deal, but merely a copy from European systems.

If we are going to have a new deal, let it be a real new deal! Let us tax the agency which creates unemployment and control the juggernaut which is leaving widespread destruction in its wake as it ruthlessly casts aside increasing numbers of men and women from employment.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. WOOD. Is it not a fact that the gentleman, as well as most of the other Members who have spoken against this title, voted for the Railroad Men's Retirement Act, which was passed in the last session? The gentleman voted for that, did he not?

Mr. HOEPPEL. Certainly, I voted for that act, because it included in its benefits one of the largest and most substantial groups in America. If this bill included in its unemployment protection everyone in these United States and if it proposed to obtain the funds for this protection from the control of the juggernaut of the modern machine, I would favor it, but I do not believe in taxing the underpaid worker to provide protection against unemployment resulting from further machine progress, the profits of which are monopolized by entrenched wealth.

Mr. WOOD. The gentleman voted for that act and this provision is practically identical with the railroad men's retirement law. It is not exactly the same as to the contributions, but it is based on the same principle.

Mr. HOEPPEL. I cannot argue with the gentleman on the principles of the railroad men's retirement law, which I favor.

Mr. WOOD. One is called a regimentation of labor and the other is called the "Railroad Men's Retirement Act." Is that it?

Mr. HOEPPEL. I am not in favor of reducing the purchasing power of the masses of the workers, which this bill will do, inasmuch as it will exact up to 3 percent from already inadequate pay. What we need in America is an expanded consuming and purchasing power, not a restricted or decreased purchasing power, which is called for in this bill.

Mr. WOOD. Does the gentleman know of any labor organization that is opposed to this legislation?

Mr. HOEPPEL. I do not know of any labor organization which has endorsed this bill. I cannot believe that the workers would approve of a deduction from their already inadequate pay for the purpose of protecting them from unemployment while, at the same time, they are cognizant of the fact that the owner of the modern machine, which creates unemployment, takes to himself the profit, as a result of which we have the present inordinate concentration of wealth. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, we are asking for a vote on the amendment of the gentleman from New York [Mr. REED] to strike out title VIII. There is nothing new to be said. The Committee is opposed to the amendment and we ask that it be voted down.

The question was taken; and on a division (demanded by Mr. REED of New York) there were—ayes 65, noes 128.

So the amendment was rejected.

The Clerk read as follows:

TITLE IX—TAX ON EMPLOYERS OF TEN OR MORE

IMPOSITION OF TAX

SEC. 901. On and after January 1, 1936, every employer (as defined in sec. 907) shall pay for each calendar year an excise tax, with respect to having individuals in his employ, equal to the following percentages of the total wages (as defined in sec. 907) payable by him (regardless of the time of payment) with respect to employment (as defined in sec. 907) during such calendar year:

(1) With respect to employment during the calendar year 1936 the rate shall be 1 percent;

(2) With respect to employment during the calendar year 1937 the rate shall be 2 percent;

(3) With respect to employment after December 31, 1937, the rate shall be 3 percent.

CREDIT AGAINST TAX

SEC. 902. The taxpayer may credit against the tax imposed by section 901 the amount of contributions, with respect to employment during the taxable year, paid by him (before the date of filing his return for the taxable year) into an unemployment fund under a State law. The total credit allowed to a taxpayer under this section for all contributions paid into unemployment funds with respect to employment during such taxable year shall not exceed 90 percent of the tax against which it is credited, and credit shall be allowed only for contributions made under the laws of States certified for the taxable year as provided in section 903.

CERTIFICATION OF STATE LAWS

SEC. 903. (a) The Social Security Board shall approve any State law submitted to it, within 30 days of such submission, which it finds provides that—

(1) All compensation is to be paid through public employment offices in the State;

(2) No compensation shall be payable with respect to any day of unemployment occurring within 2 years after the first day of the first period with respect to which contributions are required;

(3) All money received in the unemployment fund shall immediately upon such receipt be paid over to the Secretary of the Treasury to the credit of the unemployment trust fund established by section 904;

(4) All money withdrawn from the unemployment trust fund by the State agency shall be used solely in the payment of compensation, exclusive of expenses of administration;

(5) Compensation shall not be denied in such State to any otherwise eligible individual for refusing to accept new work under any of the following conditions: (A) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (B) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; (C) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;

(6) All the rights, privileges, or immunities conferred by such law or by acts done pursuant thereto shall exist subject to the power of the legislature to amend or repeal such law at any time.

The Board shall, upon approving such law, notify the Governor of the State of its approval.

(b) On December 31 in each taxable year the Board shall certify to the Secretary of the Treasury each State whose law it has previously approved, except that it shall not certify any State which, after notice and opportunity for hearing to the State agency, the Board finds has changed its law so that it no longer contains the provisions specified in subsection (a) or has with respect to such taxable year failed to comply substantially with any such provision.

(c) If, at any time during the taxable year, the Board has reason to believe that a State whose law it has previously approved, may not be certified under subsection (b), it shall promptly so notify the Governor of such State.

UNEMPLOYMENT TRUST FUND

SEC. 904. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Unemployment Trust Fund", hereinafter in this title called the "Fund." The Secretary of the Treasury is authorized and directed to receive and hold in the Fund all moneys deposited therein by a State agency from a State unemployment fund. Such deposit may be made directly with the Secretary of the Treasury or with any Federal reserve bank or member bank of the Federal Reserve System designated by him for such purpose.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund.

Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Obligations other than such special obligations may be acquired for the Fund only on such terms as to provide an investment yield not less than the yield which would be required in the case of special obligations if issued to the Fund upon the date of such acquisition.

(c) Any obligations acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(e) The Fund shall be invested as a single fund, but the Secretary of the Treasury shall maintain a separate book account for each State agency and shall credit quarterly on March 31, June 30, September 30, and December 31, of each year, to each account, on the basis of the average daily balance of such account, a proportionate part of the earnings of the Fund for the quarter ending on such date.

(f) The Secretary of the Treasury is authorized and directed to pay out of the fund to any State agency such amount as it may duly requisition, not exceeding the amount standing to the account of such State agency at the time of such payment.

ADMINISTRATION, REFUNDS, AND PENALTIES

SEC. 905. (a) The tax imposed by this title shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury and shall be paid into the Treasury of the United States as internal-revenue collections.

(b) Not later than January 31, next following the close of the taxable year, each employer shall make a return of the tax under this title for such taxable year. Each such return shall be made under oath, shall be filed with the collector of internal revenue for the district in which is located the principal place of business of the employer, or, if he has no principal place of business in the United States, then with the collector at Baltimore, Md., and shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe. All provisions of law (including penalties) applicable in respect of the taxes imposed by section 600 of the Revenue Act of 1926, shall, insofar as not inconsistent with this title, be applicable in respect of the tax imposed by this title. The Commissioner may extend the time for filing the return of the tax imposed by this title, under such rules and regulations as he may prescribe with the approval of the Secretary of the Treasury, but no such extension shall be for more than 60 days.

(c) Returns filed under this title shall be open to inspection in the same manner, to the same extent, and subject to the same provisions of law, including penalties, as returns made under title II of the Revenue Act of 1926.

(d) The taxpayer may elect to pay the tax in four equal installments instead of in a single payment, in which case the first installment shall be paid not later than the last day prescribed for the filing of returns, the second installment shall be paid on or before the last day of the third month, the third installment on or before the last day of the sixth month, and the fourth installment on or before the last day of the ninth month, after such last day. If the tax or any installment thereof is not paid on or before the last day of the period fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand from the collector.

(e) At the request of the taxpayer, the time for payment of the tax or any installment thereof may be extended under regulations by the Commission with the approval of the Secretary of the Treasury, for a period not to exceed 6 months from the last day of the period prescribed for the payment of the tax or any installment thereof. The amount of the tax in respect of which any extension is granted shall be paid (with interest at the rate of one-half of 1 percent per month) on or before the date of the expiration period of the extension.

(f) In the payment of any tax under this title a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

INTERSTATE COMMERCE

SEC. 906. No person required under a State law to make payments to an unemployment fund shall be relieved from compliance therewith on the ground that he is engaged in interstate commerce, or that the State law does not distinguish between employees engaged in interstate commerce and those engaged in intrastate commerce.

DEFINITIONS

SEC. 907. When used in this title—

(a) The term "employer" does not include any person unless on each of some 20 days during the taxable year each day being in a different calendar week, the total number of individuals who were in his employ for some portion of the day (whether or not at the same moment of time) was 10 or more.

(b) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash.

(c) The term "employment" means any service, of whatever nature, performed within the United States by an employee for his employer, except—

(1) Agricultural labor;

(2) Domestic service in a private home;

(3) Service performed as an officer or member of the crew of a vessel on the navigable waters of the United States;

(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 in the employ of his father or mother;

(5) Service performed in the employ of the United States Government or an instrumentality of the United States;

(6) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;

(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(d) The term "State agency" means any State officer, board, or other authority, designated under a State law to administer the unemployment fund in such State.

(e) The term "unemployment fund" means a special fund, established under a State law and administered by a State agency, for the payment of compensation, all the assets of which are mingled and undivided, and in which no separate account is maintained with respect to any person.

(f) The term "contributions" means payments required by a State law to be made by an employer into an unemployment fund to the extent that such payments are made by him without any part thereof being deducted or deductible from the wages of individuals in his employ.

(g) The term "compensation" means cash benefits payable to individuals with respect to their unemployment.

RULES AND REGULATIONS

SEC. 908. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make and publish rules and regulations for the enforcement of this title, except sections 903 and 904.

Mr. STUBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STUBBS: Strike out the word "ten" in line 4, page 56, section 907, and insert in lieu thereof the word "four."

Mr. STUBBS. Mr. Chairman, I have a letter from the Merchants Association of Bakersfield, Calif., in my district, in which they state that—

The Wagner-Lewis social-security bill has had our serious consideration, and while endorsing the general principles of the proposed legislation, we are very much opposed to this section of the bill and we believe that the exemption of employers of not more than 10 workers as provided in H. R. 7260 will result in rank discrimination and great injustice so far as the workers are concerned, and will, furthermore, create an intolerable, competitive situation.

They furnish me no detailed statement regarding their objection to this provision, but they request that this amendment should be brought to the attention of the Congress, and in that spirit I offer the amendment at this time.

The amendment by the Merchants Association was sent to me by a committee composed of Alfred Harrell, Malcolm Brock, George B. Crome, A. Weill, John F. O'Neill, and other distinguished citizens of Bakersfield, for whose good judgment I have the greatest respect. It is apparent that they not only speak for the business men of that thriving community but also for business men in general of my district, and I ask the House to concur in this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. STUBBS].

The question was taken, and the amendment was rejected.

Mr. CONNERY. Mr. Chairman, I move to strike out the last two words. Mr. Chairman, there are many provisions in this bill that I do not like, but I intend to vote for the bill on its final passage, if for no other reason than to get the principle of old-age pensions and unemployment insurance on the statute books so that we can get something workable to aid and help these aged persons and help the unemployed.

I never did and do not now like the pay-roll tax. I think you are going to come back, if not next session of Congress in another session of Congress, and abolish the proposed law as to the pay-roll-tax provisions—you will be back here

later with something like the Deane plan, prepared by Albert Deane, now assistant to Mr. Moffatt in the Housing Corporation.

The Deane plan took from the employers a tax—not the employees—it did not take money from the employee to help support himself but money paid by the employers.

Mr. Deane brought that whole matter before the President last year. It was a matter of great regret to me that the Ways and Means Committee did not report the Deane plan instead of this plan. It was drawn up after years of work on it, and I think it is the best plan offered for unemployment insurance.

Mr. McFARLANE. Will the gentleman explain what that plan is?

Mr. CONNERY. I would be glad to, but it is lengthy, and I have not the time now.

Mr. McFARLANE. Will the gentleman place it in the RECORD?

Mr. CONNERY. I will be glad to do so.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COOPER of Tennessee. Was the bill which the gentleman refers to placed before the Ways and Means Committee?

Mr. CONNERY. No; it was never put in the House as a bill. The President referred the plan to the Secretary of Labor, and the Secretary of Labor sent it to me and I brought it before my committee and let Mr. Deane explain the whole plan, but nothing came of it because this security legislation was referred to the Ways and Means Committee and not the Labor Committee. If it had been referred to our committee I believe we would have reported favorably on the Deane plan as part of security legislation.

Mr. COOPER of Tennessee. Does the gentleman know of any bill embracing the Deane plan that was referred to the Ways and Means Committee?

Mr. CONNERY. No; but I know that the Members of the Ways and Means Committee must be familiar with the Deane plan.

Mr. COOPER of Tennessee. I never heard of it.

Mr. CONNERY. I do not understand how the President of the United States and the Secretary of Labor could have had it under consideration without the members of the Ways and Means Committee knowing something about it.

Mr. COOPER of Tennessee. The gentleman understands, of course, that on the very point raised by him here, the same thing is carried in this bill.

Mr. CONNERY. Oh, no. You are taking the wages of the employee himself who is in industry. You have exempted the farmer and the domestic and you are taking this out of the industrial workers of the United States, and making them pay part of their own unemployment insurance. As suggested by my good friend from Texas [Mr. McFARLANE], I will place in the RECORD at this point a suggested bill providing required legislation to effectuate the Deane plan, to which I have referred.

SUGGESTED BILL PROVIDING REQUIRED LEGISLATION TO EFFECTUATE THE "DEANE PLAN"

An act to promote the general welfare of the people, to foster their constitutional guaranties, to restore and maintain the normal flow of interstate commerce, to encourage and foster national industrial and social recovery, and to provide a permanent plan which encourages and regulates employment; to appropriate money and to secure revenue

Be it enacted, etc.—

TITLE I. EMPLOYMENT REGULATIONS

SECTION 1. DECLARATION OF POLICY

This Congress recognizes and hereby declares:

A. That the existing general unemployment of the people:

1. Is hurtful to society and inimical to their general welfare;

2. Endangers the rights of the people in contravention of their constitutional guaranties;

3. Endangers the peace, tranquillity, prosperity, health, and safety of the people;

4. Interferes with the normal flow of interstate commerce by reducing the purchasing power of the people and otherwise stifling industry;

5. Creates industrial and social evils and emergencies.

B. That such general unemployment is due to the indiscriminate, arbitrary, and inequitable distribution of the total work-hour requirements of the Nation.

C. That the total purchasing power of the people expended for all types of products, manufactured goods, and services creates the total work-hour requirements of the Nation.

D. That such total work-hour requirements of the Nation determine the amount of the national purchasing power distributed to the people, which in turn determines the value of all property, goods, investments, and accumulations, and, therefore, constitutes such total work-hour requirements a great national resource.

E. That by making available to all the people some portion of this great national resource, their general welfare will be promoted, their constitutional guaranties will be fostered, the normal flow of interstate commerce will be restored and maintained, and industrial and social recovery will be encouraged.

F. That due to the inherent nature of our productive, manufacturing, distributing, and service processes, the employers automatically and of necessity are the custodians of this great national resource, and, therefore, the custodians of certain constitutional rights of the people and certain rights specifically granted to Congress by the Constitution. Therefore, it is the purpose and policy of this Congress to relieve unemployment and to so regulate this custodianship that there will be made available to all the people some portion of the total work-hour requirements of the Nation. To effectuate this purpose and policy it is provided:

SEC. 2. DEFINITIONS

A. "Corporation" as used in this act is the National Employment Reserve Corporation (the creation of which is provided for in this act).

B. "Worker", as used in this act, shall mean all persons of either sex in the continental United States (except those employed in agricultural or personal services or such other services, the nature of which makes impractical their employment for a predetermined number of hours per day or week) willing and desirous of working in a gainful and lawful occupation for an average money compensation of $60 per week or less. The Corporation shall designate the types of "other services" falling within the aforesaid category, which designations may, from time to time, be changed by it.

C. Any person actually employed as aforesaid, or registered for employment as provided for in section 10 of this act, shall be deemed to be a worker under the provisions of this act.

D. "Employer", as used in this act, shall mean any person, proprietorship, partnership, corporation, society, organization, or any department of the United States, or any State, county, municipality, or local governing board, or any other entity employing one or more workers.

E. "Work-week", as used in this act shall mean 6 days: *Provided*, That in computing the number of work-weeks in any given calendar month, the Corporation shall subtract from the actual number of days in the month the number of Sundays and holidays in such month and divide the remainder by six. The holidays used in this calculation shall be designated by the Corporation.

F. "Hourly compensation", as used in this act, shall be the total basic compensation (exclusive of any extra payments for overtime and/or any supplemental compensation) received by the worker from his employer for each work-week or portion thereof divided by the number of hours employed during such work-week or portion thereof.

G. "Ten-year average", as used in this act, shall mean the average number of hours of employment per work-week per worker in the continental United States which the Corporation determines were available in each industrial classification during the preceding 10 calendar years.

H. "Monthly average", as used in this act, shall mean the average number of hours of employment per work-week per worker in the continental United States which the Corporation determines were available in each industry classification during the preceding month.

I. "Supplemental compensation", as used in this act, shall be an amount of money equal to 50 percent of the hourly compensation of any worker in the continental United States for each hour in any week by which the monthly average was less than the 10-year average.

J. "Overtime", as used in this act, shall mean the number of hours in any work-week by which any worker is employed in excess of the 10-year average or the monthly average, whichever is lower.

SEC. 3. ADMINISTRATIVE REGIONS

The Corporation may divide the continental United States into not less than 6 nor more than 12 regions, to be known as "administrative regions", and may determine and publish the 10-year and monthly averages by such administrative regions. Such administrative regions may be changed or altered from time to time by the Corporation. The States included in any given administrative region shall be coterminous and such administrative regions shall be designated with due regard to similarity and volume of employment.

SEC. 4. MONTHLY AVERAGE

The Corporation shall, as soon as practicable after the enactment of this act, and at the close of each calendar month thereafter, fix and forthwith publish the monthly average by industry classifications.

SEC. 5. TEN-YEAR AVERAGE

The Corporation shall, as soon as practicable after the enactment of this act, and during the month of January of each year thereafter, fix and publish the 10-year average by industry classifications.

SEC. 6. INDUSTRY CLASSIFICATIONS

The Corporation shall, as soon as practicable after the enactment of this act, and during the month of January of each year thereafter, classify the various industries in the continental United States and publish such classifications.

SEC. 7. MASTER INSURANCE POLICY

The Corporation shall issue a master insurance policy (the form of which shall be approved by the Attorney General of the United States of America) in favor of all employers and workers in the United States who have qualified under the terms of such master insurance policy. Such master insurance policy shall provide that the Corporation will forthwith upon demand reimburse all qualified employers for any supplemental compensation paid by them to their workers; shall guarantee all qualified workers the payment to them of such supplemental compensation; and such other benefits as are authorized in this act. Workers engaged in work for the Corporation, whether employed by the Corporation or by independent employers working under contract for the Corporation, may waive the payment to them of such supplemental compensation during the period of such employment.

SEC. 8. EMPLOYERS' QUALIFICATION FOR INSURANCE

All employers within the continental United States are hereby qualified under the Corporation's master insurance policy.

SEC. 9. WORKERS' QUALIFICATION FOR INSURANCE

All workers in the continental United States are hereby qualified under the Corporation's master insurance policy.

SEC. 10. REGISTRATION FOR EMPLOYMENT

Every unemployed worker in the continental United States may register for employment at the nearest office of the Corporation. The Corporation shall require all such workers when registering to identify himself or herself and to give such information as to his qualifications, etc., as the Corporation may elect. The Corporation shall maintain a sufficient number of branch offices or agencies, suitably located, in the United States to enable all workers to so register without unreasonable hardship: *Provided*, That the Postmaster General is authorized and directed to permit the use of any post office or employees of any post office in the United States by the Corporation to effectuate the provisions of this section.

SEC. 11. RULES AND REGULATIONS

The Corporation shall make such other rules, regulations, and requirements as it may deem necessary to establish the rights of the employers and workers to qualify under the provisions of its master insurance policy and otherwise, and shall make such other rules and regulations as it deems necessary to provide for the payment and collection of the insurance claims and premiums provided for herein.

SEC. 12. UNEMPLOYED WORKERS

The Corporation is authorized and empowered to furnish employment to all unemployed registered workers and, to further this end, may negotiate and cooperate with any State, county, municipality, or local governing body, and may use its funds to employ any unemployed registered workers for such public uses and purposes as it may determine.

TITLE II. NATIONAL EMPLOYMENT RESERVE CORPORATION

SEC. 13. CREATION OF THE CORPORATION

There is hereby created a body corporate with the name National Employment Reserve Corporation (herein called the "Corporation"). The principal offices of the Corporation shall be located in the District of Columbia, and it shall establish such other agencies or branch offices in the cities of the United States as the board of directors may from time to time deem necessary to carry out its duties under this act.

SEC. 14. CAPITAL STOCK

The Corporation shall have capital stock of $300,000,000, subscribed by the United States of America, payment for which shall be subject to call in whole or in part by the board of directors of the Corporation.

SEC. 15. APPROPRIATIONS

There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $300,000,000 for the purpose of making payments upon such subscription when called.

SEC. 16. RECEIPTS FOR PAYMENT OF STOCK

Receipts for payments by the United States of America for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States of America.

SEC. 17. MANAGEMENT

The management of the Corporation shall be vested in a board of directors consisting of the Secretary of Labor (or, in his or her absence, the Assistant Secretary of Labor), the Secretary of Commerce (or, in his or her absence, the Assistant Secretary of Commerce), the Secretary of the Treasury (or, in his or her absence, the Under Secretary of the Treasury), and four other persons appointed by the President of the United States by and with the advice and consent of the Senate. Of the 4 members of the Board of Directors appointed by the President, not more than 2 shall be members of any one political party, and such members shall serve for a period of 2 years and until their successors are appointed and qualify. Such Directors appointed by the President shall receive salaries of $10,000 per annum each. Each Director shall devote all his time not otherwise required by the business of the United States to the business of the Corporation.

SEC. 18. DURATION

The Corporation shall have perpetual existence unless it is dissolved by an act of Congress.

SEC. 19. POWERS

The Corporation shall have all the powers necessary or expedient to enable it to carry out the duties and responsibilities imposed upon it under this act.

SEC. 20. FREE USE OF MAILS AND ACCESS TO INFORMATION

The Corporation shall be entitled to free use of the United States mails in the same manner as the executive departments of the Government and shall be entitled to such information as the various departments of the Government may have with respect to matters and subjects coming within the functions or duties of the Corporation.

SEC. 21. NOTES, BONDS, DEBENTURES, ETC.

The Corporation is authorized and empowered to issue and to have outstanding at any one time its notes, debentures, bonds, or other obligations in an amount aggregating not more than 10 times its subscribed capital, such obligations to mature not more than 10 years from their respective dates of issue, to be redeemable at the option of the Corporation before maturing in such manner as may be stipulated in such obligations and to bear no interest but to hear the unconditional guaranty of the United States, and such guaranty shall be expressed on the face thereof. In the event the Corporation is unable to pay upon demand, when due, such obligations, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated and thereupon, to the extent of the amount so paid, the Secretary of the Treasury shall succeed to the rights of the holder of such obligations. Any Federal Reserve bank is authorized to lend the Corporation such moneys within the prescribed limits herein set forth as said Corporation may request, and the notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the 6th paragraph of section 18 of the Federal Reserve Act as amended by section 401 of the National Emergency Banking Act to the same extent as notes, drafts, bills of exchange or bankers acceptances acquired under the provisions of the Federal Reserve Act.

SEC. 22. CORPORATION EXEMPT FROM TAXATION

The Corporation, including its capital, reserves, surplus, and income, shall be exempt from all taxation now or hereafter imposed by the United States or by any Territory, dependency, or possession thereof or by any State, county, municipality, or local tax authority except that any real property of the Corporation shall be subject to city, State, county, Territory, municipal, or local taxation to the same extent, according to its value, as other real property is assessed.

SEC. 23. FORMS OF NOTES, BONDS, ETC.

In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other obligations as it may need for issuance under this act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held by the Treasury subject to delivery upon order of the Corporation. The engraved plates, dies, bed pieces, etc., executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, delivery, and custody of such notes, debentures, bonds, and other obligations.

SEC. 24. DEPOSIT OF CORPORATION'S FUNDS

The funds of the Corporation shall be deposited with the Secretary of the Treasury or with such Federal Reserve banks as the board of directors may from time to time designate.

SEC. 25. ANNUAL REPORT

The Corporation shall make and publish a report annually of its operations to Congress in such form as Congress may from time to time designate and request.

TITLE III

SEC. 26. TAXES LEVIED

To obtain revenue for the purposes of this act, the following taxes are hereby levied:

(a) On all employers in the continental United States a tax equal to 100 percent of the hourly compensation of any worker employed by them for each hour in any work-week by which the total employed hours of such worker exceed the 10-year or monthly average, whichever is lower: *Provided*, That there may be deducted from this tax the amount of any extra compensation (exclusive of supplemental compensation) paid to such worker by such employers over and above the hourly compensation of such worker but not to exceed 50 percent of such hourly compensation for each excess hour.

(b) (See note.) On all employers in the continental United States, a tax equal to 50 percent of the hourly compensation of

any worker employed by them for each hour by which the 10-year average exceeds the monthly average during the week employed: *Provided*, That there may be deducted from this tax the amount of any supplemental compensation due to such worker under any policy of insurance issued by the Corporation and advanced to such worker by such employers at the close of any such week.

SEC. 27

The taxes provided under section 31 of this title shall be collected at the close of each calendar month by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury. Such taxes shall be paid into the Treasury of the United States, but shall not be covered into the general funds but shall be credited on the books of the Treasury to the Corporation.

(NOTE.—The purpose of this provision is to insure a uniform practice of employers advancing supplemental compensation to their employees when due, for which they would be reimbursed by the Corporation (see sec. 7, title 1). It will be noted that the amount of the allowable deduction is the same as the tax, so that conformity with the practice laid down would eliminate the payment of any net tax.)

SEC. 28. EMPLOYERS' STATEMENTS

Every employer shall transmit to the collector of internal revenue at the end of each month a statement upon a form approved by the Corporation, showing the number of workers employed during the month, the number of hours of their employment, and the total compensation paid them, and such other information as may be required by the collector of internal revenue and/or the Corporation.

TITLE IV—PENALTIES

SEC. 29. FINE AND/OR IMPRISONMENT PROVIDED

Any employer who shall knowingly fail to transmit to the collector of internal revenue such reports or statements as may be required to effectuate the provisions of this act, or who shall knowingly fail to pay the tax provided under title III, section 26, of this act, when due, shall for each offense be punishable by a fine of not exceeding $1,000 or imprisonment for a period of not more than 1 year, or both. Any employer who knowingly shall submit to the Corporation a fraudulent statement shall for each such statement be punishable by a fine of not more than $5,000 or imprisonment of not more than 2 years, or both. Any employer who shall knowingly fail to carry out any of the duties imposed upon him by this act or shall conspire to defeat the purpose of this act shall for each offense be punishable by a fine of $1,000 or imprisonment of not more than 1 year, or both. Where a corporation is subject to any of the penalties herein provided each officer of such corporation who shall be a party to the act or omission for which such penalty is imposed is hereby made personally liable to the same extent as the corporation.

TITLE V. MISCELLANEOUS

SEC. 30. RIGHT TO ALTER AND AMEND

The right to alter, amend, or repeal this act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

ADD TO TITLE I, SEC. 4

In determining the monthly average as provided under this section, the Corporation shall make adjustments for seasonal variations in employment. Such adjustments shall be made on the basis of percentage tables, reflecting the percentage of annual production normally produced each month; said tables to be secured from the regularly constituted code authority or authorities existing under the National Industrial Act. In the absence of such code authorities for any industry classification, the Corporation shall determine the seasonal percentage tables for such industry classification.

TITLE I, SEC. 5

The Corporation shall, as soon as practicable after the enactment of this act, fix and publish the 10-year average for each industry classification, for the calendar year 1934, giving weight, so far as practicable, to the present productive efficiency in each industry classification as reflected in volume of production per man-hour for workers employed therein.

During the month of January of each year, from 1935 to 1943, inclusive, the Corporation shall fix and publish the 10-year average for each industry classification, which shall reflect its determination of the average weekly hours of employment of all workers during the previous consecutive calendar years commencing with the year 1934.

During the month of January 1944 and during the month of January of each year thereafter, the Corporation shall fix and publish the 10-year average by industry classifications, which shall reflect the average weekly hours of employment of all workers during the previous 10 calendar years.

In determining the 10-year average as provided under title I, section 5, of this act, the Corporation shall make adjustments so far as practicable, for fluctuations, if any, in volume of production per man-hour for workers employed in the respective industry classifications.

TITLE I, SEC. 5A

The Corporation is authorized and empowered to change from time to time the number of calendar years which shall be averaged in making its determination of the long-time average: *Provided*, That in no event shall the weekly hours of employment during less than 5 nor more than 10 calendar years be averaged, except as otherwise provided under title I, section 5, of this act.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOPER of Tennessee. Mr. Chairman, I rise in opposition to the pro forma amendment, simply to point out to the gentleman from Massachusetts that this bill provides for a 3-percent excise tax on the pay rolls of industry, to be paid by the employer. On that point Mr. Green, president of the American Federation of Labor, appeared before the committee in the consideration of this bill and before a subcommittee during the last Congress, of which I had the privilege of being a member, on the so-called "Wagner-Lewis bill", and stressed the point that the tax should be levied upon the employer, pointing out that it would be passed on to consumers, and the laboring people, constituting a great consuming class, would have to pay their part. He also insisted that so-called "private reserves" not be permitted; and both of those conditions pointed out by him have been specifically provided in this bill just in the form stated.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. CONNERY. But you are making the employee, in taking part of his wages, pay part of the unemployment insurance.

Mr. COOPER of Tennessee. Not at all.

Mr. CONNERY. In title VIII, what do you do?

Mr. COOPER of Tennessee. We are talking about title IX. Title VIII has nothing to do with unemployment insurance.

Mr. CONNERY. We are talking about your pay-roll tax. You are going to tax the pay rolls in the first place, and the result of that will be to make the employer have the smallest kind of a pay roll that he can have for a starter.

Mr. COOPER of Tennessee. I do not agree with the gentleman.

Mr. CONNERY. If he has 3,000 men and he can cut down to 2,000 men, he will not have to pay so much, by using the labor-saving machinery that the gentleman from California [Mr. HOEPPEL] was talking about, labor-saving devices, the speed-up and stretch-out system, and so forth, and he does not have to pay so much tax. The second thing is that he can cut the wages of his employees, and pass on to the consumer the price of his product, with which to pay the tax.

Mr. COOPER of Tennessee. I rose to point out to the gentleman that he is evidently confusing what is in title IX. The entire amount of the tax imposed is levied on the employer.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SAUTHOFF. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 57, line 12, after the word "compensation", strike out "all the assets of which are mingled and undivided, and in which no separate account is maintained with respect to any person."

Mr. SAUTHOFF. Mr. Chairman, this is in many respects, from the point of view of Wisconsin, the most necessary amendment to this bill. Unless this amendment is adopted, Wisconsin will have to scrap its unemployment compensation law, refund the money already collected from employers, and begin all over again. By the end of the present fiscal year nearly $6,000,000 will have been paid by employers into unemployment reserve accounts, which will be available for the payment of compensation to their unemployed workmen after July 1 of this year. This money is the individual property of the employers and so cannot be transferred to a pooled unemployment compensation fund, such as it is necessary to set up if this bill becomes law without this amend-

ment. All the advantage to workmen in Wisconsin through the enactment of an unemployment compensation law in advance of other States will be lost and employers will be out the costs of administration during the current year.

The theory under this entire title—relating to unemployment compensation—is that the States shall be free, with but few restrictions, to determine what sort of an unemployment compensation law they want. The clauses which it is proposed to strike out in this amendment, however, destroy freedom of choice with respect to one of the most important features of unemployment compensation, namely, whether they wish to have an unemployment-insurance system in which the contributions of all employers are commingled or an unemployment reserve system in which there is a separate account for each employer for the exclusive benefit of his own employees.

Many arguments can be made for a pooled unemployment insurance fund in which all contributions are commingled and from which all payments are made, but there are good arguments also for an unemployment reserve system. Individual employer accounts may become exhausted and their employees thereafter get nothing when they become unemployed. But pooled unemployment insurance funds also may become exhausted and unemployed workmen thereafter get nothing. In that event even employees in plants and industries having low rates of unemployment will get nothing, although they would have been fully protected had their employers been permitted to have individual accounts. Pooled unemployment insurance funds are advantageous to employees in industries which have a great deal of unemployment, but disadvantageous to employees in plants and industries which have a minimum of unemployment.

Individual employer accounts undoubtedly furnish a much stronger incentive to employers to regularize their employment than does a pooled unemployment-insurance fund. Where the employer is charged with the cost of the compensation payable to workmen he lays off, he naturally will make greater efforts to avoid having to lay off anyone, through reducing hours of labor and attempting to regularize his business, than under a system where discharges cost him nothing, all payments of compensation coming from the pooled unemployment-insurance fund. An unemployment reserves system furnishes an incentive to prevent unemployment; a pooled unemployment-insurance system may operate to actually increase unemployment.

In his special message of January 17 on economic security, President Roosevelt stated that in his opinion any unemployment compensation system that is established should afford an incentive to the prevention of unemployment rather than the reverse. In the bill as it stands there is no such incentive.

Employers very generally feel that a real incentive to the prevention of unemployment is created only when they are permitted to have individual unemployment reserve accounts, and are also allowed to stop or reduce their contributions to those accounts when they have built up—and while they maintain—reserves adequate for the payment of all compensation for which they might become liable. These employers, including many Wisconsin employers, objected to the provision in the original bill under which, while States might permit individual employer accounts, employers were to be excused from paying the Federal tax only while their reserve accounts equaled or exceeded 15 percent of their pay roll, and then only on condition that they must continue to pay 1 percent of their pay roll into a pooled State fund. In effect, this section of the original bill would have required Wisconsin to set up a pooled fund to which employers would contribute 1 percent on their pay roll, but would have enabled the State to continue the 2-percent contributions by employers to their own accounts. Employers were anxious to amend this provision to allow them exemption from the Federal tax without being required to make any contributions to a pooled fund.

There is much to be said for the employer's position, but I believe that it is best to ask—at least in the House—only for permission to the States to allow individual employer accounts if they so desire, without, at this time, asking for additional credits to employers who have built up adequate reserves. It will be several years before any employers will have built up reserves sufficient to entitle them to any additional credits against the Federal tax, even if they have no unemployment in the meantime. It is far less important now to determine on what conditions employers shall get additional credits than to permit the States with regard to the establishment of individual reserve or pooled insurance systems.

Dropping all consideration of additional credits against the Federal tax for employers who have built up adequate reserves will remove the main objection advanced against freedom to the States to allow individual employer accounts if they wish to do so, namely, that this will result in nonuniform rates of taxation. If only the amendment suggested is adopted employers in States which permit individual accounts will have to make the same contributions as employers in States with pooled systems, and no claim can be made that they are favored or that the principle of uniformity in taxation is violated.

The real issue raised by this amendment is one of freedom of State action. This is the theory of the bill, and is also in accord with sound policy. Of the four States which have unemployment compensation laws, not only Wisconsin but also Utah provides for individual employer accounts; moreover, there are a considerable number of large employers in other States who have voluntarily established unemployment reserve systems. If the bill passes as it now stands, these two laws, and also the voluntary systems, will have to be scrapped and the employers will lose the protection afforded by the reserves already accumulated. Employers generally will bitterly resent any law which absolutely bars employer accounts and will do everything they can to get such a law repealed. Refusal to permit the States to allow individual employer accounts if they wish will endanger the entire future of unemployment compensation in this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SAUTHOFF].

The amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Beginning on page 47, line 20, strike out all of title IX down to and including line 2 on page 58.

Mr. WADSWORTH. Mr. Chairman, I realize perfectly well that this bill is going to pass the House of Representatives, after being favorably reported by the Committee of the Whole, without any substantial change, and nothing that I can say will prevent it or even tend to prevent it, in view of the determination of the majority.

It is not my purpose to discuss it in detail. Indeed, I do not have time in the 5 minutes allotted to me, but I am going to endeavor to glance a little toward the far future and analyze some one or two things which seem to me to be susceptible of analysis, and certainly worth serious thought on the part of Members of the House regardless of their political affiliations.

First, as to the financing of the major portion of this program. As I understand it—and I have listened attentively to the debate—these funds are to be established in the Treasury Department, through the collection of pay-roll taxes. In one instance, 3 percent upon wages and 3 percent upon the employer, a total of 6 percent; in another instance a 3 percent tax upon the employer. The bill provides in general that those moneys shall be invested solely in the bonds of the Government of the United States or bonds guaranteed as to principal and interest by the Government. As I read the report and have listened to the discussion on the floor, it is apparent that the proponents of this bill expect that this fund will grow from time to time, year after year, until about 1970, if I am not mistaken, the fund will approximate $32,000,000,000, every penny of which must be invested in Government bonds.

It is apparent that unless the national debt of the United States goes far, far beyond $32,000,000,000 in the

time over which this calculation is extended, by the time this fund has been built up to any considerable degree it will become a fund large enough to absorb at least a major portion of the national debt, and finally absorb it all.

The bill provides, in effect, that the funds shall be invested in these bonds, but the bonds and special securities authorized by the bill shall net not less than 3-percent interest to the fund. Thus it would seem that when the thing gets started at full blast and goes on year after year, the national debt of the United States must be floated to the fund and only to the fund, and must pay 3 percent.

Now, that may seem an effective and adequate way to finance the Government's financial activities in all the years to come. I am trying to look to the future. Heretofore the Government has financed its undertakings primarily and fundamentally as the result of the confidence of the individual citizen in the soundness of the Government's undertaking, but from this point on we are apparently going to abandon that philosophy of public confidence and resort to a very different practice. The Government is to impose a pay-roll tax through one of its agencies, collect the money into the Treasury Department, then the Treasury Department with its left hand on the proceeds of these taxes is to turn around and buy bonds of the United States Government issued by the right hand of the Treasury Department. Thus the Government of the United States, after this thing gets going, is no longer to be financed directly by its citizens, confident in the soundness of the Government, but it is to be financed instead by arrangements made within the bureauracy—an undemocratic and dangerous proceeding.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WADSWORTH. Now, this may not seem important at this moment. I may be old-fashioned. Indeed, I have been charged with being such a good many times, and sometimes the word "Democrat" added to the epithet "old-fashioned", in which case I am very, very lonely in the House of Representatives. [Laughter.] It seems to me that we are moving away from democracy in this new and manipulative method of financing the obligations of the United States. I do not question the integrity and the honor of the men who are going to manage this fund or the men who will be Secretaries of the Treasury down through the years to come, but there is something offensive to me in the spectacle of one branch of the Treasury Department having collected a fund by taxing the working people of America, and then using that money for the floating of its own bonds. It seems to me to present the possibility of a vicious circle, and is certainly removing the financial support of the Government of the United States far from the people themselves and confining it to an inner ring, bureaucratic in character. I am trying to look ahead and visualize what that may mean in the preservation of democracy.

Another point and I am done.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. WADSWORTH. I only have a few minutes. The gentleman can answer me in his own time.

Mr. COOPER of Tennessee. I want to point out to the gentleman that he is making an able argument, but it does not relate at all to the title he has moved to strike from the bill.

Mr. WADSWORTH. Perfectly true. I am discussing the general policies of this bill relating to Government finances, and, probably, strictly speaking, I am out of order for not speaking to the amendment I have offered.

One other thing looking toward the future, Mr. Chairman. I know the appeal this bill has to every human being, that it appeals to the humane instincts of men and women everywhere. We will not deny, however, that it constitutes an immense, immense departure from the traditional functions of the Federal Government for it to be projected into the field of pensioning the individual citizens of the several States. It launches the Federal Government into an immense undertaking which in the aggregate will reach dimensions none of us can really visualize and which in the last analysis, you will admit, affects millions and millions of individuals. Remember, once we pay pensions and supervise annuities, we cannot withdraw from the undertaking no matter how demoralizing and subversive it may become. Pensions and annuities are never abandoned; nor are they ever reduced. The recipients ever clamor for more. To gain their ends they organize politically. They may not constitute a majority of the electorate, but their power will be immense. On more than one occasion we have witnessed the political achievements of organized minorities. This bill opens the door and invites the entrance into the political field of a power so vast, so powerful as to threaten the integrity of our institutions and to pull the pillars of the temple down upon the heads of our descendants.

We are taking a step here today which may well be fateful. I ask you to consider it, to reexamine the fundamental philosophy of this bill, to estimate the future and ask yourselves the questions, "In what sort of country shall our grandchildren live? Shall it be a free country or one in which the citizen is a subject taught to depend upon government?"

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the distinguished gentleman from New York [Mr. WADSWORTH], has just presented a motion which, were it to be adopted, would leave in the bill provisions establishing an unemployment compensation law but take out of the bill the machinery by and through which such provisions would go into operation and have effect. The gentleman has not informed us yet whether he is opposed to unemployment compensation. I yield to the gentleman to find out definitely.

Mr. WADSWORTH. The gentleman from New York is going to vote against this bill.

Mr. McCORMACK. The gentleman has not yet answered my question whether or not he is opposed to unemployment compensation. I will be very glad to yield to the gentleman from New York to answer.

Mr. MARCANTONIO. Mr. Chairman——

Mr. McCORMACK. The gentleman from New York [Mr. WADSWORTH], is amply able to take care of himself. I will be very glad to yield to the gentleman to answer the specific question whether or not he is opposed to unemployment compensation.

Mr. WADSWORTH. Under Federal auspices, yes. [Applause.]

Mr. McCORMACK. The gentleman says he is in favor of unemployment compensation under State auspices, but he is opposed to the Federal Government exercising its powers and its influence to meet this epidemic, this disease from a national angle.

Mr. SAMUEL B. HILL. Mr. Chairman, if the gentleman will yield, this is a State system we are providing here.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JENKINS of Ohio. The gentleman had better correct the first two or three sentences of his statement, else he will go on record as being against this from the standpoint of constitutionality.

Mr. McCORMACK. Mr. Chairman, I do not need any correction from my friend. I am quite capable of forming my own opinions and expressing my own thoughts. [Applause.]

The gentleman from New York [Mr. WADSWORTH], takes the position in favor of State unemployment compensation. With 48 States in the Union he favors it being dependent upon each State assuming the responsibility; and he says he is opposed to the Federal Government encouraging the institution by the State governments of systems by legislation which will meet this evil, this disease, this epidemic which is national. The gentleman does not go the full distance,

however, for if this title were stricken out we will have still remaining a national employment compensation law but would have stricken out the power and the methods by and through which it could be put into operation.

If we are confronted with a national problem—and unemployment is a national problem as well as a State problem—are we to have it administered strictly in accordance with our State systems of government, by one State passing a law requiring a 3-percent contribution, a second State passing a law requiring 5- or 6-percent contribution, and a third State passing a law requiring contribution on still another basis? States with a rural and agricultural background would be engaging in competition to gain advantage over each other. States with an industrial background would engage in the same policy with reference to each other of trying to obtain an advantage over each other.

We are confronted with a national question, but the distinguished gentleman from New York takes the position that the powers and the agencies and the influence of the Federal Government should not be exerted to meet this clearly national problem.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARCANTONIO. And until such time as the States adopt an unemployment-insurance plan, what happens to these funds which are collected through the 3-percent tax? They go into the general funds of the Treasury, do they not?

Mr. McCORMACK. Of course.

Mr. MARCANTONIO. And may be used for anything?

Mr. McCORMACK. Of course. This bill holds out encouragement to the States to pass unemployment-compensation laws, which they will do because of the taxation features.

The gentleman talked about the Secretary of the Treasury and his use of these funds. He talks about a departure from the traditional functions of the Federal Government. That is the argument that has been advanced against every piece of progressive legislation of the past. It was advanced against the 48-hour law. Also in my State and in other States it was opposed as imposing additional burdens upon industry. It has been the argument against every piece of progressive legislation in State and Nation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. HIGGINS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I recognize the argument submitted by Members on the other side of the aisle. I, like my colleague the gentleman from Massachusetts [Mr. CONNERY], am not in sympathy with the machinery that is set up to provide money for financing the undertaking proposed in this bill. However, the merits of the bill outweigh its weak features, and accordingly I am going to vote for it. The thing I want to call the attention of the Committee on Ways and Means to is the fact that I hope that for the next year they are going to give this matter attention and undoubtedly attempt to perfect what, to my mind, is a fairly decent structure for the so-called "social-security plan." May I call to their attention the fact that unless the article in this bill is changed providing and stipulating to a State that a man need only have 5 years of residence in a State in order to become eligible to be a recipient of the old-age-pension plan, Massachusetts will become a Utopia. Under this provision, and I submit this to my colleague the gentleman from Massachusetts [Mr. McCORMACK], who always has the welfare of our State at heart, the State of Massachusetts will literally become the Utopia for every pensioneer in the country. We have today a perfected system in Massachusetts which provides for 20 years of uninterrupted residence in our State before one is entitled to the benefit of old-age assistance.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. HIGGINS of Massachusetts. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. Does the gentleman think that after a person arrives at the age of 65 he is going to move to the State of Massachusetts and lose 5 years?

Mr. HIGGINS of Massachusetts. No; but I think a man who is 60 will be encouraged to spend the next 5 years of his life in Massachusetts. That fact has been evidenced to the Members of this House. Ask any gentleman from California in reference to the migration to California within a year because of the publicity given to the Sinclair EPIC plan. New York and Massachusetts have perfected a system. Now, what is going to stop the residents of Vermont, Rhode Island, Maine, and every other State in the Union from moving into Massachusetts, where we pay the highest pensions of any State to our residents?

Mr. McCORMACK. Will the gentleman yield?

Mr. HIGGINS of Massachusetts. I yield to my friend and colleague from Massachusetts.

Mr. McCORMACK. This is not the E. P. I. C. plan.

Mr. HIGGINS of Massachusetts. I appreciate that.

Mr. McCORMACK. The gentleman I am sure does not subscribe to the necessity of a 20-year residence in a State in order to obtain some old-age benefits?

Mr. HIGGINS of Massachusetts. Not at all, but at the same time I want Massachusetts money to be provided for Massachusetts residents, not given to carpetbaggers who move into the State to get the benefit of our high pension rates.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. HIGGINS of Massachusetts. I yield to the gentleman from California.

Mr. DOCKWEILER. Inasmuch as the gentleman mentioned California, I may say that they went there, not on account of the E. P. I. C. plan, but on account of the salubrious climate.

Mr. HIGGINS of Massachusetts. Yes; but the gentleman knows also that there have been thousands move into California on the strength and the attraction of the so-called "E. P. I. C. plan."

Mr. DOUGHTON. Will the gentleman yield?

Mr. HIGGINS of Massachusetts. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman realizes there are other requirements than the residence requirement in this old-age-pension plan?

Mr. HIGGINS of Massachusetts. Yes; and the other requirements for a pension are left to the States, except the important restriction which placed upon the States in title I, which says that no State can bar any applicant who has lived in the State for 5 years. I am in accord with the provision if it will help any bona fide resident of Massachusetts, but would want it changed because it permits men and women who have no connection or ever lived previously in Massachusetts to come into our State, live 5 years in the State, and be recipient of a pension. Proper thing to do would be to let Massachusetts Legislature determine the period of time required.

Mr. DOUGHTON. The man must be destitute and in need.

Mr. HIGGINS of Massachusetts. Yes. I am in favor of aiding the needy but they must be Massachusetts men and women who are needy.

Mr. DOUGHTON. If he moves from New York to Massachusetts and he is 60 years old, as well as being dependent, what is he going to live on?

Mr. HIGGINS of Massachusetts. He will not move from New York to Massachusetts because they have two similar and perfected systems.

Mr. DOUGHTON. Or from any other State.

Mr. HIGGINS of Massachusetts. Mr. Chairman, the overwhelming expressions of opinion in favor of the so-called "social-security bill" by Members of the House reflects the opinion of the American people on this subject. There is no more appealing subject to the mind of the people of all classes than the tragedy and misfortune of men and women too old to work and without a dollar of income and the example of men and women physically able and willing to work, but who, because of the present set-up of our indus-

trial system, are unable to obtain work. The need of security against poverty in old age and the hazard of unemployment is obvious. We have neglected the problem for years notwithstanding the fact that while our industrial development, with the adoption of age limits for employment by many firms was decreasing the years of remunerative employment, the period of old age, and the number of our citizens in that classification was on the marked increase. The need for security has been accentuated during the depression and after resisting these social changes for over a half century that they have been in operation in other countries, it is only after the collapse of our social system during the past 5 years that the need of such legislation has attracted our attention.

Conditions are changing and our laws pertaining to these social and economic changes should be brought abreast of the times, for laws that are archaic and not in harmony with the needs of the people make a nation unhappy and its people difficult to govern. The greatest good for the greatest number of our people should be the only standard whereby our laws should be formulated. The program for old-age assistance in the present bill divides the subject into three distinct divisions, all with the same objective of eliminating the insecurity attached to old age:

(a) A Federal subsidy to help States pay old-age pensions at once, the Government to contribute 50 percent of the pensions, but not more than $15 a month per person, provided State laws meet certain minimum standards.

(b) The inauguration of a compulsory contributory plan of old-age insurance, with contributions by employees and their employers, to provide for the aged of the future, the system to be administered as a national plan by the Federal Government.

(c) A system of voluntary old-age insurance for those whose incomes excludes them from the compulsory plan, administered by the Federal Government and paid for by regular individual premiums.

The program of old-age insurance recognizes the fact that old age is a universal hazard and makes provisions in one of the three above-described classes for every citizen. The plan distinguishes between the problem of relieving the conditions of persons already of advanced years and the insurance against old age of those citizens now in the prime of life. The magnitude of the problem of financing old-age pensions in years to come may be appreciated by a compilation of the actual and estimated minimum number of persons aged 65 and over compared to the total population from 1860 to 2000.

Year	Total population	Number aged 65 and over	Percent aged 65 and over
1860	31,443,000	849,000	2.7
1870	38,558,000	1,154,000	3.0
1880	50,156,000	1,723,000	3.4
1890	62,622,000	2,424,000	3.9
1900	75,995,000	3,089,000	4.1
1910	91,972,000	3,958,000	4.3
1920	105,711,000	4,940,000	4.7
1930	122,775,000	6,634,000	5.4
1940	132,000,000	8,311,000	6.3
1950	141,000,000	10,863,000	7.7
1960	146,000,000	13,590,000	9.3
1970	149,000,000	15,066,000	10.1
1980	150,000,000	17,001,000	11.3
1990	151,000,000	19,102,000	12.6
2000	151,000,000	19,338,000	12.7

Source: Data for years 1860 to 1930 from the United States censuses.

It is quite obvious that if the plan of Federal subsidy whereby the Government contributes 50 percent of the pension to States, but which in no event will the grant by the Government exceed $15 per month, regardless of what pension amount is allowed by the State, were to stand alone, gratuitous old-age pensions would be an impossible financial burden on the Government within the next 30 years, because, as indicated in the table, of the increasing number of aged. To curb the cost of federally aided State pensions, this bill provides for the two other plans, (b) and (c) above, applicable to those who have not reached old age, both of which embrace the contributory feature by younger gainfully employed persons who will thus be assured of more liberal old-age pensions through this system of contributory insurance. For reasons that are obvious after an analysis of the reduced long-time cost of this system, I am willing to vote for an amendment that will increase the gratuitous grants by the Government to the State so that men and women who are in old age today will receive a pension sufficient to permit them to spend their declining years in happiness and contentment, with a decent income, divorced in every sense from the tinge of dole or pauperism.

The policy of providing public money for the care of dependent children, maternal, and child-welfare and public-health service expansion to prevent sickness and disability is well recognized as an obligation of all divisions of government and is merely a furtherance of the principle of human charity. The core of any social plan must be the child, for in less than a generation these children will constitute the adults who must carry the burdens of our social system and the responsibilities of our Government. The child-welfare program, mothers' aid, and provisions against sickness and disability provided for in the bill are so manifestly human that I cannot conceive anyone opposing these features of the bill.

The real difference of opinion on this bill among Members has been on the subject of unemployment-insurance compensation. In considering this important part of the general security plan we must admit that its purpose is to alleviate the shock of unemployment and to increase the continuity of employment. The need of unemployment insurance in any country is a challenge to those in command of our industry and commerce, for it is hard to conceive the spectacle of 18,000,000 American citizens receiving Government relief in one form or another in the midst of an industrial system which I conclude, if properly organized and administered, would yield dividends to the American people in the form of social security that would pale into insignificance the benefits we seek to obtain by this bill under consideration today. Unemployment remains as a problem of industry, and unemployment insurance is a necessity in our modern industrial life.

Any measure designed to insure against unemployment must be permanent, uniform, and national. The plan before us embraces these three essentials and provides for a tax on pay rolls, beginning at 1 percent January 1, 1936, and reaching 3 percent by 1938 and 5 percent by 1957, with employers receiving a 90-percent credit on contributions they make to approved State unemployment-insurance systems. The payment to persons out of work would be $15 a week. On a 3-percent contribution basis, the maximum benefit period would be 15 weeks. The objection to the unemployment-insurance feature of the bill has been the anticipated burden upon industry. The opponents contend that the plan is unworkable, fantastic, and ruinous to industry. However, to my mind, the building up of unemployment reserves, providing for the protection of labor, is similar to the provisions made by capital establishing reserve funds for corporations. There can be no doubt that the depression for the past 5 or 6 years has made inroads into the income and the standard of living of the working classes. In contrast with this condition has been the record of dividend and interest payments by American corporations, particularly during the first 2 years of the business depression.

It is quite obvious and grossly inequitable that industrialists should be protected by the accumulation of these reserves which tend to stabilize the money incomes of these individuals through strained economic times. To them it is a perfectly correct policy to stabilize their incomes. If that policy is applicable to the money classes, what, then, is wrong with the creation of such reserves to protect the income of the working classes and the low-salaried men and women in industry in order to insure them against being thrown out of work and deprived of their current earnings? A system in which one group is so well protected cannot continue to function with any degree of effectiveness and without harmonious coordination. With these facts admitted, it is ironical for a class whose incomes are stabilized to object to any system of unemployment insurance that

will guarantee a reserve for the laboring man in times of economic distress.

It is quite evident to all who have studied this problem that any system of unemployment insurance should be compulsory. The objection raised by men who are opposed to this bill is that it will add a great financial burden to industry, which they claim is already staggering under a financial tax load. However, if we are to have a system of unemployment insurance, it must be mandatory, because long experience has taught us that private enterprise, except in rare cases, has not embraced the principles of unemployment insurance on a voluntary basis. It has been said that we have approximately 31,000,000 wage earners in occupations other than agriculture who need the protection of unemployment insurance, and it is apparent that after 15 years of voluntary experimentation by private industrial plans, commencing with the inauguration of the Dennison plan in 1916, the result has been that only about two-thirds of 1 percent of those exposed to the hazard and risk of unemployment are covered by insurance. The interest displayed by far-sighted industrial firms, such as Dennison, Columbia Reserve, Procter & Gamble, and others, is not taken seriously by their fellow industrialists, and there has been no evidence of a willingness on the part of other firms to follow this movement of voluntary unemployment insurance. The pioneers in industry who have established voluntary systems have done commendable service in getting the public mind oriented to the problem by their cumulative experience that will be of aid to any new plan. Yet, it is more than that; if the money of the American worker is to be protected, it must be by some form of mandatory insurance which will make it obligatory upon industry to carry it into effect.

There is a wide difference of opinion as to who will make contributions to the reserve fund set up by a new unemployment system. The potential sources of contribution are three—employers, workers, and the State. In the European systems we find varying combinations of these possibilities. For example, in the Ghent system of voluntary insurance the State and the worker are the contributors and the employers are exempted from payment except for such slight contribution as they make in Denmark. In Italy the employer and the worker alone contribute to the compulsory insurance of that country. In Great Britain the employers, workers, and the State contribute to the reserve set up by the system, but in the case of Great Britain the Government merely bears the total expense of extended benefits which are paid after the twenty-sixth week to those in need. In Germany the contributions are made by the worker and employer and the Government merely bears the expense of emergency benefits. In Russia, as one would expect, the exclusive cost of benefits is charged to the employer, but the word "employer" in this sense does not mean the same as in capitalistic countries, but employers are rather what we call state trusts.

It is with the plan of unemployment insurance in this bill I am not in accord. I agree there must be contributions by the employer because unemployment has its origin in our unorganized industrial system and by the Government which has the duty to provide for the well-being of our citizens. If the Government is to compel contributions by the employee and act only as a custodian of the funds, then the contribution by the worker should be a nominal one, and the State should pay extended benefits. The money needed for the Government to pay such extended benefits could be obtained by some such plan as provided by—

FIRST. INCOME TAXES OF INDIVIDUALS

If the United States were to apply merely the tax rates of Great Britain upon all individual incomes of $5,000 or over, a considerable sum would be available for social insurance. These rates in 1928 would have yielded the Federal Government five and three-fourths billion dollars as against slightly over one billion actually collected. In 1932, a year of low income, we would have collected on the same basis $1,128,000,000, as against the actual receipts of $324,000,000.

SECOND. CORPORATION INCOME TAX

Compared with other countries also our corporation tax is very low. Taking a flat rate of 25 percent, we would have raised in 1928 the amount of $2,600,000,000 instead of $1,200,000,000.

THIRD. INHERITANCE OR ESTATES

Here again the United States is very lenient. In 1928, on a total declared gross estate of three and one-half billion dollars, the total collected by Federal and States taxes was only $42,000,000, or a little over 1 percent. If an average of 25 percent were taken, this would have been raised in 1928 to $888,000,000.

FOURTH. TAX-EXEMPT SECURITIES

Exact figures on the total are not available, but here is an important source of large additional returns which should be available for the general welfare.

FIFTH. TAX ON CORPORATE SURPLUS

In 1928 the corporate surplus, representing the accumulation by corporations of funds which have not been distributed to labor and capital, amounted to $47,000,000,000, and even in 1932 it was over thirty-six billions. Made possible as it is by the cooperation of labor and capital, thus surplus which is now set aside to meet capital's claim for exigencies certainly should be also a source of funds for labor's social insurance in the exigencies of unemployment. The Department of Commerce has showed in its study of the national income that labor has lost a larger percent of its earned income in the depression than capital has lost in interest charges, because capital has been sustained by drawing both on current income and on accumulated surplus. The great economist, Adam Smith, 150 years ago called the industrial system a "collective undertaking." Thus it is both logical and just to provide a tax on corporate surpluses as a source for social insurance.

Another regrettable feature of the present bill is that it makes no provision for the countless millions that are presently unemployed. This great army of men and women must first be absorbed by industry before they become eligible to participate in the plan. Under the method in the bill before Congress the worker, in addition to paying his own assessment, will also, as a consumer, pay the employers' contribution. Maximum payments of $15 a week for 16 weeks, after a waiting period of 4 weeks, cannot by the widest stretch of the imagination be termed extravagant.

I appreciate my time is limited, Mr. Speaker, and I must conclude with a general observation that there is imperative need of unemployment protection. Neither the present bill or a bill that would embrace the thoughts I have expressed on the subject can be termed an impractical or Utopian scheme. The bill in its present form, I am confident, will pass, and it is my intention to vote for its enactment because of the many appealing features of old-age pensions, mothers' aid, and public health, together with a structure at least for an unemployment-insurance plan which, even though not ideal today, will be perfected I hope by a continued study and amendment to the bill by future Congresses. Passage of this act today will establish a new milestone in future economic security of our citizens.

(Mr. HIGGINS of Massachusetts asked for and was given permission to revise and extend his remarks in the RECORD.)

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this title and all amendments thereto close in 8 minutes.

The motion was agreed to.

Mr. MOTT. Mr. Chairman, in a very few minutes the Committee of the Whole House on the state of the Union will rise and recommend that this bill, upon which we are now concluding more than 30 hours of debate and to which 42 amendments have been offered and rejected, do pass. The Committee will recommend that this bill, the President's Social Security Act, covering 60 printed pages and 10 different titles, or subjects, be passed exactly as it was sent to us, word for word, without a single amendment, without a single betterment and without a single change.

These 42 amendments have been offered from the floor not by Republicans alone, but by some of the most distin-

guished Members on the Democratic side, Members whose knowledge and experience in this class of legislation is recognized both by the Congress and by the country. Some of these amendments were so worthy, so admittedly valuable, that no word of criticism could be offered to them, and none was offered. And yet every one of these amendments have been defeated, every one of them shouted down regardless of their merit, by practically solid Democratic votes.

Nor is that all. When the Committee rises and reports that it has succeeded in throwing out every suggestion for the betterment of this bill that has been offered by any of the 435 Members of the House—except two insignificant changes agreed to in advance by the administration and opposed by no one—the Committee will then ask the House to approve and adopt its report. And the 332 Democrats of the House, including those whose amendments have been spurned, will vote solidly and unanimously to approve and adopt the report, and thus put in order the passage of this bill which, I venture to say, does not satisfy 10 percent even of the Democrats of the House.

As an outstanding example of this administration's perfect and absolute control of its 3-to-1 Democratic majority in Congress the progress of this bill through the House has been unique. Reports have gone out from time to time recently that the administration was beginning to lose its iron grip upon majority Members in this body and that Democrats in the House could be expected in the future to begin to show some signs of independent thinking and independent voting. Mr. Chairman, I regret to say that the hopes of the country raised by those reports have been effectively blasted during the past 30 hours.

Never in this session of the Congress, nor in the preceding one, have I seen the administration machine so well oiled. [Applause.]

Mr. Chairman, there has been no real consideration of this bill. The reading of it for amendment under the 5-minute rule may just as well have been dispensed with. All of the amendments, regardless of their merit, were intended by the Democratic leaders from the very first to be defeated and they were voted down solidly on that side of the House just as fast as they were offered. Most of the good amendments, on the other hand, as the division and teller votes will show, were supported by the Republican side of the House, without regard to whether those amendments were offered by Democrats or Republicans.

Mr. SISSON. Will the gentleman yield?

Mr. MOTT. I am sorry, but I have only 5 minutes, which barely gives me time to say what I want to say at this point.

Mr. SISSON. What would the gentleman call "real consideration"?

Mr. MOTT. I repeat, I am sorry, but I must decline to yield to the gentleman.

Mr. Chairman, that was the case in all of the amendments offered, with the exception of one or two. Even the vote on the revised McGroarty old-age-pension bill amendment and the Scrugham-Greenway old-age-pension amendment was almost a party vote. I call attention to what I consider the rather remarkable fact that on an amendment so far-reaching as the one to substitute the McGroarty bill for the old-age-pension provisions of the administration bill, more than half of the Republicans present on the floor at that time voted "yes" and they stood up and were counted. Thirty-eight of them voted "yes" and that is more than one-third of the entire Republican membership of the House, while only 18 Democrats out of a total of 168 present, and out of a total Democratic membership of 332, voted in favor of that amendment. [Applause.]

Why, Mr. Chairman, even the amendment offered by the distinguished gentleman from Ohio [Mr. JENKINS], to include a small Federal contribution to States to aid them in providing for their indigent blind people, was voted down by a solid party vote. Just two gentlemen on the Democratic side voted "yes" and stood up to be counted on that vote, while every Republican voted for it. Do my Democratic friends mean to tell me that they did not want to vote for that amendment? We know you wanted to. We saw many of you looking toward the leader's table with a look almost of longing in your eyes. Why, Mr. Chairman, every gentleman in this House knows that a single nod from the Chairman of the Ways and Means Committee seated at the table across the aisle would have brought every Democrat to his feet in approval of that amendment. But the nod did not come, Mr. Chairman, and the indigent blind man will continue to beg with his tin cup on the street corner.

It is not what you did in this bill that is so wrong. It is what you did not do that will disappoint and dissatisfy the country. You had such a wonderful chance in this legislation to give us a real solution to the problem of old age and unemployment. The country was hoping for it. It was waiting for it. It was expecting it. You have not done your duty either by the country or by yourselves.

Mr. Chairman, there is a little good in this administration bill as well as some bad. Its greatest faults are those of omission rather than of commission. In considering how one should vote upon a bill as inadequate and unsatisfactory as this one is, a Republican is confronted with the same old situation and the same old question that has confronted him in every major piece of administration legislation that has been offered in the last two sessions of the Congress.

In most of this major legislation there has been a crumb of good, and in order to get that crumb we have had to take the bad along with it. Never have you permitted us to improve one of your major bills. Never has your 3 to 1 majority allowed us to substitute a better bill for it. Never have you gone the whole way upon the solution of any problem, even when the majority of the individual membership on both sides of the House desired it. We have been given always what the executive department wanted us to consider, and we have been allowed to consider nothing else on that particular subject. With less than one-third of the membership of the House on the minority side we have been rendered helpless against your overwhelming majority.

And so, as usual, we must determine now in this bill whether the good outweighs the bad. When I say "we" I am referring to Republicans. I know, of course, that our Democratic friends are not burdened with that kind of a problem because they will vote upon this bill as they have voted on all of them; that is, as a party measure.

Mr. Chairman, although this bill is entirely inadequate, although it gives the aged poor of our country only a pauper's pension, still I am confronted with the fact that without this bill they will not even get that, so far as the Federal Government is concerned. This is the only bill we will have at this session on the subject of old-age pensions, and for the time being it is a case of this or nothing. And so, after having put up as good a fight as I could for something better, having supported as strongly as I could all worthy amendments that have been offered and having seen them all defeated, I intend to vote for the bill now [applause], but I vote for it solely upon the ground that it is better than nothing. [Applause.]

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, I do not know whether I dare intrude upon the patience of this body at this time, even to the extent of 3 minutes, but I would like to address myself to the remarks of the gentleman from Massachusetts [Mr. MCCORMACK].

The gentleman from Massachusetts quite properly pointed out that the motion of the gentleman from New York [Mr. WADSWORTH], to strike out all of title IX would be rather futile inasmuch as it would still leave the companion title, title III, in the bill which sets up the necessary machinery.

I sincerely hope therefore that some member of the Committee on the minority side will offer a motion to recommit the bill and include instructions to strike out both said titles of the bill, and for this reason: I have long been an advocate of unemployment insurance, and I shall so continue, but I cannot feel good about the provisions of this

bill which relate to unemployment insurance and old-age insurance, or accept them as the best thought to incorporate in permanent legislation.

The provisions of this bill will not apply until 1942. Why, then, all this haste about the unemployment-insurance provision of the measure? We can keep intact the other commendable portions of this measure and give further thought and study to the advisability of erecting a permanent structure for unemployment insurance such as the one now before us, which makes the load fall entirely upon labor and upon the consumer.

This omnibus bill holds out nothing to the present unemployed, and the Committee does not try to deceive us on that point. They state this frankly in their report. The unemployed has no help in any part of this measure and neither has an employed person anything very cheerful to look forward to. All he has to face is a small added penalty which increases as the years roll on. If the employer does not pass the tax on to him in the form of wage reductions, the employer will pass it on to him in his capacity as a consumer. He cannot escape. He may get it both ways.

Agriculture, in addition to being left entirely out of the picture, faces the possibility of a reduction in national purchasing power that does not bode well for his commodity prices.

If the motion to recommit might prevail, I could support the measure gladly, because of its belated recognition of governmental responsibilities for which I have long and consistently fought, even though none of its provisions can be termed adequate or commensurate with what we might like to provide.

Mr. Chairman, I ask unanimous consent to include, as an extension of my remarks, a statement which has been prepared by the American Association for Social Security, of 22 East Seventeenth Street, New York City. It briefly and ably analyzes the provisions of the revised measure.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The pro forma amendment was withdrawn.

The statement follows:

The revised bill is a vast improvement over the original Wagner-Lewis-Doughton bill. Unlike the jumble of confusion in the original draft, this bill is clearly written, and its provisions are lucid. It is logically arranged, and its aims are clearly set forth.

It is still an omnibus bill. It contains 10 titles and covers 9 different subjects:

(1) Old-age pensions.
(2) Old-age insurance.
(3) Unemployment insurance.
(4) Dependent children.
(5) Infant and maternal welfare.
(6) Welfare services for children.
(7) Vocational rehabilitation.
(8) Care of crippled children.
(9) Federal public-health services.

It makes 9 appropriations and sets up 3 different taxation systems: 1 on employees and 2 on employers.

The appropriations are made to three different agencies:

(1) To the Federal Social Security Board: (a) For subsidies to State old-age-pension systems; (b) for subsidies to State plans for dependent children; (c) for aid in the administration of State unemployment-insurance systems; (d) for administrative expenses of the Board.

(2) To the United States Department of Labor: (a) For promotion of the health of mothers and children, especially in rural areas; (b) for services to crippled children and the provision of medical, surgical, and corrective care for them; (c) for establishment, extension, and strengthening of public-welfare services in rural areas for children; (d) for extending and strengthening programs for vocational rehabilitation.

(3) To the Surgeon General of the Public Health Service: (a) For the establishment and maintenance of public-health services.

OLD-AGE-INSURANCE TAXES

The bill sets up a tax on wages for old-age insurance, euphoniously called an "income tax." This tax is levied on all employees regardless of their wages or salaries, but not more than $3,000 a year is taken as the basis for contributions. Exempted are agricultural laborers, domestic servants in a private home, casual laborers, crews of ships, Government employees, and workers in educational and charitable institutions. This tax, to be collected from wages, will be equal to 1 percent of wages during 1937–39, 1½ percent during 1940–42, 2 percent during 1943–45, 2½ percent during 1946–48, and 3 percent beginning with 1949 and thereafter.

Employers are to pay similar contributions for the same purpose.

UNEMPLOYMENT-INSURANCE TAX

An excise tax on all employers of 10 or more workers (including officers of a corporation) is set up for unemployment insurance. This tax is at the rate of 1 percent of the total wages paid in 1936, 2 percent in 1937, and 3 percent from 1938 on. Similar classes of employees are exempted as under the old-age insurance plan.

Employers making contributions to approved State unemployment-insurance funds are relieved up to 90 percent of the Federal tax.

SOCIAL IMPLICATIONS OF REVISED BILL

OLD-AGE PENSIONS

The revised bill does not set up as desirable standards as conditions for Federal subsidies to State old-age pension systems as were contained in the original bill. The problem is nevertheless met adequately. The passage of this part of the bill will mean the greatest step forward in social security. It can definitely be expected to bring about a Nation-wide system of old-age security for our destitute aged. The needs of the aged can be adequately met through this bill.

DEPENDENT CHILDREN

The same applies to the Federal subsidy for dependent children. It is thoroughly sound and will help the States to meet this problem. If necessary the Federal Government can later increase its share of the cost, now fixed at only one-third.

OTHER WELFARE PROVISIONS

The various appropriations made to the Children's Bureau and the Surgeon General for maternal and child care, crippled children, public-health services, vocational rehabilitation, etc., are necessary and should be enacted. They have little to do with the Social Security Board created under this bill, and there was no real necessity for including these features in the bill.

OLD-AGE INSURANCE

From a social point of view the most vulnerable feature of the bill is involved in the contributory old-age-insurance system which is pregnant with many social dangers:

(1) The bill puts the entire burden of the future support of the aged upon the workers and industry. Since industry is bound to pass on its contribution to the consumers it means that the employees, in their dual role of workers and consumers, are to be made to bear practically the entire burden of support of the aged. Beginning 5 years hence the burden of old-age support will be increasingly shifted upon that part of the population least able to bear it. The wealthier groups in the community will be gradually relieved of their share toward old-age support since the contributions from the workers will more and more assume the responsibility for the care of all the aged even if the latter have contributed for only short periods. No nation has ever put into operation a contributory old-age insurance plan without placing at least some of the burden on the State in order to make possible the sharing of the costs by the higher income groups. Even 50 years ago the German Government assumed a definite share. This has been followed by all other industrial countries.

(2) By stepping up the contributions to a total of 6 percent of wages within 12 years enormous reserves will be built up much more rapidly than necessary and will be frozen for a generation. The committee estimates that under this bill there will be a reserve fund of over $10,000,000,000 by 1948 and the reserve will amount to over $32,000,000,000 by 1970.

(3) The unnecessary removal of so much purchasing power at this time may hamper recovery and cause great social harm. It is extremely questionable whether our economic system can stand the withdrawal of this much-needed purchasing power.

(4) The bill places a back-breaking burden upon the present generation. The present generation, as taxpayers, will not only have to pay the cost of the noncontributory-pension system for the present aged, but will be forced to provide fully for its own old age.

(5) The avowed aim of the committee to have these reserves used as a means of ultimately abolishing the evil of tax-exempt bonds is a distortion of the entire principle of social insurance. To force upon the bulk of the wage earners a compulsory system of savings which is beyond their means in order to deal with the evil of tax-exempt securities is the height of folly and must be thoroughly condemned.

(6) The revised bill provides that an insured person's contributions will be returned to his estate if he dies before he has received by way of benefits the entire amount to which he was entitled. This is contrary to all principles of social insurance in practice abroad. It is not only socially unnecessary but adds to the cost. This provision would be justified only if the payments were limited to dependent survivors.

UNEMPLOYMENT INSURANCE

The revised bill is much superior to the original bill in its provision that State unemployment-insurance funds, in order to be approved by the Federal Social Security Board, must provide that the contributions shall be "mingled and undivided" and that "no separate account is maintained with respect to any person." This makes possible true social insurance and will not affect adversely the growth of the labor movement. The bill is seriously defective, however, for many other reasons:

(1) The revised bill, as the original bill, still offers no real incentives to States to enact unemployment-insurance laws. Its bait is still largely directed to employers instead of to the public at large. At best employers will have to pay three-tenths of 1 percent more in taxes by the enactment of State laws requiring an employers' tax of 3 percent.

(2) Instead of helping State funds by Federal appropriations, as is done in all workable unemployment-insurance funds abroad, the Federal Government actually contemplates making a profit on its unemployment-insurance tax. The committee estimates that after 1938 the total yearly receipts from the excise tax will amount to about $800,000,000 or more. Since the Federal Government will give credit only up to 90 percent of the Federal tax, it means that the Federal Treasury will at the most lose by such credits only about $720,000,000. The administrative appropriation allowed to the State under this bill is set at $49,000,000, beginning with 1937. This will mean that the Federal Government will make a profit of from $30,000,000 to $40,000,000 every year from its unemployment-insurance tax. Moreover, the Federal tax is payable with respect to wages paid to all employees, regardless of the amount of the wages earned. Since most State laws will probably exempt employees earning $3,000 a year or more, the credit which can be claimed by employers will be diminished and the Federal Government will make additional profit from its excise tax.

(3) Like the original bill, the revised draft sets up no definite standards for the State systems. This will unquestionably result in a variety of benefit standards which will create confusion and bad feeling on the part of the unemployed and disparity as among the States.

(4) The revised bill continues to require the turning over of State unemployment insurance funds to the Federal Treasury. This will constitute a handicap to the development of State legislation. There is no justification whatsoever for the prevailing fear that large reserves will be built up under the contemplated plan of unemployment insurance. Even if larger contribution rates were set up it is doubtful whether the plan will ever be more than on a pay-as-you-go basis.

(5) The provision in the bill that no State unemployment-insurance fund shall begin payment of benefits for at least 2 years "after the first day of the first period with respect to which contributions are required" may be advisable now, but must not be continued after 1938 when the full 3-percent contributions go into effect. This handicap will tend to discourage the immediate adoption of State laws.

(6) The revised bill as the original bill continues to set up two duplicating systems of taxation which are thoroughly uncalled for, i. e., the Federal tax and the State tax for which credit is to be given. The plan recommended to the Committee on Economic Security by the advisory council for a Federal subsidy to States enacting laws under proper standards, and financed by a single, uniform Federal tax, provides a far superior and less costly method.

The Clerk read as follows:

TITLE X—GENERAL PROVISIONS

DEFINITIONS

SECTION 1001. (a) When used in this act—

(1) The term "State" (except when used in section 531) includes Alaska, Hawaii, and the District of Columbia.

(2) The term "United States", when used in a geographical sense, means the States, Alaska, Hawaii, and the District of Columbia.

(3) The term "person" means an individual, a trust or estate, a partnership, or a corporation.

(4) The term "corporation" includes associations, joint-stock companies, and insurance companies.

(5) The term "shareholder" includes a member in an association, joint-stock company, or insurance company.

(6) The term "employee" includes an officer of a corporation.

(b) The terms "includes" and "including", when used in a definition contained in this act, shall not be deemed to exclude other things otherwise within the meaning of the term defined.

(c) Whenever under this act, or any act of Congress or under the law of any State, an employer is required or permitted to deduct any amount from the remuneration of an employee and to pay the amount deducted to the United States, a State, or any political subdivision thereof, then, for the purposes of this act, the amount so deducted shall be considered to have been paid to the employee at the time of such deduction.

(d) Nothing in this act shall be construed as authorizing any Federal official, agent, or representative, in carrying out any of the provisions of this act, to take charge of any child over the objection of either of the parents of such child, or of the person standing in loco parentis to such child, in violation of the law of a State.

RULES AND REGULATIONS

SEC. 1002. The Secretary of the Treasury, the Secretary of Labor, and the Social Security Board, respectively, shall make and publish such rules and regulations, not inconsistent with this act, as may be necessary to the efficient administration of the functions with which each is charged under this act.

SEPARABILITY

SEC. 1003. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

RESERVATION OF POWER

SEC. 1004. The right to alter, amend, or repeal any provision of this act is hereby reserved to the Congress.

SHORT TITLE

SEC. 1005. This act may be cited as the "Social Security Act."

Mr. FERGUSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERGUSON: Page 59, line 20, after section 1002, add a new section to read:

"No provisions or sections of this act shall become effective until two-thirds of the States have been certified as having a State plan for old-age assistance which has been approved by the board."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment.

Mr. FERGUSON. Mr. Chairman, will the gentleman withhold the point of order?

Mr. COOPER of Tennessee. Mr. Chairman, I reserve the point of order.

Mr. FERGUSON. Mr. Chairman, since this comes under the heading of general provisions, I think it should be germane to the bill.

We have heard voiced here today and during the entire discussion of this bill objections from States that are qualified, as so ably stated by the gentleman from Massachusetts, and objections from States that are not qualified, as stated by numerous Members. Since this legislation is so far-reaching and affects so many people and so many classes of people, I think the States should have an opportunity to pass on the acceptability of this measure and not have it become effective until two-thirds of the States have put their houses in order and are in position to accept the benefits of this law, and not put the States that cannot participate in the position of being taxed because their constitution prohibits them from accepting the benefits of this act for a period of some 2 years.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. SAMUEL B. HILL. It is entirely possible, is it not, that even under the gentleman's amendment, if adopted, the States he has in mind would be unprotected?

Mr. FERGUSON. But the majority of the States, or two-thirds of them, would be in position to accept and not just a few of the States would be able to participate under this bill.

Mr. SAMUEL B. HILL. There are probably not over 6 or 8 States that have constitutional inhibitions against such participation.

Mr. FERGUSON. And there are probably not over half a dozen States that can participate under this act as it is now drawn.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I would rather not yield until I have finished my statement.

Since the pay-roll tax does not take effect until July 1937, if the States want such a provision, my amendment could have no possible effect on the way that portion of the bill functions. If such an amendment were adopted by the House today it is possible that a provision that would actually pay the aged on the relief rolls would be adopted at this session of the Congress and give these people who are expecting a pension in the various States and who are entitled to a pension, something from this session of the Congress, which is something they will not get out of this bill.

I have been assured by leading Members of the House that until provisions of this act go into effect the aged and those in distress will be cared for by relief rolls. It is my contention that the old people who are in need would receive greater benefit from a monthly pension than from being subjected to the scrutiny of a social-service worker and the degradation caused by the acceptance of a Federal dole. Mrs. GREENWAY, who has fought hard for a pension that would actually be paid and for a reasonable pension, has assured me that she intends to introduce a resolution that will provide for the payment of a reasonable pension to

those over 60 years of age who are on relief rolls in this country. This would be an actual pension—not a fictitious one such as is contained in this bill—and would provide a stopgap until the States could meet the requirements necessary for them to receive the grants and aid outlined in this legislation.

I think this legislation has many meritorious features, such as the care of crippled and dependent children, and maternal and child-welfare aid, and public-health provisions. I do believe that the provisions of sections 2 and 8 will have to be modified to take the entire burden of employment insurance off the shoulders of the wage earners.

However, I believe the States should have an opportunity to pass on whether they want to accept it or not. You cannot force social legislation down the throats of this country. We tried this when we passed the Prohibition Act, and if you want to educate the States to accept this and try to cooperate, if you adopt my amendment it will give them a period of time for the necessary two-thirds to accept this bill and whole-heartedly cooperate with it.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I withdraw the reservation of a point of order and ask for a vote on the amendment.

The amendment was rejected.

Mr. IGLESIAS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 58, line 7, after the word "Hawaii", insert "Puerto Rico."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Puerto Rico.

The question was taken, and the amendment was rejected.

Mr. DOUGHTON. Mr. Chairman, we are nearing the close of consideration of this bill, one of the most important that has ever been considered by an American Congress.

This measure has received more attention during its consideration by the committee, and by the Committee of the Whole, than any bill considered by the Congress in many years. There has been more time used in general debate; more liberal opportunity given for amendment than in any bill heretofore considered. I believe that every Member who so desired has expressed his views and opinions.

It has been carried in the press of the country that the leadership of our great President was impaired and that the bill would be ripped to pieces by amendments.

I am proud to say that notwithstanding the bill has been attacked from every angle, in criticizing the measure not a single amendment has been made to the bill, except two perfecting amendments offered by the committee.

Mr. CONNERY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CONNERY. I want to pay a slight tribute to a man whom I consider one of the great Members of this House, a man whose friendship I prize highly, a man who has the courage of his convictions, a great American, a man never afraid to take the floor and state his position, a man who has unconsciously paid a great tribute to himself today when he said that not an amendment had been made to this bill. That this is true is due to the distinguished and fearless leadership of this man, beloved by the Membership of this House, the great Chairman of the Ways and Means Committee, BOB DOUGHTON, of North Carolina. [Applause.]

Mr. DOUGHTON. I thank my kind friend the gentleman from Massachusetts [Mr. CONNERY].

Mr. Chairman, those on the minority side who so bitterly attacked the bill have given the impression that they are opposed to the bill, but when the roll is called, I predict most of them will give it their support, thereby showing their good judgment and consideration for the welfare of the country.

I predict that the vote on the passage of this bill will show to the country that the Congress of the United States is behind our great President, that his leadership is still militant, that the American people as well as the American Congress, have confidence in him, in his courage, and in his wisdom, and that before this Congress closes, his entire new-deal program will be consummated. When this is done the country will say, "Well done, good and faithful servant."

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7260, and, pursuant to House Resolution 197, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. The previous question is ordered under the rule. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is upon the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TREADWAY. Mr. Speaker, I offer the following motion to recommit, which I send to the desk.

The Clerk read as follows:

Mr. TREADWAY moves to recommit the bill H. R. 7260 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendments:

Page 2, line 10, strike out "$49,750,000" and insert in lieu thereof "$69,750,000"; page 4, line 25, strike out "$30" and insert "$40"; beginning on page 7, line 18, strike out all of title II down to and including line 9, on page 15; beginning on page 40, line 10, strike out all of title VIII down to and including line 19, on page 47.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 149; nays 253, answered "present" 1, not voting 29, as follows:

[Roll No. 56]

YEAS—149

Allen	Ekwall	Kramer	Rich
Amlie	Engel	Kvale	Robsion, Ky.
Andresen	Englebright	Lambertson	Rogers, Mass.
Andrew, Mass.	Fenerty	Lehlbach	Ryan
Andrews, N. Y.	Fernandez	Lemke	Sauthoff
Arends	Focht	Lord	Schneider
Ashbrook	Gassaway	Lundeen	Scott
Ayers	Gearhart	McFarlane	Secrest
Bacharach	Gehrmann	McGrath	Seger
Bacon	Gifford	McGroarty	Short
Binderup	Gilchrist	McLean	Smith, Wash.
Blackney	Goldsborough	McLeod	Snell
Boileau	Goodwin	Maas	Stefan
Bolton	Granfield	Mapes	Stewart
Brewster	Greenway	Marcantonio	Stubbs
Buckbee	Griswold	Marshall	Sutphin
Buckler, Minn.	Guyer	Martin, Mass.	Taber
Burdick	Gwynne	May	Taylor, Tenn.
Burnham	Hancock, N. Y.	Merritt, Conn.	Thurston
Cannon, Mo.	Hartley	Michener	Tinkham
Cannon, Wis.	Hess	Millard	Tobey
Carlson	Higgins, Mass.	Monaghan	Tolan
Carter	Hildebrandt	Mott	Treadway
Cavicchia	Hill, Knute	Murdock	Truax
Christianson	Hoeppel	Nichols	Turpin
Church	Hoffman	O'Malley	Wadsworth
Cole, N. Y.	Hollister	Patterson	Wallgren
Collins	Holmes	Perkins	Welch
Connery	Hook	Peterson, Ga.	Werner
Cooper, Ohio	Hope	Pfeifer	White
Crawford	Hull	Pittenger	Wigglesworth
Crosser, Ohio	Jenkins, Ohio	Plumley	Wilson, Pa.
Darrow	Jones	Powers	Wolcott
Dirksen	Kahn	Ransley	Wolfenden
Ditter	Kenney	Reece	Wolverton
Dondero	Kimball	Reed, Ill.	Woodruff
Dunn, Pa.	Kinzer	Reed, N. Y.	Zioncheck
Eaton			

NAYS—253

Adair	Bell	Bloom	Brooks
Arnold	Berlin	Boehne	Brown, Ga.
Barden	Biermann	Boland	Brown, Mich.
Beam	Bland	Boylan	Brunner
Beiter	Blanton	Brennan	Buchanan

Buck	Evans	Lewis, Colo.	Richardson
Buckley, N. Y.	Faddis	Lewis, Md.	Robertson
Bulwinkle	Farley	Lloyd	Robinson, Utah
Burch	Ferguson	Lucas	Rogers, N. H.
Caldwell	Fiesinger	Luckey	Rogers, Okla.
Carden	Fitzpatrick	Ludlow	Romjue
Carmichael	Flannagan	McAndrews	Rudd
Carpenter	Fletcher	McClellan	Russell
Cartwright	Ford, Calif.	McCormack	Sabath
Cary	Ford, Miss.	McGehee	Sanders, La.
Casey	Frey	McKeough	Sanders, Tex.
Castellow	Fuller	McLaughlin	Sandlin
Chandler	Fulmer	McMillan	Schaefer
Citron	Gasque	McReynolds	Schuetz
Clark, Idaho	Gavagan	McSwain	Schulte
Clark, N. C.	Gildea	Mahon	Scrugham
Cochran	Gillette	Maloney	Sears
Coffee	Gingery	Mansfield	Shanley
Colden	Gray, Ind.	Martin, Colo.	Sisson
Cole, Md.	Gray, Pa.	Mason	Smith, Va.
Colmer	Green	Massingale	Snyder
Cooley	Greenwood	Maverick	Somers, N. Y.
Cooper, Tenn.	Greever	Mead	South
Corning	Gregory	Merritt, N. Y.	Spence
Costello	Haines	Miller	Stack
Cox	Hamlin	Mitchell, Ill.	Starnes
Cravens	Hancock, N. C.	Mitchell, Tenn.	Sullivan
Crosby	Harlan	Montague	Sumners, Tex.
Cross, Tex.	Hart	Montet	Sweeney
Crowe	Harter	Moran	Tarver
Crowther	Healey	Moritz	Taylor, Colo.
Cullen	Hennings	Nelson	Taylor, S. C.
Cummings	Hill, Ala.	Norton	Terry
Daly	Hill, Samuel B.	O'Brien	Thom
Darden	Hobbs	O'Connell	Thomason
Dear	Houston	O'Connor	Thompson
Deen	Huddleston	O'Day	Tonry
Delaney	Igoe	O'Leary	Turner
Dempsey	Imhoff	Oliver	Umstead
Dietrich	Jacobsen	O'Neal	Underwood
Dingell	Jenckes, Ind.	Owen	Vinson, Ga.
Disney	Johnson, Okla.	Palmisano	Vinson, Ky.
Dobbins	Johnson, Tex.	Parks	Walter
Dockweiler	Johnson, W. Va.	Parsons	Warren
Dorsey	Kee	Patman	Wearin
Doughton	Keller	Patton	Weaver
Doxey	Kelly	Pearson	Whelchel
Drewry	Kennedy, Md.	Peterson, Fla.	Whittington
Driscoll	Kennedy, N. Y.	Pettengill	Wilcox
Driver	Kleberg	Pierce	Williams
Duffey, Ohio	Kloeb	Polk	Wilson, La.
Duffy, N. Y.	Kniffin	Quinn	Wood
Duncan	Kocialkowski	Rabaut	Woodrum
Dunn, Miss.	Kopplemann	Ramsay	Young
Eagle	Lambeth	Ramspeck	Zimmerman
Eckert	Lanham	Randolph	The Speaker
Edmiston	Larrabee	Rayburn	
Eicher	Lea, Calif.	Reilly	
Ellenbogen	Lee, Okla.	Richards	

ANSWERED "PRESENT"—1

Knutson

NOT VOTING—29

Bankhead	Doutrich	Lesinski	Smith, Conn.
Celler	Fish	Meeks	Smith, W. Va.
Chapman	Gambrill	Peyser	Steagall
Claiborne	Halleck	Rankin	Thomas
Culkin	Higgins, Conn	Sadowski	Utterback
DeRouen	Kerr	Shannon	West
Dickstein	Lamneck	Sirovich	Withrow
Dies			

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he answered "nay."

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Fish (for) with Mr. DeRouen (against).
Mr. Halleck (for) with Mr. Utterback (against).
Mr. Higgins of Connecticut (for) with Mr. Dies (against).
Mr. Thomas (for) with Mr. Smith of Connecticut (against).
Mr. Withrow (for) with Mr. Chapman (against).
Mr. Doutrich (for) with Mr. Smith of West Virginia (against).

General pairs:

Mr. Rankin with Mr. Culkin.
Mr. Bankhead with Mr. Meeks.
Mr. Claiborne with Mr. Ayers.
Mr. Lamneck with Mr. Sadowski.
Mr. Gambrill with Mr. Kerr.
Mr. Steagall with Mr. Lesinski.

Mr. SABATH. Mr. Speaker, my colleague, Mr. MEEKS, is absent today due to illness. If present, he would vote "no."

Mr. CULLEN. Mr. Speaker, the gentlemen from New York, Mr. SIROVICH, Mr. DICKSTEIN, and Mr. CELLER, are unavoidably absent. Were they present, they would vote "no" on this motion to recommit.

Mr. DOXEY. Mr. Speaker, my colleague from Mississippi, Mr. RANKIN, is unavoidably detained on account of illness. Therefore, he has not voted on this roll call.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 372, nays 33, answered "present" 2, not voting 25, as follows:

[Roll No. 57]

YEAS—372

Adair	Dingell	Igoe	Palmisano
Allen	Dirksen	Imhoff	Parks
Amlie	Disney	Jacobsen	Parsons
Andresen	Ditter	Jenckes, Ind.	Patman
Arends	Dobbins	Jenkins, Ohio	Patterson
Arnold	Dockweiler	Johnson, Okla.	Patton
Ashbrook	Dondero	Johnson, Tex.	Pearson
Ayers	Dorsey	Johnson, W. Va.	Peterson, Fla.
Bacharach	Doughton	Jones	Peterson, Ga.
Barden	Doxey	Kahn	Pettengill
Beam	Drewry	Kee	Pfeifer
Beiter	Driscoll	Keller	Pierce
Bell	Driver	Kelly	Pittenger
Berlin	Duffey, Ohio	Kennedy, Md.	Plumley
Biermann	Duffy, N. Y.	Kennedy, N. Y.	Polk
Binderup	Duncan	Kenney	Powers
Blackney	Dunn, Miss.	Kimball	Quinn
Blanton	Dunn, Pa.	Kinzer	Rabaut
Bloom	Eagle	Kleberg	Ramsay
Boehne	Eaton	Kloeb	Ramspeck
Boileau	Eckert	Kniffin	Randolph
Boland	Edmiston	Kocialkowski	Ransley
Boylan	Eicher	Kopplemann	Rayburn
Brennan	Ekwall	Kramer	Reece
Brewster	Ellenbogen	Lambertson	Reed, Ill.
Brooks	Engel	Lambeth	Reilly
Brown, Ga.	Englebright	Larrabee	Richards
Brown, Mich.	Evans	Lea, Calif.	Richardson
Brunner	Faddis	Lee, Okla.	Robinson, Utah
Buchanan	Farley	Lehlbach	Robsion, Ky.
Buck	Fenerty	Lewis, Colo.	Rogers, Mass.
Buckbee	Ferguson	Lewis, Md.	Rogers, N. H.
Buckler, Minn.	Fernandez	Lloyd	Rogers, Okla.
Buckley, N. Y.	Fiesinger	Lord	Romjue
Bulwinkle	Fitzpatrick	Lucas	Rudd
Burnham	Flannagan	Luckey	Russell
Caldwell	Fletcher	Ludlow	Ryan
Cannon, Mo.	Focht	McAndrews	Sabath
Cannon, Wis.	Ford, Calif.	McClellan	Sadowski
Carden	Ford, Miss.	McCormack	Sanders, La.
Carlson	Frey	McFarlane	Sanders, Tex.
Carmichael	Fuller	McGehee	Sandlin
Carpenter	Fulmer	McGrath	Sauthoff
Carter	Gasque	McKeough	Schaefer
Cartwright	Gassaway	McLaughlin	Schneider
Cary	Gavagan	McLeod	Schuetz
Casey	Gearhart	McMillan	Schulte
Castellow	Gehrmann	McReynolds	Scott
Cavicchia	Gifford	McSwain	Scrugham
Chandler	Gilchrist	Maas	Sears
Chapman	Gildea	Mahon	Secrest
Christianson	Gillette	Maloney	Seger
Church	Gingery	Mansfield	Shanley
Citron	Goldsborough	Mapes	Short
Clark, Idaho	Granfield	Marshall	Sisson
Clark, N. C.	Gray, Ind.	Martin, Colo.	Smith, Conn.
Cochran	Gray, Pa.	Martin, Mass.	Smith, Va.
Coffee	Green	Mason	Smith, Wash.
Colden	Greenway	Massingale	Snell
Cole, Md.	Greenwood	Maverick	Snyder
Cole, N. Y.	Greever	May	Somers, N. Y.
Collins	Gregory	Mead	South
Colmer	Griswold	Meeks	Spence
Connery	Guyer	Merritt, N. Y.	Stack
Cooley	Gwynne	Michener	Starnes
Cooper, Ohio	Haines	Miller	Stefan
Cooper, Tenn.	Hamlin	Mitchell, Ill.	Stewart
Corning	Hancock, N. C.	Mitchell, Tenn.	Sullivan
Costello	Harlan	Montague	Sutphin
Cox	Hart	Montet	Sweeney
Cravens	Harter	Moran	Tarver
Crawford	Hartley	Moritz	Taylor, Colo.
Crosby	Healey	Mott	Taylor, S. C.
Cross, Tex.	Hennings	Murdock	Taylor, Tenn.
Crosser, Ohio	Hess	Nelson	Terry
Crowe	Higgins, Mass.	Nichols	Thom
Crowther	Hildebrandt	Norton	Thomason
Cullen	Hill, Ala.	O'Brien	Thompson
Cummings	Hill, Knute	O'Connell	Thurston
Daly	Hill, Samuel B.	O'Connor	Tinkham
Darrow	Hobbs	O'Day	Tobey
Dear	Holmes	O'Leary	Tonry
Deen	Hook	Oliver	Treadway
Delaney	Hope	O'Malley	Truax
Dempsey	Houston	O'Neal	Turner
Dietrich	Hull	Owen	Turpin

Umstead	Wearin	Wilcox	Wood
Underwood	Weaver	Williams	Woodruff
Vinson, Ga.	Welch	Wilson, La.	Woodrum
Vinson, Ky.	Werner	Wilson, Pa.	Young
Wallgren	Whelchel	Wolcott	Zimmerman
Walter	Whittington	Wolfenden	Zioncheck
Warren	Wigglesworth	Wolverton	The Speaker

NAYS—33

Andrew, Mass.	Hancock, N. Y.	McGroarty	Stubbs
Andrews, N. Y.	Hoeppel	McLean	Sumners, Tex.
Bacon	Hoffman	Marcantonio	Taber
Bland	Hollister	Merritt, Conn.	Tolan
Bolton	Huddleston	Millard	Wadsworth
Burch	Kvale	Monaghan	White
Burdick	Lanham	Perkins	
Darden	Lemke	Reed, N. Y.	
Goodwin	Lundeen	Robertson	

ANSWERED "PRESENT"—2

Knutson	Rich

NOT VOTING—25

Bankhead	Doutrich	Lamneck	Smith, W. Va.
Celler	Fish	Lesinski	Steagall
Claiborne	Gambrill	Peyser	Thomas
Culkin	Halleck	Rankin	Utterback
DeRouen	Higgins, Conn.	Shannon	West
Dickstein	Kerr	Sirovich	Withrow
Dies			

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he answered "yea."

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Withrow (for) with Mr. Rich (against).
Mr. Dies (for) with Mr. Knutson (against).

General pairs until further notice:

Mr. Rankin with Mr. Culkin.
Mr. Bankhead with Mr. Higgins of Connecticut.
Mr. DeRouen with Mr. Fish.
Mr. Claiborne with Mr. Doutrich.
Mr. Smith of West Virginia with Mr. Thomas.
Mr. Utterback with Mr. Halleck.
Mr. Steagall with Mr. Gambrill.
Mr. Lamneck with Mr. West.
Mr. Kerr with Mr. Lesinski.

Mr. KRAMER changed his vote from "no" to "aye."

Mr. RICH. Mr. Speaker, my colleague, Mr. WITHROW, of Wisconsin, desired to absent himself from Washington on important business. He requested me to pair with him. My Colleague, Mr. WITHROW, if present, would vote "aye." I, however, reserved the right with my colleague to support the old-age-pension feature, as presented in title I, which I would do if the other titles to the bill were eliminated, especially titles II and VIII, which I am sure are unconstitutional, and as I have taken a solemn oath to support the Constitution, I must necessarily vote "no."

Therefore, because of my pair with the gentleman from Wisconsin, Mr. WITHROW, I withdraw my vote "no", and vote "present."

Mr. KNUTSON. Mr. Speaker, without making a speech, I desire to announce that I had a pair with the gentleman from Texas, Mr. DIES, who is in favor of this bill. I am opposed to it, but in view of my pair, I desire to vote "present" on both the motion to recommit and on the passage of the bill.

I also desire to announce that my colleague, Mr. FISH, is unavoidably absent. If present, he would have voted "aye" on the passage of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, the gentleman from Pennsylvania, Mr. DOUTRICH, the gentleman from Connecticut, Mr. HIGGINS, and the gentleman from Indiana, Mr. HALLECK, are unavoidably absent. If present, they would have voted "aye."

Mr. CULLEN. Mr. Speaker, the gentleman from New York, Mr. SIROVICH, the gentleman from New York, Mr. DICKSTEIN, and the gentleman from New York, Mr. CELLER, are unavoidably detained. If present, they would have voted in the affirmative on the passage of the bill.

Mr. BIERMANN. Mr. Speaker, my colleague, Mr. UTTERBACK, is absent on account of a death in his family. He asked me to say that if present, he would have voted "aye."

The result of the vote was announced as above recorded.

On motion by Mr. DOUGHTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—SOCIAL SECURITY BILL

Mr. WOLVERTON. Mr. Speaker, I am in full accord with the purpose and spirit of the proposed social-security legislation now under consideration by this House. It is highly commendable in that it seeks to promote the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health and unemployment compensation. My favorable attitude toward this type of legislation has been expressed on numerous and varied occasions, and I am gratified to see the possibility of enactment of such at this session of Congress.

I regret, however, in some particulars, the proposed legislation—H. R. 7260—falls short of what may be considered adequate relief. Furthermore, it does not serve all who should properly be considered within the scope of such an act. Some amendments have been offered which, if adopted, would greatly improve its effectiveness. However, although I am not entirely satisfied with all of its provisions, yet, I shall vote in favor of its adoption because I consider it a step in the right direction. It recognizes the principle that, "We are our brother's keeper." The mere recognition of this great fundamental principle is in itself an outstanding victory. The writing of that principle of human brotherhood into the statute law of our Nation indicates an awakened conscience. It evidences a forward movement now in progress the final result of which will be to enhance and improve living conditions, and relieve the distressed and underprivileged who struggle under handicaps both economic and physical.

The need for legislation of this kind is everywhere apparent at this time. Human suffering, distress, and fear are breaking down the morale and courage of the past. The Nation has responded generously in the effort to relieve distress and provide work by the inauguration of public-works projects. But all such means are temporary and designed only as relieve against the ravages of our present economic condition. Our full duty extends beyond providing relief from existing distress. It must find expression in the enactment of legislation to provide a system that will guard against destitution and dependency in the future.

This bill seeks to lay the foundation for future social security. It recognizes that dependency and destitution in most cases arise from old age with its consequent inability to procure gainful employment; and unemployment of workers in industrial pursuits resulting in loss of earnings creating a condition of distress that affects not only the individual and his family life, but which also seriously disturbs the whole economic and industrial structure.

It further recognizes the well-established fact that children are tragic victims of the distress that arises when those upon whom they are dependent are unable to provide for them either because of unemployment, death, physical or social handicaps. It is generally acknowledged that the best provision that can be made for families of this description is public aid for such dependent children in their own homes. Already many States provide such aid, but with the financial break-down of State and local governments, the task of caring for these dependents has become increasingly difficult and in some cases suspended.

Closely connected with this type of aid provision is also made for maternity and infancy welfare, particularly in rural areas, and in localities suffering from severe economic distress. The need for such services has increased with the depression.

Federal aid is also provided under the terms of this bill to develop local child-care service. These services are concerned with 300,000 dependent and neglected children. Each year approximately 200,000 of these come before the courts as delinquents, and another 70,000 are illegitimate children born each year. These groups are in many respects the most unfortunate of all children, as their lives have already been impaired.

It is the purpose of this bill not only to aid and encourage child-care institutions and services which seek to repair

these damaged lives and keep them from becoming a permanent burden to society, but also to provide hospitalization and care for that vast army of handicapped and crippled children, estimated between three hundred thousand and five hundred thousand; and also to provide aid to our States for vocational rehabilitation. This concerns adults rather than children, but has a similar purpose in helping the blind and those otherwise prysically handicapped, to become self-supporting rather than a charge upon the public. Recognizing that preservation of health is a prime necessity for economic independence, sickness being one of the major causes of dependency, Federal aid is likewise extended to enable an expansion in public-health services.

The purpose and intent of this legislation is of a character to create within me a sense of privilege in having a part in its enactment, not because I consider it a complete measure of economic security, but because it is a recognition of a great humanitarian principle. It lays a foundation. It is a start toward a more complete acknowledgment of our duty to our fellow man. We must, however, be alert and willing to supplement or correct whenever and in whatever way experience gained in the days to come shall indicate to be either necessary or advisable. An awakened national conscience toward those to whom we owe this duty demands the favorable consideration of this measure.

Mr. SMITH of Washington. Mr. Speaker, I am very happy in the realization that finally our Government is about to introduce a system of old-age pensions, unemployment insurance, and maternal and child benefits. I pointed out to my colleagues in the last Congress the deplorable fact that the United States had to share with China and India what I then termed "the national ignominy and disgrace of providing no system of pensions or insurance for its aged indigent citizens." It is a cause for national rejoicing that we are now at least making a start toward putting into effect these great social reforms. Of course, the provisions and benefits are not as liberal as we would like them to be, nor are the amounts or age specifications satisfactory. However, it must be borne in mind that we are extending this assistance to our citizens at a time when the Nation's finances are at their lowest ebb, and that as conditions improve, we will increase the amount of the payments and also lower the age limit.

THE AGED IN SOUTHWEST WASHINGTON

I have received from Hon. W. L. Austin, Director Bureau of the Census, Washington, D. C., a statement showing the number of citizens 65 years of age and over in the nine counties of the Third Congressional District of the State of Washington. The official figures are as follows:

County	Age 65–74	Age 75 and over
Clark	2,108	793
Cowlitz	947	325
Grays Harbor	1,928	649
Lewis	1,869	707
Mason	413	136
Pacific	598	231
Skamania	152	58
Thurston	1,511	608
Wahkiakum	151	56
Total	9,677	3,563

There are thus approximately 13,240 citizens in southwest Washington who will be eligible to participate, and if they receive $30 per month, of which $15 will be provided by the Federal Government, they will receive the total monthly sum of $397,200, and the total annual payments will amount to the sum of $4,766,400 in the nine counties, which will be a blessing to the aged and should also contribute to improving general business conditions.

UNEMPLOYMENT INSURANCE

The unemployment-insurance feature of the bill also marks a forward stride in progressive legislation. It is intended to confer manifold benefits upon employee and employer alike as a result of the lessons learned from actual operation of the plan, salutary changes for its improvement will undoubtedly suggest themselves and be the subject of legislation by future Congresses.

MATERNAL AND CHILD HEALTH

The humanitarian object of this title in the act is stated in the text to be to provide funds "to enable the Federal Government to cooperate with the State agencies of health in extending and strengthening services for the health of mothers and children, especially in rural areas, and in areas suffering from severe economic distress", and one section applies specially to the "care of crippled children", which expresses a new, noble, and glorious conception of the duties of government.

THE TOWNSEND PLAN

Mr. Speaker, I am of the opinion that the McGroarty bill, H. R. 7154, which embodies the Townsend plan, should be substituted for title I of this measure, dealing with the subject of old-age pensions.

I have studied the Townsend old-age revolving pension plan for over a year and feel that I know something about it. In the last Congress I placed in the RECORD a statement of the objects and purposes of the plan, the first public and official notice which it received in the Congress of the United States. (See CONGRESSIONAL RECORD, Apr. 4, 1934, pp. 6039–6040.)

Last December when I came to the Capital a month before Congress convened, I was one of a small group of Congressmen who met with Dr. Townsend and issued the call for the meeting in the House caucus room at which he made his first public explanation of his plan in the Nation's Capital, and I attended the session. Later I joined with Dr. Townsend, the gentleman from California [Mr. MCGROARTY], and several other colleagues in drafting the first bill, H. R. 3977; and I also collaborated with them in revising that bill and formulating H. R. 7154, the present McGroarty bill.

I voted against changing the discharge rule to require 218 instead of 145 signatures. I was the eighteenth Member to sign the petition on the Clerk's desk to discharge the committee and bring the first McGroarty bill before the House for consideration and vote, and the other day I was one of 103 Members who voted against the previous question in order to insure that the revised McGroarty bill would be submitted as a substitute for title I of the committee bill, but we were defeated in our effort. I am pleased, however, that the question of germaneness was resolved in favor of such procedure, and was one of the 56 Members who voted in favor of the bill.

The revised McGroarty bill is essentially in principle the same as the first bill, excepting that we have broadened the tax base to impose an increased 10-percent tax on incomes and to add an extra 2-percent tax on inheritances and gifts over $500. We also provide that the "annuity", which term we employ instead of "pension", because it is more accurately descriptive, shall not be paid to anyone having an annual income of over $2,400, and that the present income of the annuitant shall be debited against the annuity, and that the annuity shall be "in such amount not exceeding $200 per month as may properly be paid from the funds accumulated." In other words, the amount of annuity to be paid shall be measured and determined, as it would necessarily have to be in any event, by the tax revenues yielded and derived from the collection of the 2-percent business transactions tax and the other taxes just referred to. This improved bill makes no material departure from the original bill, and this view is shared by Dr. Townsend himself, by Mr. MCGROARTY, and by all of us who have taken the deepest interest and most active part in urging the Townsend plan. This modified bill is more explicit, practical, and workable, and is, in my judgment, far superior to title I of the act which we are considering during this debate. According to the studies of the actuaries and statisticians, the tax receipts would be sufficient to pay to each annuitant $50 the first month, with a steady increase of 20 to 25 percent each month until at the end of 1 year the full maximum of $200 could be paid. This is the testimony of Dr. Robert D. Doane, one of the leading economists in the Nation.

QUALIFICATIONS—DR. ROBERT D. DOANE

Education—public schools, Wesleyan University, Georgetown University, Columbia University, New York University. Has been pro-

fessor and lecturer in schools of economics. Has also served as consultant for the United States Department of Commerce and the United States Department of Labor, in addition to 15 other outstanding national organizations. Author of 10 leading works on economics, some of which are used as textbooks in our educational institutions.

In his opening remarks before the Ways and Means Committee of the House of Representatives, Dr. Doane stated that he was not advocating any particular economic-security measure, but was appearing as an economist and statistician to testify as to the revenue which could be derived from the imposition of a 2-percent turnover or transaction tax.

Dr. Doane filed several statistical tables with the Ways and Means Committee, including those referred to below.

Table IV covers physical goods transactions for a limited list consisting of only farm products, forest products, fisheries, mines, and quarries, and table I gives a classification of consumer expenditures for this limited list of items.

TABLE V.—*Maximum theoretical possibilities under 2-percent turnover tax*

	Selected items as given in table 1 (millions)	All producer and consumer expenditures (millions)	All expenditures including Government and institutions (millions)	All gross transactions and transfers (millions)
Estimated annual 1935 collections	$4,000	$6,000	$6,300	$9,600
Estimated annual collections on a 1929 basis	$7,500	$12,000	$12,600	$18,700
Estimated expected increase in prices (percent)	[1]12	[1]18	[1]20	[1]24
Annual volume of transactions, 1935	----------	$224,000	$242,000	$481,000
1929	----------	$358,000	$376,000	$935,000

[1] Note the small percentage expected increase in price levels due to imposition of 2-percent tax.

Table V (above) shows that income from the proposed tax will be four billion dollars the first year on the selected items only when based on 1935 levels of business and prices. The income for the first year on all transactions would be nine billion six hundred million. On 1929 levels the income the first year would be, on limited list only, seven billion five hundred million, and on all transactions eighteen billion seven hundred million.

Dr. Doane stated before the Ways and Means Committee that a monthly increase of 20 to 25 percent in volume of trade and a consequent increase in tax revenue might be expected monthly until immediate wants are supplied (p. 1054).

This monthly increase, if realized, would evidently provide ample funds to pay pensions as fast as pensioners could qualify and register—we quote as pensioners could qualify and register. Since this testimony was given Dr. Doane has stated that under this 2-percent transaction tax-revolving method, the anticipated monthly increase in income would be as follows:

"First month, three hundred and thirty-six million; second, four hundred and twenty million; third, five hundred and twenty-five million; fourth, six hundred and fifty-six million; fifth, eight hundred and twenty million; sixth, one thousand and twenty-five million; seventh, twelve hundred and eighty-one million; and eighth, sixteen hundred and one million."

This rate of business increase which is expected from the introduction of the Townsend plan is substantiated by the annual Federal Reserve report of 1933, which shows a monthly increase of 20 percent occasioned by the introduction of the N. R. A.

The forced spending feature of the Townsend plan should cause a much greater business increase than that occasioned by the N. R. A.

The following table I is a combination of Doane's tables II and III, which were filed with the Ways and Means Committee.

TABLE I.—*Total estimated monthly consumer expenditures and average monthly per capita consumer expenditure, by income groups, 1935 basis*

Income classes (thousands)	Income recipients (actual)	Monthly spending (thousands)	Per capita present prices [1]	Expected total revenue (000 omitted)	Estimated tax 2 percent per income recipient	Estimated tax per capita per total population
$1,000 and over	77	$481	$6,670	$10	$133.40	$35.10
$500 to $1,000	149	826	5,917	17	118.34	31.14
$300 to $500	268	1,340	5,335	28	106.70	28.07
$150 to $300	1,056	4,969	5,009	105	100.18	26.36
$100 to $150	1,634	6,830	4,458	145	89.16	23.43
$50 to $100	7,830	25,886	3,527	552	70.54	18.56
$25 to $50	24,308	46,209	2,028	985	40.56	10.67
$10 to $25	137,754	147,948	1,146	3,157	22.92	6.03
$5 to $10	417,655	256,022	654	5,462	13.08	3.44
$3 to $5	912,630	283,828	333	6,078	6.66	1.75
$2 to $3	4,674,100	808,619	185	17,294	3.70	.97
$1 to $2	16,281,430	1,449,047	95	30,934	1.90	.50
$1 and under	15,091,109	875,284	63	19,014	1.26	.33
Total	37,550,000	3,907,289	----------	83,781	----------	----------

[1] These totals include the anticipated mark-up of 12 percent occasioned by the imposition of the 2-percent tax.

A study of table I, compiled by Dr. Doane, reveals that the tax imposed on income recipients would range from $133.40 for those in the higher brackets down to $1.26 monthly per individual recipient. And per capita tax would range from $35.10 down to $0.33 per individual, monthly. These figures include mark-up or increase in retail selling price due to the imposition of the 2-percent tax.

In further confirmation of the volume of business transacted we quote E. A. Goldenweiser, Director of Division of Research and Statistics of Federal Reserve Board, testifying before the Ways and Means Committee at the Seventy-second Congress, May 2, 1932, who said: "The total volume of transactions in this country in 1929 was about $1,200,000,000,000."

Dow-Jones News, December 5, 1934, reports $1,165,000,000,000 of business in 1929.

Federal Reserve bank debits as reported in 1929 were $982,531,000,000.

Dr. Doane appeared before the Senate Finance Committee February 20, 1935, and made an opening statement, which we condense as follows:

"It is my primary purpose to present a brief statistical visualization of certain inherent current revenue possibilities now available to the Government under a 2-percent general sales tax. I wish you to understand that I appear as an independent statistician to show the revenue possibilities of a 2-percent sales tax or turn-over tax calculated on a very broad base * * *."

"I have caused to be prepared a series of preliminary tabulations * * *, in order that some clear insight may be gained into the revenue possibilities under the 2-percent sales tax at present levels.

"It will be also understood that I do not profess that these tabulations are to be accepted as final."

Particularly attention is called to that part of Dr. Doane's closing statement before the Senate Finance Committee to the effect that, "This form of taxation, if uniformly employed could easily through possible substitution decrease the tax liability now imposed on real property with the consequent material increase in capital value."

The income derived from tax on transactions as referred to by Dr. Doane in table no. 5, filed with the Ways and Means Committee, reproduced herein, based on 1929 transactions would provide ample means the first year to pay $200 per month pension to 7,500,000 pensioners.

Dr. Doane is authority for the following statements:

"The cumulative effect of a uniform Nation-wide turn-over tax at the low rate of 2 percent on limited transactions could easily put a stop to further Budget deficit and finance such a social-security program as envisaged by the Townsend plan.

"Certainly sufficient funds could be raised by this turn-over tax to more than care for the social-security program now before the country.

"The turn-over method of taxation is an equitable and fair way to provide means to pay as you go the service charge of Government that will bring revenue and a blessing to all business and social enterprises once it is put into action.

CLOSING STATEMENT OF DR. ROBERT R. DOANE BEFORE THE UNITED STATES SENATE FINANCE COMMITTEE FEBRUARY 20, 1935

Briefly summing up the returns from a 2-percent tax, as set forth in detail in table I, which includes the tax on raw materials, manufacturing, wholesaling, and retailing on total monthly transactions of some eight and three-fourths million dollars, while the estimated increase in the cost of goods due to the tax has been placed at approximately 10 percent. That will be found in column 4, table I. The total estimated revenue from the tax on this limited list approximates $4,000,000,000 yearly, at present levels, without giving consideration to any accelerated movement of trade; while an identical tax on all transactions would return nine to nine and three-fourths billions of dollars per year at present levels of production.

The estimated increase in retail price of goods, based on experience of other nations, would be 10 percent; while the volume of trade expectancy could increase 25 percent monthly for the first few months, after which the increase would be at a decrescent rate. A continuation of this stimulated volume of trade could be expected under normal conditions until the revenue derived from the tax could mount to $26,000,000,000 per year, but that would be in the future.

This form of taxation, if uniformly applied, could easily, through possible substitution, decrease the tax liability now imposed on real property, with a consequent material increase in capital value.

The social security envisaged in the Townsend plan is undeniably a challenge to our modern economy. It seems that if we accept as a sound business principle a 2½-percent annual depreciation charge against our capital equipment of brick, mortar, steel, and so forth, it is natural that mankind should accept a like charge annually against our human resources.

Mr. Speaker, Dr. Doane makes it clear that he is not advocating any old-age-pension plan and that his sole purpose is to show what money could be raised by a 2-percent turnover or transaction tax. His estimate is $336,000,000 for the first month, increasing 25 percent monthly until the eighth month the income is estimated at $1,601,000,000, nearly enough to pay $200 per month to 7,500,000 citizens, which is the maximum annuity, and this was before we broadened the tax base, which will provide additional revenue.

Dr. Doane's table no. 1 disproves the unfounded statement sometimes made that the burden of raising the money would fall on the poor. He shows by income groups for the year 1935 that incomes of $1,000,000 and over each would pay $143.30 per month. These payments range down through the different incomes until they reach those with incomes of $1,000 and under, which is the much larger percentage of the population, where the estimated burden of the tax would be $1.26 per income monthly, while the per capita tax would range from $35.10 per month for those in the highest brackets to 33 cents per month in the lower brackets. What a small contribution this would be to bring about the recovery of business and improved conditions for all our people.

Dr. Doane further states that—

> This form of taxation, if uniformly employed, could easily * * * decrease the tax * * * on real property, with a consequent material increase in capital value.

What greater benefit could accrue to the overburdened taxpayers and owners of real estate, homes, and farms than to have their tax burdens lightened, with a resultant increase in the capital value of real property? Dr. Doane's statement places the Townsend plan on the basis of a practical business method of recovery.

It requires no argument to establish that increased purchasing power, a stimulus to business, industry, and agriculture, reemployment and a greater volume of general prosperity, would be certain to result from the enforced spending of the annuity funds. I quote from the statement of Dr. Francis E. Townsend:

> Briefly, the Townsend plan of old-age revolving pensions has as its objective three salient features.
>
> Primarily, to effect and maintain complete recovery in the United States and to sustain this prosperity by a constant and sufficient supply of purchasing power, evenly distributed in accordance with the population throughout the entire Nation by means of employing citizens past 60 to make the distribution.
>
> Secondarily, to create a condition of employment assurance by replacing those over the age of 60 now employed with younger workers and by creating other employment through the expenditure of the pension money in the marts of trade.
>
> Dr. Doane asserts that at present levels the annual expenditure in retail trade of $1,730 will create continuous employment for one man.
>
> And, lastly, but by no means the least desirable feature of the Townsend plan, is the creation of an adequate retirement fund for each individual who can and does qualify upon reaching age 60. It is a very significant fact that over a period of years each individual creates his own retirement fund. In effect, the Townsend plan is a collective involuntary purchase of retirement annuities, using the Federal Government as the agency of collection and distribution.

Mr. Speaker, let us not be biased against the adoption of this plan because of the apparent large sum involved. We spent $33,500,000,000 in the world war, and nearly everyone recognizes the fact we are now engaged in a war more serious and fatal to our own people—a war against unemployment, against poverty, against starvation, against sickness, against suicide, against broken lives, against revolution.

What has this present war against the depression cost us to date in loss of national income?

According to authentic sources, the figures are as follows:

National income

	Amount of income	Loss compared to 1929	Authority
1929	$83,000,000,000+		S. Doc. 124, 73d Cong.
1930	70,000,000,000+	$13,000,000,000	Do.
1931	54,000,000,000+	29,000,000,000	Do.
1932	39,000,000,000+	44,000,000,000	Do.
1933	40,000,000,000—	43,000,000,000	Associated Press reports.
1934 (approximate)	45,000,000,000	38,000,000,000	Do.
Total		167,000,000,000	

The investors of our country lost at least $50,000,000,000 in the stock-market crash of 1929–30.

A FEW FINAL QUESTIONS

Would it be dangerous to cause, as Dr. Doane estimates would be the effect, an increase in the price level of retail goods of 10 percent, when we have in the past permitted the private bankers of the country to inflate credit and debt checks in circulation in the sum of approximately $50,000,000,000?

A retail sales tax has been urged by big business and the most conservative Members of the House and Senate for years as a just and equitable form of taxation. Will someone point out why a tax imposed upon all business transactions would be any more unsafe, unsound, or unjust than a retail sales tax, and wherein lies the difference which should cause us to adopt the one and reject the other? Is not the only real difference that the transaction tax would fall most heavily upon those who do the most business and are therefore the most able to pay the tax?

Is it worth while to pay 2 cents on each $1 of business transactions in order to end a condition which has cost us a loss of $167,000,000,000 in the past 5 years, not to mention the billions appropriated by Congress and spent by the Federal Government for relief, the cost of charities and poor farms and homes for the aged running into many more billions, and the cost of crime caused by poverty amounting to billions of dollars, which would be substantially reduced?

A transaction tax of 2 percent on every business and money transaction would be the most just and equitable form of taxation which could be devised, and there is not a single, valid, sound objection against it. If it is not enacted into law in this Congress, it will be in the Seventy-fifth Congress.

Mr. YOUNG. Mr. Speaker, the administration social-security bill contains the most liberal provisions and provides for the most liberal old-age-security payments in any law of any nation anywhere on earth.

President Roosevelt's message to the Congress of June 8, 1934, has been accepted, and we uphold his leadership in supporting this beneficent measure.

President Roosevelt in his great message to the Congress said:

> Among our objectives I place the security of the men, women, and children of the Nation first. * * * People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguards against misfortunes which cannot be wholly eliminated. * * *

The enactment into law of the Social Security Act of 1935 will mark a happy event in American life. We have builded well a strong foundation upon which will be erected economic and social security and contentment for our people and for those who will come after the time we are gone and forgotten.

This bill provides for unemployment insurance under State authority. It grants aid to States for financial aid to dependent children, for maternal and child welfare, for public-health service, for care of crippled children, and for vocational rehabilitation. Generations as yet unborn will rejoice because a Democratic Congress in the year of 1935 undertook this, the noblest experiment in constructive social service ever undertaken by any government.

Four hundred fourteen thousand and eight hundred individuals whom I, as Congressman at large, represent are at the present time eligible for old-age-security payments under the beneficent provisions of this bill. I am happy to say to these 414,800 citizens of Ohio, "You have lived for 65 years or longer and served and helped build our Nation and State. Your Government now holds out and gives to you for the balance of your lives $15 per month. All it asks is that the State government contribute $15 per month or more."

I voted for the amendment that would have increased the old-age pensions for each elderly individual to $40 per month instead of $30. I had hoped that these old-age-security payments would commence at 60 instead of 65. Wise legislation is, however, usually the result of compromise, and we mark an epoch in the passage of this great legislative measure. Future Congresses will carry this work forward, I hope, and amend and liberalize the provisions of this measure.

It was cruel and uncalled for that so many of my fine constituents were deceived by high-pressure advocates of the first Townsend plan. This plan was embodied in H. R. 3977, Mr. McGROARTY introduced last January. It was abandoned by its author and repudiated by its sponsors.

The $200-per-month payment feature has been eliminated, although all of this time leaders of the Townsend plan, so called, have been asserting to high heaven that there was and would be no compromise. Many thousands of my constituents have been and are being misled and deceived. A great fraud has been perpetrated by those who have claimed that the original Townsend plan for $200 to every individual of 60 or older has only been "slightly revised" by the provisions of H. R. 7154, Mr. MCGROARTY introduced on April 1, 1935. The facts are that the original Townsend plan has been utterly abandoned. H. R. 7154, which sets forth the Townsend plan as of April 1, 1935, embodies fundamental changes. The former measure was not "slightly revised." An entirely new proposal was offered. The sham and fraud is evidenced by the admission openly made by proponents, in the course of this debate, that the Townsend plan as of April 1, 1935, will pay not to exceed $50 per month to elderly individuals. That figure is their guess. My estimate, carefully made, is that elderly individuals, were this measure enacted into law, would receive about half that amount, or possibly $28 per month.

The Ways and Means Committee, according to information given me, intended to make a report in regard to H. R. 3977, but when this measure was abandoned and repudiated by its author, it became unnecessary for committee members to give it further consideration.

The Townsend plan as of April 1, 1935, embodied in H. R. 7154, provided that the monthly stipend may range anywhere from nothing to $200, dependent upon the amount of revenue obtained and the expense of administration. I object to this as not providing real old-age security. Some definite minimum should be established in the law.

Furthermore, it provided for only a small inheritance tax. I favor greatly increased inheritance taxes against large fortunes.

Threats have been made that unless I vote for the original Townsend plan, abandoned on the doorstep of Congress, there would be another Congressman at large from Ohio in my place. Mr. Speaker, the office of Congressman at large belongs to the sovereign citizens of Ohio. It is not mine. They have honored me, and I appreciate the confidence shown me in 1932 and 1934. I intend to again go before the electorate of Ohio in 1936, but at all times I do intend to work at this job and consider my solemn oath and the welfare of our country. A threat that I must vote for an unsound proposal to assure my own reelection is an insult to my integrity as a public official. Threats do not bother me. I do not scare. I will work at this job and do my duty. The elections will take care of themselves. Furthermore, even though threats procured through the machinations of those who are making a racket of a "plan" since abandoned as unsound were to be carried out—were these unscrupulous agitators to bring about my defeat—I have an abiding faith that our country would struggle along somehow without my services in the Congress. A Divine Providence would, I am confident, come to the rescue of our beloved country and fill the vacant chair.

Mr. Speaker, I have consistently voted against gag rules. Certainly I would have voted against any gag rule in connection with old-age security and unemployment insurance. We have had prolonged debate of a high character and full opportunity to offer and consider amendments of every kind, including the Townsend plan, so called. No one can claim that any gag rule was offered or adopted in connection with this social-security bill. The facts are that H. R. 7154 has been considerably amended and changed. The gentleman from Oregon [Mr. MOTT] states that some of these amendments are of considerable importance and he in his remarks on April 17 offered the latest revised version of the Townsend plan. Therefore, we may properly consider that the Townsend-plan leaders have again changed their proposal as of April 17, 1935. No reference, directly or indirectly, is made in this latest revised version as to $200 per month or $2,400 per year. That is definitely out. Is it not reasonable to expect another Townsend plan to be offered so that the agitation may continue and the quarters may keep pouring in?

Mr. Speaker, I made speeches in Ohio in favor of old-age security long before Dr. Townsend announced his first plan. As a member of the Ohio Commission on Unemployment Insurance in 1930 and 1931 I studied this great problem and I signed the majority report recommending unemployment insurance. The citizens of Ohio whom I represent know that they can depend upon me to support the most liberal social-security program that is practical. [Applause.]

Mr. FARLEY. Mr. Speaker, old age ought to be made secure. Men and women who have done their part in the duties of life should not end their days in penury and want. It is a proved fact that less than 10 percent of all people who have reached the age of 60 years have been able to lay by a competence for their closing days. Of the other 90 percent, some struggle on to the end to earn what they require. Others end their days dependent upon the bounty of children or other kin, while still others have no reliance but upon the meager provisions of public agencies.

President Roosevelt in a message to Congress, June 8, 1934, said in relation to the uncompleted part of his program:

> Among our objectives I place the security of the men, women, and children of our Nation first.

Upon that I stand with our great President. One of the things he had in mind was the old-age pension. That is the subject that I wish to discuss briefly with you.

Think as we may, say what we will, there is none among us all who can hold, even to himself, that old age should either be heavily burdened with labor or deprived of the plain comforts of life. It is all very well to say, as some do, that industry, thrift, and prudence must be our security against an old age of dependence, penury, and want. But we know, all of us, that the vast majority of human beings everywhere enter the period of declining years in just that condition. It always has been so; and because it has, some there are who believe it always must be so. From any such conclusion I dissent with all positiveness. I no more agree that the aged poor should be deprived and made to suffer than I would share the monstrous doctrine once held that crippled children had no right to live.

We find our subject to fall naturally into three parts—the old-age pension as an economic recourse; the old-age pension as a factor of social justice; the old-age pension as an example of practical altruism.

It has been something of a fashion among opponents of the old-age pension to declare against it as "economically unsound." That has become trite, but it never can become true. There is nothing economically sound in helpless poverty. I never could, nor do I believe any of you ever can, see anything economically sound in a poorhouse. Quite certainly you will agree that there is nothing that socially is sound in the cold tolerance of suffering that need not be. When we permit the aged poor to be helplessly burdened with poverty, we submit ourselves to a condition which has a variety of bad reactions, all costly and some of them demoralizing. To provide the aged poor with resources necessary to decent living and comfortable existence means to keep them in the class which consumes normally. That in turn means something to industry of most sorts, to trade of many kinds. The benefits are distributed, and all of us, including even the rich, stand to gain by it.

It is recognized that in all times there has been and that most probably in all future times there will be a great difference in human beings. Some are capable, more or not; some are aggressive, more are submissive; some are acquisitive, more are indifferent to wealth; some are thrifty, and many are imprudent. In this wealthiest land the world has ever known, where less than 10 percent of the people own more than 90 percent of the wealth, these human differences seem to be more sharply accented than in any other land. Yet these very differences make possible the doing of the work that must be done. There is much toil that is harsh and uninviting. Yet for those who perform it the recompenses are lowest in the scale. It is impossible

that those so engaged can in many instances acquire good homes and lay by a competence against the time when age and infirmity forbid effort. What is to become of these? Are they to be starved, or turned into the streets to beg, or kenneled in almshouses? That does not, somehow, seem to fit with the scheme of an enlightened and wealthy civilization. It does not comport with the ideas most of us hold concerning social justice. If all the wealth of the Nation were to be equally distributed at this time, there would be something less than $3,000 per head, or not to exceed $10,000 for each family. No unencumbered man could live on his $3,000, no family could subsist on its $10,000. But there is and there will be no such distribution of wealth. A few will be very rich, a great number will be moderately circumstanced and some millions of people will have nothing save the wages of labor from day to day. It follows that millions will enter upon the period of old age with nothing upon which to live. Because they did the menial tasks, performed the poorly requited labor that is indispensable to progress, to economic development and balance, and to domestic comfort, have they no desert beyond the mean wage they were paid and the precarious life of old age without substance to which they have come? There is such a thing as social justice. We are coming more and more to recognize it and to institute its principles in our civil establishment and in our society.

In no other country of any age has practical altruism had such splendor of example as in the United States. Public benefactions have gone literally and stupendously into the billions. With few exceptions these lavish gifts have been bestowed upon education. That is worthy and will be endlessly useful to all mankind. Yet the largess given to religious causes has been itself an immensity of benevolence that will bear fruit everywhere to the end of time. Health, social research, child welfare, and civic advancement all have shared bounteously in the lavish giving that has so burnished this era with a splendor of benevolence. Yet in it all there has seemed to be less thought for the poverty and helplessness of old age than for any other condition which can appeal to the spirit of philanthropy. The poorhouse and the community chest remain in this age of rich and enlightened benevolence the chief reliance for the warding of the aged poor from the misery of penniless existence. The old-age pension is a practical altruism, but it is not charity. It recognizes that in the very nature of our economic system and social fabric there must be great numbers who cannot take hostage for the comfort of their old age.

Now, let us not give ourselves the jitters over this question of old-age pensions. It is not an untried but threatened experiment in some field of socialism. Half of the States of the Union have established systems of old-age pension in some form and in some degree. Others will make similar provisions during legislative sessions the coming winter. President Roosevelt has caused practical researches to be made for the enlightenment and guidance of himself and Congress in the consideration of a Federal system of old-age pensions. He proposes that it shall be a system jointly maintained and administered by the National Government and the States. That is as it should be. Just what the plan is precisely to be I am unable to say. Nor am I at this time able to say just what should be the plan I most would favor. But all that will be worked out. Time will be required to wisely develop and thoroughly establish any efficient and economical plan. In general, I should say the plan ought to provide that those who are likely to be its beneficiaries should be required during their earning years to contribute to the resources from which they are to benefit. Not everything we can desire an old-age-pension system to be can have immediate development. But it can be given an early beginning and built up as time permits and improved as experience shall dictate.

In this thing we can do better than the poorhouse, better than public or private charity, better than we ever can possibly do with either. We can treat our old folks who have done their part, have acquitted themselves well and have contributed their best years and most fruitful toil to our progress and well-being, as the veterans of our wars are treated when they are broken in the fray or have bended under the burden of their years. The Government of the Nation and of some of the States have established civil pensions for those long in public service. Those who are citizens of Fort Wayne are quite familiar with their own pension system for retired members of the fire and police departments. It is in the useful pursuits of peace as it is in fiery strife of war an honorable discharge from service. Have not those others whose toil is necessary, whose lives have been useful and whose recompense never has been such as would permit them, however diligent, thrifty, and prudent, to lay up a competence, also a just claim upon the generosity of Government and society? Are they not entitled to receive the means of comfort and decent living upon a ground and in a manner that will neither brand them paupers nor wound their self-respect? I think so.

And as for ourselves everywhere, who have had our lives cast and our paths drawn in more generous fields, have we no duty of respectful regard for those who have wrought for the common good as sturdily though less fortunately? We shall not escape the reproaches of our conscience nor the condemnation of heaven if we shall fail to see and stubbornly go on to flout this obligation which rests upon us all.

Mr. THOM. Mr. Speaker, the principles of aid to the aged and of unemployment compensation as embraced in the social-security bill must be utilized if we are to correct some of the obvious and distressing hardships of what we call the "private-profit system." There are those who look upon these social measures as destructive of our present system of production and distribution, and they shrink sincerely from their adoption into our scheme of things; and yet in my humble belief those who espouse these measures of reform are the true friends of the profit system and will be so looked upon by future historians. To me, it seems certain that if our present system does not afford an income to the average man, preferably, of course, through employment, then it will be supplanted. Every advanced country in the world, under stress of conditions such as we now face, has found it necessary to resort to old-age pensions and the creation of unemployment reserves, and it seems logical to deduct from their experience that this country—especially since the free lands of the West, where formerly our surplus population could migrate, have disappeared—must follow suit.

This measure has been characterized as revolutionary, and I think it is properly so designated, for it introduces the theory that the Federal Government owes a duty to the unemployed, not only in times of emergency such as we have been passing through but during normal times. Some sincere advocates of the principles of the bill are aggrieved and greatly disappointed that the relief afforded is not larger in amount. Since not all of their ideas are accepted, they proceed in misguided fashion to assail the whole measure and discredit it in the eyes of the public. By so doing they join hands with the ultraconservatives, who are opposed to the bill, lock, stock, and barrel. This combination of extremists appears constantly in the legislative conflicts on this floor. Between the extremes, happily, march a set of moderate-minded men who realize that the world cannot be reformed overnight and who are willing to make progress slowly rather than none at all. In England there are two noteworthy social thinkers, Sidney and Beatrice Webb, who have long striven in the field of social reform, and they have coined a phrase which they use frequently in their discussions of social progress, to wit, "the inevitability of graduality." In other words, progress comes slowly, unless you wish to adopt methods of violence.

May I now speak briefly about the two main phases of this bill, addressing myself first to old-age pensions?

The plight of the aged is directly traceable to what we are pleased to call the "machine age." Before the advent of labor-saving machinery, an artisan was compelled to spend years in the perfection of his trade. It usually required precision and the sort of skill that only laborious efforts over many years could achieve. The employer could not easily supplant this trained man. He could not go out into the street

and pick up a substitute. As a result, the man of age was looked upon as a desirable employee, and I have known many instances of men in my home community who have worked steadily at a bench up to the age of 75 years. They were looked upon as fixtures in their plant and as irreplaceable. The transfer of this human skill to automatic machinery has changed the situation entirely. Our workmen have largely become merely machine tenders, and the requirements for successful performance of this type of work are youth and vigor. Almost universally, therefore, the factory door is now closed at least to new employees who are over 45 years of age. I might add that workmen's compensation for accidents has also militated against the older man because of the fear that he will recover less quickly, and possibly not at all, from a shop accident.

It seems to me, therefore, that the payment of old-age pensions is the diversion of part of the profits of labor-saving machinery to the care of the human victims of this improvement. It is a much more enlightened way of treating the problem than was used in France and England when the installation of automatic machinery stimulated riots among the workmen and in many instances resulted in the physical destruction of the machinery itself. Happily, we have not indulged in this age in any sort of blind destruction such as this. Notwithstanding the displacement of aged men, we realize that the machine has been a benefactor in that it has increased the sum total of things for distribution among our people. It has been a creator of wealth and is in a large part responsible for the improved living standards of our age. Yet, I am one of those who believes that we cannot accept these improvements without taking steps to alleviate in some way or other the suffering that comes with their inauguration. Primarily, the machine is intended to cut down costs of production and at the same time reduce the selling price of the articles manufactured. The cost of old-age pensions, as well as unemployment compensation, will result in less advantages from machine production, so far as dollars and cents are concerned, to the consumer as well as to the industrial owner; but these two classes must not share all the benefits of progress, and permit the aged and the unemployed to go to the scrap pile as the human debris of progress.

My observations on old-age pensions would not be complete unless I called attention to the fact that the pioneer work in the popularization of the old-age-pension idea was undertaken not by either of the major political parties, nor by the Townsendites or the Popeites, who recently have come onto the scene, but by the Fraternal Order of Eagles. The members of that organization did the real battling for this cause at a time when by advocacy of it you invited ridicule and abuse from a large element of the population. But the education of the people as to the needs of old-age pensions was pursued by the Eagle lodges all over the country with such vigor and intelligence that we now see few who dissent to the principle, and the only disagreement is as to methods and amounts. The record of this debate ought to contain this recognition of the efforts of this organization.

May I now make several observations about my hopes with reference to unemployment compensation?

Much emphasis in the past has been placed on the rate of wages paid workmen. What counts now, as President Roosevelt recently observed, is the number of hours of employment that a man obtains during a year. This raises the question of the regularization of employment, and it is a question of supreme importance. A recent survey of the automobile industry shows that the average annual earnings in four plants was $1,050 in 1934. This is typical of what has happened in wage income in many industries. Steady employment the year around has become almost unknown for the average man. The truth is that most of our industries have become seasonal in their output. Purchasers of automobiles desire to be supplied in the springtime and this means that there is a peak load of production in automobile plants during the three spring months, March, April, and May. It cannot be blamed on the manager of industry that the demands of the people are such that all of his orders pile in on him within a brief period of time.

And yet what happens because of this heavy output confined to a particular period of the year is that automobile, as well as other employees, bring into their factories a great many extra workers drawn from the country, use them for a brief period, and when the rush is over they are returned to the labor market. During the rest of the year, instead of returning to their homes, oftentimes these workers remain in the industrial cities subjects of charity. If regularization of production could be attained, there would be a more or less steady employment for the regular force of men and there would not be this importation at seasonal periods of additional men who are taken from the farms and who thereafter consider themselves as industrial labor. I am happy to say that the automobile industry is now trying to flatten out its production in the hope of giving men more steady work and removing the need of recruiting workers from other districts when orders rise to high peaks.

It is my hope that the unemployment-compensation premiums payable by the managers of industry will act as a spur in promoting regularization of employment. Industry will naturally attempt to keep down the assessments for unemployment compensation, and in order to accomplish this end industrial concerns will seek means of stabilizing their output. In this connection it is essential in my mind that the State insurance systems to be set up shall eventually offer a reduction of premium or assessment to those employers who succeed in regularizing their employment.

It does not seem altogether fair that the industry which does not create irregularity in employment should bear the same burden of expense as does that industry which has a record of persistent unemployment. I might add that there is another fruitful field for experiment in regularizing employment by a specific industry adding to its product some article which can be manufactured during those times of the year when its chief product is not in demand, thus keeping its men at work in slack seasons. Whether the penalty of unemployment-compensation premiums will serve to promote effort for regularization of employment remains to be seen. To all legislative acts the words of Theodore Roosevelt are applicable:

> Their success or failure is to be determined not on a prior reasoning but by actually testing how they work under varying conditions.

I notice that there is exhibited by representatives of rural States in this debate an attitude of indifference toward unemployment compensation, and yet such a system will be indirectly of great benefit to their people. When the period of unemployment comes the compensation payments will serve to cushion the fall of business, and the moneys collected in lieu of pay-envelop money will be spent for the food which comes from the country and for clothing, the raw material for which is furnished by agricultural States. In other words, the customers of the agricultural States will, despite unemployment, be able, in a measure at least, to continue buying and consuming the products of agriculture, and to this extent the American farmer will benefit.

In conclusion may I say that we cannot foresee whether the social-security measure will be a success in all its phases as now proposed. The experts know the experience of European countries, and they have builded for the United States on the basis of that experience, modifying old plans in accordance with peculiar domestic conditions. Only actual experience will demonstrate wherein they have erred.

Mr. MARTIN of Colorado. Mr. Speaker, I spoke three times against title 1 of the social-security bill. This is the title carrying straight old-age pensions. I also tried to amend it so that the Federal Government would have to pay for 2 years whether the State plans conform to the Federal plan or not, giving the States that length of time to pass laws conforming to the Federal plan. The amendment was voted down, as were all other amendments.

Now that the bill has passed the House and gone to the Senate, I feel that it is only fair, to myself, to the House and to the bill, to say something on the other side of the question.

The vote by which the social-security bill passed the House of Representatives was one of the most impressive votes which has been cast during the life of the Roosevelt administration. There are 435 Members in the House of Representatives. Only 33 votes were cast against the bill on the final roll call—13 Democrats, 18 Republicans, and 2 Farmer-Laborites. For it were 271.

Among the Republicans who voted for the bill were the party leaders in Congress who sat side by side at the minority table and voted "aye" when the roll was called.

There is food for thought in this vote. For 10 days the bill had been under steady debate, the longest House debate in the life of this administration. Various features of the bill had been severely criticized, just as I criticized title I. Others criticized the contributory old-age-pension title, a plan of building up old-age pensions for which the railroad men of the United States have been fighting for many years, which was finally passed by the last Congress and which is now pending before the Supreme Court of the United States, with railway employees organizations of the country lined up for it. Others attacked it because of the unemployment-insurance feature, although the United States is the only civilized country in the world which has no unemployment-insurance law.

But there was so much of good in the bill as a whole that when the roll was called its critics joined its supporters and rolled up one of the most impressive majorities for it that has been given any administration measure since Roosevelt was inaugurated.

My criticism was directed wholly against title I, the straight old-age-pension plan. It was my position that the Government contribution was too small and that many States would get nothing for a considerable period of time while getting their old-age-pension laws in shape to conform to the Federal requirements. I wish now to look for a moment at the other side of the picture.

There are nine titles in this bill, some of which, for the benefit of dependent mothers and children, for crippled children, for maternity aid, for the Public Health Service, for vocational rehabilitation, were without any opposition whatever.

More than 100 national leaders, men and women in the various activities and walks of life, and all of them students of social security, working as 9 subcommittees for a period of 6 months, produced this bill.

The committees of the two Houses gave it hearings which fill 2,000 pages of testimony and the House committee considered it for 3 months. It was framed by skillful builders, who had at their command the knowledge and experience of the civilized world. As a whole, it is a rounded program of social security furnishing a firm foundation upon which the future may build. It is an enduring structure.

Title I lays the foundation and provides the plan for as liberal a system of old-age pensions as the taxpayers are willing to finance. It is not a question of how big a pension I am for, but how big a tax and where the tax will be laid. I will not repeat here my views expressed in other speeches on the bill that a greater share of the tax than has yet been proposed should be laid on those best able to bear it.

It was urged a number of times during the course of the debate that the people of the United States are pension-minded. If this is true, the only thing that remains to be done is to make them tax-minded.

Mr. Speaker, I would be less than fair if I did not admit that the social-security bill is a great forward step for the care of those unable to care for themselves, whether old or young, or the unemployed of working age, and on a national scale. I look for the Senate to improve this bill. Future Congresses will improve it. England, the most advanced country in social security in the world, finds it necessary to change its system from year to year. We will repeat this experience.

I have looked forward to the initiation of such a program for many years. I must not let temporary disappointment over one feature of the program blind me to the great benefits of the program as a whole. I pledged myself to fight for the most liberal plan of old-age pension we could finance. I have done so. I am proud to have had some small part in the beginning of a great national plan purely for the benefit of humanity. I can close these remarks in no more fitting way then to repeat here the opening statement of my first speech on the security bill:

> Every living man and woman ought to be interested in the question of old-age security. The specter of a destitute old-age shadows every life. The removal of this fear would be the supreme achievement of our civilization.

Mr. ANDREW of Massachusetts. Mr. Speaker, I am thoroughly sympathetic with the humane purposes of this bill, but I think it a crucial mistake to have lumped together in one omnibus bill so many different subjects of vast importance as old-age pensions, old-age insurance, unemployment compensation, aid to dependent children, aid to mothers, child welfare, vocational rehabilitation, public health, and the others that are therein included. It is utterly impossible for Congress in a few days to give to so many varied problems the careful and deliberate consideration that their vital importance and their sweeping consequences deserve. I consider it one of the great errors of our present administration that it insists upon attempting everything at once. Even though there are many ills to be cured, it is not a safe method to prescribe a great variety of medicines simultaneously, especially when some of the medicines are untested experiments and the patient is in a frail and very unstable condition of health.

One of the subjects included in this bill which is clearly desirable and for which I should very much like to have voted is old-age insurance, but this is inextricably tied up with a multitude of other questions. Moreover, the provisions of the bill dealing with this desirable subject are needlessly confused and complex, involving two different kinds of Federal old-age assistance superimposed upon State systems already existing in a majority of the States. The first, which is simple, understandable, and commendable in method, proposes to grant supplementary aid to the State systems and to encourage their establishment where they do not exist. The second proposes an additional Federal system which apparently overlaps the first and which is highly discriminatory in its application. It does not apply to aged farmers or farm laborers. It does not apply to aged fishermen and sailors. It does not apply to aged domestic servants or casual laborers. It does not apply to teachers or to employees of the Federal, State, or local Governments. Nevertheless it involves the accumulation of a gigantic reserve by the Federal Government which it is estimated will reach a total of $32,000,000,000, a sum greater than the whole national debt at the present time. The need for this second system, with its discriminatory exclusions and its monstrous reserve, seems to me dubious, to say the least.

Likewise with unemployment insurance, a problem for which most of us would like to see some reasonable solution. The part of the bill dealing with this subject is highly discriminatory. It does not provide insurance against unemployment in general as many may suppose, but only compensation to certain classes of people who are unemployed. Its provisions do not apply to farmers and farm hands, to fishermen and sailors, to domestic servants, to employees of Federal, State or local Governments, or to teachers. Furthermore, they do not cover employees of factories or shops or stores who work for persons or firms employing less than 10 people. These omissions, including more than half of the population, are bound to cause wide-spread disappointment and resentment.

The subject of unemployment insurance is an entirely new field for legislation; and we ought to be particularly sure that we know what we are doing before launching the Federal Government on a permanent policy in this untried field. Unemployment compensation, known as "the dole", has been tried in England for several years, but with doubtful success. It has never been tried or experimented with by any one of our 48 States, except Wisconsin, and there for less than a year. I cannot feel that there is need for such haste as to justify the enactment of a vast measure on a

national scale which has never been really tried out in any of our States and which is so little thought out as to contain, for example, the discriminatory provisions just mentioned.

It has often been remarked that there are three more or less distinct goals for legislation in the United States today—first, relief; second, recovery; and third, reform. I think the order of their urgency is the order in which they are named. The millions of people out of work and without means of livelihood at the present time in this country need relief, and they need it now. On that account we voted the other day nearly $5,000,000,000 to furnish work and relief for those who are in need and without means of livelihood. We have provided abundantly, therefore, for immediate relief for the victims of the depression, assuming, of course, that the vast appropriation which we have placed in the hands of the President is fairly and wisely administered.

The recovery of normal conditions is our next most urgent goal, and in order to achieve that goal every effort of government should now be directed. The so-called "security bill" is not designed to contribute either to immediate relief or to recovery. In fact, it might very well serve to retard recovery if enacted at a time when business is feebly staggering to its feet. The 9-percent tax upon pay rolls, for which it calls, might easily cause apprehension if adopted in these disturbed times. The proposed building up of a gigantic reserve fund of $32,000,000,000, whose ultimate effects no one can foresee, raises other questions that might well give us pause. I feel that we should move very cautiously about such experiments that are only half thought out, that involve vast new burdens, and whose ultimate implications and consequences are but vaguely discerned. I cannot evade the conclusion that the commendable purposes of this bill could be far better provided for if more time for study and consideration were allowed, and if this bill were not precipitated through Congress, as have been so many other costly and futile experiments during the past two years.

Mr. LUDLOW. Mr. Speaker, this bill, which throws the protecting arm of a Nation's affection around our worthy old folks, is the acme of humane legislation.

Looking backward to the beginning of our history I see three great human achievements standing out like majestic mountains above the surface of lesser and trivial things. These are:

1776—A declaration that all men are born equal and the establishment on that principle of a great Nation dedicated to liberty.

1863—A proclamation that banished human slavery forever from American soil.

1935—The enactment of legislation to make life serene as the shadows lengthen and to emancipate our worthy aged from the slavery of want and poverty.

Three times since the birth of a Nation—in 1776, in 1863, and in 1935—humanity, disregarding the tides of selfishness that ceaselessly ebb and flow, has taken the pen of history in its hand and has written epochal chapters of progress that shine with the love that gleams from the Beatitudes.

It is our fortune today to be living participants on one of these great occasions. It is our fortune to be instruments of a guiding Providence in writing humanity's latest epoch-making decree into the statutes of the land. It is our fortune to have this opportunity to show our devotion for and adherence to that command so strongly emphasized in the Book of Books: "Honor thy father and thy mother."

By our action in passing this bill today we are saying that the man of advanced years who has worked hard and has tried to be a good citizen all his life and the faithful helpmate who has shared with him, in sunshine and in rain, the bitter and the sweet through all the years, shall not be compelled to drain the dregs of poverty and sorrow when their hair turns to silver and age slows their movements and dims their faculties. In effect we are saying to them:

You have nobly done your duty to society and now society owes to you the duty of seeing that you do not suffer and that the evening years of your lives shall be filled with comfort and cheer and happiness.

We are saying to the aged man who has worthily toiled and served that never again need he feel sick at heart when he reads the hateful sign "Old men not wanted", because we are going to take care of him for what he already has done.

Mr. Speaker, this is humanity's hour. Love is about to register a major victory. I am enthused with a happiness I never have felt on any other occasion—the happiness that comes from being a Member of Congress today with the privilege of casting a vote for this historic measure, which for the first time recognizes in a legislative enactment the Nation's sacred obligation to care for the worthy aged.

Mr. BACHARACH. Mr. Speaker, the depression which has gripped the world for the past 4 years forcing millions upon millions out of employment, among them many who, by reason of advanced age, will not again be able to find suitable employment, has bluntly brought this great Nation of ours to realize that the time has come when we must face the problem of caring for our aged and unemployed.

With the humanitarian principles enunciated in this bill I am fully and heartily in accord and for that reason I am going to vote for it, even though I am not in agreement with all of its provisions and believe that there is room for improvement.

Title I of the bill provides for old-age pensions. I am a believer in the principle of old-age pensions. I would prefer that this bill carried a larger grant to the States in order that larger pensions might be paid by the States. For that reason I will support an amendment to be offered by the gentleman from Massachusetts [Mr. TREADWAY], to make the maximum Federal contribution equal to $20 per month per person. With such a contribution from the Federal Government it would be possible for many of the States to pay as high as $40 or $50 per month.

I am whole-heartedly in favor of titles IV, V, and VI, which provide Federal grants to States for dependent children, maternal, and child welfare, and for the development of public-health services. I am especially interested in title V, which provides for vocational rehabilitation and the care of crippled children.

Titles III and IX provide for what is commonly known as "unemployment insurance." I am in favor of unemployment insurance, and I am sure that both employers and employees are for it, although, because of our present economic conditions, it may not result in national benefit at this time. However, it is a protection to both the employer and the employee and must be accepted by industry sooner or later.

Title II provides for "old-age annuities" and title VIII provides the method by which to raise the revenue necessary to meet the expenses. There seems to be considerable doubt as to the constitutionality of this section of the bill. Personally, I am not wholly in favor of the provisions of this section principally because, as it is written, it will destroy old-age-retirement systems set up by private industries. There are many such systems now in effect which are far more liberal in their benefits than are the benefits carried in this bill. In my opinion, the bill should be so written as to permit these private systems to remain in force. Perhaps it would have been better to have left the question of old-age annuities out of this bill to be taken up for consideration as a separate proposition at some future time. The adoption of this legislation will add an additional burden upon industry and labor and might retard rather than advance economic recovery under present conditions.

The whole bill is one of experimental legislation. That which we seek to accomplish is all new to us and we will have to learn by experience what is good and what is bad in it and amend it accordingly. I am hopeful that when the bill comes back to the House from the Senate it will be considerably improved and those things which we find objectionable now may be so adjusted in conference that the final result will be a much better and smoother piece of legislation.

Mr. MASSINGALE. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I wish to say a few words regarding this proposed bill. I do not believe this Congress ought to send out any message to the depressed people in America that they are getting an old-age-pension bill that will be of any service to them, at least for the coming year or the fiscal year beginning July 1.

This bill figures, on the assumption that every person estimated to be of the age mentioned in the bill is eligible, $6.63 per person for the year ending June 30, 1936. In my State of Oklahoma I estimate there are 150,000 people over the age limit of this bill. This means that we will get probably $1,000,000 out of the $49,750,000 provided, and, of course, the people in my State, if they all qualify—and they cannot all qualify—will receive the princely sum of $6.63 for the first year of the operation of this bill.

We ought to be frank about it. We ought not to try to deceive these people. The distinguished Chairman of the Rules Committee got up here yesterday and made the statement that there were a lot of decent destitute, but deluded people in America—those who favor the Townsend plan. I do not think the chairman ought to have made that statement. He does not know the people in my country. They are not deluded. I will tell you what he might have said. He might have said that they are denuded, because they have not anything to eat or anything to wear, and you can see how Dr. Townsend can get the immense following throughout the Nation that he has aroused in support of his pension plan.

A great deal of derision has been cast upon Dr. Townsend, and I think it should not have been done. He has aroused the public conscience of America and he has brought more forcefully to this Congress than anybody else that I know the articulate demands of the poor people of this country, and I will say this to you: I voted for the modified Townsend plan, or the McGroarty plan, and I did it intentionally, and I did it for the purpose of trying to provide something for the people who are now hungry, without clothes, and in distress throughout this Nation.

I do say this about the pending bill: I think in all probability, after this coming year, there may be some relief for these people, but we ought not to deceive them.

No, the people in western Oklahoma are not deluded. This bill presumes upon their ignorance, but they will not be deceived by the title.

I admit the ring of humanitarianism is heard in the title, and immediately it challenges the attention and demands the most serious consideration not only of Members of the Congress but of the entire citizenship of the Republic.

The committee report accompanying the bill is also appealing, and it eloquently keeps to the fore that beautiful concept of a perfect national life which forgets avarice and other forms of selfishness and renders real service to the unfortunate.

Solicitude for new-born babies, proper medical care for mothers in maternity, assistance to crippled children, relief to the aged, abolition of poorhouses, putting our own on a plane of decent living, routing unemployment, and attaining social security.

What a program!

No Member of this Congress but who favors the program of the title and the report. They are charmingly fascinating, and they run the gamut of human life. They bridge it completely from the cradle to the grave. If the provisions of the bill carry out the blandishment of the title and report, no one could object.

We should not count too much on preambles. The place to look is in the body of the bill. All of us know that many valueless books have been sold because of a beautiful prospectus. The lithographer's art has taken billions of dollars from people for worthless stocks and bonds. This is because people are prone to rely too much upon words and pictures.

The bill does not live up to its title, and it is nothing short of tragedy to denominate it an old-age-pension bill. In fact, title I is denominated "Grants to States for old-age assistance."

What are the grants the States will get? Forty-nine million, seven hundred and fifty thousand dollars for the year ending June 30, 1936. There are said to be not less than 7,500,000 people in the United States who are 65 years of age or older. If all these age eligibles ask for the assistance, there will be $6.63 for each one from now until June 30, 1936. All those of the qualifying age will not get their part during the first year of the operation, because many will not apply for it, some are excluded by the terms of the bill, and none can get it until the State in which they live has passed a law conforming to the requirements made of the States in this bill before their citizens can receive anything under the bill.

Oklahoma will have to have its legislature enact a statute of compliance before any person in the State can get a dollar under this law. I do not have access to the Oklahoma constitution, but I am thinking the constitution will have to be amended in order to give authority to the legislature to make a levy for old-age pensions. In other words, unless the State can and does make provision for paying as much as $15 per month to the aged, then the Federal Government will not pay them $15. If Oklahoma pays her old people $5 per month, then the Government will pay an additional $5 per month, making the total pension to be received $10 per month, and in no event will the Government contribute an amount exceeding $15 per month for the benefit of any aged person.

If Oklahoma and all the other States now had qualifying statutes, there would be no more than the $49,750,000 with which to pay old-age pensions between now and June 30, 1936.

Nobody can know how many are going to apply for this assistance. If all the estimated age eligibles should apply, it will require $1,350,000,000 for the Government to pay them $15 each per month for the coming fiscal year. Upon the assumption that not more than one-half would apply, I offered an amendment to raise the appropriation from $49,750,000 to $500,000,000 so the Government would have enough money to actually pay $15 per month. This amendment was voted down.

Just prior to the offering of my amendment, I cast my vote to substitute the McGroarty bill for the present bill. I did this because the McGroarty bill carried provisions which would enable the Government to pay about $50 per month to our old people. This bill was a modification of the former McGroarty bill, which was the Townsend plan.

I do not think $50 is adequate for an old-age pension, but I certainly prefer that to $15, which the old may never get.

I hope the President will find a way to supplement this $49,750,000 with money from the $4,880,000,000 public-works bill, so our old people will really get substantial aid in the coming fiscal year.

This Congress has lavished money by the billions on banks, railroads, building-and-loan associations, and the like, and yet there is only a possible $6.63 for each old person during the next year.

Sometimes I feel that God has something to do with Dr. Townsend and his movement. Dr. Townsend may have dipped too heavily in the bright colors in painting his rainbow of hope to our miserable old people. If so, his mistake was on the side of humanity. Harriet Beecher Stowe chose the most despicable characters of which the mind could conceive to portray hatred of human slavery. Uncle Tom's Cabin precipitated the bloodiest war in history. Harriet Beecher Stowe won.

I should not be surprised to see America shake off her apparent lethargy toward old-age pensions as a direct result of the efforts of Dr. Townsend.

I am going to give my support to this present bill because it is all that will be offered to our old. Beginning with June 30, 1936, there is a possibility of their receiving a maximum of $15 per month from the Federal Government. I trust that in the second session of this Congress or in some future Congress the richest and most powerful Government of the world will meet its full duty and responsibility to our aged people by so amending this bill that gloom and despair

will be banished from the closing chapters of millions of well-meant and well-spent lives.

Mr. DORSEY. Mr. Speaker, the social-security program which has been presented to this legislative body for enactment into law has received more attention from our citizenry than any other legislation presented to this Congress, mainly because it "reaches home" to almost every wage earner. Its passage will stamp this Democratic Congress as one of the most important historically in the period of our existence as a sovereign entity.

During the extensive hearings on this legislation and the liberal time granted for debate on the floor of the House every opportunity has been given for the presentation of social-security plans, ideas, and even palliatives. Very little can be said regarding this legislation which has not already been stated, discussed, studied, and debated. If it were not for the fact that I have given much time to the study of pensions and industrial insurance during the past 15 years, and have definite views on the subject, I would hesitate to subscribe anything to the voluminous testimony already presented.

OLD-AGE PENSION

I intend to discuss in particular the old-age-pension features, because I feel that this title in the bill marks a great forward step which will correct the evils existing in many of the pension systems now operating in business and industry.

A few years ago I made an extensive study of 54 pension systems in effect in business and industry throughout the United States. All three types of systems were found among these concerns: (1) Solely contributory, (2) noncontributory, and (3) partly contributory, most of the plans being noncontributory. In many cases I found that no security whatsoever was given to the prospective pensioner because the pension plan was not on an actuarial basis and sufficient reserves (or funds) were not set up to assure the payment of a definite pension when due. In most of the plans the employees had no voice in the administration of the pension; the system was controlled solely by the management; and both the amount of the pension and pensionable age were left to the discretion of the employer. Because of the unsound basis, sufficient funds were not set up to take care of the increasing number of pensioners who were added to the lists as time went on. After employees had spent the best years of their productive life in an industry they were at the mercy of the employer for protection in old age. The sad history of such pension plans shows that there was very little security in old age for the employee.

Especially in times of depression, pension allotments were cut, many were discontinued entirely, and in a vast number of cases old pensioners were brought back into plants from pension rolls to give what little they could in a productive way to the industry during their aged life. Many employees who were of pension age were continued in employment, being carried on the pay roll as "hidden pensioners" because no definite funds were available for direct pensions.

The fear of old age has taken its toll among American workmen. Years have been taken from their productive life by worries of the future when they would be no longer able to produce. Faced with the problem of onrushing old age they became less productive and even suffered accidents because of the nervous strain under which they were working.

This legislation, in its liberal provisions, is a forward step which will guarantee to the worker, through Government and State grants, that security in old age which has been denied him in the past. It is sound in principle and liberal in its provisions. While I personally would like to see the Government's contribution increased above the maximum provided in the bill, yet I realize that this legislation is laying the foundation for a system of guaranteed pensions which can be built upon as we profit from our experiences with this new venture on our journey to the ultimate security of the individual.

UNEMPLOYMENT INSURANCE

The unemployment-insurance features of the bill are, in my opinion, experiments in social legislation which must be tested by experience before their ultimate value can be determined. Apparently sound in principle, it recognizes that the security of business through sustained buying power, the security of the individual through an assured income during periods of unemployment, and even the security of Government through the elimination of the hazards of depression must be secured through the cooperation and contributions of all interested parties for the common welfare of all.

While I look on the pay-roll tax with some concern, particularly when I realize that the average worker is now taxed from his weekly wage for health and accident insurance, and other forms of group insurance, including death benefits, and for fraternal insurance benefits of various types, I, nevertheless, will support this legislation, because I know that it is a serious attempt to recognize the security of the worker as a governmental responsibility.

There are two important factors which we must recognize in passing upon this legislation: First, the price level must be sustained and increased in order to make it possible for business to stand the additional burden; and second, the wage level must be kept at a high standard so that the worker can afford the tax. We must realize that 30 cents per week tax means more to the man who makes $10 per week, for all his income is needed for sustenance, than $1.50 per week means to the man making $50 per week, for only part of his income is needed for the necessities of life.

With so many burdens upon them the worker in the low-wage brackets can well repeat the old Army saying, "All we do is sign the pay roll." To my mind, the best insurance for the American worker is the assurance of sustained employment—the security of a job.

SOCIAL-SECURITY LEGISLATION

Mr. Speaker, this is a great day for America. Federal recognition of old-age security as a governmental responsibility, the insurance of the worker against the hazards of unemployment, Federal assistance through grants to States for dependent children, child welfare, and public-health service—"the security of the men, women, and children of the Nation first", as we were admonished by our great leader, President Roosevelt—these objectives are about to become realities.

In supporting this legislation we are discharging an obligation to those millions of our people who, after looking for so many years at the dark clouds of fear and uncertainty, can now see the bright sunshine beaming upon the future, which will give them the security to which they are justly entitled.

Mr. BUCKLER of Minnesota. Mr. Speaker, we have been discussing and considering this social-security bill for more than a week here on the floor of this House. The Ways and Means Committee have held hearings on the bill H. R. 7260, originally known as the "Wagner-Lewis measure", for several weeks.

Yet with all this deliberation and consideration I do not believe that this administration measure will prove very satisfactory. In respect to old-age pensions I would prefer the new Townsend plan introduced by Congressman McGROARTY. In respect to old-age pensions and also unemployment, social-insurance, and other social benefits I think the Lundeen bill is far more adequate than the administration bill. When offered for a vote here I voted for both of these bills, first the Townsend bill and later the Lundeen measure, both of which were turned down by the majority of this House. Although the administration measure is not at all liberal enough and adequate in its provisions, I am, nevertheless, voting for it because it does offer something to those in need, and whatever help and assistance is received is better than what the Federal Government heretofore has provided, which has been nothing.

And the passage of this social legislation is a great step forward toward eventual social security, and a definite advance to bring about a Nation-wide program of benefits for the noble aged people of our Nation, dependent or crippled children, the unemployed, and to provide for infant and

maternal welfare, vocational rehabilitation, and public-health services.

The act covers nine different subjects:

First, old-age pensions.

Second, old-age insurance.

Third, unemployment insurance.

Fourth, dependent children.

Fifth, infant and maternal welfare.

Sixth, welfare services for children.

Seventh, vocational rehabilitation.

Eighth, care of crippled children.

Ninth, Federal public-health services.

It makes 9 appropriations and sets up 3 different taxation systems: 1 on employees and 2 on employers.

The appropriations are made to three different agencies:

First. To the Federal Social Security Board: (a) For subsidies to State old-age-pension systems; (b) for subsidies to State plans for dependent children; (c) for aid in the administration of State unemployment-insurance systems; (d) for administrative expenses of the board.

Second. To the United States Department of Labor: (a) For promotion of the health of mothers and children, especially in rural areas; (b) for services to crippled children and the provision of medical, surgical, and corrective care for them; (c) for establishment, extension, and strengthening of public-welfare services in rural areas for children; (d) for extending and strengthening programs for vocational rehabilitation.

Third. To the Surgeon General of the Public Health Service: (a) For the establishment and maintenance of public-health services.

BENEFITS SHOULD START AT ONCE

I object to the provision that old-age payments and other payments by the Federal Government and the insurance features are not effective at once.

This old-age benefit to the worthy pioneers of our land should be paid to them starting now. Not a year or more from now after many of them have died. These elders are in need of food, clothing, medical and dental care, and other necessities of life. If the pension payments were started now, in more liberal and adequate amounts however, the wheels of industry would start turning and the income to the farmer would increase and somewhat better times would return.

Of course, other fundamental changes are necessary before permanent social and economic justice comes to the American people.

First of all we have to shake loose of the "money crowd" of Wall Street and international bankers. The money and credit problems must be solved and remedied and not for the interests of the big bankers but for the great mass of common people of the Nation and for our own Federal Government. The evils of usury, high interest rates, must be abolished.

We must have money and credit justice for the American farmer. Legislation such as the Frazier-Lemke bill is necessary. Why should not our Government loan money to the farmers on their farms, the foundation of our country, at low rates of interest and amortization payment? Is not their security, the land, as good as the so-called "gold bonds" of foreign nations to whom we loaned millions at virtually no rate of interest and even then were forced to cancel a good portion of the loan and still not receive payments except from sturdy little Finland?

We need cost of production plus a fair margin of profit for the farmers of the United States. Any other business stops production if there are no profits but the farmers cannot stop producing because if they did there would be a famine. I often wonder when the factory owners and the industrial people will realize that when the farmer prospers then they will prosper.

The Patman bonus bill payment would help the veterans and others as well. They should be paid their adjusted-service certificates. They have earned this money, it is theirs, why should it not be paid to them now when they need it the most for themselves and their families.

These measures would help greatly. A prosperous people have more courage and power to promote economic and social justice than a nation of impoverished people, who dare not protest when food and shelter for their wife and children are at stake.

Virtually all other major countries of the world have adopted social-security legislation years ago. Our country has been one of the last to recognize our obligations to the aged people, the pioneers, the builders, and the people who have created the wealth of our Nation. They, through no fault of theirs, but because of the vicious monopolistic money and credit system, have lost most if not all of their life savings and their property values.

PURPOSE AND SCOPE

The need for legislation on the subject of social security has been apparent to the liberal progressive thinkers and leaders of the country for a long time. On every hand the lack of such security is evidenced by human suffering, weakened morale, increased crime, and increased public expenditures.

This situation necessitates two complementary courses of action: We must relieve the existing distress and should devise measures to reduce destitution and dependency in the future.

Thus far in the depression we have merely attempted to relieve existing distress, but the time has come for a more comprehensive and constructive attack on insecurity. Liberal progressives have attempted to waken the old parties to the need for such a program. Some principles of such a program are laid in the present bill.

Work for the employables on relief is contemplated in the work relief bill; a second vital part of the program for security is presented in this bill. The bill is designed to aid the States in taking care of the dependent members of their populations, and to make a beginning in the development of measures which will reduce dependency in the future. It deals with four major subjects: Old-age security, unemployment compensation, security for children, and public health. These subjects are all closely related, all being concerned with major causes of dependency. Together they constitute an important step in what I hope eventually will lead to a well-rounded, unified, long-range program for social security. And that is why I am voting for this bill.

This bill will have to be greatly improved and liberalized in the course of time, as has been the history of all other major new legislation. But it makes a beginning toward economic security which has been long overdue.

This beginning is made along lines which are in accord with our Christian life and charitable traditions. It is not class legislation, but a measure which will benefit the entire public.

From the governmental point of view this bill contemplates a united attack upon economic insecurity by the Federal and State Governments. It does not vest dictatorial powers in any Federal officials.

NUMEROUS OBJECTIONS

Having stated my support of this measure I also wish to outline some of my objections which I hope in the future will be corrected.

First. The bill is wholly inadequate and will not bring the full results sought to be obtained.

Second. Many of its provisions cannot be made effective for several years, too long a time to wait for those expecting relief and aid now. And this will be a sad and bitter disappointment to those who have been looking hopefully for aid and relief from the administration.

Third. The Federal payments of $15 are not nearly sufficient.

Fourth. The age limit of 65 years is too high; it should be not above 60 years.

Fifth. The administration of the law would be discriminatory to people living in States that are bankrupt or nearly so since they would receive no aid or but very little, since Federal payments are based on the cooperation and payment of the States. Therefore, I believe that the Federal Gov-

ernment should stand a much larger portion of the pension payments.

Sixth. The bill is too complicated; would require very large administrative expenditures and would be hampered by too much red tape in its administration.

Seventh. Provision for benefits to crippled children, for public health, maternal and child welfare, dependent children, and vocational rehabilitation are wholly inadequate and more liberal provisions should be made.

SUPPORTS TOWNSEND PLAN

To remedy the objections to the old-age sections of this measure I would urge the enactment of the Townsend plan, which I think is worthy of a trial. I have yet to find truthful objections to the plan. It is admitted that it would increase business and industry. The Townsend plan would put out money in the pockets of the people who would spend it. While the administration bill, which demands a 2- to 6-percent tax on all pay rolls for the old-age-insurance and unemployment-insurance features of the measure, will take out of circulation for many years both the share assessed the employee and the employer. This cuts down their purchasing power, reduces demand, and, of course, reduces production. The people have the use and need for the output of factories and the farms, but they have not the money to buy. The Townsend-plan benefits would bring considerable prosperity back to the farmers, laborers, and all the people, because there would be an increased demand for everything.

The Townsend plan provides a decent pension to the people over 60 years of age. The cost of the plan would not be a burden on the Government. There would only be comparatively small appropriations for the simple administration of the act. The new modified Townsend plan provides for a 2-percent tax on inheritances and gifts and a one-tenth increase in all present income taxes in addition to a 2-percent transaction tax. Although this latter tax would cost the employed persons less than what he will be required to pay under the old-age insurance features of the social-security bill, he would receive a much larger pension at 60 years than he would at 65 years under the social-security bill.

TAX ON ABILITY TO PAY

However, I would personally wish to see the entire elimination of the transaction tax or, at least, reduced to 1 percent, with food exempted. It would be better to double or more, if necessary, the present income-tax rates on all incomes of more than $10,000 a year. And is not this fair? Should not taxes be based on the ability to pay? And should not money needed for the people as a whole be received from those who have the greatest portion of it?

I also would greatly raise the rates of tax on gifts and inheritances. Statistics and surveys made by the Government departments and by private research indicate that a large enough sum could be raised by these taxes to pay from $60 to $100 or more per month to each person over 60 years old who is not now receiving an adequate income to live according to our accepted American standard.

With the adoption of liberal-adequate social-security program I believe many of us will be able to enjoy a more abundant life, have more time for personal spiritual enrichment, more time for reading and travel, more time for recreation and rest; more time for sociability and comradeship; more time for cultural development, all of which our old people, our fathers and mothers, so much deserve.

It is a pity that this House has not more liberal progressive Members who are more sympathetic to the needs of the great group of our people who would benefit by a more liberal and adequate "social-security act." Perhaps in a later Congress such liberal progressive Congressmen will be here to pass legislation which will create a more abundant life for our great Nation.

Mr. SNYDER. Mr. Speaker, ever since the beginning of recorded history nations have strived to obtain social and economic security.

In studying the history of such nations as the Syrian Empire, the Babylonian Empire, the Roman Empire, the Spanish Empire, and others, we find they were ever and constantly trying to adjust the social and economic fabric so as to have social and economic security.

Of course, everyone knows that they failed. These nations came upon the stage of time and occupied the spotlight for a space of years, played their part, and then collapsed and broke down, and other nations took the stage as time went on, until now, we, the United States, occupy a large space on the stage.

Just how long we will occupy the stage depends entirely on how well we play our part. If we play our part well and wisely, we may be privileged to stay on the stage in the spotlight a long time, as compared with the time that the other nations stayed on the stage and in the spotlight. It is interesting to know that all the nations that appeared on the stage at some time or another and are now entirely off or else playing a minor role, failed for the same reasons. It is also interesting because the reasons were these very, very simple reasons.

I hear you say, "Why did these nations come and go like the winter's snow?"

Mr. Speaker, they came and went because the individuals who ruled, or attempted to rule them, were fused and dominated with one or more of the elements that always bring chaos or destruction, namely, greed, deceit, jealousy, and dishonesty. For instance, Spain, with her Armada, thought she could get social and economic security through certain practices, including robbery of other nations, looting of resources and funds that did not belong to her, lying and intriguing her fellow men, and other material gestures. The Roman Emperor put to practice the same tactics that Spain used, only shrouded with a greater degree of shrewdness, deceit, and a more clever manipulation of affairs. So it was with others that I might mention.

Mr. Speaker, we all know the sad, sad results of the practices of these nations. Spain, with her Armada, was swept aside like a feather in a summer breeze, and the Roman Empire, with her mighty armies, had sprung up within her own borders, institutions that destroyed her.

My fellow citizens, we need not fear any foe from without our borders. If this great Nation of ours, the United States of America, is ever to suffer a set-back, it will be because of the institutions that spring up within our own borders. Already institutions have sprung up within our borders that have in them the elements of destruction, the elements or germs that if they are not killed will bring about a chaotic condition in our Nation that we will hand down to our children and our children's children.

Mr. Speaker, we can have social security and economic security only when we put heart and soul in our institutions, in our home life, in our school life, and in our church life.

We can meet here year after year and appropriate billions and billions of dollars to set into action our industrial wheels of the Nation and satisfy temporarily the hunger of the millions, but to stabilize our social and economic fabric we must create a set-up whereby all men will have an opportunity to go out into the fields, the mills, the factories, and the mines and earn an honest livelihood. We can never accomplish this until we fully realize and put into practice a procedure that will prevent a few from hoarding the billions of dollars so that the millions do not have enough to hold their bodies and souls together. We cannot have this set-up for social and economic security as long as great utilities and great banking interests step in and take that which does not morally and socially belong to them. We cannot have social and economic security until old men and old women, who have spent the producing period of their lives in hard work, are actually cared for with a proper pension and a comfortable place to live.

Mr. Speaker, a nation that has a large percent of its people on the dole is always a nation that is going in the hole. The longer the nation is on the dole, the deeper the nation goes in the hole. The finer things that are in the make-up of men, those finer elements that you find in the very tingling of the blood and in the very heartbeat, are destroyed when men are put on dole and kept there. We as a Nation must put these men and women back to work in useful and constructive avenues.

Mr. Speaker, every dollar that we spend today in putting men and women back to work, will save our children's children $2 when they take over the reins of Government that will be handed them. People that are constantly idle are people that are constantly decaying, socially, intellectually, morally, physically, and spiritually. I have been supporting this social-security bill and I am going to vote for it, but it is only the beginning. There is not enough backbone in the bill. There is no place in the bill where I find that the man who is found physically fit by at least two doctors must work if he wants help. That is, he would not be on dole relief if he is physically fit and has a place to work.

Mr. Speaker, until we take a definite stand along this line, we will have all kinds of trouble in keeping our social and economic fabric adjusted. What are you going to do with the men between the ages of 55 and 65 years of age? The mills, the factories, the mines, and the farms will not employ them. The insurance companies will not carry them, and the fraternal societies will not carry them. The set-up has been fixed, nobody knows how, but we know that not 1 man out of 10 between the ages of 55 and 65 can get work any place these days. I would like to find something in this bill that would care for these men between the ages of 55 and 65 who show by records that they are worthy of care.

This bill, as I say, is not all I would like to see—in taking care of children, mothers, and honest men who cannot get work. But thank God, it is a start in the right direction, and it will go down to our glory that this Congress had the sand to create such a measure.

Mr. RICHARDSON. Mr. Speaker, in passing the Social Security Act, the House has approved a tremendously significant and progressive piece of pioneer legislation. No more important bill has been acted upon by this Congress. Since my Membership in this body I have never cast an affirmative vote with more personal satisfaction.

This bill should cause every Member, and especially the Democratic membership, to rejoice, because:

First. It writes into Federal law, and, I believe we can say, for the first time, the principle of economic security.

Second. It is consistent and logical, and not a hopeful leap into the dark, as has been much of our emergency legislation since March 1933. It is a logical step under our economic circumstances.

Third. It is founded on definite Jeffersonian principles and philosophy.

This bill is only a beginning. It is a first recognition by law of the big outstanding fact in our present situation—a definite determination by the American people that from now on there shall be more economic security mixed into this competitive profit system of ours.

The bill is logical because, in my opinion, it places where it should be placed the responsibility for economic security. Government, under the American economic system, cannot be responsible for the support of all its citizens. In an enlightened age, such as we now lay claim to, Government should be responsible for the support of its unemployables—people who cannot work. Taxpayers can be justly required to support these people. But Government has no right to demand taxes for the support of employables—people who are able to work. The economic system must be made to support them. That distinction and responsibility is recognized in this legislation.

I believe this bill has very serious faults. It is an omnibus bill. As usual, the "brain trusters" are attempting to "bite off more than they can chew." I think it would have been far better not to include all of the dealt-with subjects in one piece of legislation. I believe the combined titles III and IX to be unconstitutional. Parts of this bill have a strong Fascist flavor. But time will take care of all that.

The big accomplishment, for which we should get down on our knees and give thanks, is that at least a beginning has been made toward national recognition by law of the problem of economic security for all of our citizens. In spite of criticism and lamentation, it would seem that America is still making progress toward a firmer and broader security for her people.

Mr. BOLTON. Mr. Speaker, the House has given consideration to H. R. 7260, the so-called "social-security bill", for over a week. Much has been said during the discussion of the bill, both as to its merits and demerits. Much has been made of proposals for various phases of the measure which were believed to better accomplish the desired results than those indicated in the bill, and criticism has been directed to certain portions of the bill which were not believed necessary or desirable at this time. Many excellent presentations have been made. Yet after careful consideration of all that has been said there remain grave doubts as to the desirability of enactment of the legislation in its entirety, with all its implications and ramifications at this time. The multiplicity of subjects, dealt with under separate titles, and the vast expense involved makes the measure the more difficult of comprehension and interpretation, not only for the Members of the House but the members of the Ways and Means Committee themselves, who have worked so diligently on the measure since Congress convened and who by no means seemed to be in agreement in all the various phases of social security proposed.

The Democratic chairman of the committee presenting the bill has admitted the measure is far from perfection, and will need changing from time to time. The bill attempts to represent the views of many interested in various phases of our social life. The bill deals with many subjects coming under the general definition of social security. It is to be greatly regretted that a measure of so much importance and one that will so greatly affect our national life combines so many subjects, all admittedly related to social security but all differing greatly in their application and consequence.

The purpose of old-age pensions which is dealt with under title I, few can question. The basic principle that the primary responsibility for this type of assistance to the aged rests with the States as outlined in the bill is correct, and the desirability of Federal assistance in these times is recognized. However, the qualifications for aid are much lower in the proposed measure than those called for in my own State's (Ohio) old-age-pension law, one of the most modern in the country. Ohio's requirement permits only those to qualify for old-age pensions who have resided continuously for 15 years in the State prior to reaching the age of 65 years. Under the proposed measure, 5 years during the 9 years immediately preceding application for old-age assistance is the limit of condition of eligibility, and any State plan which imposes a greater requirement shall not be considered as eligible for Federal assistance. It will, therefore, be necessary for Ohio to materially reduce its resident requirement before it can qualify for Federal assistance and such reduction would mean a distinct lowering of its high standards.

Similarly, there can be no quarrel with the purposes outlined in the bill under titles IV, V, and VI of assistance to States in services related to dependent children, maternity, and child welfare, crippled children, and vocational rehabilitation, as well as the investigatory work of the Public Health Service. The various proposals in the bill are offered as incentives to the States to practice these worthy activities.

Unemployment relief is another but newer phase of social security, but believed desirable, where possible, to meet the fear and despair of unemployment on the part of those to whom, through no fault of their own, opportunity to work is denied in times of economic depression. Again this form of relief is primarily the function of the citizens of the States as is intended in the proposed bill. Here, however, under title III we find no suggestion as to employer and employee sharing the burden of this relief, as is customary in other nations of the world, and as would appear fair on the part of those primarily to be benefited. The entire tax is placed upon the employer.

In the section of the bill, however, dealing with old-age annuities, payable wholly without regard to need, we find a proposal of the Federal Government to enter a field of social

security heretofore dealt with exclusively by private initiative and through voluntary action. Under the proposed measure this form of security is compulsory. It is really compulsory thrift, and while the method proposed is suggested to eventually offset or supersede the burden of old-age pensions, its efficacy at this time and the manner in which it is to be accomplished are gravely questioned.

A study of unemployment insurance in its application in other countries leads to the conclusion that it is impossible to measure on an actuarial basis the net amount of relief afforded, as between taxes levied and benefits granted, in any plan of so broad a nature as that proposed.

The result is, as proposed in the bill, the levying of two new and additional types of Federal taxes, two pay-roll taxes on employers—which, as it relates to unemployment insurance, is referred to in the committee report as a tax imposed on each employer for the privilege of having individuals in his employ—and an income tax on certain classes of employees of low incomes.

These taxes are for the purpose of financing the social security provisions of the bill, particularly those dealing with old-age annuities and unemployment insurance, and must be supplemented by other taxes sufficient to take care of the deficits in the annuity fund under title II from the date these annuities become effective until 1970, when it is estimated the fund will for the first time become self-supporting on the basis of taxes on employers and employees and the contributions of the Government at the outset. They are in addition to the increase in taxes which may be expected to meet our rapidly increasing cost of Government as practiced today.

These taxes are very much akin to sales taxes, or taxes on production, subject to pyramiding. Take, for instance, the many parts of an automobile made of steel, the products of one of our basic industries. Taxes as proposed will be levied on both employer and employee operating ore mines, coal mines, coke plants, stone quarries, vessels used in transportation, blast furnaces, steel plants, rolling mills, machine shops, and the various processes from which the finished parts are the result, and will be applicable to each of these various processes. These various pay-roll taxes must all enter into the cost of the finished products in addition to existing cost of materials and labor and the various elements that go to make up the whole.

The result must inevitably follow of increased prices in all industrial products. The question naturally arises, whether the consumer can accept these higher costs and whether industry in its present uncertain state can meet this additional burden, particularly in competition with foreign trade, both at home and abroad.

The bill permits industry to offset a State tax levied for unemployment insurance against the tax due the Federal Government to the extent of 90 percent. Not so with old-age benefits, where no credit is allowed for contributions into voluntary company-employee benefit funds. The natural result will be the discontinuance of voluntary funds because of the double expense involved, and much confusion and hardship may result from this, particularly where benefits paid under these voluntary agreements are greater than those proposed. These voluntary contributions to benefit funds, conducted under regulations satisfactory to the proposed Security Board should be permitted to be credited against Federal tax, the same as is proposed in the case of compulsory benefits, and permitted to be continued.

Attention has been directed to the fact that although the rural population of our country is estimated at 40 percent, neither benefits nor taxes are imposed upon our agricultural population. Yet it must be conceded that the taxes as proposed will eventually be paid by the consumers of this country through increased prices, and from this we can deduct the fact that our rural population will be paying 40 percent of the taxes without the opportunity of direct benefits.

This brief synopsis of the proposals of the bill will indicate the magnitude of the measure which is suggested in times of economic distress, and when ways and means to meet our unemployment problems are paramount. The question naturally arises whether the proposed benefits to be received from the enactment of this legislation and the successful operation of this measure in the years to come are not too drastic at this time. The tremendous burden placed upon both employer and employee through the tremendous taxes necessary are estimated, according to the report of the committee, at approximately $228,000,000, effective January 1, 1936; $1,059,000,000, effective January 1, 1937; and increasing to $2,784,000,000 as of January 1, 1950.

The administration has through its advisory committees given time and study to this whole program and, it is understood, has recommended the complete adoption of it, together with the tremendous tax program involved. From this it may be assumed the imposition of this tremendous tax burden levied against industry and those of low incomes, who are today struggling against the depression, is with the sanction of the administration for the purpose of establishing a system from which will come benefits only in years in the future.

Yet there are two features of the bill affecting the very fundamentals of our Government and our Nation's future which seem to transcend the benefits of the proposed legislation, and which should be eliminated at this time or else properly corrected before enactment into law.

The Constitution reserves to the States or the people all powers not specifically delegated to the Federal Government. The Constitution gives Congress power to levy and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States. The purposes of taxation therefore are general, and the right of the Federal Government to tax a specified group of citizens for the purpose of establishing an old-age-annuity fund for a specified and qualified group, is seriously questioned.

The measure before the House is primarily one dealing with social security and providing for the general welfare by establishing various systems of benefits, but is not revenue-raising legislation. Included in it we find provisions attempting to use revenue for the purpose of old-age-annuity benefits to be conferred upon certain groups of citizens and under a compulsory method.

The power to tax a certain class of wage earners but not all, and the proposal to grant benefits on the basis of this tax for a specified group—the same as the specified class of wage earners to be taxed—and payable wholly regardless of the need of the recipient, does not appear to be in accordance with the powers conferred upon the Federal Government. Surely such a proposal does not seem to be in conformity with the intent of the basic law in this country, and just as surely Congress should not enact a measure or in this case part of a measure, which has been stated to be the very heart of the old-age-assistance portion of the bill, without being very certain of its effectiveness as well as its legality.

The measures proposed are not depression or emergency measures but are to be permanent. They are to be effective in times of economic prosperity as well as in times of depression. The purpose of setting up an old-age-annuity reserve through the taxation method proposed in title VIII of the bill is to prevent that group so taxed from eventually requiring old-age pensions as a national necessity. The courts, however, have drawn the line at helping the afflicted class merely because that class was in danger of becoming public charges. In the case of *St. Paul Trust & Savings Bank* v. *American Clearing Co.* (291 Fed. 212 (1923)), the Court said:

> Always the fundamental principle has been recognized that the power of taxation can only be used in aid of a public object, that is, an object which is within the purpose for which governments are established; and such power cannot be exercised in aid of enterprises strictly private, for the benefit of individuals, though in some remote or incidental or collateral way the local public may be benefited thereby.

Further, the Ohio statute authorizing taxation to pay blind persons a certain sum per year was held invalid because not confined to blind persons in need of assistance and so a private purpose. The Court stated:

> If the power of the legislature to confer an annuity upon any class of needy citizens is admitted upon the ground that its tendency will be to prevent them from becoming a public charge,

then innumerable classes may clamor for similar bounties, and, if not upon equally meritorious ground, still on ground that is valid in point of law; and it is doubted that any line could be drawn short of an equal distribution of property.

Auditor of Lucas County v. *State of Ohio* (75 O. S. 114 (1906)).

State governments whose powers are unlimited except for the specific limitations in their constitutions have always taken upon themselves the care of their own poor and indigent peoples. Under our theory of constitutional government it is conceivable that this duty should be exclusively that of the State governments. Unless we are to become a nationalized government rather than a union of States, it must always be within the province of the States primarily to take care of individuals. If we are to remain a union of independent sovereignties we must follow the constitutional theory of taxation set up by John Marshall, Chief Justice of the United States Supreme Court, when he said in *Gibbons* v. *Ogden* (9 Wheat. R. 1, 199):

This—

The power to tax—

does not interfere with the power of the States to tax for the support of their own governments; nor is the exercise of that power by the States an exercise of any portion of the power that is granted to the United States. In imposing taxes for State purposes, they are not doing what Congress is empowered to do. Congress is not empowered to tax for those purposes which are within the exclusive province of the States.

Another serious objection to the proposed measure is the stamp of approval given to continuing a Federal debt of at least $33,000,000,000 to meet the amount estimated as necessary in the compulsory annuity reserve fund, as called for under title II. The bill provides that this fund must be invested in Government-guaranteed obligations, yielding at least 3 percent, which places a burden of about $1,000,000,000 per annum on the Federal Treasury in interest charges. Such a requirement has a definite harmful effect on the credit of our Nation.

This proposal would bring about a new method of financing future Government obligations—not through the citizens of the country as heretofore but through a constantly increasing fund which the Government holds as trustee for a certain group of its citizens. To have the Government, in its capacity as trustee of funds belonging to a specified group of its citizens, invest those funds in its own obligations is a practice contrary to sound fiduciaryship, a practice detrimental to the credit of the country, and manifestly improper from the standpoint of those citizens who contribute to the fund.

Today our immediate and greatest problem is to reestablish opportunity for employment whereby the many millions out of work may have a chance of gainful occupation. Corollary to that is the need of caring for those unfortunates who have neither the means of support nor the physical requirement of employment.

Would it not be wiser to accept so much of the proposed program as will help meet our present problem and adopt the balance from time to time as the economic improvement throughout the country permits and as it can be developed upon a sound basis, the result of more than comparatively hasty consideration? Through such a policy, confidence in our future and in our Government, among employee and employer alike, might be restored and the solution of our unemployment problems hastened.

Although much in sympathy with many portions of the bill providing assistance for the aged and the unemployed, as well as aid for dependent children, maternal and child-health services, and general public-health activities, the bill as at present proposed has defects which appear more than sufficient to offset the benefits desired. It is to be hoped the questionable features of the measure will be corrected or eliminated in its consideration in the Senate. It is believed most unwise to have the measure as now proposed enacted into law, since in a subject of such serious import it is highly desirable that such defects as are possible be corrected before adoption rather than subsequent attempts to remedy a measure of such magnitude.

Some social-insurance plan national in scope is desirable for our country. The bill under consideration attempts a start. But in its enactment full thought must be given to all its implications; every effort should be made to make it workable; the experience of past practices, both at home and abroad, should be carefully weighed; and the weak points of the present proposal strengthened and corrected as revealed. Criticism should be welcomed as an effort to strengthen rather than an attempt to destroy.

In my judgment, we cannot afford to forget the future in legislating on the problems of the day. That would only bring a recurrence of our present ills in a greater degree. If this country is to survive and prosper, in working out the solution of our problems we must build on solid ground for the future.

Mr. LUNDEEN. Mr. Speaker, we have presented to this House the first complete program for social insurance ever introduced in the House of Representatives. H. R. 7598, in the Seventy-third Congress, introduced February 2, 1934, and H. R. 2827, introduced January 3, 1935, are based on fundamental principles which will endure. These principles must be incorporated into our statute books if we are to have permanent, adequate, successful social security.

In this crisis it is of supreme importance to take care of our millions of unemployed now—today; not in the dim, distant future. In this crisis we must take care of our aged at once, now, and not some day in the future, when most of them are dead and gone.

The Lundeen workers' bill, H. R. 2827, provides immediate unemployment insurance and old-age compensation, whereas the administration bill does absolutely nothing for the 15,000,000 now unemployed, and proposes in vague terms to do something, sometime, perhaps, for those now employed when they become unemployed, if and when certain rules and regulations are passed by other political subdivisions, such as the States, and everyone in this House knows that most of the State legislatures have already adjourned and will remain adjourned for 2 years unless called in special session.

ADMINISTRATION BILL MAY BE DECLARED UNCONSTITUTIONAL

We know that there can be no question of constitutionality involved in the Lundeen bill, H. R. 2827, because funds are derived from the National Treasury and expended for the general welfare, and such expenditure cannot be successfully attacked in the courts.

The administration bill will be attacked in courts because it provides for a levy upon pay rolls and interferes in individual, corporate, and State affairs. The compulsion and pressure involved make the constitutionality of the bill difficult to uphold. This bill reminds me of the old party political platforms drawn up merely for election purposes, and to be forgotten as soon as the party is in power—full of glittering generalities and rainbow promises, never to be fulfilled.

THE POWER OF LABOR

I am not here to say that a national labor party would be a perfect party, and I do not contend that their leaders would be perfect leaders, but I do maintain that the parties in power have grown old and corrupt and that we need a new political alinement in this country based upon labor organizations and upon farm organizations, and organizations affiliated with them, and furnishing a refuge for the little bankrupt business man and professional man, shop and desk worker. These elements have common interests with the great farm element and the great labor element, and their combined voting power constitutes more than 90 percent of all of the people in these United States. Some day, and in the not distant future, this mighty power that we call "labor" will arise and take power at the polls in a legal, orderly fashion and elect its Congress, House and Senate, and place in the White House a man loyal to the labor program, backed by labor, farm, and affiliated organizations, so powerful that no Congress or President will dare to side-

step or evade the platform once they are elected. That has been the history of other nations, and that will be the history of our Nation. It is only a matter of time.

FALSE LEADERS

The same false leaders who forced America, through propaganda and ill-considered action, into this terrible crisis and panic are now arising here and there to cure the ills they caused. These self-constituted prophets will never cure our ills. These European-minded individuals, these propaganda-controlled, so-called "statesmen", are unequal to the task that confronts America today.

PROBLEMS WILL BE SOLVED BY UNITED FARMER-LABOR ACTION

No great social problem was ever solved except in the home, at the fireside, on the farm, and in the factory by the workers, the farmers, the toilers themselves. They have solved every great problem in this country and sent forth from their own ranks men who put into performance the ideas that emanated from their hearts and minds. And so it will be today. The collective thoughts of labor and farmers, thoroughly revised and unified and agreed upon in conference and convention, must be written into the statute books of this country in order that this may be truly a Government of, by, and for the people.

We are told that this is a democracy. What is a democracy? It is a government by the majority, and the majority of the people are farmers and workingmen—the workers, the toilers. When they have suffered long enough and have endured to the breaking point, they will set up their own party, and great labor organizations will be glad to join in this movement. Great farm organizations will step into line with the desires of these millions who no longer can endure the misery heaped upon them by old parties—the terror, privations, and poverty of panics and war miseries.

RECORD OF BROKEN PROMISES

Time and time again the old parties promised us farm relief, promised us various farm measures. Year after year, in convention, they solemnly wrote in these various planks with a smug smile, and after election, when victory was theirs, they pretended not to know anything about these promises. They were astonished if anyone mentioned these promises, and seemed somewhat put out if we troubled them in recollection of pledges made.

Plank after plank was carefully drawn, revised, revamped, rewritten to meet the united demand of farmers and labor voiced upon the platforms of great convention halls, blared from the radio, and headlined in the press, and that was the last we ever heard of them. That Tuesday in November was the burial of all these promises and golden hopes.

Now, then, how can we have platforms written and planks written that will be enacted into law that will keep faith with the people? This can only be done by backing up these planks and platforms and candidates elected by powerful organizations with millions of members, powerful and invincible, to watch over the Congress of the United States. Not an invisible government such as we have seen through so much of our history, with an invisible hand at the helm of the Ship of State; but a strong, powerful, visible government from the mass of the people and the rank and file of the people. From now on we must have government from the grass roots up, and not from the gilded turrets downward. We are neglecting the foundations of the structure of government and gilding our turrets, while our foundation stones crumble.

A NATIONAL LABOR PARTY IN 1936

We must become thoroughly committed to a labor government in these United States. We must build a great labor party in America. We must write a platform agreed upon after fair debate by representatives of the majority of the people. We must carry out those party pledges and promises; 1936 is not too soon to put a national ticket in the field; and I hope that labor will put a ticket in the field in every State in the Union in 1936, local, State, and national. I hope that labor will see the futility of flirting with the old parties and gain sincere cooperation with all affiliated elements to the end that we may shake off the terrors of this crisis and liberate our people from the pall of misery, poverty, and destitution. Then we can survey and plan intelligently—national planning—to bring about production for use of the great resources of this country which are abundant enough to bring happiness to every home and fireside in this great land of ours.

NO HOPE IN OLD PARTIES

The performance I have seen here on this floor renews my conviction that there is no hope in the old parties. We see men who debate in two-fisted fashion against these frauds upon our people, now being passed by this House, finally succumb to the wiles of the opposition. They join the chariots of the emperors in control. They march off with the Caesars of today, enthralled and enslaved and hopeful for reelection.

We need, above all things, today courageous, red-blooded fighting men who are unafraid to take a forward step. There must be a united front of all farm and labor elements, irrespective of parties, and a joining of all parties who have similar views upon a common platform upon which all can agree, and there must be an end to all the wrangling and jealousy and quarrels between numerous new organizations which have sprung up in America in the last decade or two.

Common sense must rule this labor party. It must have its feet on earth and not float off into the clouds of unrealities and impossible theories. It must be sound to the core. It must be an American party. It must place American interests first. It must write its platform thoroughly and convincingly, and it must be written in terms that are understood by the man who walks behind the plow and toils in industry.

MILLIONS OF VETERANS OF ALL WARS ARE WITH US

In this new party, I vision the marching columns of millions of veterans of all wars who are being thrust aside and betrayed in our legislative halls. First it is this bill and then it is that, compromises and trades are made, and bills are shuffled back and forth from House to Senate and Senate to House, and awaiting possible vetoes; and meanwhile the legislative mill grinds on to its adjournment without beneficial action taken for the veterans of our country.

SPANISH-AMERICAN WAR VETERANS

Vision these Spanish-American War veterans thrown out of hospitals, cut off from their pensions, left in old age to contend with poverty and misery and the poorhouse, and yet they gained for these United States more than $10,000,000,000 in land values which have earned more than $20,000,000,000 since their acquisition, and the Spanish-American War cost the Government but a trifle over $1,000,000,000. Through their efforts, Uncle Sam now has $30 to $1 on his investment, but the valiant men of '98—the finest volunteer army that ever marched—are left to starve on the streets and on the roadways of this abundant land.

I have introduced a bill, H. R. 1404, to place the Spanish War men on an equal basis with the men of the Civil War. That valiant army has almost disappeared over the horizon, and the men of the Spanish-American War are rapidly disappearing into the same distant land.

MEN OF THE WORLD WAR

Then the Economy Act slashed into the men of the World War who were told that they saved not only America, not only the land of Washington and Lincoln, but were told that they saved the world, and yet these men who saved the world are denied jobs, denied their pensions and compensations, cut off the rolls, and told that they deserve no more consideration than the men who remained at home safe and sound at the fireside drawing huge salaries during the war.

Vision these men of all wars joining with a great labor party, uniting their power and strength in political action with the ranks of labor and the lengthening columns of farmers in this great national labor party whose united front would include all elements who think along labor lines.

ADMINISTRATION BILL A CAMOUFLAGE

There is nothing in the administration security bill but an empty shell, a vision, hope, a mirage and camouflage, and that is all. I ask you what benefit will you get in 1935 and what benefit will you receive in 1936 from this bill? You have no guaranty that in 1937–38 the meager, pitiably and

utterly inadequate provisions of this bill will be carried out since a new Congress will be in power, and many leaders of another political party announce that they are against any such program and are opposed to any provisions, so that even the pitiably and utterly inadequate provisions may be stricken in 1937–38.

REMEDY IS A NATIONAL LABOR PARTY

What is the remedy then? The remedy is a national labor party which will write upon the statute books of this country genuine and adequate social insurance, unemployment, old-age, maternity, and other social insurance, and put that insurance into effect now and not later on, in the dim, distant future; a labor party which has the courage to levy upon the great fortunes, individual and corporate, gifts and inheritances, the rates levied upon the great fortunes of the British Empire. Many of our so-called "leading citizens" have urged us to follow the British Empire in the years gone by, but now that the British Empire takes a forward step in taxation, they are horrified when gentlemen from the ranks of labor suggest that we follow Britain's lead in income- and inheritance-tax rates.

COMES THE MOMENT TO DECIDE

Ladies and gentlemen of this House, you will have to make your decision, and in the not distant future, whether you will stand with labor or stand against labor; whether you will stand with the farmer or whether you will fight his interests; whether you will fight to protect the bankrupt little business, professional, shop and store worker, or whether you will side with and further heap up profits for great banking institutions and international bankers. You will have to make that decision, and in the not distant future; and those who cannot and will not decide, may soon find that a day has come upon us when it is too late to make decision, for the columns have swept by, and the army has marched on to fields of victory in government and social security for all its people.

Mr. GUYER. Mr. Speaker, the rapid advance and use of labor-saving machinery, the depression, and the onward march of humanitarianism have rendered old-age pensions not only inevitable but immediately mandatory.

In the past century there has been more material progress than in all the preceding centuries of the annals of mankind. Along with this unexampled progress has come the almost miraculous development of labor-saving machinery. A century ago one man might make 400 brick in a day. Today one man with a machine can make 400,000 brick in a day. A century ago men reaped their wheat with what was known as a "cradle." If all the wheat raised in the United States last year had been harvested in this manner, it would have required 6,000,000 men to do the job. Four thousand men with combines could have reaped and threshed all our production of wheat in any crop year in 10 days.

The energy of our machines is paralyzing. Four huge turbines possess the energy to do the task of 36,000,000 workers in the United States. A half pound of soft coal can do the work that it takes one man 8 hours to accomplish. One man and a machine can produce or rather process 30,000 barrels of flour in a day. A century ago he could grind out 1 barrel in a day. If we were in 1929 at the peak of production, with present machines, there would still be 5,000,000 idle. Out of this startling situation has been born the imperative necessity of old-age pensions and security against unemployment.

While there are very many things in this bill that do not please me nor meet my idea of an adequate law, I, like a large minority of the House, feel that, weak and inadequate as it is, it at least serves as a start in the right direction and that it may be amended from time to time as experience must surely vindicate those of us who sought to increase the allowance for old-age pensions. It is entirely too much like a pauper's dole. But experiences may teach us wisdom so that this paltry and uncertain allowance can be rendered both certain and adequate.

There was, I believe, a mistake made in trying to combine in one bill too many different objectives. All were very worthy aspirations but in combining such a multitude of subjects all were weakened and probably none will be a success. We have tried to build Rome in a day, and the result is apt to be disappointment to the real friends of old-age pensions as well as to the adherents of the other worthy undertakings embraced in this bill.

I wish that I might give this measure my whole-hearted approval for I have always favored such pensions since the menace of unemployment and age prevented many who had spent a lifetime at hard work from gaining a decent competence. I voted for the increases provided in amendments to that effect but they were defeated by the policy of the administration to limit the amount to be provided by the United States Government to $15 per month, which is pitifully inadequate at this time particularly. But since it was a futile effort I give it my vote rather than to deny the aged some hope at least.

It is my idea that just at this time when the country is submerged in the depths of the depression, with the unemployed continuously increasing in spite of all the prodigality of spending, we should in this unprecedented spending use some of it for the aged who are the most acute sufferers in this tragedy of poverty in which the aged and indigent now find themselves.

But since the ruling majority has beaten down all amendments which would make this a real measure of relief at this most critical time, I am willing to let them take the responsibility for its inadequacy, and accept even this pitiful makeshift rather than deny all assistance to the aged.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7054. An Act to provide for the protection of land resources against soil erosion, and for other purposes.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WEST VIRGINIANS GO BACK TO THE FARM

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I have just studied the figures sent me by my good friend, John R. Fortney, who recently completed his fine work as supervisor of the Federal farm census in the First and Second Congressional Districts of West Virginia.

Fifteen of the twenty-two counties in this territory are in the Second Congressional District which I have the pleasure and responsibility to serve in the House of Representatives.

INCREASE ALMOST 6,000 FARMS

It is highly gratifying to me to know from the report that there has been an increase of 5,918 farms in the district in question over the figure in 1930. This back-to-the-land movement in that section of my State, I am sure, holds true in other areas.

America will go forward on a stable and sane basis of prosperity when more and more of our people return to the farm. Those who live close to the soil are the backbone of our prosperity and well-being. Living close to the fundamental factors of life they develop those qualities of hardihood and self-reliance which make them the balance wheel for our complex industrial system. They become producers

of real national wealth, and stand at the sources from which spring the streams of real values.

The doctor heals, the lawyer pleads,
The miner follows precious leads—
But this or that, what ere befall,
The farmer must feed them all.

REAL SERVICE RENDERED

Under Mr. Fortney and his able assistants and enumerators a real service has been rendered to the Government, and I hope that throughout the Nation the ratio of "back to the farm" keeps pace with the increase in my district and State.

The number of farms in the 22 counties enumerated totals 31,690, as compared with 25,772 in 1930. My home county of Randolph County gained 234 farms during the 5 years, the total increasing from 1,755 to 1,989.

"There is no need to point out that such figures represent a definite back-to-the-land movement", said Mr. Fortney. Lack of employment in the cities is the primary reason given for the increase.

ONE HUNDRED AND NINETY SOLICITORS USED

One hundred and ninety solicitors made the census in the 22 counties. These loyal men and women encountered many difficulties, chiefly those due to bad weather, but they enjoyed the work, said Mr. Fortney.

They found the heaviest increase in farms near the larger cities, due, for the most part, to the decrease in employment in the cities.

A decrease in farms in the permanent crop and grazing districts is explained by the fact that many persons handling stock have acquired more land, it was stated.

HORSES LACKING ON FARMS

Generally speaking, the larger farm owners were found to be reasonably prosperous and the smaller farmers much less so. In instances where there was a sufficient supply of stock and working animals, conditions usually were good. There is a definite lack of horses, it was discovered.

Farmers cooperated whole-hearedly with the solicitors for the most part, it was stated. Mr. Fortney expressed his appreciation for this cooperation.

The office of Mr. Fortney was opened December 15 and the census taking began January 2.

INCREASES BY COUNTIES

Comparative figures showing the number of farms in each county in 1930 and at present follow:

	1935	1930
Barbour	2,190	1,934
Berkeley	1,358	1,201
Brooke	394	222
Grant	901	873
Hampshire	1,725	1,421
Hardy	1,318	1,098
Jefferson	952	824
Marion	2,763	1,808
Marshall	1,871	1,606
Mineral	974	754
Ohio	679	513
Pendleton	1,377	1,272
Morgan	714	667
Pocahontas	1,427	1,201
Preston	2,995	2,162
Taylor	1,223	970
Tucker	804	711
Webster	1,532	1,104
Wetzel	2,036	1,664
Randolph	1,989	1,755
Monongalia	2,105	1,684
Hancock	363	328
Total	31,690	25,772

RELIEF RACKETEERS

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FADDIS. Mr. Speaker, among the many problems confronting this Nation today, none are more deserving of attention, both from present and future considerations, than is relief. We have, at the present time, approximately one-sixth of our population on relief, the largest percent of whom are there because they cannot find employment. By cooperation of Government and industry it is hoped that we will be able to reemploy the greater part of them. Meanwhile, relief is costing the taxpayers of our Nation $60 every second and is running us into debt at the rate of more than $2,000,000,000 a year. This debt is a mortgage against the future of our Nation. Two facts should be quite obvious to anyone. First, we cannot permit our unemployed to starve, or permit their families to suffer from malnutrition, or be exposed for the want of clothing or shelter. Homes must be maintained and the proper contacts and environments of organized society must be considered. Every humane consideration must be recognized. Second, we cannot continue indefinitely to plunge ourselves into debt for this or any other purpose.

RELIEF A NEW PROBLEM

Throughout all of the various phases of relief, we must remember that it is a comparatively new problem, in a national sense, and that we have very little past experience to guide us. It is high time, however, that some of the most prominent facts regarding the matter should be thoroughly understood throughout the Nation, in order that we shall be able to take steps to eradicate as many as possible of its undesirable features. The use of relief is most certainly justified, but its abuse must not be tolerated. That it is being flagrantly abused cannot be denied.

BUREAUCRACY IN RELIEF

Statistics show that in spite of the undeniable increase in industrial employment, our relief rolls are increasing at an alarming rate. In conversation with many who are informed upon the subject, I do not believe it is exaggerating to state that we have over a million able-bodied "chiselers" on relief. These "chiselers" must be charged to faulty administration. Either the intellect of the "chiselers" is superior to that of the administrators, or the administrators are not doing their duty. I do not believe that those the most closely in contact with relief are to blame for the "chiselers." I believe it to be the ones higher up, those responsible for promulgating the policies. True to the inevitable tendency of bureaucracy, they are administrating relief in a manner calculated to increase the scope and the power of their bureau. They are ignorant of local conditions and are too elated with a false sense of their own importance, too busy endeavoring to extend their own authority to heed the advice given them by their field forces and private agencies. Any bureau is a dangerous institution, but one which can bring a sentimental argument to bear upon its activities is doubly so. We must be as merciless in our eradication of the "relief racketeer" as we would be with any other. We must demand just as efficient administration of relief as we would of any other governmental function.

Relief began as a local institution, because it was then a local problem. It became a national problem with the coming of wide-spread unemployment. As the Federal Government assumed more of the administration it also assumed more of the financial obligations. We all recognize, of course, the necessity for public works in order to provide employment, and the necessity for Federal administration in connection therewith. It is a well-recognized fact that the farther the functions of government are removed from the locality in which they function, the less efficiently they function. With this understood, I wish to illustrate how "chiseling" creeps in, and to propose a remedy.

ONE EXAMPLE

We have today upon our relief rolls an astonishing large number of whom, before the advent of relief, were tenant farmers. Never very ambitious or thrifty, they had always managed to make a living by share-cropping, without being in want for food, clothing, or shelter. Generally they owned a cow or two, raised their own hogs, and plenty of chickens. They were allowed a house, pasture and shelter for their stock, and plenty of ground upon which to raise their own living, and in many cases their fuel. They worked the land

on shares, with draft animals and tools belonging to the landlord. Their share of the crops fed their stock. Their cows and chickens bought their staple groceries. If industrious, they secured enough work at odd jobs to furnish cash for clothing and some in addition. Considering their investment and effort, they had the best side of the bargain. If they were in want in winter, the landlord saw to it that they did not suffer. They were in the main a self-supporting class of people, but relief has changed the picture.

The attention of many of these tenant farmers was drawn to relief when it became necessary for the industrial workers of the nearby cities. In unbelievable numbers they sold their stock and moved to the outskirts of the towns and cities. In many cases they were sought out by the relief workers and relief was forced upon them. It had never before occurred to many of them that they were not affluent. Accustomed in many instances to cutting wood for fuel, some overzealous welfare worker placed them on the list for free coal delivered. Thousands and thousands of them deserted the land, their source of sustenance for generations, and became wards of the taxpayers. Those in charge of local administration protested, but their protests were lost in the shuffle. The self-important, sentimental busybodies who for years had dabbled in relief work as a pastime had foolishly been placed in high positions and, drunk with power, were ruling with a high hand. This is only one of many illustrations which might be drawn, but it serves to illustrate my point.

THE REMEDY

Now for the remedy—and in my opinion there is only one—to eradicate the "chiseler": Place back on each county all of those who are receiving relief in cash or in groceries, clothing, fuel, or rent. Let the money for this purpose come from taxes imposed only within that county. Let each one who applies for relief be required to secure the signatures of 10 property holders of the borough, ward, or township in which he resides. This will bring home to the taxpayers the realization that relief money is not money which comes, by some trick of legerdemain, from thin air, but money which is actually theirs. When this is fully realized, the citizens of every county in this Nation will rise up in their might and put an end to "relief racketeering" almost overnight. They will search out every able-bodied man who can but will not support himself and see to it that he does so.

I am not using the above illustration from any idea that they are, by any means, the only ones "chiseling" on relief. Far from it. There are others too numerous to mention, many of whom are less justified and more reprehensible. I use it to bring me to another point.

Whether or not we like to admit the fact, we are up against the necessity of returning a large percent of our unemployed to the land, where they can be at least partially self-supporting. Our industrial system is so developed and capable of such enormous production that we cannot employ our industrial population gainfully all the year around. As I have said before, we cannot continue to support them forever by taxes. There is also a limit to the prices which the consumer can pay. The only solution is to return many of them to the land. Then, why in the name of common sense should we permit our relief to be administered in a manner calculated to take from the soil those who are best fitted to remain there? Public works for the unemployed are a present necessity. The average American wants a job which will enable him to make a living for himself and his family. All who are not willing to work are drones. Place their fate in the hands of those who know them—the taxpayers of their respective counties.

HUMANITARIAN DAY

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent to insert in the RECORD a resolution that I introduced today.

The SPEAKER. Is there objection?

There was no objection.

The resolution is as follows:

Joint resolution authorizing the President of the United States to call a conference of the rulers of every country in the world for the purpose of having 1 day in each year to be recognized as Humanitarian Day

Resolved, etc.,

Whereas there is a great deal of human misery in the United States and in every country in the world; and

Whereas a great deal of this misery is brought about because of superstition, ignorance, illiteracy, poverty, wars; religious, national, and race hatred; and

Whereas these social evils are responsible for much of the sorrow that exists in the world; and

Whereas a great deal of this sorrow could be eliminated by humanitarian treatment of our fellow men and by the proper kind of education: Therefore be it

Resolved (if the Senate concurs), That the President of the United States shall be authorized to call a conference of the rulers of every country in the world for the purpose of having 1 day in each year, to be recognized as Humanitarian Day, and on that day the people in every country of the world, regardless of creed, nationality, or race, shall mingle together to discuss ways and means to end poverty, wars, and every other thing which retards the progress of mankind.

OMNIBUS BANKING BILL

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tomorrow night to file its report on the bill H. R. 7617, the omnibus banking bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent that the same length of time be permitted to present the minority views on the same bill.

The SPEAKER. Without objection it is so ordered.

There was no objection.

OUR POST-OFFICE INSPECTORS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address by the Chief Post Office Inspector on the Postal Service.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of K. P. Aldrich, Chief Post Office Inspector, delivered on the Farm and Home Hour, National Broadcasting Co., Station WMAL, Washington, D. C., at 12:50 p. m., eastern standard time, April 18, 1935.

My friends, as Chief Post Office Inspector, I have been asked to talk about our service, and discuss crime from the viewpoint of our 540 post-office inspectors.

We have decided views on this subject. They are based upon our experience as the oldest investigative force of the Government. From colonial days to the present, post-office inspectors have been successfully running down stagecoach bandits, train robbers, safe crackers, post-office burglars, kidnapers, and all others who interfere with the mails and use them for vicious purposes or to defraud the public.

Our number of arrests compares favorably with any other Government organization, though but 25 percent of our work is in apprehending criminals and bringing them to conviction.

Our decided views concerning law enforcement also come from the fact we are successful. We convict 98 percent of the criminals we bring to trial. We believe this is a record.

Our present methods are based upon years of experience. First, we select inspectors from men in the Postal Service who are honest, with common sense, who will work hard; men who are zealous to see that the sanctity of the peoples' mail and the privacy of their papers are never violated.

We find such men and they stay in our service. Of our 540 inspectors, 132 have over 20 years experience and 229 have over 10 years experience.

We are proud of our force. We have had in our ranks such men as Noah Webster, of dictionary fame; men who afterwards became Postmaster General, as did Horatio King and J. N. Tyner. George B. Cortelyou also started on the road to Secretary of Commerce and Labor, Postmaster General, and Secretary of the Treasury, from the Chief Inspector's Office. Congressman CLAUDE DOBBINS, who so ably represents the great State of Illinois and serves on the important Committee of the Post Office and Post Roads, was in his earlier years a most able post-office inspector.

In a later day, under the leadership of former Post Office Inspector Elmer L. Irey, that fine body of investigators, comprising the Special Intelligence Unit of the Internal Revenue was or-

ganized. It is yet made up in large part of post-office inspectors selected by the then Commissioner of Internal Revenue, Hon. Daniel C. Roper, former First Assistant Postmaster General, and now Secretary of Commerce. This unit has not only saved the Government millions of dollars but has brought to justice such men as Al Capone, Waxey Gordon, and Dutch Schultz.

We are successful because long experience has taught us the advisability of carrying on our work in a quiet manner. This we feel has brought us the confidence of the able force of United States attorneys and their assistants under Attorney General Cummings. We have the confidence of the police forces of States, counties, cities, and towns, who, regardless of what you hear to the contrary, are to an uncommon degree honest and able. Government agencies, our own included, too often get the credit for the good work done by the police. For some reason or other Federal bureaus make the newspaper headlines.

One of the viewpoints post-office inspectors have is that there is about the same amount of crime now, in proportion to the population, as there was years ago. However, no one can talk definitely on this matter.

We know that crime is more advertised now. We know this advertising causes many mistaken ideas. For instance, the general opinion is that our larger cities have a greater proportion of murders than the smaller. Over the years you will find the opposite is true, and that cities like Chicago, New York, Philadelphia, and Boston, are comparatively safe when compared with many smaller cities.

Another instance concerning mistaken ideas engendered by advertising crime is that many people now believe that crimes are solved by agents using mysterious, occult powers and scientific methods. As a rule, our experience is that the greatest use of scientific apparatus is in verifying information subsequent to, rather than before the apprehension of a criminal.

The fine laboratories in use in Northwestern University, by the Chicago, St. Louis, and New York police forces, among others, have for many years past done wonderful work. But after all, the most important thing in crime detection was very ably set forth in an editorial in the Saturday Evening Post which stated:

"No imaginary Scotland Yard can solve the gangster menace. What is needed is swift, unimpeded action by police, prosecutors, and courts, and this comes only when an aroused public opinion operates. Nor must the reader of murder mysteries suppose that detectives solve cases by abstract reasoning or by psychic powers. It is information—and much of it petty information—which solves cases, and it is only when the public cooperates that the investigator can secure information. This may not be very romantic, but it is the fact."

One thing we do know about crime is that crimes of violence are now committed by comparatively young men and boys. There are many reasons given for this, all more or less accurate.

It is certain the last 5 years of depression have taken away from young men the opportunities for work, and worst of all the chance to live with their families.

As one who has dealt with crime in all parts of the United States for over 20 years, I know that the American people should thank God for the wisdom of our President when he conceived the idea of the Civilian Conservation Corps, where these young men may be profitably employed under proper leadership. What the President saved the country in the costs of crime and what he has added to good citizenship is incalculable.

Here is something else from the viewpoint of post-office inspectors. We hear too much, in my opinion, of crimes of violence; of public enemy no. 1 or 1,000, who robs a bank and gets away with fifty or one hundred thousand dollars and shoots down two or three in doing it. He is publicized, his alleged adroitness and daring enlarged upon, and pictures shown with vivid portrayals of his early life, usually one of poverty and a sordid environment, with few if any opportunities.

Post-office inspectors have a great deal of experience with this kind of men. However, post-office inspectors also know that there is another kind of public enemy, of much greater importance and much more inimical to the safety of the Nation.

They are the men of education, and social prestige, who are familiar with big business, who organize companies under high sounding names, and using the mails to defraud, filch millions of dollars from the unsuspecting public where the other so-called "public enemy" gets but hundreds. For every one the gangster shoots down, these smooth criminals, who get but little newspaper notice, leave a train of ruined men and women, broken hearts, deaths, and suicides.

These are the kind of men who, when convicted by juries of their fellow men, still have sufficient of their illegal gains to endeavor to prevent justice by publishing journals attacking Cabinet Officers, United States judges, and United States attorneys, and post-office inspectors, who have had the courage to bring them to justice.

These are the kind of men our forceful solicitor of the Post Office Department, Karl A. Crowley, has relentlessly followed and recommended that fraud orders be issued against them.

Our success in handling these most difficult cases has been considered outstanding. The millions of dollars saved annually to the public is in sharp contrast to the cost of our investigations which are believed to be the lowest of any investigating agency.

I desire, in closing, to state that the success of the Post Office Inspection Service in its handling of criminal work has in a large measure been due to the whole-hearted support of the Postmaster General, James A. Farley. He has stoutly withstood in every instance the influence of those persons of social, political, and financial prestige, who have endeavored to protect the guilty. I am in a position to know. I could not say more and I should not say less of his able and impartial administration of his great responsibilities.

At some later date I hope to tell you of the work of our force as auditors, adjusters, and postal experts. Until then I will say good-bye to you.

NATIONALISM VERSUS SECTIONALISM

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a speech which I made over the radio last night.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the the following address delivered by myself over a National Broadcasting Co. network Thursday night, April 18, 1935:

In an address delivered in Atlanta, Ga., on Saturday, April 13, the Secretary of Agriculture, Mr. Wallace, stated: "Those who are urging that the processing tax be removed are in many instances deliberately misleading the public about the nature and effect of the tax. All the difficulties of the textile industry are being blamed on the processing tax." The Secretary then specifically stated: "In a radio speech the other night a Member of Congress discussed the distressed condition of New England mills and advocated removal of the tax and an embargo on textile imports as the remedy. It was inferred from this address that the processing tax was giving foreign spinners an advantage in the domestic market."

On Thursday, April 11, I made an address over the radio on the subject Japan's War on Our Textile Industry, in which I strongly urged the removal of the processing tax from the cotton-textile industry. The remarks of Secretary Wallace may have been made with reference to my viewpoints discussed in my speech. Regardless of that, however, there are many of the Members of Congress from the South as well as from the North who have been very active and are at this very moment urging strongly, if not demanding, that the processing tax be removed from the cotton-textile industry. As one of this group, I cannot permit the statement made by Secretary Wallace, that we are "in many instances deliberately misleading the public" to pass by unchallenged.

To deliberate means to carefully consider one's action. No person worthy of the integrity of the public and who is honestly striving to help and improve the welfare of our people, would deliberately mislead them. As Members of Congress, we are not apart from the people. We are part of the whole. We are just as much a part of that great group known as the "people of the United States" as is any citizen. Their interest is also our interest. Is there any person among us that would deliberately mislead the very group we are a part of? Is there any one of us that would deliberately mislead the people of this great Nation or any part or section of it? Is there any Member of the distinguished National Legislature that would deliberately mislead any group of our people? It is as one of them that we are here. It is because of them that we are here. It is for them that we work. It is in their interests and the improvement of the general welfare of the Nation as a whole that we strive and conscientiously work to accomplish. Mr. Secretary, your statement is unfair and lacking in respect for the integrity of the Members of Congress toward whom you intended it to refer.

Those of us who consider the processing tax on the cotton-textile industry economically unsound are urging and demanding that it be removed in order to help the people, not to mislead them. I cannot for a moment believe the economic welfare of the people of our country as a whole is benefited and improved if the people of one section are benefited over a short period at the cost of imposing a serious detriment on the people of another section. And yet is not this condition actually occurring under the plan of the Secretary of Agriculture, Mr. Wallace? He advocates an alliance of certain sections of our country for the purpose of supporting his plan, knowing that the operation of his plan of exacting a processing tax from the cotton-textile industry causes great hardship and distress for the people of those sections dependent on the normal functioning of the cotton-textile industry.

In the long run, the national welfare of our people is not improved if, to benefit one section, another section must suffer. In a short time the benefit going to the first section would cease. I cannot agree to a plan that proposes to benefit agriculture at the high cost of sacrificing industry, for in the long run there would be no benefit to agriculture. Likewise, I am not in favor of any plan or method of helping industry, if the method of doing such would place an injurious and distressing burden upon agriculture. There must be methods evolved that will permit both of these huge essential activities to function normally, not at the expense of each other but for the good of each other, as well as the improvement of national welfare as a whole.

There is something frightfully wrong in a country where the Government is paying agriculture for not producing, for not performing its natural, normal function, while at the very same time thousands—yes, millions—are unemployed, on the very brink of starvation, and industry is unable to operate normally and in some cases, such as the cotton-textile industry, actually struggling for its very existence. In this great country of ours, known as "a land of plenty for all", at the present moment there has not been evolved a cure, nor even a remedy, for this tremendously

distressing national crisis. Increased taxation and increased public debt certainly has not helped. This national illness reaches the very heart of our Nation. If it is to be remedied, the cure must penetrate the source of the illness.

If our country is to emerge from the stranglehold clutches of this depression, the economic welfare of the people as a whole must be considered constantly. We can never win this battle that we must win if one section of the Nation is benefited at the expense of another section. The national welfare of the entire country must be improved, with all sections cooperating with each other at the same time.

Ours is a large country. We cannot exist divided into sections, with various sections opposing or combined to oppose the progress of each other, as was urged by Secretary Wallace in his Atlanta speech. The sectional division of our Nation was settled in 1865, let us hope for all time. I want to call the attention of the whole people, the farmers and those engaged in industry and those who are on relief, and those who are unemployed, to a statement in the Atlanta speech made by the Secretary of Agriculture, Mr. Wallace. I quote: "I appeal for an understanding and an alliance between the great agricultural sections of the South and the Middle West. If the cotton program goes by the board the corn, wheat, tobacco, and other programs will follow. The unity of the farmers will be broken." And Secretary Wallace is supposed to represent the entire country, not just parts of it. Coming from this member of the President's Cabinet, who is considered by many as a great economic philosopher of the new deal, the advocating of sectionalism together with the fact that a change in the cotton program, namely the removal of the processing tax from the cotton-textile industry, would wreck the agricultural program, as a conclusion is both extremely dangerous and economically unsound. Secretary Wallace is actually appealing to the farmer to support his plan, even if to do so would seriously cripple American industry and in the case of the cotton textile industry, seriously injure it at the very time when its very existence is threatened. The removal of the processing tax from the cotton-textile industry as a factor itself, would not cause the industry to boom, but it would greatly assist this essential industry back to normal operation and increased employment. The removal of this tax is a necessity. It must be done. I repeat, agriculture needs American industry. The farmer needs the cotton-textile industry. The cotton farmer knows that he stands to lose if the great domestic market for raw cotton, namely the American cotton-textile industry, is greatly curtailed and reduced or ceases to exist. In addition, there are thousands of workers and their families dependent on this great industry who would also lose. We must prevent this tragedy. Yet, Secretary Wallace appeals to the farmer to endorse and support a plan that in the long run is certain to cause losses, if not serious distress. Is it not Secretary Wallace that is doing the misleading?

In all my experience in Washington since 1913 I have never known any Secretary of any Department to appeal in an alliance of certain sections of the country. The significance of the statement of Secretary Wallace is still more serious to the welfare of the American people. It extends much deeper than the surface. It is tragical. He actually advocates the alliance of certain sections of the country, namely, the agricultural South and Middle West, as opposed to the sections of the industrial East. The Civil War, a tremendous tragedy in the development of this great Nation, was fought to settle certain sectional difficulties. We emerged from that war a unified nation, but only at the cost of the lives of thousands of young men and much suffering. We are still paying for that war. If this costly experience is to remain a lesson to us there must not be set up any unfair sectional competition in this country. Our Nation must function as a union, with a united striving for the improvement of the welfare of all the people in all sections, rather than a competitive struggle of section against section. Secretary Wallace, the Civil War must not have been fought in vain. We cannot tolerate sectional competitive strife in this country.

It is true that imports of cotton goods carry a compensatory processing tax equal to that levied on the domestic product. Nevertheless, imports from Japan have a marked bearing on this situation, for goods are coming in at such low prices that United States manufacturers are compelled to sell in competition at cost of production or below, thus substantially absorbing the processing tax. The cheap price is always the market price.

Gradually the cotton farmer of the South is beginning to realize that these conditions have an important bearing upon his own welfare and livelihood. He reads with alarm that Brazil, to the south of us, had an exportable surplus of about 800,000 bales of raw cotton last year. He realizes that the cheap price is always the market price; and when Secretary Wallace admits that our export market is falling off, he wonders what will become of him and his cotton workers without a home market as well. Nine million wage earners in the raw-cotton industry also ask that question. Government statistics show that our exports for 8 months prior to March 1935 diminished over two and a half million bales when compared with a similar period of the previous year. That our domestic consumption showed a similar alarming decrease may well be understood when it is considered that 51 textile plants have either ceased operations or have partially closed since the beginning of the year. Affected by this condition are 23,600 workers in the mills. In analyzing these figures it is interesting to note that by far the greater proportion of the mills affected were in the southern section of our country. Secretary Wallace does not mention this.

It is only through cooperation that this Nation can be efficient. Are we, therefore, functioning efficiently as a country primarily concerned with the improvement of the welfare of all the people if we permit a great and essential factor in our economic life, namely, the cotton-textile industry, to gradually cease to exist? To do so is not national efficiency. This industry must be saved, and it can be saved by removing the impediments to its normal operation. One of these is the cotton-processing tax. The burden of this tax must be removed.

President Roosevelt has the needed power to save the cotton-textile industry. I do not see how he can fail to do so.

SOCIAL SECURITY ACT

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. DITTER. Mr. Speaker, the problem of social and economic insecurity is one of the most difficult with which the Nation is faced today. We have experienced as a result of the depression wide-spread distress with attendant griefs and heartaches. Unfortunately the efforts of the present administration have not as yet provided any improvement of a permanent character. Experiments and extravagance have been disappointing and discomforting. Inconsistency, uncertainties, and contradiction, characteristics of many of the policies, have tended to intensify rather than diminish the fears of future insecurity. On all sides we hear expressions of doubt, anxiety, misgiving, trepidation, and apprehension as to the outcome of the voyage on which we have embarked in the last few years. From all parts of the country there comes a plea for the relief of present suffering, a demand for some assurance of certainty of action and stability of policy, as well as a cry for protection against recurrence of disasters in the future.

Political opportunists have used the occasion to advance their own fortunes by advocating all manner of remedies, opiates, and balms as cure-alls for our ills. Demagogs have denounced our institutions, our methods, our systems, and our leaders, in their efforts to excite passion and arouse prejudice. Unsound and unworkable schemes as well as strange and ridiculous nostrums have been held out as the only remedy for society. Guaranteed incomes, distributed wealth, assured employment have provided the texts of the economic gospel messages expounded by artful preachers as the hope for an early utopian salvation. The platform, the radio, the press have been utilized to advance the cause of these pseudo benefactors of mankind. Propagandists, promoters, and proclaimers have painted pictures of the alleged ease, contentment, and security possible for their followers.

These conditions naturally have accelerated the demand for some type of new social legislation. Placing the "security of the men, women, and children of the Nation" as a first objective is a commendable program. It is as old as the institutions of our country. It has always been an objective of our Government. It is the soul of our democracy. It has always been the objective of those who have insisted upon the worth of spiritual values. It encouraged our colonial ancestors to declare their independence. It inspired our forefathers to give to the world the finest example of constitutional representative democracy. It developed the determination of our pioneers in their conquest of a continent. It consecrated the endeavors of an emancipator in the breaking of the shackles of human slavery. It challenged the ingenuity of our investors in the harnessing of the forces of nature. It enlisted the services of our patriots in the defense of our rights as a Nation. The security of the men, women, and children of the Nation has been the altar at which every patriotic sacrifice has been offered, the altar at which every patriotic dedication has been made, the altar at which every ennobling patriotic inspiration has been received. We may therefore conclude that a program for security does not involve a radical departure from time-honored principles, even though in the course to be pursued we may introduce some modifications adaptable to changed conditions of our national life.

I believe that we should accept a reasonable responsibility for the aged and that we should advocate a system to bring all possible economic security to the worker, but that in so doing we should adhere to the limitations of constitutional authority and power; and may I add, Mr. Chairman, it is my conviction that the desired benefits of assistance to the aged and to the worker can be secured within the framework of our Constitution, that we need not transgress its provisions nor seek to evade its requirements. And still further, may I emphatically declare my conviction that we need not become a socialistic state in order to recognize a larger degree of social responsibility to the unfortunate. Rather am I persuaded that the recognition of this responsibility by the civic and industrial leaders will help to protect our traditional American institutions of freedom and personal liberty by the correlation of the needed economic security. I believe, Mr. Speaker, that it is our duty to transmit as heritages to our children the blessings of liberty and the glory of national achievements, as well as to provide the requisite aid to the aged and to give security to the worker. Let us be mindful of the fact that security for the individual, whether worker or aged, will be a mockery and a sham if in the attainment thereof we barter away our constitutional rights or evade our constitutional duties and allot to our people the role of puppets of a socialistic state. The protection of private enterprise with the necessary adjunct of a reasonable profit and the preservation of personal liberties circumscribed only by the rights and welfare of others is a solemn obligation laid upon us by a constitutional oath. Private enterprise, I believe, is willing to do its part. It should be given an opportunity to assume its share of the burden without the visitation upon it of punitive and destructive requirements at a time when it is exerting every effort to maintain itself.

The bill, presently before the House, known as the "Social Security Act" is meritorious in many respects. It is regrettable that the sponsors of the measure insist upon a composite piece of legislation embracing several distinct features rather than separating it into at least two major bills. In this respect it resembles much of the legislation urged by the present administration. Of course, the purpose of this course is apparent. Proposals which might otherwise be rejected even by the members of the majority must be reluctantly accepted in order to secure the benefits of the desirable features of a proposed enactment.

The bill is divided into nine titles, all of which, however, must be voted upon as a whole. It is fair to assume that the same influence which has wielded such tremendous power on the members of the majority party will again assert itself, making separation impossible. The bill, as a whole, is based on the theory of "grants-in-aid to the States", by which is meant that funds are to be disbursed for the States upon the fulfillment of certain conditions by such recipients. Titles I, IV, V, and VI provide for grants to the States for old-age assistance, for the care of dependent children, for maternal and child welfare, and for public health. Agencies for these purposes are already operative in a number of States.

Titles III and IX relate to unemployment insurance and for the contribution of taxes to create a fund for this purpose. Aid is extended to States to encourage them to establish approved systems of unemployment.

Titles II and VIII are the objectionable features of the bill and have no place whatever in this measure. They provide for a distinct departure from established policies and should be striken from the bill. They provide for compulsory old-age annuities and prescribe the method by which the money is to be raised to pay these annuities. It is doubtful whether they will stand the test of constitutionality. Certainly they are of such a character as to invite serious question. It is difficult to find any constitutional provision by which the Federal Government is authorized to impose a system of compulsory old-age benefits upon private industry. Aside from the question of constitutionality, the contributions required of both employer and employee by this provision places a burden difficult or impossible under present conditions for either to stand. We are all anxious for recovery. Everything possible should be done to accelerate a return to normal conditions. Private business enterprises should be encouraged to launch out. Reemployment of wage earners in private fields of endeavor is essential to recovery. Those employed today are required in most instances to help shoulder the economic burden of a less fortunate relative. There is no justification for insisting that this feature of the bill be retained. It is retardation which means further insecurity. Recovery is a prerequisite for security. Again, Mr. Speaker, I protest against the practice of forcing upon the House composite bills carrying subjects which should be considered and acted upon separately.

The subject of old-age assistance has long been disputed and remains today to some extent controversial. I prefer to cast my lot with those who believe that a larger degree of responsibility rests upon society today for the dependent aged people in our communities than existed in the past. Medicine, hygiene, and improved living conditions have contributed to prolonging life. The development of machinery and its extended and ever-widening field of operation tend to place upon the discard list at an earlier age the skilled as well as the unskilled workman. The insecurity of those past middle age engaged in industry is alarming. Naturally these conditions are intensified as a result of our present unemployment problem. The obligation of the State to provide assistance to the dependent aged has long been recognized, dating back to the days of Queen Elizabeth. The harmful effects of pauperizing the individual should not be overlooked, and while institutional care will always be needed for the aged who may by reason of infirmity or illness be helpless or require care, nevertheless, in many instances a sense of self-respect and dignity can be maintained under old-age assistance funds which would not be possible when an almshouse invitation was extended.

The provision for the establishment of a system of unemployment insurance is desirable and no doubt will be generally supported. It is unfortunate that a plan of this kind was not established years ago. In some industries and in some States unemployment-insurance funds are in existence. Whether it should be forced upon industry and labor at this time is doubtful. The distress incident to unemployment is felt most intensely by the unemployed and their immediate dependents. But it must be recognized that a large part of the burden of wide-spread unemployment rests also on the general public. Taxes are levied for unemployment relief, contributions are made to agencies ministering to those in distress, and in many other ways the disastrous effects of a major business collapse and the resultant failure of the wage earners to secure a livelihood is felt by the citizens as a whole. Sound measures which give promise of aiding society in solving, at least to some extent, this difficult problem should commend themselves to all thinking people. Such measures aid not only the individual directly affected, but their benefits reach out into all walks of life and into all avenues of industry and business. They are individualistic and also cooperative in their results. They provide a means for cooperation between employer and employee for the benefit of all society and for the advancement of the general welfare.

There can be no present benefit expected from this legislation insofar as unemployment is concerned. In this respect, Mr. Speaker, I fear it will be a distinct disappointment. We should not hold out to the unfortunate and those in distress that this legislation will alleviate their present ills. It will not. To this extent it is a sham, a mockery. As has been well said, "They ask for bread and we give them a stone." The present difficulties should challenge the best efforts of the administration to adopt a sound, workable, and economical national program and discard the theories, experiments, and fallacies which have proved so costly and futile.

I am compelled, Mr. Speaker, to repeat the warning which I have heretofore expressed. This problem of economic insecurity and social instability will not be solved simply by the enactment of legislation creating unemployment-insurance schemes or providing old-age-assistance

funds. We cannot hope to give the people a sense of security by glib legislative phrases or by idealistic executive pronouncements, or by the compilation of actuarial statistics. We cannot provide a sense of security by programs for the destruction of wealth and artificially creating scarcity. We cannot assure to the people a sense of security by measures threating their investments of life savings. We will fail to give a sense of security to our people if a policy of foreign trade is pursued which tends to destroy the operation of the fields of raw material and threatens the closing of mills and factories. These are all vital elements for security.

Finally, Mr. Speaker, I contend that we should translate idealism into realism, that we should be practical and not visionary, that a policy should be pursued of consistency embracing all features of our complex modern life in our endeavor to conquer insecurity.

STATEMENT OF THE COMPTROLLER OF THE CURRENCY CONCERNING CLOSED BANKS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a statement made by Comptroller O'Connor, concerning certain closed banks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of the Comptroller of the Currency, Mr. O'Connor answering statements of Clifford A. Prevost and quoting Hon. Clarence J. McLeod:

APRIL 3, 1935.

DETROIT FREE PRESS,
DETROIT NEWS,
DETROIT TIMES,
Detroit, Mich.

GENTLEMEN: My attention has been called to an article published in the Detroit Free Press under date of March 30, 1935, written by Clifford A. Prevost and quoting extensively Representative CLARENCE J. MCLEOD. Congressman MCLEOD has so misrepresented and misstated facts and figures that the article cannot go unanswered.

It is indeed unfortunate that Mr. Prevost was led into an article which does not contain one correct paragraph. The headlines, "Congress to be asked to probe charges of political domination of 1,500 closed national banks", is not correct, and the subheading "McLeod wants choice of receivers explained" is information which is available to everyone. The receivers of 939 of the 1,540 national banks now in receivership were appointed by former Republican Comptrollers of the Currency, and it is rather interesting to note that Congressman MCLEOD did not raise this question while these Comptrollers were in office but attempts now to embarrass these former Comptrollers of the Currency with his investigation. Congressman MCLEOD is advised that two Republicans were appointed receivers in the Detroit banks—C. O. Thomas as receiver for the First National Bank of Detroit on May 11, 1933, succeeding himself as conservator, and B. C. Schram on May 11, 1933, as receiver of the Guardian National Bank of Commerce—both appointments being made by the Acting Comptroller of the Currency, Mr. F. G. Awalt, prior to the appointment of J. F. T. O'Connor as Comptroller. Mr. Awalt was appointed Deputy Comptroller of the Currency on the recommendation of Col. J. W. McIntosh, who was then Comptroller.

Mr. Schram was appointed receiver by Hon. D. R. Crissinger, Republican Comptroller, and prior to going to Detroit had successfully served as receiver in 19 important receiverships. Mr. C. O. Thomas was first appointed receiver by Hon. Henry M. Dawes, Republican Comptroller, and prior to going to Detroit had successfully served as receiver in 24 national bank trusts. When Mr. Thomas was assigned to the Detroit trust, an investigation was made of his record in the Bank of Pittsburgh, in Pittsburgh, Pa., and in this connection, the following quotation from an article by James Sweinhart is of interest: "The manner in which a Federal receiver liquidated the slow assets of the Bank of Pittsburgh, in Pittsburgh, Pa., indicates that the fears of many Detroit merchants and manufacturers who are debtors to the First National and Guardian National Banks, of Detroit, that they are to be wiped out through liquidation of the local banks, are unfounded. A survey of what went on during the liquidation of the Pittsburgh institution shows that the receiver was reasonable and fair and won the highest esteem and good will even of the debtors of the bank whose notes and mortgages he had to realize on." A salary of $14,000 per annum was fixed for each of these receivers. In August of 1934 Mr. C. O. Thomas received a flattering offer from a large financial institution and resigned as receiver after rendering a magnificent service to the depositors of Detroit. No better evidence could be offered that the salary paid Mr. Thomas was inadequate than the fact that he resigned to receive a much larger salary.

Comptroller O'Connor called Mr. B. C. Schram on the telephone and asked him if he would take over the receivership of the First National Bank of Detroit and handle it together with his own receivership, as he was familiar with the Detroit situation. He was further requested to cut the salary in each trust to $8,000 per annum, making a total salary of $16,000 for handling the two institutions, and saving for the depositors $12,000 per annum in salaries of receivers. Mr. Schram agreed and has given eminent satisfaction in his work. It would have been perfectly proper for the Comptroller of the Currency to appoint some outstanding leader of Michigan at a substantial salary to succeed Mr. Thomas, but the Comptroller was interested in conserving the assets for the depositors. No better justifiable opportunity to play politics could be found. It is hoped that this is a sufficient explanation to Mr. McLeod of the appointment of the Receivers in Detroit. It is not necessary to point out that these banks were closed nearly a month before President Roosevelt took office.

The statement, therefore, by Mr. Prevost that Postmaster General James A. Farley had cooperated with Comptroller J. F. T. O'Connor to place politicians in control of closed banks is false. Mr. Farley has never made a single suggestion as to receivers in any part of the United States. Evidently Congressman McLeod seeks to condemn the Comptroller of the Currency because he retained in office two receivers who had been appointed by Republican comptrollers.

The article further sets forth a resolution which Congressman MCLEOD advised Mr. Prevost he would introduce on Monday. The Congressman did not introduce the resolution quoted in the article, but introduced an entirely different resolution. The Congressman misled Mr. Prevost in this particular. The McLeod resolution which was actually introduced does not authorize the committee "to subpena witnesses, administer oaths, and send for such papers as may be necessary to carry out the investigation herein authorized." This was the part of the proposed resolution which would possibly have justified the scare headlines. The McLeod resolution asks for information as to "the methods of selecting and appointing receivers and attorneys for closed national banks", and in answer to this it may be said that the same policy has been followed for 70 years in the Comptroller's Office. except that the present Comptroller has not removed Republicans who have been doing a good job. The resolution which Congressman MCLEOD introduced reads as follows:

"*Resolved*, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information: The methods of selecting and appointing receivers and attorneys for closed national banks; the costs of receivers' salaries, legal and other expenses involved in the liquidation of each of the closed national banks now in process of liquidation; the amounts due depositors of each such bank at its date of closing; and the amounts paid depositors of each such bank since closing."

Much of this information Congressman MCLEOD has already received, and he has never been denied any information that he has requested from the office of the Comptroller of the Currency. Congressman MCLEOD would require the Comptroller to add a score or more employees to be paid out of depositors' funds in order to furnish detailed information in all of the more than 1,500 closed national banks. The Comptroller has been interested in saving expenses for the depositors, while Congressman MCLEOD would freely spend their money in this manner. If Congresman MCLEOD would take the trouble to read the Comptroller's annual report, he would find therein accounted for: All collections by receivers, collection and offsets allowed; collections from stock assessments; amounts borrowed from the R. F. C.; dividends paid by receivers to secured and unsecured creditors; distributions by conservators, payments to secured and preferred creditors; offsets allowed and settled; payments to secured and preferred creditors; offsets allowed and settled; disbursements for protection of assets; receivers' salaries, legal and other expenses; conservators' salaries, legal and other expenses; a table showing the status, progress, and results of liquidation of all national banks placed in hands of receivers from the date of the first national bank failure in 1865 to October 31, the end of the fiscal year in the Comptroller's office; separate tables giving dates of appointment of receivers; capital at date of organization and at date of failure; dividends paid while solvent; total deposits, bills payable and rediscounts at date of failure; also tables showing assets at date of failure, additional assets acquired subsequent to failure; offsets allowed; disposition of all collections and dividends paid to creditors of all insolvent national banks, this information being given in detail as to each national bank. In addition to this, each receiver makes a quarterly report showing receipts and disbursements in his particular trust, and this report is posted in his bank and is available to every one of the depositors. This quarterly report is divided into four subheadings and gives the depositors the following information:

ASSETS

Assets at date of suspension.
Additional assets acquired since suspension.
Stock assessment (—— percent).

Total assets to be accounted for—Cash collected from assets; cash collected from additional assets; cash collected from stock assessment; total cash collected from assets and stock assessment; offsets allowed on assets. Losses charged off: On assets; on stock

assessment; total losses charged off. Remaining assets: Uncollected assets; uncollected additional assets; uncollected stock assessment; total remaining uncollected assets.

RECAPITULATION OF REMAINING ASSETS—BOOK AND ESTIMATED VALUES

Total assets accounted for—Remaining assets: Uncollected assets; uncollected additional assets; uncollected stock assessment.

LIABILITIES

Total remaining assets—Secured liabilities at date of suspension; unsecured liabilities at date of suspension; additional liabilities established.

Total liabilities this date—Secured and preferred liabilities paid in cash (paid by Conservator ————); unsecured liabilities offset; unsecured liabilities for which receiver's certificates have been issued; unpaid secured liabilities (both proved and unproved); unsecured liabilities not paid or proved.

COLLECTIONS AND DISBURSEMENTS

Total liabilities accounted for—collections from all sources: Cash collected from assets and stock assessment; cash collected from interest, premium, and rents; cash collected by receiver, and held as trustee for owners; Reconstruction Finance Corporation loans received (loan to conservator $——).

Total collections to be accounted for—disbursements of every character: Secured and preferred liabilities paid (including dividends) (paid by conservator $——); collateral account (collections held by secured creditors and not yet applied); advances in protection of assets (taxes, insurance, etc.); expenses of receivership (expenses and advances by conservator $——); dividends paid to unsecured creditors (—— percent); (paid by conservator $——); Reconstruction Finance Corporation loans repaid; cash in hands of receiver and comptroller.

Total collections accounted for.

———— ————, *Receiver.*

The article further states that "O'Connor admitted Wednesday that receivership costs in the Nation are approximately 7 percent of collections." This remarkable showing, which has been approved by everyone, was twisted in the article in order to color the statement. The Comptroller's office, over a period of 70 years, has returned to the depositors approximately 93 cents out of every dollar collected. This leaves 7 cents for the payment of receivers' salaries, legal fees, rent, and all other items of overhead. In the two Detroit receiverships, the expenses were less than 2 cents of each dollar collected. No other system of liquidation can compare with this record.

The article then goes on to state that Congressman McLEOD has been collecting data on receiverships with a view to taking the receiverships away from the Comptroller of the Currency and turning them over to the Reconstruction Finance Corporation, and follows with figures regarding the Bain banks in Chicago, with particular reference to receivers' salaries and attorneys' fees for these banks. Again Mr. McLEOD leads Mr. Prevost into a serious error as he does not point out that the Bain banks were State banks and not under the jurisdiction of the Comptroller of the Currency nor under the supervision of the Federal Government. Just how the Congressman is going to turn over State receiverships of all State banks in the State of Michigan and in all other States to the Reconstruction Finance Corporation is not explained.

Not satisfied with giving misinformation, Congress McLEOD then resorts to rumors, and says he has heard a rumor that the attorneys' fees in the two large banks in Detroit have run as high as $250,000 each, which would be half a million dollars for both, and then gives this as the reason for abandoning the "rigid policy of secrecy." From the facts already given it would seem that there was very little secrecy about the facts and the positively false rumor was never inquired into by Congressman McLEOD, but was given free circulation. The Comptroller stated to the two Congressmen from Michigan on the House Banking and Currency Committee that he would furnish the information with reference to attorneys' fees and that the Congressmen were at liberty to make any use of the information that they saw fit. This will be done.

Congressman McLEOD is quoted as saying that receivers are public servants paid from funds of the depositors. This is as nearly accurate a statement as anyone who knows the Congressman would expect him to make. The Congressman is quoted further as saying that both depositors and the public have every right to know for what purpose their money is being expended. None of the public's money is being expended, yet the Congressman advises that the public is entitled to know for what purpose its money is being spent.

The Congressman advises that the reason for his desire to have receiverships turned over to the Reconstruction Finance Corporation is because that board is bipartisan, whereas the Comptroller is appointed by the President. The Reconstruction Finance Corporation is a large creditor in most of the receivership banks and Congressman McLEOD would place the Corporation in the embarrassing position of being a trustee for the other creditors, and in some instances the Corporation might be compelled to bring action against itself. The Congressman has suddenly discovered that after 70 years the office of the Comptroller of the Currency is a partisan office, and yet its policies have not changed in the 70-year period.

Again the Congressman misleads Mr. Prevost when he says "as a result of the threat of Representative PRENTISS M. BROWN to offer an amendment to administration's banking bill calling for publicity for all receiverships, O'Connor has agreed to make public within a week or 10 days the fees being paid to attorneys for the First National Bank and the Guardian National Bank of Commerce." This is positively a false statement, as Congressman BROWN never made such a suggestion, and, therefore, it could not have been turned into a "threat." The statement regarding Congressman BROWN's estimate of legal fees is also incorrect, and the statement, "O'Connor did not deny that legal fees for this receivership have approximated that sum" is incorrect, as the Comptroller advised the committee that he would give the Congressman the facts.

The Congressman has again misled Mr. Prevost when he says that "fees to lawyers and others chosen by the Comptroller, usually with the advice of Farley and State Democratic national committeeman, for the jobs" have had no publicity. Mr. Farley has never made the slightest suggestion as to the fees of any appointee of the Comptroller's Office. The misleading statement by the Congressman, therefore, is positively vicious.

Congressman McLEOD further misled Mr. Prevost when he said, "In agreeing to disclose the figures for the two banks at Detroit, O'Connor was attempting a compromise to prevent enactment of legislation." No one suggested any legislation; therefore this statement is false.

Congressman McLEOD further failed to state that he obtained the appointment of his law firm, McLeod, Fixel, Abbott & Fixel of Detroit, Mich., as attorneys for the receivers of the Lincoln Park National Bank of Lincoln Park, Mich., the Inkster National Bank of Inkster, Mich., and the First National Bank of Dearborn, Mich. His firm has received up to December 31, 1934, $11,924, and the firm is still acting as attorneys for the receivers in these three banks. Congressman McLEOD received these appointments from former Republican Comptrollers of the Currency and his firm has not been removed or disturbed in their work by the present Comptroller of the Currency, notwithstanding the Congressman's unfair criticism of the Comptroller and his receivers during the past 2 years. Frankly, could anything be more nonpartisan than this? Congressman McLEOD had his firm appointed because of his Republican standing and he now questions the right of any Democratic firm to be appointed in exactly the same manner.

It is indeed unfortunate that public officials attempt to make capital out of the sufferings and distress of our people. If the article was intended by Mr. McLEOD to further unrest and to give encouragement to those who would destroy all forms of representative government, it will in a measure serve that purpose. Newspaper men must naturally get their information from public officials and now and then are entirely misled by them.

Sincerely yours,

J. F. T. O'CONNOR, *Comptroller.*

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—ROSSETTA LAWS (H. DOC. NO. 160)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read, as follows:

To the House of Representatives:

I return herewith, without my approval, H. R. 2128, entitled "An act for the relief of Rossetta Laws."

This bill provides that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Williams Laws, who was a member of Company F, Twentieth Regiment United States Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 6th day of October 1865.

The official records show that the soldier in question was tried by a general court martial and found guilty of assault with intent to kill; that the proceedings, findings, and sentence of the court martial were approved by proper authority; and that the soldier was subsequently released from confinement and mustered out of the service without an honorable discharge.

The Secretary of War strongly recommends that this bill be not favorably considered, and I find nothing in the facts in the case which would justify different action on my part.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 18, 1935.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the message and the bill be referred to the Committee on Military Affairs, and ordered to be printed.

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KVALE. Is this motion debatable? If so, Mr. Speaker, I desire recognition.

The SPEAKER. It is within very narrow limits.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

Mr. KVALE. Mr. Speaker, I wish to propound a parliamentary inquiry; and pending that, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, I have no direct interest in the bill which has been returned without Presidential approval, but I do desire to make this observation, with all respect for the views of the President as expressed in his veto message, sent us in good faith, that he did not have before him, when he considered the bill, the evidence which persuaded the committee and Congress to pass the bill. It went through both the House and Senate unanimously, and then to him.

The committee has carefully examined the adverse report of the Department, together with records and additional testimony which caused it to disregard the adverse departmental report. The President, however, frankly states that his disapproval is based upon the departmental recommendations.

Now, Mr. Speaker, if the President is to be guided solely by the recommendations of the Department, which Congress has fully considered along with additional facts in trying to do justice to these people who are interested in these private bills, I want to ask the Speaker if there is not some way that Congress could follow through upon some of these various measures which are returned to us in this manner and enact them into law over the veto if we feel that the interests of justice demand it?

The SPEAKER. Certainly the House has the power to proceed under its own rules. The Committee on Military Affairs has the power and privilege of considering the bill and reporting it back to the House.

Mr. KVALE. But the fight must begin de novo within the committee in each instance.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. KVALE. I yield.

Mr. TRUAX. The gentleman states that the bill was passed unanimously by both branches of Congress.

Mr. KVALE. Necessarily so.

Mr. TRUAX. The gentleman from Minnesota knows that these bills on the Private Calendar are given very little consideration by individual Members, and that there are a number of other similar bills that should have been stopped right here and never should have been allowed to go to the President of the United States.

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes in order to reply to the gentleman from Minnesota.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FADDIS. Mr. Speaker, as a member of the Committee on Military Affairs, I think it is only fair that I rise here to state some facts in connection with correction of dishonorable discharges to which the gentleman from Minnesota has referred.

When a subcommittee of the Committee on Military Affairs, or the whole committee, attempts to correct a dishonorable discharge given a man because of court-martial proceedings they have to go back into the records of the past and have no substantial grounds upon which to proceed. They have no way to produce any evidence except that given to them in the report by the War Department; and the report of the War Department is taken absolutely from the report of the court martial of the soldier concerned. The President is right in his stand. No committee sitting in judgment upon a matter of this kind has any way whatsoever of producing any substantial facts bearing upon the case except to get them in this manner.

I do not believe there is one case in a thousand of the cases where bills are introduced to correct the dishonorable discharges of soldiers which has the slightest bit of merit to it. I believe this, and I think every other man in this House who has been a soldier believes that the 4,000,000 or more men throughout the United States who have honorable discharges are entitled to have their honorable discharges protected. Every dishonorable discharge that is corrected cheapens the honorable discharges which men have earned.

Mr. KVALE. I am just as proud of my honorable discharge as is the gentleman from Pennsylvania. I shall not take the time of the House now, but within the next day or two I shall endeavor to show the gentleman the facts about at least one of these thousand cases to which he refers.

Mr. FADDIS. If the gentleman has the evidence, no doubt the committee will hear it and take it into consideration; but I am explaining to the House that very, very seldom is evidence of merit produced in support of such bills.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn until Monday noon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DEROUEN (at the request of Mr. MONTET), for 5 days, on account of illness.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 97. Joint resolution authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the Convention of the Imperial Council of the Mystic Shrine in the District of Columbia, June 8, 1935, to June 17, 1935, both inclusive.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.; and

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 20 minutes p. m.), pursuant to the order heretofore made, the House adjourned until Monday, April 22, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Monday, Apr. 22, 10:30 a. m.)

Subcommittee will hold hearings on bills H. R. 2858, police training schools; H. R. 3642, police residence; H. R. 3641, firemen's residence; H. R. 4389, reinstatement of Clifford J. Garry; H. R. 4390, reinstatement of David R. Thompson;

H. R. 7153, qualifications of chief engineer, fire department; H. R. 7371, amending Police Salary Act, room 345, Old House Office Building.

COMMITTEE ON THE PUBLIC LANDS

(Saturday, Apr. 20, 10 a. m.)

Continuation of hearings on bill (H. R. 5530) amending the Gas and Oil Leasing Act.

EXECUTIVE COMMUNICATIONS, ETC.

305. Under clause 2 of rule XXIV a letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 10, 1935, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Nooksack River, Wash., with a view to control of its floods, authorized by acts of Congress approved February 26, 1925, and June 13, 1934 (H. Doc. No. 159); was taken from the Speaker's table, referred to the Committee on Flood Control, and ordered to be printed, with illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6954. A bill to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park; with amendment (Rept. No. 727). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. Senate Joint Resolution 88. Joint resolution to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior; with amendment (Rept. No. 729). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. H. R. 6800. A bill authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands; without amendment (Rept. No. 730). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUTPHIN: Committee on Naval Affairs. S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths; without amendment (Rept. No. 733). Referred to the House Calendar.

Mr. YOUNG: Committee on Naval Affairs. S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award; without amendment (Rept. No. 734). Referred to the House Calendar.

Mr. SCOTT: Committee on Naval Affairs. S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; without amendment (Rept. No. 736). Referred to the House Calendar.

Mr. MURDOCK: Committee on Indian Affairs. S. 380. An act to reserve 80 acres on the public domain for the use and benefit of the Kanosh Band of Indians in the State of Utah; without amendment (Rept. No. 737). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands; without amendment (Rept. No. 738). Referred to the Committee of the Whole House on the state of the Union.

Mr. RYAN: Committee on Indian Affairs. H. R. 4123. A bill providing for the payment of $25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States; without amendment (Rept. No. 739). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 6625. A bill conferring jurisdiction on United States district courts over Osage Indian drug and liquor addicts; without amendment (Rept. No. 740). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 6682. A bill authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States; without amendment (Rept. No. 741). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 7617. A bill to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes; without amendment (Rept. No. 742). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EDMISTON: Committee on Military Affairs. S. 674. An act authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; without amendment (Rept. No. 728). Referred to the Committee of the Whole House.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 6602. A bill for the relief of Dr. Ernest B. Dunlap; with amendment (Rept. No. 731). Referred to the Committee of the Whole House.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 7037. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes; without amendment (Rept. No. 732). Referred to the Committee of the Whole House.

Mr. CASEY: Committee on Naval Affairs. S. 1209. An act to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii; without amendment (Rept. No. 735). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 7588) granting an increase of pension to Rose Moriarty; and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEAGALL: A bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes; to the Committee on Banking and Currency.

By Mr. McGROARTY: A bill (H. R. 7618) to authorize the erection of an addition to the existing Veterans' Administration facility, San Fernando, Calif.; to the Committee on World War Veterans' Legislation.

By Mr. SCHAEFER: A bill (H. R. 7619) authorizing the county of St. Clair in the State of Illinois, its successors or assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair in the State of Illinois, and connecting with St. Clair Avenue, extended, in said town; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7620) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point op-

posite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCK: A bill (H. R. 7621) to amend section 605 of the Revenue Act of 1918, approved February 24, 1919; to the Committee on Ways and Means.

Also, a bill (H. R. 7622) to repeal section 601 (c) (3), of title IV, of the Revenue Act of 1932; to the Committee on Ways and Means.

Also, a bill (H. R. 7623) to amend section 616 of the Revenue Act of 1918, approved February 24, 1919; to the Committee on Ways and Means.

By Mr. FENERTY: A bill (H. R. 7624) to authorize the Secretary of War to furnish bronze markers for certain graves; to the Committee on Military Affairs.

By Mr. MAVERICK: A bill (H. R. 7625) to authorize the Secretary of War to grant a right-of-way for street purposes upon and across the San Antonio Arsenal in the State of Texas; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 7626) to dispose of Federal building sites to States, municipalities, counties, or other civil divisions; to the Committee on Public Buildings and Grounds.

By Mr. THOMASON: A bill (H. R. 7627) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War; to the Committee on Military Affairs.

By Mr. SHORT: A bill (H. R. 7628) to authorize the erection of a Veterans' Administration hospital in the State of Missouri; to the Committee on World War Veterans' Legislation.

By Mr. BROOKS: A bill (H. R. 7629) to authorize the erection of an addition to the existing Veterans' Administration facility, Aspinwall, Pa.; to the Committee on World War Veterans' Legislation.

By Mr. LUDLOW: A bill (H. R. 7630) to authorize the erection of additional facilities at the existing Veterans' Administration facility, Indianapolis, Ind.; to the Committee on World War Veterans' Legislation.

By Mr. JONES: A bill (H. R. 7631) to authorize the erection of a Veterans' Administration hospital in the State of Texas; to the Committee on World War Veterans' Legislation.

By Mr. KLEBERG: A bill (H. R. 7632) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934; to the Committee on Agriculture.

By Mr. MOTT: A bill (H. R. 7633) conferring a military status upon certain civilian employees of the Engineer Department, United States Army; to the Committee on Military Affairs.

By Mr. TONRY: A bill (H. R. 7634) to authorize the acquisition of the outstanding interests in land in the military reservation of Schenectady General Depot, N. Y., and for other purposes; to the Committee on Military Affairs.

By Mr. DIMOND: A bill (H. R. 7635) to extend the benefits of the United States Public Health Service to fishermen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DUNN of Pennsylvania: Joint resolution (H. J. Res. 252) authorizing the President of the United States to call a conference of the rulers of every country in the world for the purpose of having 1 day in each year to be recognized as Humanitarian Day; to the Committee on Foreign Affairs.

By Mr. BLANTON: Joint resolution (H. J. Res. 253) to create a special select standing joint committee of the Senate and House of Representatives, to be known as the "Joint Committee to Protect and Preserve the Seat of Government as Contemplated by the Constitution of the United States"; to repeal the archaic provisions of law generally known as the "50–50" and "60–40" acts relating to a Federal contribution to the civic expenses of the District of Columbia; to discontinue future Federal contribution to said civic expenses of the District of Columbia, and to require the taxpayers of Washington, D. C., through reasonable taxation, to pay their own civic expenses and not longer require the overburdened taxpayers of the 48 States after paying their own civic expenses to make contribution to the civic expenses of the people fortunately living in the seat of government; and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding the charter of the North River Bridge Co.; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Florida, regarding the removal of sand bars from the channels of the Steinhatches River; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of the State of Florida, regarding passage of the bonus; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. QUINN: A bill (H. R. 7636) for the relief of T. W. Mallonee; to the Committee on Claims.

By Mr. COFFEE: A bill (H. R. 7637) granting an increase of pension to Mary B. Beckett; to the Committee on Invalid Pensions.

By Mr. CORNING: A bill (H. R. 7638) for the relief of James E. McDonald; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 7639) for the relief of John A. McGahy; to the Committee on Naval Affairs.

Also, a bill (H. R. 7640) for the relief of Dr. Samuel A. Riddick; to the Committee on Claims.

Also, a bill (H. R. 7641) for the relief of Ruth May Harnly; to the Committee on Claims.

By Mr. ENGEL: A bill (H. R. 7642) for the relief of Katherine Trick; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 7643) granting a pension to Marie Lockwood; to the Committee on Pensions.

By Mr. LEWIS of Colorado: A bill (H. R. 7644) for the relief of George O. Wills; to the Committee on Claims.

Also, a bill (H. R. 7645) for the relief of Harry L. Smigell; to the Committee on Claims.

By Mr. McKEOUGH: A bill (H. R. 7646) for the relief of Frank P. Ross; to the Committee on Claims.

Also, a bill (H. R. 7647) for the relief of Earl A. Ross; to the Committee on Claims.

By Mr. STACK: A bill (H. R. 7648) for the relief of James McColligan; to the Committee on Military Affairs.

Also, a bill (H. R. 7649) for the relief of Pete E. Simon; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7244. By Mr. BEITER: Petition of the Buffalo Brewers Exchange, Buffalo, N. Y., urging the defeat of Senate bill 626, making hops a basic commodity subject to a processing tax; to the Committee on Agriculture.

7245. By Mr. CRAWFORD: Petition of Martin A. Speath and 19 other residents of Saginaw County, Mich., urging the enactment of the McGroarty or Townsend plan for old-age pensions; to the Committee on Ways and Means.

7246. Also, petition of Fred J. Allen and other residents of Chesaning, Mich., favoring the Townsend old-age-pension plan; to the Committee on Ways and Means.

7247. By Mr. CULLEN: Petition of the Legislature of the State of New York, requesting the Congress of the United States to repeal the charter of the North River Bridge Co., which was granted by act of Congress of the United States (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong.), on the basis that the proposed Fifty-seventh Street Bridge is in direct conflict with all elements of the carefully conceived plans of the two States of New Jersey and New

York for the solution of the railroad and vehicular communication problems in the port of New York district, and tends to place these plans and the interests of the two States in jeopardy, and is contrary to sound Federal and State policy; to the Committee on Interstate and Foreign Commerce.

7248. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, urging that the National Industrial Recovery Act be permitted to expire June 16, 1935; to the Committee on Appropriations.

7249. By Mr. FENERTY: Resolution adopted by the Pennsylvania House of Representatives on April 1, 1935, and concurred in by the Senate on April 3, requesting Congress to pass, and the President to approve, the bill declaring October 11 of each year General Pulaski Memorial Day; to the Committee on the Judiciary.

7250. By Mr. LUCAS: Petition of Harry Scott and 24 other citizens of Hardin, Ill., favoring House bill 2827; to the Committee on Labor.

7251. By Mr. McREYNOLDS: Petition containing the signatures and addresses of 99 citizens of Chattanooga, Tenn., asking favorable consideration of Congress of the extension of the National Recovery Administration; the Wagner labor-disputes bill (S. 6288); the Connery bill (H. R. 6450), labor representation on codes; Connery Resolution No. 141, to prohibit use of Federal arms and supplies during strikes without authority from the Secretary of War; and the Byrnes bill (S. 2039), to stop shipments of strikebreakers over State lines during strikes; to the Committee on Labor.

7252. By Mr. MURDOCK: Resolution of the Great American Prospectors Association, recommending that a study be made of the mineral wealth of the Western States by unemployed professional men; to the Committee on Mines and Mining.

7253. Also, resolution of Local No. 6575, United Mine Workers of America, Rains, Utah, urging enactment of the Lundeen unemployment-insurance bill; to the Committee on Labor.

7254. By Mr. PFEIFER: Petition of the Knickerbocker Ice Co. Employees' Association, Inc., New York, favoring continuation of the Ice Code; to the Committee on Appropriations.

7255. Also, petition of the Permatex Co., Inc., Sheepshead Bay, N. Y., its officers and employees, concerning the Wagner labor-disputes bill; to the Committee on Labor.

7256. Also, telegram of the Mutual Delivery Service Corporation, New York, favoring retention of the Ice Code without any modifications whatsoever; to the Committee on Appropriations.

7257. Also, petition of Arbuckle Bros., New York, concerning the Wagner labor-disputes bill; to the Committee on Labor.

7258. Also, petition of Nedick's Stores, Inc., New York, urging continuation of the Tobacco Code under the present National Recovery Administration; to the Committee on Appropriations.

7259. Also, petition of the Consumers' League of New York, New York City, urging support of the Wagner-Lewis-Doughton security bill; to the Committee on Ways and Means.

7260. Also, petition of the Association of Employees, long lines department, American Telegraph & Telephone Co., New York, concerning the National Labor Relations Act (S. 1958); to the Committee on Labor.

7261. Also, petition of the Luckenbach Steamship Co., Inc., New York, concerning the Panama Canal toll bill (H. R. 5292); to the Committee on Interstate and Foreign Commerce.

7262. Also, petition of the Rockwood & Co., Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

7263. Also, petition of New York Clothing Manufacturers Exchange, Inc., New York, urging continuation of the National Recovery Act; to the Committee on Appropriations.

7264. Also, petition of Fairchild Sons, morticians, Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

7265. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning the Kerr bill (H. R. 6795); to the Committee on Agriculture.

7266. Also, petition of the Atlantic Avenue Improvement Committee of Brooklyn and Queens, Brooklyn, N. Y., concerning elimination of grade crossings on Atlantic Avenue, Brooklyn; to the Committee on Appropriations.

7267. Also, petition of the Cross, Austin & Ireland Lumber Co., Brooklyn, N. Y., concerning the Jones bill (H. R. 5585); to the Committee on Agriculture.

7268. Also, petition of the American Manufacturing Co., Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

7269. Also, petition of Colonial Works, 223 Norman Avenue, Brooklyn, N. Y., concerning section 7–b of the National Industrial Recovery Act; to the Committee on Appropriations.

7270. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

7271. By Mr. RANSLEY: Resolution adopted by the House of Representatives of the State of Pennsylvania, asking Congress to pass, and the President to approve, if passed, the General Pulaski Memorial Day joint resolution; to the Committee on the Judiciary.

7272. By Mr. RUDD: Petition of the North American Brewing Co., 1306 Greene Avenue, Brooklyn, N. Y., concerning the McNary hop processing tax legislation; to the Committee on Agriculture.

7273. By Mr. SADOWSKI: Petition of the Polish National Alliance of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

7274. Also, petition of group 502 of the Polish National Alliance, endorsing House bill 2827; to the Committee on Labor.

7275. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin memorializing Congress to provide for repayment of Federal-relief loans made to farmers in drought-stricken areas by working on highways and other public projects; to the Committee on Agriculture.

7276. By Mr. SCHAEFER: Petition of the General Assembly, State of Illinois, memorializing Congress to enact the Wheeler amendment to the Farm Credit Act, reducing interest rates to 3½ percent on all past and future farm loans of the Federal Government until 1937; to the Committee on Agriculture.

7277. By Mr. TRUAX: Petition of the Queen City Camp, No. 18, Sons of Spanish-American War Veterans, by their secretary, William Chamberlain, Cincinnati, Ohio, urging support of House bill 6995, which grants pensions to veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, their widows and dependents; to the Committee on Pensions.

7278. Also, petition of the Association of Employees, long lines department, the American Telephone & Telegraph Co., Branch 217, Bogart, Ohio, by their chairman, E. J. Gasser, approving the proposed National Labor Relations Act (S. 1958 and H. R. 6288) as originally drawn up; also showing interest in regard to section 8, paragraph 2, of this bill; and favoring this section and paragraph in its original form; to the Committee on Labor.

7279. Also, petition of Gen. Henery A. Axline Auxiliary, Springfield, Ohio, by their secretary, Susie J. Hall, urging support of the Smith bill (H. R. 6995) to right the injustice done veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows, and their dependents; to the Committee on Pensions.

7280. Also, petition of the Nautilus branch of the National Association of College Women, Wilberforce University, Wilberforce, Ohio, by their secretary, Wilhelmina J. Styles, urging support in the passage of the Costigan-Wagner antilynching bill, as they are interested in the welfare of the Negro race and realize the urgent need of the passage of such a bill in order to preserve the self-respect of Negro citizens of this country; to the Committee on the Judiciary.

7281. Also, petition of the Slovene National Benefit Society, Salem, Ohio, by their secretary, Joseph Celin, urging sup-

port of the Lundeen bill (H. R. 2827) as the evolution of our economic system has brought about the conditions in our national life where millions of men are out of work against their own will, and millions of men, women, and children are poverty-stricken and destitute, and since there is no chance that these deplorable conditions will change for better without proper regulation and sane adjustment by our national Government; to the Committee on Labor.

7282. By the SPEAKER: Petition of the city of Huntington Beach, Calif.; to the Committee on Ways and Means.

7283. Also, petition of the National Section Council of Jewish Women; to the Committee on Ways and Means.

7284. Also, petition of the International Workers Order, Branch No. 600; to the Committee on the Judiciary.

7285. Also, petition of the American Society of Biological Chemists; to the Committee on Interstate and Foreign Commerce.

7286. Also, petition of the township of Sletten, Minn.; to the Committee on Agriculture.

SENATE

MONDAY, APRIL 22, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 19, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively; and

S. J. Res. 97. Joint resolution authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Duffy	La Follette
Ashurst	Byrd	Fletcher	Lewis
Austin	Byrnes	Gerry	Logan
Bachman	Caraway	Gibson	Lonergan
Bailey	Carey	Glass	Long
Bankhead	Clark	Gore	McGill
Barbour	Connally	Guffey	McKellar
Barkley	Coolidge	Hale	McNary
Bilbo	Copeland	Harrison	Metcalf
Black	Costigan	Hastings	Minton
Bone	Couzens	Hatch	Moore
Borah	Cutting	Hayden	Murphy
Brown	Dickinson	Johnson	Murray
Bulkley	Dieterich	Keyes	Neely
Bulow	Donahey	King	Norris
Nye	Russell	Thomas, Okla.	Wagner
Overton	Schall	Townsend	Walsh
Pittman	Schwellenbach	Trammell	Wheeler
Pope	Sheppard	Truman	White
Radcliffe	Shipstead	Tydings	
Reynolds	Smith	Vandenberg	
Robinson	Stelwer	Van Nuys	

Mr. NYE. I desire to announce the unavoidable absence of my colleague the senior Senator from North Dakota [Mr. FRAZIER].

Mr. LEWIS. I rise to announce the absence of the Senator from Connecticut [Mr. MALONEY], occasioned by illness; and the absence of the Senator from Nevada [Mr. MCCARRAN], the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. MCADOO], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Utah [Mr. THOMAS], who are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Kansas [Mr. CAPPER] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

INTERNATIONAL COPYRIGHT CONVENTION RECONSIDERATION

Mr. DUFFY. Mr. President, I ask unanimous consent to return temporarily to executive session and, as in executive session, I ask unanimous consent that the vote whereby the treaty known as Executive E (73d Cong., 2d sess.), the International Convention of the Copyright Union, was ratified on Friday last be reconsidered, and that the treaty be restored to the Executive Calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin?

Mr. PITTMAN. Mr. President, I concur in the request.

The VICE PRESIDENT. Without objection, on request of the Senator from Wisconsin, the vote whereby the convention was ratified is reconsidered, and the convention is restored to the Executive Calendar.

CLAIM OF SUDDEN & CHRISTENSON, INC., ET AL

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the enclosed decision rendered on December 22, 1934, by the arbitrator, John Clark Knox, judge of the United States District Court for the Southern District of New York, to the end that legislation may be enacted authorizing an appropriation of the sum of $78,025.83 for the payment to Sudden & Christenson, Inc.; John A. Hooper, Emil T. Kruse, Edward Kruse, Gilbert Loken, and G. W. McNear, Inc., or their successors in interest, as recommended by the arbitrator, upon receipt by the Secretary of State of satisfactory releases from the respective claimants.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 22, 1935.*

(Enclosures: Report, decision, draft bill.)

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of papers and documents on the files of the General Accounting Office which are not needed in the conduct of business and have no permanent value or historical interest, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. GLASS and Mr. HALE members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

Whereas a serious situation exists in the textile industry of the State of New York and other States of the United States; and

Whereas a most remarkable and extraordinary increase in the importation of cotton textile fabrics from Japan has been had during the past 12 months; and

Whereas the importation of cotton textile fabrics from Japan has increased from 30,000 square yards in January 1934 to 10,200,000 square yards in January and February 1935; and

Whereas, if allowed to continue, this condition can only result in dire economic distress for the textile manufacturers and for that large portion of labor which is employed by this industry in this State; and

Whereas proper and immediate legislation is necessary for the correction thereof; and

Whereas the members of this legislature are deeply concerned with this problem which is bound to affect the economic condition of this State and also this Nation: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be, and hereby is, memorialized to enact legislation which will restrict the importation into this country of any textile article from any other country in a greater volume than the average annual volume of importation of that article from any such country during the 5 years of 1930 and 1934, inclusive.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution memorializing the Congress of the United States to reduce the present tax on beer and other liquor

Whereas the bootlegger continues his operations to the detriment of the income of the Federal Government; and

Whereas it is proper that the legitimate dealer be protected and the public revenues increased: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby respectfully petitions the Congress of the United States to reduce the present Federal tax on beer to $2 per barrel and the present Federal tax on liquor to the former rate of $1.10 per gallon; be it further

Resolved, That a properly certified copy of this resolution be sent to each of the following officials: To the President of the Senate of the United States, the Speaker of the House of Representatives, the Chief Clerks of both Houses of Congress, and to Hon. Henry Morgenthau, Secretary of the Treasury.

The VICE PRESIDENT also laid before the Senate petitions of several citizens of Mississippi, South Carolina, and Tennessee, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Ban Yan Club, No. 30, of San Diego, and the Chambers of Commerce of Portrero and Alpine, all in the State of California, and also by a mass meeting of citizens of Yakima County, Wash., favoring the adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a petition from members of Branch No. 199 of the Literature Association of Lithuanians, of Johnston City, Ill., praying for the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Antifacist Action of German Workers' Organizations, of Newark, N. J., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate resolutions adopted by the Federal Bar Association, Washington, D. C., favoring acceptance of the bequest to the United States contained in the last will and testament of the late Associate Justice Oliver Wendell Holmes and that it be set aside as a trust fund for endowment in the Library of Congress of a chair to be known as the "Oliver Wendell Holmes Chair of Research Jurisprudence", which were referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the United States praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the American Society for Pharmacology and Experimental Therapeutics, Inc., at Detroit, Mich., endorsing in principle Senate bill No. 5, known as the "pure food, drugs, and cosmetics bill", which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the City Council of Palmetto, Fla., favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. WALSH presented petitions and papers in the nature of petitions from the Pratt Civic Association of Massachusetts; the City Council of Salem; the Springfield Taxpayers' Association, of Springfield; and the Federation of Polish Women's Clubs, all in the State of Massachusetts, praying for the taking of adequate measures to afford relief to the cotton cloth textile industry, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions endorsed by Local Union No. 860, United Brotherhood of Carpenters and Joiners of America, of Framingham, Mass., favoring the withdrawal of Bulletin No. 23709, issued by Deputy Administrator Fleming, of the Federal Emergency Administration, which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a petition from the Ladies' Auxiliary of Walker-Rogers Post, No. 662, of Lowell, Mass., praying for the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a memorial of sundry members of Mount Holyoke College and other citizens of South Hadley and vicinity, in the State of Massachusetts, remonstrating against the enactment of the so-called "Patman bonus bill", which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of West Somerville, Mass., praying for the enactment of legislation providing for immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by Branch No. 195 of the Workmen's Sick and Death Benefit Fund, of Taunton, Mass., favoring the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Division No. 253, Amalgamated Association of Street and Electric Railway Employees of America, of Quincy, Mass., praying for the amendment of House bill 5423, known as the "Rayburn public-utility bill", so as to except from its provisions transportation companies owned by public-utility holding companies, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Overseas Post, No. 240, Veterans of Foreign Wars of the United States, of Lynn, Mass., favoring the enactment of the bill (H. R. 2897) to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence, and for other purposes, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from Post No. 23, of the Polish Army Veterans Association of America, Adams, Mass., favoring the enactment of House bill 2739, to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Local Union No. 717, International Brotherhood of Electrical Workers, of Boston, Mass., favoring the enactment of the so-called "Wheeler-Rayburn bill" providing for the regulation of

public-utility holding companies, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Belmont-Waverly Post No. 165, the American Legion, of Belmont, Mass., favoring the holding of the 1935 United States fleet maneuvers in the Pacific Ocean, which was referred to the Committee on Naval Affairs.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the enactment of legislation to take the profit out of war, which was referred to the Special Committee on Investigation of the Munitions Industry.

He also presented a petition of sundry citizens, being members of the Young Women's Christian Association, of Lowell, Mass., praying for the enactment of Senate bill No. 5, known as the "pure food, drugs, and cosmetics bill", which was ordered to lie on the table.

Mr. SHEPPARD presented the following resolution of the Senate of the State of Texas, which was referred to the Committee on Military Affairs:

Whereas on March 13, 1935, Senator Morris Sheppard introduced in the Senate of the United States of America, a bill known as S. B. No. 2294, authorizing the President of the United States, through such person or persons as he may designate, to select an appropriate site within the Canal Zone and to cause to be erected thereon, a suitable statue of heroic size of Maj. Gen. George W. Goethals, in commemoration of his signally distinguished services, in connection with the construction and operation of the Panama Canal: Now, therefore, be it

Resolved by the Senate of the State of Texas, That it hereby commends the high purpose of Senate bill No. 2294, and directs that copies of this resolution be sent to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives, and to Senator MORRIS SHEPPARD.

Mr. SHEPPARD also presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Mines and Mining:

Whereas the Democratic Party of Texas in convention assembled on September 11, 1934, adopted the following plank in the party platform:

"We oppose the abdication or surrender of the State's power to control the production of its natural resources. We likewise oppose any Federal encroachment upon the exclusive power of this State to control the production of oil and gas. We oppose any plan that results in the arbitrary compulsory unitization of oil fields"; and

Whereas there is pending at this time before the Committee on Mines and Mining of the United States Senate a bill known as the "Thomas bill", which has for its purpose the attempted regulation of the production of oil within the States; and

Whereas the purpose of said bill is directly contrary to the principles contained in the platform of the Texas Democracy and contrary to the principles of our dual form of government, in that it is an attempted invasion of the sovereign powers of this and other States of the Union: Now, therefore, be it

Resolved by the Senate of Texas (the house of representatives concurring), That the Members of the Senate and of the House of Representatives of the United States Congress be, and they are hereby, respectfully petitioned and requested to oppose the adoption of the so-called "Thomas bill" or other similar bills; and be it further

Resolved, That the secretary of the senate and the chief clerk of the house of representatives be, and they are hereby, instructed to mail a copy of this resolution to the members of the Texas delegation in the Congress of the United States, to the presiding officers of the Senate and the House of Representatives, and to the Chairman of the Committee on Mines and Mining of the United States Senate, and to the Chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives.

FUNDS FOR CONSTRUCTION AT NATIONAL GUARD CAMPS

Mr. LEWIS. Mr. President, the committee of the National Guard Association of America, at a hearing before the Committee on Military Affairs, made a presentation of their desires and now have written a communication to the chairman of that committee, the Senator from Texas [Mr. SHEPPARD], and committed it to myself as something of a serving deputy. I ask the privilege of having it printed in the RECORD, with the accompanying paper, for the information of the Senate and appropriately referred.

There being no objection, the letter, with the accompanying paper, was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES,
Washington, D. C., April 18, 1935.

The Honorable MORRIS SHEPPARD,
Chairman Senate Military Affairs Committee,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR SHEPPARD: It is our understanding that the War Department has asked the House Military Committee to pass a resolution requesting the President to earmark certain funds for construction at Army posts and camps and at air fields, as well as at National Guard camps. When this suggestion was first considered by a subcommittee of the House Military Affairs Committee some weeks ago the National Guard was asked to present the items touching the National Guard which it desired included in such a resolution then being considered. A representative committee of National Guard officers from throughout the United States appeared before this subcommittee and presented in detail its requests.

In support of that action and to submit more specific information concerning the requests for funds to be allocated to the States for the construction of armories, a hearing before the joint committee of the Senate and the House was accorded the representatives of the National Guard on yesterday, when detailed information and suggestions were offered.

For your consideration, this committee of the National Guard are submitting herewith a tentative draft of a resolution which we believe incorporates the ideas and items under consideration. We have included in this resolution the items submitted by the War Department of Army posts and camps, air bases and air fields, as well as items for construction at National Guard camps, which items remain of those considered at earlier hearings.

We therefore respectfully submit our request that you introduce a resolution covering these subjects, and will appreciate your securing prompt consideration of it.

We desire to express our very deep appreciation of the helpfulness and interest always exhibited by your committees.

Sincerely yours,

ROY D. KEEHN,
Major General, Illinois National Guard,
President National Guard Association.

Resolved, etc., That the President is requested to allocate from the $4,880,000,000 appropriated under House Joint Resolution 117 the following amounts for the specific purposes mentioned below:

Construction at Regular Army posts and camps, to include air bases and air fields	$126,000,000
Construction at National Guard camps located throughout the 48 States	12,000,000
To the several States for construction of, repairs, alterations, and additions to armories for the National Guard and Naval Militia located throughout the 48 States	80,000,000

REPORTS OF COMMITTEES

Mr. SHEPPARD (for Mr. THOMAS of Utah), from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 56) authorizing the publication as a public document of America Secure: Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775–1935, reported it with amendments and submitted a report (No. 540) thereon.

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (S. 2407) for the relief of Gordon McGee, reported it with an amendment and submitted a report (No. 541) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 42) to cede to the Commonwealth of Virginia jurisdiction over that portion of the Fort Monroe Military Reservation leased to the Old Point Comfort Hotel Corporation, reported it with amendments and submitted a report (No. 542) thereon.

He also, from the same committee, to which was referred the bill (S. 2516) for the relief of Anthony J. Constantino, reported it without amendment and submitted a report (No. 544) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 1689) for the relief of Frank Fisher, reported it without amendment and submitted a report (No. 543) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 2632) to provide for the construction of 10 vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 2633) for the relief of Katie Walter; to the Committee on Claims.

A bill (S. 2634) authorizing the President of the United States to appoint Warrant Officer Albert Frensch (retired) as a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. PITTMAN:

A bill (S. 2635) authorizing the appropriation of funds for the payment of the award in claim of Sudden & Christenson, Inc., et al.; to the Committee on Foreign Relations.

By Mr. GERRY:

A bill (S. 2636) granting a pension to George W. Olney; to the Committee on Pensions.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 2637) to provide for the sale of the Port Newark Army supply base to the city of Newark, N. J.; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2638) to amend the law governing the leasing of unallotted Indian lands for mining purposes; to the Committee on Indian Affairs.

By Mr. ASHURST:

A bill (S. 2639) for the relief of C. Y. Webb, of Clarkdale, Ariz.; to the Committee on Claims.

By Mr. LEWIS:

A bill (S. 2640) for the relief of Josephine Matson; to the Committee on Claims.

By Mr. SMITH:

A bill (S. 2641) to provide for the establishment of a national monument in Oconee County, S. C., to be known as the "Gen. Andrew Pickens National Monument"; to the Committee on Public Lands and Surveys.

By Mr. WAGNER:

A bill (S. 2642) to incorporate the American National Theater and Academy; and

A bill (S. 2643) to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges; to the Committee on the Judiciary.

By Mr. GUFFEY (for Mr. DAVIS):

A bill (S. 2644) for the relief of the estate of Harry F. Stern; to the Committee on Claims.

By Mr. OVERTON:

A bill (S. 2645) to authorize a preliminary examination and survey of the Lake Charles Ship Channel, La.; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 2646) to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 2647) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors, materialmen, and laborers for material and labor furnished in the construction of a post-office building at Hempstead, N. Y.; to the Committee on Claims.

By Mr. COSTIGAN:

A bill (S. 2648) to amend the Agricultural Adjustment Act with respect to sugar beets and sugarcane; to the Committee on Finance.

By Mr. HAYDEN:

A bill (S. 2649) to provide for a recreation area within the Prescott National Forest, Ariz.; to the Committee on Public Lands and Surveys.

HOUSE BILL REFERRED

The bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, was read twice by its title and referred to the Committee on Finance.

AMENDMENTS TO FARMERS' HOME CORPORATION BILL

Mr. LOGAN submitted an amendment and Mr. BAILEY submitted three amendments intended to be proposed by them, respectively, to the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, which were severally ordered to lie on the table and to be printed.

REGULATION OF BANKS AND BANKING

Mr. COSTIGAN. Mr. President, the distinguished Senator from Florida [Mr. FLETCHER], Chairman of the Committee on Banking and Currency, by his able and consistent discharge of the duties of that position, has won special respect everywhere. On April 21, 1935, he issued a statement on the proposed banking act of 1935. The source of the statement and the importance of the subject he discussed entitled it to a suitable place for future use and reference.

I ask as a part of my remarks, with subsequent reference to the Committee on Banking and Currency, to have the statement printed in the RECORD; also accompanying it an article of the same date appearing in the New York Times, and another one appearing in the Baltimore Sun.

There being no objection, the statement and articles were referred to the Committee on Banking and Currency and were ordered to be printed in the RECORD, as follows:

THE PROPOSED BANKING ACT OF 1935

STATEMENT OF HON. DUNCAN U. FLETCHER, CHAIRMAN OF THE SENATE COMMITTEE ON BANKING AND CURRENCY

Since the introduction of the proposed banking act of 1935 (S. 1715 and H. R. 5357), a flood of letters and telegrams have been sent to Senators and Congressmen in protest against one particular section of the bill, namely, title II. I myself have received several hundred letters which show evidences of having originated from one central office. On the face of the facts, I would say that they have been signed and mailed by persons who have neither read the provisions of the bill nor are conversant with the principles incorporated in it. For the enlightenment of probably thousands of ill-advised correspondents, I am herewith reproducing one of the "form letters":

APRIL 8, 1935.

Hon. ———,

Senate Committee on Banking and Currency,
Senate Office Building, Washington, D. C.

DEAR SENATOR ———: I hope that you will find it possible to use your influence against the banking bill (H. R. 5357, S. 1715). I believe that it endangers the development of sound banking in this country, not only because its banking principles are unsound but because it permits political control of the Federal Reserve Board and the Federal Reserve banks.

Respectfully yours,

(Signed) JOHN DOE.

On the other hand, a number of bankers, editors, pseudoeconomists, and so-called "financial experts" have bandied the subject back and forth in the press and through the medium of "form letter" correspondence for something like 2 months. Such tactics have resulted in a wealth of misinformation. Much of this misinformation has been deliberate and willful.

At this stage of the matter, I wish to warn the general public, and particularly the correspondents to whom I have just referred, that they must be on their guard lest they be abused as were thousands of business men by the use of similar methods against the enactment of the Securities Act of 1933 and the Securities Exchange Act of 1934. To this date there are literally thousands of well-intentioned but misinformed business men who do not know the facts pertaining to the prospective issuance of their own securities under these acts. This misunderstanding is not due to defects in either of the acts or to the administration of them. It all goes back to the campaign of vicious propaganda and misinformation.

Similar results are now evidenced with respect to the proposed Banking Act of 1935. Do not be misled. This legislation will serve a public purpose and its enactment is essential to the establishment of the financial and economic security of this Nation's domestic enterprises.

As a result of having devoted much thought and study to the numerous articles which have appeared in the press and hundreds of letters which have come to my desk, I think it best that this attempt be made to explain more clearly to the public the issues which are in controversy and discuss the principles involved in order that a much clearer understanding may be had of the necessity for the passage of this piece of legislation.

In my opinion, the proposed Banking Act of 1935 is, in all probability, the most important piece of banking and monetary policy legislation with which this or any other Congress has dealt. This statement is based upon the importance of title II alone; and, curiously enough, title II of the bill is bearing the brunt of almost all the opposition made to the entire piece of legislation. Please be advised, however, that all of those who are offering concerted opposition to the bill on the basis of the incorporation of title II are almost spontaneous in their clamor for the enactment of titles I and III.

Hence, I shall deal only briefly with the first and third titles of the bill. The first title provides for the merging of temporary deposit insurance funds into permanent funds, that $5,000 be designated as the maximum insurable deposit for assessments, withdrawal from the fund, buying assets of insured closed banks, and a number of other important matters. The third title provides for "accidental" holding-company affiliates, security affiliates in liquidation, security dealers accepting deposits, employees' deposits, liquidation of assets of banks in voluntary liquidation, termination of double liability, examinations, and a number of other important matters.

Title II, on the other hand, deals almost wholly with the creation of machinery for the effective regulation of a definite monetary policy in accordance with the campaign promises of President Roosevelt based on the Democratic platform of 1932 which advocated "a sound currency to be preserved at all hazards" and proposed to put an end to "the indefensible expansion and contraction of credit for private profit at the expense of the public."

Moreover, it is a definite attempt to accomplish the ends which the President had in mind when on July 3, 1933, he stated to the American delegation to the London Economic Conference and again reaffirmed on October 22 in his address to the American people in which he stated that "when we have restored the price level, we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation. I said that in my message to the American delegation last July and I say it now once more."

This bill among other things provides that:

(1) "The offices of governor and chairmen of the board of directors of each Federal Reserve bank shall be combined." In their places a Governor and Vice Governor "shall be appointed annually by the board of directors, subject to the approval of the Federal Reserve Board. The governor shall be the chief executive officer of the bank."

Whereas in the original Federal Reserve Act the executive head of the bank was to have been known as chairman of the board of directors and at the same time act in the capacity of Federal Reserve agent, the active head in control of purely banking operations was to function in the capacity of a bank manager. The Federal Reserve banks gave to the bank manager the high-sounding name of "governor."

Since that time it has developed that the governor of each Federal Reserve bank has not only superseded the chairman and agent as the executive officer of the bank but has also become the virtual dictator of the Federal Reserve bank to the extent of practically controlling the election of directors who are presumed to be independent in the exercise of their power in the election of said governor. The results are obvious.

The above provision of the bill merely merges the two offices and at the same time provides for the retention of all governors and chairmen—if they are qualified and if, subject to the approval of the Federal Reserve Board, the various boards of directors elect them governor and vice governor. At the same time the language of the bill makes it clear for once that banks cannot evade or override the law through the creation of a high-sounding office and wrest control from the Board by creating a dictatorship within the Federal Reserve System.

The bill further provides that:

(2) Prior to July 1, 1937, the Federal Reserve Board may waive the capital requirements for the admission of nonmember State banks as members of the Federal Reserve System.

It is intended, through such a provision, to recognize the fact that small banks—that small State banks—are not mere "pawn shops." It is in recognition of the fact that smallness and bigness in a bank's capitalization, deposits, investments, or loans is not an indelible evidence of either soundess or weakness. The success or failure of a bank depends primarily on its management and not on its size.

It is a recognition of the fact that there are thousands of small State banks in this country which are worthy of membership in the Federal Reserve System. On the other hand, it absolutely does not provide a license for, or inducement to, the inclusion of unsound banks, or of undercapitalized banks, within the Federal Reserve System. Assuming an unbiased and unprejudiced administration of the act in accordance with the intentions of Congress, there should result no unfair treatment of, or impositions on, either State banks or national banks under the provisions of this section.

The next provision to which I wish to call your attention is:

(3) "In selecting the six appointive members of the Federal Reserve Board the President shall choose persons well qualified by education or experience or both to participate in the formulation of national economic and monetary policies."

Moreover, each director is to receive a salary equal to that of a member of the President's Cabinet, and shall be retired at the age of 70 upon a retirement wage to be paid out of funds derived from levies on Federal Reserve banks.

Such a provision is conceived in the public interest. It provides for no favoritism between bankers, lawyers, economists, manufacturers, or men from any other profession. The administrative duties of a Board member are such as to require a far broader experience and basis for the exercise of sound judgment than that derived from the narrow confines of any one profession. Please note that the section reads: "The President must choose persons well qualified by education and experience, or both, to participate in the formulation of national economic and monetary policies."

That is a mandate.

The next three points to which I wish to direct your attention are of the greatest vital importance. They have to do with the Federal Open Market Committee, flexibility of reserve requirements, and discounts.

They are, in order of sequence, numbered (4), (5), and (6).

(4) The creation of a Federal open-market committee consisting of 5 members, 3 of whom shall be members of the Federal Reserve Board, the other 2 to be governors of the Federal Reserve banks selected by all the governors of said banks. Their terms of office shall expire at the end of each calendar year. Said committee shall have supervisory control over the open-market operations of the Federal Reserve banks.

(5) The Federal Reserve Board is empowered to change the reserve requirements of member banks as to any or all Federal Reserve districts and/or any or all classes of cities and as to time and/or demand deposits.

(6) "Subject to such requirements as to maturities and other matters as the Federal Reserve Board may prescribe, any Federal Reserve bank may discount any commercial, agricultural, or industrial paper and may make advances to any such member bank on its promissory notes secured by any sound assets of such member bank."

Significance of provisions (4), (5), and (6)

The first question which arises in connection with these three provisions is as to whether they involve a radical change in the present powers and functions of the Federal Reserve Board and the Federal Reserve System as it is now constituted. The second question is as to whether there will be established a political dictatorship of banking.

The unequivocal answer to the first—aside from a technical splitting of hairs—is no. To the second an unequivocal answer of no must be given.

It is a fact that all of the powers which are by this bill centralized in the Federal Reserve Board have since the enactment of the original Federal Reserve Act existed within the Federal Reserve System. That is, all open-market powers dealt with in title II of this act exist in the present law, and were so read into the original act by the "governors" of the Federal Reserve banks, as I shall subsequently point out. But it also must be mentioned that when any or all the Reserve banks, the Reserve Board, or the Treasury, through its stabilization fund, engage in open-market operations, they depart from and transcend the field of banking and become engaged in operations foreign to banking per se.

That is, when banks or the Board engage in open-market operations, they are buying and selling money; they are expanding and contracting the total volume of money; they are laying the foundation for inflation, deflation, and economic chaos if intelligence and prudence are not exercised in accordance with the sound principles of monetary science.

Such principles are not one and the same with even those of sound banking, where private profit is predominant. On the other hand, the principles of monetary science to which I refer are the principles of national monetary policy operations which absolutely must be made to conform with a public interest which oftentimes is directly opposed to the private-interest motives of bankers if they are to be administered in the interest of the general public.

Development of coordinative system—Policy in open-market operations of Federal Reserve Banks

For your information, I want to give you a brief historical sketch of the development of open-market operations by Federal Reserve banks under the original Federal Reserve Act and the centralization of their power without any specific authorization of law.

My wish is first to narrate in terms of what might be called "bankers' technical language"; then I wish to translate it into good everyday English.

Prior to 1922, the Reserve banks, having the power to invest money, made considerable investments in the open market, buying bills and buying Government securities. The holdings of United States Government securities by Federal Reserve banks gradually increased in the early years of the System to about $300,000,000 in 1920 and were slightly smaller in 1921. Their purchase and sale of bankers' acceptances were made largely in accordance with seasonal changes in the supply of acceptances and in the demand for funds.

In 1922 Federal Reserve banks, facing a decline in earning assets because of repayments of discounts by member banks, began to buy Government securities for the purpose of increasing their earnings. It was observed that the operations of Federal Reserve banks, acting independently, were affecting the market for Government securities, and that these operations conflicted with each other and with those of the banks as fiscal agents of the Treasury.

In May 1922, at a meeting of the governors of the Federal Reserve banks, a committee was appointed to coordinate the buying and selling of Government securities so as to have a more orderly program under central control.

In October 1922 this committee undertook to make recommendations to the Federal Reserve banks regarding the purchase and sale of Government securities. It was observed in this year that purchases of Government securities did not cause an increase in the earning assets of the Federal Reserve banks, nor did sales cause a decrease, but rather that they affected the volume of borrowings at member banks. As a consequence, the conference of governors of the Federal Reserve banks voted that "investment policy should give minor consideration to the question of earnings and constant consideration to the effects which open-market operations have

upon the condition and the course of the money market and the volume of credit."

On April 7, 1923, the Board advised the governors of the Federal Reserve banks formally of a resolution adopted by the Federal Reserve Board on March 22, 1923, with respect to open-market operations by Federal Reserve banks, pointing out the necessity for the coordination of open-market operations of the Federal Reserve banks with their discount operations and their general credit policy. It also announced the organization of the open-market investment committee for the Federal Reserve System. This committee consisted of five representatives of the Reserve banks and was to be under the general supervision of the Federal Reserve Board. From this time on open-market operations could not be engaged in by Federal Reserve banks, except with the approval of the Federal Reserve Board.

In March 1930 the open-market policy conference, consisting of representatives of all the Reserve banks, replaced the open-market investment committee. Under the Banking Act of 1933 the Federal open-market committee, consisting of 12 Reserve-bank governors, was established.

What I have said in the immediately preceding six paragraphs is, in technical bankers' language, a correct statement of what Federal Reserve bankers did and are now doing. But in the language of the layman, this simply means that the Federal Reserve System is already engaged in all of the operations and performing all of the functions which will be required under the proposed bill; however, there is added one factor of the greatest significance to the public. We shall, through this act, definitely fix the responsibility for and the power to engage in open-market operations in the Federal Reserve Board. In the future, when money becomes "easy" or money becomes "tight" or when we are led into a period of inflation or a period of contraction and economic demoralization, we shall be able to put our finger upon the Federal open-market committee and say, "You are responsible."

May I reemphasize the fact that when the Federal Reserve banks back in 1921 and 1922 began their open-market operations "for the purpose of increasing their earnings" and later when they appointed a committee "to coordinate the buying and selling of securities in the open market", they were literally buying and selling dollars for profit. They were buying and selling dollars in just the same manner and for precisely the same purpose that hundreds of carloads of wheat were bought and sold, a hundred times over, in the Chicago wheat pit or in the street, despite the fact that the wheat was in freight cars and stood on the railroad sidings for days, weeks, even months without once having been moved. That is, the open-market committee was dealing in previously created credit obligations for profit and eventually awakening to the fact that they were shooting the price structure to pieces, upsetting the financial plans of the Government, disrupting business, and confusing the bankers. Through this act we propose to introduce responsibility for such activities—in fact, to command that the necessary operations must be engaged in at the direction of the Federal open-market committee with a mandate laid down for the orderly conduct of such operations in the public interest.

To what extent is this the introduction of a new principle into the law? The answer is: "It is not new."

Section 8 of the Banking Act of 1933 provided for the insertion of a new section in the Federal Reserve Act, to wit:

"There is hereby created a Federal open-market committee * * *", immediately followed by subsections (b), (c), and (d), which made all open-market operations subject to "regulations adopted by the Federal Reserve Board." Based upon the latter fact, I insist that the proposed title II does not in any way increase the political control over the operations of the Federal Reserve Board, the Federal Reserve banks, or of member banks. On the contrary, the law remains as it has been for over 20 years. Under the above provisions of subsection (d) any Federal Reserve bank might be excused from participation provided it "filed with the chairman of the committee, within 30 days, a notice of its decision, * * * not to participate." In this respect our proposal is to strike out the exception and leave the power to initiate action with the Board.

Now, what of the flexibility of reserves provided for in the bill?

May I remind you that the same Congress which enacted the Banking Act of 1933 wrote a similar clause into Public, No. 10 (in that part known as the Thomas amendment), a provision for the "increase or decrease from time to time, in its discretion, the reserve balances required to be maintained against either demand or time deposits."

On this point, the proposed Banking Act of 1935 gives recognition to the fact that there is no safety to be found in arbitrary judgment or arbitrary figures with respect to the reserves of either Federal Reserve banks or of member banks. Several hundred years ago the goldsmiths retained 100 percent reserves. Later they arbitrarily reduced their reserves. England has no such arbitrary reserve requirements established by law. This country has progressively found it advisable to reduce the legal reserve requirements for even commercial banks from an arbitrary figure of 50 to 40 to 25, until now they stand at 13, 10, and 7 percent on demand deposits of commercial banks, depending upon the size of cities in which they are located.

No banking dictatorship created

The powers referred to in no. 6 as I am designating them cannot and should not be construed as the creation of a Federal Reserve Board dictatorship over purely banking operations of the Federal Reserve banks and their member banks. In this respect the Board's directions to banks are either permissive or prohibitive as to all purely banking operations. Within these two extremes all actions with respect to purely banking matters are left to the discretion of Federal Reserve banks and their member banks. That is, bankers will decide as to whether they shall or shall not make loans or investments which lie purely within the field of banking operations, such as whether loans shall or shall not be made to an individual or corporation, or a mortgage purchased, or the calling of a loan. And it is likewise left to the Federal Reserve bank as to whether it shall or shall not rediscount any of the paper of a member bank, or make a loan to said member bank upon any of its sound assets.

The next provision to which I wish to refer is:

(7) "Federal reserve notes are to be issued by the Federal Reserve bank and retired under such rules and requirements as the Federal Reserve Board may prescribe."

From the orthodox banking point of view such a provision is sound. Banks are not opposing this feature of the bill.

The next and last provision to which I wish to make a specific reference is:

(8) National banks will be permitted to "make loans, secured by first liens upon approved real estate, including improved farm lands and improved business and residential properties."

This is a long-established principle. Do you want it stricken out, or do you have some arbitrary limit you think should be fixed? This is definitely up to the Congress. We must choose reasonable limits. What is your suggestion?

It is because of the above provisions incorporated in title II that the American Bankers Association, a number of the State bankers' associations, and numerous bankers and economists throughout the country are making a concerted effort to divide the bill and enact titles I and III, alleging that said title II effects radical changes in the banking laws of the Nation.

May I point out that, with one or two exceptions, all of the above requirements have to do with the control over the monetary policy of the country. Monetary-policy operations cannot and should not be merged with purely banking operations.

The administration of a monetary policy has to do with the contraction and expansion of the credit and currency of the country and directly affects the purchasing power of money. This function transcends those of banking, farming, manufacturing, or that of any other business activity. It literally controls the economic and social welfare of the whole Nation. Traditionally, to be sure, this function has been turned over to banks and bankers who have operated it without direct responsibility to anyone. We propose, as I have previously pointed out, to centralize the powers and responsibilities in the Federal Reserve Board.

There are literally thousands of bankers in this country whose heads are bowed in humiliation and shame. They are blamed for the vicious results, many of which they are not able to rationalize. They have had their lines of credit shut off or have experienced the withdrawal of huge sums of money upon demand. In turn they have been forced to try to call in loans which they oftentimes have made with the greatest of caution and deserved confidence, to be peremptorily thrown into the maelstrom of a financial panic, contraction, or depression.

Among them, however, there have been a few bankers "in the know" and also in a dominant position for laying down the rules for making money "tight" or "easy"—of literally determining the trend—yet the latter have not personally been singled out nor can they, under our present system, be called to account for the disastrous results of their acts. It is my earnest desire that the fifteen or twenty thousand bewildered bankers, who have never known and never will know what it is all about, demand that this great destabilizing and disturbing factor of monetary policy shall be separated from banking per se and placed in the hands of men who must and who shall be held responsible and accountable for their acts. Undoubtedly in this great Nation we can find at least five or eight men, depending upon the final provisions of the act, who know what it is all about and can be trusted to administer our monetary policy intelligently and with the greatest amount of integrity and respect for the people, and act for the public welfare.

Bankers as a whole are not qualified to determine nor competent to administer our monetary policy. They have not been able to discern the difference between purely banking functions and monetary policy operations. As a whole they have known only that money was "easy" or money was "tight" without knowing the "whys" and "wherefores" and have been wholly ineffectual if not irresponsibile in the administration of our monetary policy.

We have been sifting and winnowing the basic facts for the past 6 long years. We know the facts. We have weighed the evidence. We have made up our minds as a result of the collapses of 1920 and 1929. None of the opposition will dispute the facts. They cannot deny them. If they have not made up their minds after 6 years, we have little promise that they will have anything to offer after another 2 years.

It is common knowledge, however, that there now lies within the hands of bankers the potential makings for one of the most stupendous inflations this or any other Nation has ever experienced. And experience teaches us that banker control of monetary policy will probably give us an equally devastating financial whirlwind when that bubble is pricked.

This bill is conceived as our most essential safeguard.

[From the New York Times, Apr. 21, 1935]

FLETCHER ATTACKS BANKERS, DECLARES OMNIBUS BILL NEED—"AS A WHOLE, THEY ARE NOT QUALIFIED TO DETERMINE OUR MONETARY POLICY", HE SAYS—HOUSE REPORT IS FILED—ASKS PASSAGE IN ECCLES' FORM—MINORITY CALLS RESERVE CHANGES DANGEROUS

WASHINGTON, April 20.—Opening a campaign to put the omnibus banking bill through the Senate, Chairman FLETCHER, of the Senate Banking and Currency Committee, struck out today against a "flood of letters and telegrams" attacking the measure, which, he said, has been sent to Congress Members.

In support of the bill's proposal to lodge control of open-market operations, discount rates, and member bank reserve requirements in the Federal Reserve Board, he declared in his statement that "bankers, as a whole, are not qualified to determine, nor competent to administer, our monetary policy."

"They have not been able to discern the difference between purely banking functions and monetary-policy operations", he said. "As a whole, they have known only that money was 'easy' or money was 'tight', without knowing the whys and wherefores, and have been wholly ineffectual, if not irresponsible, in the administration of our monetary policy."

BILL REPORTED IN HOUSE

As this defense was voiced from the Senate side, the House Banking and Currency Committee filed its report recommending passage of the bill in substantially the form it was drafted by Marriner S. Eccles, Governor, and other officials of the Federal Reserve Board. A minority report filed by the seven Republican members of the committee recommended that the bill be not passed if it contained the title II reorganizing the Federal Reserve System and broadening powers of the Federal Board.

The fight in both branches will center around this portion of the bill, as titles I and III have aroused little opposition. Senator GLASS, chairman of the subcommittee which is now holding hearings on the bill, has predicted that his group would take title II out of the bill and reserve it for further consideration.

Senator FLETCHER has predicted with equal emphasis that the full committee would put title II back in the bill, and that the Senate would pass it in the form he said President Roosevelt told him he wanted it.

FLETCHER SEES PUBLIC BENEFIT

"This legislation will serve a public purpose and its enactment is essential to the establishment of the financial and economic security of this Nation's domestic enterprises", Mr. FLETCHER'S statement said.

"Title II deals almost wholly with the creation of machinery for the effective regulation of a definite monetary policy in accordance with the campaign promises of President Roosevelt based on the Democratic platform of 1932, which advocated 'a sound currency, to be preserved at all hazards', and proposed to put an end to 'the indefensible expansion and contraction of credit for private profit at the expense of the public.'"

Asserting that the control of monetary policy must be placed in the hands of men who can be held accountable and responsible for their acts, Senator FLETCHER declared that "when banks or the board engage in open-market operations they are buying and selling money; they are expanding and contracting the total volume of money; they are laying the foundation for inflation, deflation, and economic chaos if intelligence and prudence are not exercised in accordance with the sound principles of monetary science."

REPUBLICANS ISSUE WARNING

The Republicans said in the House minority report that "no emergency has been shown requiring the passage of the title II."

"No immediate need for it has been evidenced," they continued. "The inherent dangers in it are obvious. Its presence in the bill jeopardizes the early passage by Congress of titles I and III."

The minority report was signed by Representatives HOLLISTER, of Ohio; WOLCOTT, of Michigan; CAVICCHIA, of New Jersey; FISH, of New York; GIFFORD, of Massachusetts; DIRKSEN, of Illinois; and FENERTY, of Pennsylvania.

The two titles of which they approved, dealing with a permanent Federal deposit insurance system, to be eligible for which State nonmember banks do not have to join the Federal Reserve System, and clarification of technical details of the existing Federal Reserve Act, are generally conceded to be noncontroversial.

"One of the things most dreaded today by thinking people is the possibility of weakening, or perhaps the collapse of Government credit because of continued deficits," the minority said in commenting on the open-market powers the bill proposes to confer on the Federal Reserve Board.

"Government financing should be on the same basis as private financing—that is, a free and open market, where the savings of the people are voluntarily used in the purchase of Government obligations. Wherever the Government is in a position to compel the use of the savings of the people to acquire such obligations, such financing becomes a forced loan and is one of the most vicious inroads on liberty."

OPPOSE "FORCING" BANKS

"Weakening of the market for Government obligations is a danger signal in the spending program of any government, and this bill would make it easy to ignore such a danger signal. What most people do not realize is that whenever banks may be forced to acquire Government bonds against their will or at rates which they would not recognize if the transaction were voluntary, as far as the actual credit of the Government is concerned deficits might just as well be financed by fiat money."

Mr. HOLLISTER and his colleagues made much of this argument during the long hearings on the bill. Mr. Eccles at that time replied that the intent of the proposed open-market powers was not to force banks to buy Government obligations and pointed to the ease with which the Treasury has already carried through important refinancing operations.

The Republican report remarked that "open-market operations are always conducted for all the banks by the New York Federal Reserve Bank, for New York is the money and bond market of the country."

URGE FURTHER STUDY

"If this new provision becomes law, it means that the resources of the Federal Reserve banks from the 12 districts may be drained to New York for the purpose of acquiring bonds, no matter how unwise it might appear to bankers generally," the minority went on. "Thus the board of a particular Federal Reserve bank might consider that it was already overloaded with Government bonds and yet be forced to buy more."

They recommended further study of the contents of title II, calling it a "clear example of hasty and ill-advised legislation on a matter of vital importance to the country." They also condemned the proposed power to control Reserve requirements.

"The right to raise is the right to curtail or even stop entirely the normal banking function of lending," the report said. "The right to lower brings the possibility of endangering deposits by requiring insufficient reserves. Neither power should be lightly exercised."

House leaders predicted that the bill would pass practically as reported, with the chief fight on the floor centering on defeating radical amendments, including those for the "commodity dollar", fixed-price levels, and other such proposals of the sort.

[From the Baltimore Sun, April 21, 1935]

BANKING BILL CALLED VITAL BY FLETCHER

By C. P. Trussell

WASHINGTON, April 20—Banking today took the center of the Washington legislative stage.

Routed in every attempt it made during the last 8 legislative days to strip the principal features from the social-security bill, which it finally helped to pass yesterday, the House Republicans turned their guns against the omnibus banking measure, just emerging from the committee.

A 3,500-WORD STATEMENT BY FLETCHER

Almost immediately there came from the other side of the Capitol a 3,500-word statement from Senator FLETCHER (Democrat of Florida), Chairman of the Senate Committee on Banking and Currency, in which he warned:

"There now lies within the hands of bankers the potential makings for one of the most stupendous inflations this or any other nation has ever experienced. And experience teaches us that banker control of monetary policy will probably give us an equally devastating financial whirlwind when that bubble is pricked."

CALLED ESSENTIAL SAFEGUARD

"The omnibus banking bill is conceived as our most essential safeguard."

His defense of the measure centered almost wholly upon the so-called "central bank section." That part of the bill is being attacked not only by the Republicans but also is the subject of a Nation-wide protest which the Florida Senator denounced as an organized movement.

"Bankers," Senator FLETCHER said, "are not qualified to determine nor competent to administer our monetary policy.

"They have not been able to discern the difference between purely banking functions and monetary-policy operations. As a whole they have known only that money was 'easy' or money was 'tight', without knowing the 'whys' and 'wherefores' and have been wholly ineffectual if not irresponsible in the administration of our monetary policy."

FACTS CANNOT BE DENIED

"We have been sifting and winnowing the basic facts for the past 6 long years. We know the facts. We have weighed the evidence. We have made up our minds as a result of the collapses of 1920 and 1929. None of the opposition will dispute the facts. They cannot deny them."

The pending bill, identified as the Banking Act of 1935, is the next piece of legislation on the administration's "must" program to be tackled by the House. Whether it is actually an administration instrument has been a subject of heated debate between Senator GLASS (Democrat of Virginia), of the Senate Banking Committee, and Representative STEAGALL (Democrat of Alabama), chairman of the same committee of the House.

ALSO HELD REPLY TO GLASS

Senator FLETCHER'S statement was received in some quarters not only as a reply to Republican and banking opposition to the pending bill but to the Virginian, who has maintained the measure is only sponsored by Marriner S. Eccles, Governor of the Federal Reserve Board, rather than by the President.

"Title II," said Senator FLETCHER of the controversial section of the banking bill, "deals almost wholly with the creation of machinery for the effective regulation of a definite monetary policy in accordance with the campaign promises of President Roosevelt based on the Democratic platform of 1932, which advocated 'a sound currency to be preserved at all hazards' and promised to put an end to 'the indefensible expansion and contraction of credit for private profit at the expense of the public.'"

CITES ROOSEVELT'S PROMISE

Mr. FLETCHER also declared the measure was a "definite attempt" to accomplish the ends "which the President had in mind" when, on July 3, 1933, he stated to the American delegation to the London Economic Conference, and again reaffirmed on October 22 in his address to the American people in which he stated that:

"When we have restored the price level we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation."

Senator FLETCHER'S statement made categorical reply, although he did not refer to it, to an arraignment of title II in the first legislative report to be made in connection with the banking measure.

VIEW SIMILAR TO THAT OF GLASS

Without waiting for the release of the majority report of the House Banking Committee, which was sent to the printers this afternoon, the Republican members of that body made public their minority report. It asked for complete elimination of the central-bank section.

Taking a view similar to that of Senator GLASS, this report asserted:

"The present title II is not even the original title II as presented in the bill, but is almost without change an amended title II submitted by Governor Eccles after he had entirely completed his testimony before the committee.

"While the committee was assured that the first draft was the joint work of all the various financial departments of the Government, and had their joint approval, we have no assurance that title II in its amended form has received any approval except that of Governor Eccles, or has even been submitted to anyone else."

TWO SECTIONS HELD SATISFACTORY

Title I, providing for the merging of temporary F. D. I. C. funds into permanent ones and keeping the deposit insurance maximum at $5,000, and title III, making various changes in the present banking statute, including termination of double liability, were found by the minority committeement to be "in the main" satisfactory.

"But title II," their report added, "while containing some provisions of merit, is in its entirety such a radical departure from the sound principles of central banking that the evils it contains more than counteract the advantages of title I and title III."

BASIS OF MINORITY OBJECTIONS

The minority objections centered upon:

Changes in control of the Governor and Vice Governor of the Federal Reserve Board and the governors of the Reserve banks.

Increasing the power of the Federal Reserve Board.

"Too great liberalization" of the discounting and borrowing provisions of the Federal Reserve member banks.

CITES BANK OF ENGLAND AS EXAMPLE

The present separation of the Reserve banks from Federal control, the minority maintained, "is in accordance with the central banking practice in most of the more highly civilized countries under a democratic form of government", and cited the Bank of England as an example.

"Conversely," the report continued, "countries under close dictatorship, like Italy and Russia, have central banks entirely under government domination. One of the first and essential steps in any dictatorship is to extend power over the credit resources of the country."

To realize the full effect of the proposed changes in control of governors of the board and the Reserve banks, the committeemen asserted, "it must be remembered that the governor has always been the dominant figure on the Board, and the Board is thus made more subject to control by the Executive (the President).

FLETCHER EXPLAINS PROVISIONS

"The bill provides," said Senator FLETCHER, "that the offices of Governor and chairman of the board of directors of each Federal Reserve bank shall be combined. In their places a governor and vice governor shall be appointed annually by the board of directors, subject to the approval of the Federal Reserve Board. The governor shall be the chief executive officer of the bank.

CALLS GOVERNORS VIRTUAL DICTATORS

"Whereas in the original Federal Reserve Act the executive head of the bank was to have been known as 'chairman of the board of directors' and at the same time act in the capacity of Federal Reserve agent; the active heads in control of purely banking operations was to function in the capacity of a bank manager, the Federal Reserve banks gave to the bank manager the high-sounding name of 'governor.'

"Since that time it has developed that the governor of each Federal Reserve bank not only has superseded the chairman and agent as the executive officer of the bank but has also become the virtual dictator of the Federal Reserve bank to the extent of practically controlling the election of directors who are presumed to be independent in the exercise of their power in the election of said 'governor.'

"The results are obvious.

"The bill merely merges the two offices and at the same time provides for the retention of all governors and chairmen—if they are qualified—and the various boards of directors elect them governor and vice governor."

REPLIES TO G. O. P. CRITICISM

Replying to the Republican charge that under the bill the Federal Reserve Board would become the open-market committee with its decisions as to the buying and selling of Government bonds "mandatory on all" of the Reserve banks, Senator FLETCHER said:

"We shall, through this act, definitely fix the responsibility for and the power to engage in open-market operations, in the Federal Reserve Board. In the future when money becomes 'easy' or money becomes 'tight' or when we are led into a period of inflation or a period of contraction and economic demoralization, we shall be able to put our finger upon the Federal open-market committee and say, 'you are responsible.'"

FORESEE DANGER TO DEPOSIT

The Federal Reserve Board, acting "perhaps by a bare majority of a bare quorum", the Republicans held, could raise or lower reserve requirements at will, and they added:

"The right to raise is the right to curtail or even stop entirely the normal banking functions of lending. The right to lower brings the possibility of endangering deposits by requiring insufficient reserves."

Replying to this, Senator FLETCHER said:

"The proposed banking act gives recognition to the fact that there is no safety to be found in arbitrary judgment or arbitrary figures with respect to the reserves of either Federal Reserve banks or of member banks. * * * England has no such arbitrary reserve requirements established by law. This country had progressively found it advisable to reduce the legal reserve requirements for even commercial banks from an arbitrary figure of 50 to 40 to 25, until they now stand at 13, 10, and 7 percent on demand deposits of commercial banks, depending upon the size of the cities in which they are located."

FLORIDA'S INTEREST IN FOREIGN TRADE

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Florida Times-Union of April 20, 1935, entitled "Florida's Interest in Foreign Trade."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Florida Times-Union of Apr. 20, 1935]

FLORIDA'S INTEREST IN FOREIGN TRADE

Addressing a Jacksonville audience last week, the occasion being a luncheon given by the chamber of commerce, Dr. C. T. Murchison, of Washington, director of the Bureau of Foreign and Domestic Commerce, told his hearers that this State was considerably interested in more than one way in the movement of goods into and out of the United States. Florida's share of foreign trade, largely consisting of exports of citrus fruits, naval stores, phosphate rock, lumber, and other commodities, was considerable and increasing. But it was also suggested that the tourist business—which annually brings many people into the State for a week, a month, or all winter—was worth a great deal, and the visitors to an extent were able to come and enjoy our climate because of the foreign trade enjoyed by their States. In other words, the tourist business, one of the greatest industries of Florida, is affected by the world trade.

"Viewing the economic life of Florida in its entirety one is impressed greatly by its dependence upon foreign trade activities", Dr. Murchison said. "This, bearing in mind, of course, the indirect as well as the direct relationships. Your own exports of citrus fruits, vegetables, phosphate, and naval stores have much to do with your prosperity, but equally important to your prosperity are the exports of other States." Declaring that the consumer demand in New York City for oranges and grapefruit is in no small manner affected by the export-import activities of that city, the people, he said, who come to Florida from Michigan area are to a very considerable extent dependent for their funds upon the export of automobiles to other countries. The number and buying powers of visitors from the Middle West depend to an extent on export of grain, etc.

That Florida should be active in the promotion of the country's foreign trade was argued by Dr. Murchison, who declared that this State would find it highly advisable to use every effort to uphold the hands of the administration in the courageous effort which it is now making to restore world trade. "Under present conditions the world over the old-fashioned procedure of promoting exports by greater sales effort has become inadequate", he said. The general lowering of tariffs was not to be depended upon; but at this time and with world conditions as they are, the movement to do away with arbitrary and artificial restrictions should be encouraged and aided.

Alluding to the exclusive bilateral commercial treaties, exchange controls, quota systems, and burdensome administrative restrictions are being attacked and the effort made to reestablish foreign trade in the world on a reasonable, proper basis. "Against the formidable barriers indicated the United States moves to secure a bargaining arrangement, made separately with each country," Dr. Murchison said. "We have already completed four such agreements with Cuba, Brazil, Belgium, and Haiti. That with Belgium will go into effect May 1 and it is expected that the others will become effective shortly. Negotiations with 13 other countries are under way, including such important nations as Canada, Spain, Italy, Switzerland, and Sweden." It is hoped to have these treaties completed within the year.

"It is to be emphasized that insofar as we succeed in lowering tariff walls we reduce the price of foreign-made commodities and so encourage larger consumption," Dr. Murchison remarked. "Other countries in their turn will be able to purchase American

goods much more cheaply and in consequence consume a larger volume. The increased consumption will obviously increase the volume of production and so serve directly to alleviate the unemployment problem from which the world as a whole is suffering." Florida, is, indeed, as the Director of the Foreign and Domestic Commerce Bureau suggested, greatly interested in the effort being made to win back again the foreign trade that has been lost the past several years. Florida wants markets abroad for her products, and desires that the products of other States be accessible to the people of foreign lands.

TENNESSEE VALLEY AUTHORITY—KNOXVILLE CELEBRATION

Mr. McKELLAR. Mr. President, I ask unanimous consent to insert in the RECORD an article from the Knoxville Journal, of Knoxville, Tenn., entitled "A Royal Salute to the T. V. A." This article quotes a resolution by the City Council of Knoxville, establishing and proclaiming the week of May 12–18, inclusive, as T. V. A. appreciation week. The article shows with what favor the city of Knoxville has received the T. V. A. development in east Tennessee. I ask unanimous consent that the article be published in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Knoxville Journal of Apr. 20, 1935]

CELEBRATION TO CONTINUE FOR A WEEK—ROOSEVELT, CONGRESSMEN, AND OTHER NOTABLES WILL BE INVITED TO ATTEND—ENTIRE VALLEY TO JOIN IN MAMMOTH RECEPTION—BARBECUE TO BE CLIMAX OF EFFORT TO SHOW AUTHORITY OUR APPRECIATION

Knoxville, city of prosperity and hospitality, will extend a royal salute to the Tennessee Valley Authority, favorite project of the Roosevelt new deal, in a rousing reception scheduled to begin Sunday, May 12, and to continue through the following Saturday.

Invitations will be extended to President Roosevelt, Senator Norris, Speaker of the House Byrns, Governor McAlister, and other national and State dignitaries to participate in Knoxville's most ambitious enterprise.

East Tennessee, from Georgia to the Kentucky line, will also be invited to come to Knoxville during the spectacular event and join in paying respect and homage to the Authority's far-flung achievements.

LEADERS APPROVE

Plans for the festivities were unanimously approved by prominent business men at a meeting yesterday morning at the chamber of commerce, under the chairmanship of Gen. Cary F. Spence.

Vice Mayor Spence served in place of Mayor John T. O'Connor, called to Nashville in the press of State legislative details.

"We want to express our appreciation of what the T. V. A. has done for Knoxville, and to invite the Authority to retain here as much of its organization as it possibly can", Oscar Handley, of Miller's store, said, addressing the meeting.

"We want the public to know that Knoxville is behind the T. V. A. and all its purposes.

"We want this demonstration to be so gigantic that the will of the people will have ample space to express itself."

He added that he was certain that every branch of the city's business, social, and industrial life will offer complete cooperation.

Following adoption of the motion put forward by M. G. Chambers that Mayor O'Connor appoint a committee to perfect plans for the gigantic salute and to supervise the varied activities that will be part of this program of national interest, R. H. Clagett, general manager of the Knoxville Journal, said:

"I do not think anyone possibly could be opposed to this movement to honor the T. V. A.

"It is a surprise to me that we of Knoxville have not done so sooner."

ANNUAL AFFAIR

He then made the suggestion that a celebration in honor of the T. V. A. should be made an annual affair and that the festivities to begin the week of May 12 should be a monument to the city's whole-hearted approval of the Authority's ideals and achievements.

Tentative plans discussed at the meeting yesterday call for a mammoth torchlight parade, resplendent with bands and decorated motor cars, and carried out with the thundering tread of the city's working personnel.

A barbecue of tremendous proportions is slated to be the climax of the rousing week.

The barbecue will be at Shields-Watkins field at the University of Tennessee, and will be featured by addresses by the T. V. A. directors, Dr. A. E. Morgan, Dr. H. A. Morgan, and David Lilienthal, under plans discussed yesterday.

Possibility of showing T. V. A. films and news reels touching on Authority developments was also discussed.

It was estimated that at least 10,000 would participate in the barbecue.

After the meeting, James S. Hall, of the Hall's Sons store, echoed what had already been said to the effect that Knoxvillians would cooperate in every possible way to make the T. V. A. week monumental in the city's history.

"We are all appreciative of the Authority's work and the scope of its future program", Mr. Hall said, and added:

"This celebration and salute to the T. V. A. is an excellent gesture. I am for it unreservedly, and I feel positive that the same may be said of every other person here.

"If President Roosevelt comes to Knoxville", he added, "the event will lack nothing—it will be a vital link in the history of both east Tennessee and the T. V. A."

In naming the week beginning May 12 as "T. V. A. Appreciation Week", Mayor O'Connor has issued the following proclamation:

"Whereas an act of Congress of the United States creating the Tennessee Valley Authority was approved by the President on May 18, 1933; and

"Whereas the whole Tennessee Valley, and Knoxville in particular, since that date, have enjoyed increasing benefits from the Tennessee Valley Authority's development program, and foresee even greater benefits to come in the future; and

"Whereas we in Knoxville, being close to Tennessee Valley Authority operations and in a position to visualize what T. V. A.'s efforts will mean in raising living standards and in bringing other lasting benefits here and throughout the Nation;

"I therefore, as mayor of the city of Knoxville, hereby proclaim the week of May 12 to 18, inclusive, as 'T. V. A. Appreciation Week', and I ask every citizen of Knoxville to take part in this public salute to the three T. V. A. directors and their staffs, that they may be reassured of our confidence and appreciation."

KNOXVILLE NOT ALONE

Knoxville, however, will not be alone in the parade offering a cheering salute to the Authority.

East Tennessee will have part, and social, religious, and patriotic groups here will also join the ranks of the marchers, under the proposed program.

C. M. Preston, of the Hamilton National Bank, brought up the question of generously welcoming and inviting the T. V. A. to retain its officers here following completion of Norris Dam and other nearby allied projects, and General Spence asserted that the point was well taken and said city officials would confer on this phase of the Authority's future program and plans.

The proposal to invite President Roosevelt to Knoxville as the highlight of T. V. A. appreciation week was made by Safety Director Walter Anderson.

City Judge Bob Williams said last night that the very spirit of the occasion calls for the presence of Senators BACHMAN and MCKELLAR and Representative J. WILL TAYLOR.

He further suggested that an invitation be extended to Vice President Garner, whose grandfather and father were born in nearby Anderson County.

"The T. V. A. appreciation week should stir the heart of every Knoxvillian and east Tennessean", Judge Williams declared.

"We are mindful here of the tremendous good the T. V. A. has brought in the Tennessee Valley and of the greater good that we all expect in the future", he continued.

"It is only natural and right that Knoxville as a city of enthusiastic supporters of the T. V. A., as well as the entire Tennessee Valley, where T. V. A. benefits will continue to manifest themselves as the years increase, should join in this generous and hearty tribute."

Judge Williams praised recent editorials in the Journal in which commendation was given to the suggestion of Tracy B. Augur, chief of the T. V. A. land planning and housing division, that the expansion of Knoxville be predicated on an orderly plan of suburban communities rather than on concentration of a greater population within defined city limits, and which pointed out that the Authority was not purely sectional in scope, but of an importance to the entire Nation as well.

PREVENTION OF LYNCHING

Mr. WAGNER. Mr. President, I ask permission to have printed in the RECORD a number of communications from leading organizations in several different States urging the passage of antilynching legislation.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

ILLINOIS

THE COOK COUNTY FEDERATION OF WOMEN'S CLUBS,
February 25, 1935.

Senator ROBERT F. WAGNER,
Washington, D. C.

DEAR SIR: The Cook County Federation of Women's Clubs, an organization representing 75 clubs, has gone on record as endorsing the antilynching bill, and urge you to support the passing of this bill by the Congress of the United States at its next session.

Sincerely,

MARY E. GRICE, *Secretary.*

KENTUCKY

LEXINGTON, KY., *February 7, 1935.*

Hon. ROBERT F. WAGNER,
Senator from New York, Washington, D. C.

MY DEAR MR. WAGNER: We, the Interdenominational Alliance of Lexington and Vicinity, wish to herewith express our deep appre-

ciation for the wisdom and courage with which you are sponsoring the Costigan-Wagner antilynching bill now before Congress, and we pledge to you our loyal support.

Respectfully yours,

INTERDENOMINATIONAL ALLIANCE OF LEXINGTON AND VICINITY.
W. JUDSON KING,
C. H. DICKERSON,
L. RUCKER, *Committee.*

LOUISIANA

NEW ORLEANS, *April 17, 1935.*

Senator ROBERT F. WAGNER,
Washington, D. C.:

Protest emphatically implication in speech of Senator SMITH of South Carolina in Congress April 16, attacking Costigan-Wagner antilynching bill. Lynching is certainly not necessary for the protection of virtuous womanhood and, we believe, a crime for any cause whatever.

FLORENCE SYTZ,
Chairman Y. W. C. A. Public Affairs Committee.

NEW ORLEANS, *April 17, 1935.*

Senator ROBERT F. WAGNER,
Washington, D. C.:

Am opposed to speech of Senator SMITH, of South Carolina, made in Congress April 16, attacking Costigan-Wagner antilynching bill. Implication that lynching is necessary to protect virtuous womanhood is untrue, and I protest it for the women of the New Orleans Young Women's Christian Association.

MRS. HARRY A. THOMPSON,
President.

MICHIGAN

YOUNG WOMEN'S CHRISTIAN ASSOCIATION,
Bay City, Mich., March 23, 1935.

The Honorable ROBERT L. WAGNER,
Washington, D. C.

DEAR SENATOR WAGNER: The membership of the Young Women's Christian Association of Bay City, Mich., is deeply concerned over the lynching situation in our country and wishes to commend you for your interest and effort in promoting the Costigan-Wagner antilynching bill.

We feel that all crime should come under strict legislation and that it is quite against the principles of Christian countries to allow such flagrant disregard of law.

Again thanking you, we are,

Very truly,

YOUNG WOMEN'S CHRISTIAN ASSOCIATION,
Per AGNES M. LEE, *Corresponding Secretary.*

DETROIT, MICH., *March 1, 1935.*

ROBERT F. WAGNER, *Senator,*
United States Senate, Washington, D. C.

HONORABLE SIR: We, the Detroit Inter-Church Fellowship, realize full well your past efforts to have Federal legislation enacted which will remove the bloody stains of "mobocracy" from our fair Nation.

We use this means to express our appreciation for the Wagner-Costigan bill which, we trust, will destroy forever that diabolical practice of barbarism among civilized people.

Yours for social justice and brotherhood,

THE DETROIT INTER-CHURCH FELLOWSHIP,
By T. W. ROSS.
A. DAVIES.
H. L. DUDLEY.
G. W. WILSON.
P. H. CRAIG, Jr.

MINNESOTA

TWIN CITY URBAN LEAGUE,
April 10, 1935.

Senator ROBERT F. WAGNER,
Washington, D. C.

DEAR SIR: At the last regular meeting of the executive committee and board of directors of the Twin City Urban League the antilynching bill of which you are coauthor was unanimously endorsed, and we were instructed to write all Congressmen from the State of Minnesota, urging them to support the measure.

This we have done and sincerely trust that this bill will be enacted into law.

Very truly yours,

CLARENCE R. CHANEY,
President.
CHAS. W. WASHINGTON,
Executive Secretary.

NEW HAMPSHIRE

PORTSMOUTH, N. H.

Resolution favoring the passage of a Federal antilynch law

Whereas the lynching of our citizens is a practice to be despised and deplored; and

Whereas the practice of lynching cannot be suppressed unless the Federal Government undertakes to enact laws punishing those participating in such crimes; and

Whereas there is pending in Congress an antilynch bill introduced by Senators COSTIGAN and WAGNER and Congressman FORD of California which will accomplish the results desired: Therefore be it

Resolved, That the Alfred Gooding Guild, Young Peoples Religious Union of the South Church (Unitarian), respectfully urges the Congress of the United States to enact the pending bill referred to at the earliest possible date; be it further

Resolved, That copies of this resolution be transmitted to the President of the Senate, Speaker of the House of Representatives of the United States, each Senator and Representative in Congress from this State, and Senators EDWARD P. COSTIGAN and ROBERT F. WAGNER and Congressman THOMAS F. FORD.

JOHN W. ANDERSON, *President.*
ERNESTINE L. CLEARY, *Secretary.*

NEW JERSEY

THE PARENT-TEACHERS ASSOCIATION OF THE JERSEY CITY STATE NORMAL SCHOOL,
March 5, 1935.

Senator WAGNER,
Senate House, Washington, D. C.

DEAR SENATOR WAGNER: As legislative chairman of the Jersey City State Normal Parent-Teachers Association, I have been authorized to write you expressing our approval of the antilynching bill.

We do hope that this bill will pass by a large majority.

Respectfully yours,

MRS. R. KRUGEL

NEW YORK

NEW YORK, *April 17, 1935.*

Senator ROBERT F. WAGNER,
Washington, D. C.:

Imperial Lodge No. 127, of Elks of New York City, with a membership of 1,800 Negroes commend highly your support of antilynching bill, and urges you to continue the fight until Federal law makes lynching a crime at this session of Congress.

IMPERIAL LODGE NO. 127, I. B. P. O. E., OF NEW YORK CITY,
JOHN A. DRIVER, *Secretary.*

Resolution unanimously adopted at a public meeting at the Town Hall Club, sponsored by the Women's International League for Peace and Freedom, February 25, 1935

Whereas there have been over 5,000 lynchings in the United States since 1882, and 45 during the present administration; and

Whereas mob violence is a denial of the principles of American democracy, a serious menace to internal peace and a blot on American institutions: Therefore be it

Resolved, That we urge the passage of the Wagner-Costigan bill, which would make lynching a Federal offense; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States and to the United States Senators and Members of the House of Representatives from New York.

RELIGIOUS SOCIETY OF FRIENDS,
New York City, April 11, 1935.

Hon. ROBERT WAGNER,
Senate Office Building, Washington, D. C.

DEAR SIR: The New York yearly meeting of the Religious Society of Friends, in session at 221 East Fifteenth Street, New York, N. Y., from fourth month eighth to eleventh, inclusive, 1935, view with great interest your bill against lynching, and we trust that this Congress will not adjourn without enactment of a law which will unite the country in an earnest endeavor to put an end to that inhumanity, which we regard as more disastrous to the perpetrators than to the victims.

Sincerely,

EDWARD CORNELL, *Clerk.*

WESTERN UNION STAMP CLUB,
New York City, April 15, 1935.

Hon. ROBERT F. WAGNER,
United States Senator, Washington, D. C.

DEAR SIR: At its last meeting the Western Union Stamp Club, an organization of 50 members, all employees of the Western Union Telegraph Co., adopted the following resolution:

"Whereas we stamp collectors and philatelists have long felt the need for a clearer means of identifying the postage stamps of the United States; and

"Whereas identification of the same is made almost impossible by the antiquated laws now existing which permit but a small portion of each stamp to be illustrated; and

"Whereas our Canadian and English cousins enjoy full cuts of their own as well as those of the United States postage stamps, much to our disadvantage; and

"Whereas the stamp collectors and philatelists of the United States of America very materially contribute to the Treasury of our Government; and

"Whereas the United States has absolutely nothing to lose and much to gain by permitting full cuts of our stamps: Therefore be it

"*Resolved,* That the Western Union Stamp Club urge the Senator and Representative of this district to support the bill listed as

H. R. 1411, introduced into the House of Representatives, Washington, D. C., by Representative MONTAGUE, of Viriginia."

Yours respectfully,

V. Y. HECHER, *President.*
P. C. MACKEY, *Secretary.*

CENTRAL CIVIC ASSOCIATION,
Hollis, N. Y., April 15, 1935.

DEAR SIR: At a regular meeting of the Central Civic Association, held under date of March 28, 1935, the following resolution was unanimously adopted:

"Whereas there is now pending in the Congress of the United States a bill, H. R. 6514, to amend section 1001 (a) of the Revenue Act of 1932; and

"Whereas this bill, as introduced by Hon. ROBERT L. BACON, provides for a 2-cent rate on first-class mail for delivery within the confines of any incorporated city and to such immediately contiguous incorporated cities as may be determined by the Postmaster General; and

"Whereas we believe that immediate action of said bill would materially increase the receipts of the Post Office Department: Therefore be it

"*Resolved,* That we, the officers and members of the Central Civic Association, in regular meeting assembled, do hereby most respectfully urge upon the Congress of the United States the early enactment of this legislation; and be it further

"*Resolved,* That copies of aforesaid resolutions be transmitted to Hon. ROYAL S. COPELAND, Hon. ROBERT F. WAGNER, Hon. ROBERT L. BACON, Hon. WILLIAM F. BRUNNER, Hon. STEPHEN A. RUDD, Hon. MATTHEW J. MERRITT, and the press."

HENRY W. EDELMANN, *Chairman,*
DAVID L. ALEXANDER,
J. WATSON DAVIS,
Committee on Resolutions.
LILLIAN M. HENKEL, *Secretary.*

Attest:

VINCENT MCLEAN, *President.*

SARATOGA SPRINGS, N. Y., *March 14, 1935.*

Whereas it is freely predicted by such men as Dr. Beard, dean of historians, that the situation now existing calls for a strong domestic policy without which in times past war has speedily followed.

Whereas our Government is spending huge sums for implements of war and for war purposes; and

Whereas armaments control men, not men armaments, and it is a question of Mars or Christ, the Prince of Peace: Therefore be it

Resolved, That we humble followers of Him, who came to bring peace on earth and good will to men, assembled as the Fourth Quarterly Conference of the First Methodist Episcopal Church urge a strong domestic policy with a wider distribution of wealth and use of productive facilities, enactment of laws insuring to each and all a full measure of what he produces individually and to the community all that the community produces; be it further

Resolved, That we exhort our President and Congress to oppose increase in war appropriations, bring about material reductions in same, enact laws taking all profit from manufacture of munitions, and make the declarations of war possible only after a majority vote of the electorate; be it further

Resolved, That a copy of this resolution be sent to the Senators, Representatives at large, and Congressman SNELL from this State.

FRANK M. LAWRENCE,
Secretary pro tempore.

DISTRICT OF COLUMBIA

OMEGA PSI PHI FRATERNITY,
Washington, D. C., March 14, 1935.

Hon. ROBERT F. WAGNER,
United States Senator, State of New York,
Senate Office Building, Washington, D. C.

SIR: The Omega Psi Phi Fraternity wishes to submit the following resolution on lynching:

"Whereas the United States of America is the only civilized country in the world where lynchings occur at frequent intervals with impunity in violation of all the tenets of Christianity, moral and civil law, and the Federal Constitution; and

"Whereas those charged with the enforcement of the laws of the several States have been notoriously lax in their duty to protect the lives of certain citizens when threatened by mob violence; and

"Whereas some of the States are a party to the crime, unable, or unwilling to bring the lynchers to justice: Therefore be it

"*Resolved,* That the President and the Congress of these United States at this session assembled enact the Costigan-Wagner antilynching bill, which will outlaw lynching and adequately protect the lives of all Americans from mobs, bent on mischief, defying all law and order and reducing our constitutional guarantee of life to a mere scrap of paper. We 4,000 loyal college men of America, do hereby beseech you in your respective positions to use your office to erase this blot from the American Nation."

We have the honor to remain,

Most respectfully yours,

OMEGA PSI PHI FRATERNITY,
LAWRENCE A. OXLEY,
Grand Basileus.
J. ARTHUR WEISEGER,
Grand Keeper of Records and Seal.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Mexico [Mr. HATCH].

Mr. MCNARY. Mr. President, I am not clear as to the statement of the Chair.

The VICE PRESIDENT. The Chair stated that the question before the Senate is the amendment offered by the Senator from New Mexico [Mr. HATCH] to the pending bill.

Mr. MCNARY. Very well.

Mr. WALSH. May we have the amendment stated?

The VICE PRESIDENT. Without objection, the amendment will be stated.

The CHIEF CLERK. On page 11, line 5, after the word "lease" and the comma, it is proposed to insert the word "mortgage", and to insert the same amendment at the end of line 8.

THERE WAS ONCE A TEA PARTY IN BOSTON

Mr. LONG. Mr. President——

The VICE PRESIDENT. The Senator from Louisiana.

Mr. LONG. On last Friday I asked a member of this body to give notice to the Senate that I wished to speak today on a matter of personal privilege, and he then gave that notice for me. Subsequent to that notice having been given there was a unanimous-consent agreement made on the pending bill. I should like to know, before I begin my remarks, whether I would be limited under that notice on a matter of personal privilege to the time limit specified?

The VICE PRESIDENT. The Chair thinks the Senator would.

Mr. LONG. I would be limited to 40 minutes?

The VICE PRESIDENT. In the opinion of the Chair, the Senator would be limited to 40 minutes.

Mr. LONG. Then I will take my 30 minutes on the bill and 10 minutes on the amendment at this time.

Mr. President, the newspapers have been somewhat concerned in their columns with a few remarks emanating from some Cabinet members and some near-Cabinet members relative to affairs and legislation in Louisiana. The legislature of that State has been in extraordinary session and has enacted certain laws dealing with several affairs, including public works, in the State. While the legislature was in the course of its deliberations it received some instructions from Washington delivered in various and sundry manners. One was from the Relief Administrator that he had taken steps in some lines to see that certain things were done and others not done.

Another was a series of ultimatums from the Secretary of the Interior telling of dire distress and calamity which was to be visited on the State if it did not harken unto his wise sayings and salubrious imaginatings.

Following that we were informed through the columns of the public press that the Secretary of the Interior had made some visits to the White House and had come back and grown almost profane in reiterating the several warnings to that State.

Our State has withstood a good many scourges and it has helped others through their distress. It has had the flood and knows what it is to fight the waters of Noah. It has even become a recipient of the dust of the West and has begun a battle against that calamity. There have been various and sundry invasions from within and without which our people have either experienced or of which they have read. But this is a new event in our lives, wherein, unlike the locust which threatens us every 7 years, we are threatened with eternal damnation in Louisiana if the State remains a sovereignty.

The objective taken by the gentleman from Washington, the gentleman who never has been elected to anything, is something I wish to discuss. We are not making any particular argument about these gentlemen who are anointed and appointed. They have a peculiar status in this third

year of our reigning empire of St. Vitus. They have a peculiar status. They are entitled to be embellished for the future history of the country. Their royal prerogatives have never yet been prescribed as they might be some day. I might refer to some of their titles in the order of their respective importance:

For instance, number 1, the prime minister, James Aloysius Farley, the Nabob of New York.

Number 2, the lord high chamberlain, Harold Ickes, the chinch bug of Chicago.

Number 3, the expired and lamented royal block, Hugh Sitting Bull Johnson, who has now described himself as the new oo-la-la of Oklahoma.

The honorable lord destroyer, Hugh Almighty Wallace, the ignoramus of Iowa; and then there are various and sundry other lesser lights whose royal prerogatives are not so well understood, but, of course, in the changing events of the day are likely to be given a better status as times may make it appear necessary.

To revert now to what has been said about Louisiana's legislature, a number of years ago Louisiana undertook to build some highways and some roads and some bridges. Louisiana was faced with this condition. There had been an administration which had continued in Louisiana almost without interruption for more than 20 years, probably for 30 years. It had begun under the Fosters and had continued under the Sanders.

We went into the Governor's office of Louisiana in 1928, not with the full State administration, but with pretty nearly the full administration. The State of Louisiana was bonded for $61,000,000 for modern highways. The State of Louisiana had 26 miles of highways which were recognized as first-class roads.

This element which had put our State in distress urged to the people of Louisiana that they did not dare to vote another bond issue in that State for the reason that inasmuch as they, when in power, had squandered and misused the money it was only natural that whoever succeeded them would similarly squander and misuse the money. As I shall show in a moment, that element which plead guilty to having squandered the money above the $60,000,000 limit is the element which is now in control of Federal expenditures in Louisiana. I shall name them by name and by title in a few moments.

The State of Louisiana, therefore, in the beginning of 1928 saw for itself the necessity of the criticisms which had been leveled against the conduct of those who had preceded in power should not be repeated following the year 1928, and, therefore, on the urgent demand of the banks of that State, on the urgent demand of the newspapers of that State, on the urgent demand of the chambers of commerce of that State and of various other civic bodies, the State of Louisiana undertook a road-building and public-construction program safeguarded by a board which should prevent the squandering of funds in that State whether they were raised by State appropriation or whether they were contributed by the Federal Government.

Who joined in that request? That was a request concurred in by the Federal Bureau of Good Roads in Washington. It was applauded by the bodies corporate serving under the Federal Government in Washington and in Louisiana. It was applauded by every Long and anti-Long board in the State, so much so that it was said that if Louisiana would take the lead and write into the organic law of that State a proviso that the board should not only be informal but should be a legal and constitutional body, that forever and a day would an example be set guaranteeing the proper expenditure of public funds.

I was the Governor of the State. I took them at their word, and so in the year 1928, after having proclaimed through a proclamation adopted by the board of liquidation of Louisiana, I followed in the year 1930 recommending to the Legislature of Louisiana that it submit to the people of the State a constitutional amendment. There was adopted a constitutional amendment which is now a part of the organic law of Louisiana. It created a State advisory board composed of 7 elected public officials, of 1 official elected by the police jurists, who are the parish or county governing boards, and of 11 public-spirited business men, bankers, merchants, civic officers, who did not care to engage in politics. They insisted that the elective officers who were willing to go into politics should be a minority of the board, but that a majority of the board should be of the banker-business man type who would not be concerned in politics, but who would be concerned only in the propriety of public expenditures for the welfare and uplift of the State.

I now read to you the composition of that board:

There is hereby created a State advisory board composed of 19 members, to wit: The Governor, Lieutenant Governor, speaker of the house of representatives, secretary of state, State auditor, the attorney general, and president of the Police Jurists Association of Louisiana, and of 11 other members, to wit:

1. John Legier, of Orleans Parish.
2. E. R. Berstein, of Caddo Parish.
3. Sam Polmer, of Terrebonne Parish.
4. W. D. Hill, of Rapides Parish.
5. P. M. Atkins, of Ouachita Parish.
6. Charles O. Noble, of Calcasieu Parish.
7. P. M. Milner, of St. Tammany Parish.
8. J. D. O'Keefe, of Orleans Parish.
9. William Pfaff, of Orleans Parish.
10. Alfred D. Danziger, of Orleans Parish.
11. Charles H. Hamilton, of Orleans Parish.

What is the membership of that advisory board?

Charles H. Hamilton was the president of the Association of Commerce, an avowed anti-Long body of that State.

Aldred D. Danziger was the president of the Young Men's Business Club in that State.

William Pfaff was the president of the motor league of that State.

J. D. O'Keefe was the Republican president of the biggest national bank in that State, and still is.

P. M. Milner was a prominent officer of the Free Bridge Association of Louisiana.

Charles O. Noble was a capitalist and a banker and an oil operator from Lake Charles, La.

P. M. Atkins was the wealthiest man of northeast Louisiana, a wholesale hardware merchant and a banker.

W. D. Hill was a banker from the central part of the State.

Sam Polmer was the biggest wholesale merchant in the congressional district known as the "cane section of Louisiana."

E. R. Bernstein was the former mayor of Shreveport, La., a capitalist and a man of high repute.

John Legier was president of the American Bank & Trust Co., of Shreveport.

That is the committee voted by the people of Louisiana in order that these newspapers and these civic bodies should have it said to the United States public boards of Washington and elsewhere that not a dime of public expenditures in Louisiana would be made unless it was taken from every avenue of fraud, politics, and corruption.

What happened? That board operated. They built paved roads in Louisiana on the most difficult soil, for the lowest cost, of the highest type and strength of construction of any public roads to be found in the United States today. Notwithstanding the numerous bridges, the cost of public roads in Louisiana—paved concrete highways, rights-of-way, and everything else taken into cost—was less than $26,000 a mile, a low cost never equaled by any other State in the United States since they have been building public highways. No one will challenge that statement.

Now the Federal Government inform us that they are going to spend some money; that they are going to load down on the various boards of Louisiana several million dollars; that they are going to give to a city government several millions, and to another government several hundred thousand dollars, and to another board several million dollars; and what else do they do? They call into Washington the element that spent the $61,000,000 and built no roads; they call into Washington the most rebuked, repudiated, conscienceless characters known to either the public or the private life of Louisiana or any other State; the men who built the toll bridge to kill the free bridge; the

men who squandered the $61,000,000 and said, "Don't spend any more millions, because our successors are only expected to do as we have done." They call in the operators of the coffin clubs, the swindlers who have defamed the State with the worthless and fictitious stocks that they have sold from the Atlantic to the Pacific. They call in that gang of brigands, and then say to them, "You are invested with the authority of expending the hundreds of millions in Louisiana and you are invested with the authority of bonding and mortgaging the communities of Louisiana for the repayment of this money that you are going to be allowed to spend and over which you are to be given control."

Whom did they call in? They called in J. Y. Sanders, the man who was the head of that organization for 20 years; and the day I took the oath of office as Governor of Louisiana, on May 21, 1928, they flashed in my face a report of the auditor of Louisiana that at the end of the first year of my term as Governor, if I did not spend another cent for the highway commission we would owe only $5,000,000 more dollars than the total revenue of that year would amount to. They flashed in my face the day I took the oath of office a contract that this man had caused the highway commission to sign by which a farmer with three children could not cross a bridge coming into New Orleans and going out of New Orleans without paying $8.40 in toll charges to cross that bridge. They flashed into my face the parishes of the State bonded with debts that they could not pay, praying for relief because the people could not support their schools or educate the youth of the land and continue to pay the amortized bonds and accruing interest that Sandersism and Sullivanism had left to the State of Louisiana. So we assumed that burden, and with it saddled on our shoulders Louisiana undertook, under the most difficult of circumstances, to restore that State from the pillage and mire of corruption and rottenness and debauchery that is not even denied by a single newspaper in the State of Louisiana today, but which has been asserted as a matter of accepted and undisputed fact for more than 10 years, to my certain knowledge.

So we have gone ahead. We assumed $41,000,000 of extra bonds beyond the others I have mentioned that they loaded onto the port of New Orleans, $41,000,000 more than the $61,000,000. They did not have any revenue behind those bonds, and we had to vote an additional tax to protect the credit of Louisiana in order to pay $41,000,000 of port bonds issued under the authority of this continued reign of scandal and corruption that Louisiana had to bear.

Now the State of Louisiana has a chance of life. So we went out, Mr. President, and we provided in Louisiana to relieve those parishes and those subdivisions of the State of some of these debts, bonds, and obligations with which they had been left under this regime of corruption and rottenness, known to the present President of the United States. I say "known to him" because he has talked with me about it in days past. We went out to relieve that State of an overburdened hundreds of millions of dollars in debts for ports and roads that they did not build and do not pretend ever to have built. We went out to put revenues behind those obligations. We went out to restore the credit of the State, to provide education where it had never been. We went out under the curse of 20 to 30 years of prostituted government, known to the present President of the United States, whose agencies are now trying to reinstate those responsible in the State of Louisiana. I say "known to him", not to Ickes, not to Wallace, not only to James Aloysius Farley, but to the present President of the United States lies the knowledge, lies the intent, lies the desire and the demand that corruption, rottenness, and political prostitution of the lowest debauched order ever known in any uncivilized or civilized country shall be reinflicted upon a State. They do not mean me.

Now, what have they done? They have called in a relief administrator. The public press is filled from morning to night with reports that Mr. Harry Hopkins has taken away the relief administration from the Long forces in Louisiana. I wonder how long it is going to take that bunch to get that administration away from the Long folks. Here is a news report of the Washington Herald of October 20, 1933. That is nearly 2 years ago, a year and a half ago; and it says here:

LONG SNUBBED IN RELIEF WORK

Recent appointment of Harry J. Early, of New York, to be State director of unemployment relief in Louisiana yesterday brought up with renewed emphasis the Roosevelt administration's hostility to the Long political machine in that State.

Harry L. Hopkins, Federal Relief Administrator, it was explained, sent Early to Louisiana to take charge of relief on finding what his office described yesterday as deplorable conditions in Louisiana.

And so forth. I will let that appear at the conclusion of my remarks.

So Mr. Early was sent to Louisiana, and became the Federal administrator on October 5; but when they were telling you how the Long administration had been "snubbed", they did not tell you that the Long administration never did have that relief in Louisiana. Bless your soul, when Hoover started it, he let the Governors of 47 States name their administrations, but I always have been in bad with the President. I was in bad with Hoover, just as bad as I am with this one we have now. It did not make any difference. [Laughter in the galleries.]

The PRESIDENT pro tempore. The Chair desires to say a word to guests of the Senate who are in the galleries.

When several hundred are speaking, even in a low tone, a noise is created on the floor of the Senate which interferes with the debate, and also with our guests who desire to hear the debate. The occupants of the galleries have no right to do anything or say anything that disturbs the Senate. The present occupant of the chair on one occasion has found it necessary to clear the galleries; and he states again that if order cannot be preserved in the galleries, they will again be cleared.

Mr. LONG. When Mr. Hoover set up the relief work, I was called in by the Reconstruction Finance Corporation, and I was handed a list of names that the Governor of Louisiana had to appoint on the relief work in Louisiana if Louisiana was to have any relief work.

No. 1 was Mr. Charles A. Stair, the manager of the telephone company in Louisiana. I do not think anybody will claim that he was a Long man.

No. 2 was a young man named Smallpage, who was the financial secretary of the Electric Bond & Share Co. in Louisiana; so I think you will hardly attribute him as being a Long man.

No. 3 was Mr. W. B. Thompson, an anti-Long wholesale merchant in Alexandria, La.

I think out of about 11 names they allowed me to suggest that it might be a good thing if they had just one Long man on the board, so that everybody would know we were taking no offense; and I believe they put one or two of our friends on it just to make it look good. Of course, he was not supposed to attend any meetings, or anything of that kind, but his name was in there. Now, after they have had this anti-Long administration for many years, lo and behold, we are suddenly told that they have to send a man from New York by the name of Early because of rampant corruption that has been found to exist in this board that we had nothing to do with naming, and nothing to do with running. So they sent Mr. Early from New York to Louisiana. He served for a certain period of time, and now we hear from the articles coming from Hopkins and Mr. Ickes and Mr. Roosevelt that they have found terrible corruption in Louisiana again; that their second selection has been found incompetent; and they have, therefore, appointed another one to take it out of our hands.

They always had it out of our hands. They always had it "politicalized." They always used it against us, and they can use it against us again. But they will find out in January how much good it does them when they count the votes there the next time. It will do them nearly about as much good as it did in the month of September, not quite as much, because the boys were expecting more that time. But it will not do them any more good, I am certain.

They have appointed Mr. Frank Peterman. Who is Frank Peterman? He is a man I elected to the State senate. He is the man I named president pro tempore of the senate. He is the man who issued so many checks and so many drafts upon everybody who was in the employ of the State administration that I had to make him resign as president pro tempore of the senate. He got to sending in checks and drafts so thick, and clubbing the members of the State administration to pay those drafts, that we had to make him retire as president pro tempore of the Senate, after he sent draft after draft after draft. He sent three drafts on one member of the highway commission within 30 days for $75 apiece, beginning in the month of December and winding up in the month of January 1932. So this gentleman, who was formely an attorney, and still is the lawyer for the Texas & Pacific Railroad and the power companies; this gentleman, who could not even be satisfied with the money that he was getting from them, but was sending draft after draft and making us pay his drafts down there day and night, who was holding up State officials for money under the threat that, being president pro tempore of the senate, he was likely to visit some dire disaster on them if they did not pay the drafts and give him the money—this gentleman who finally had to be removed, who was made to go in and tender his own resignation as president pro tempore of the Senate in order to keep from being exposed, and who went in and tendered his resignation as president pro tempore of the Senate—this man has been picked as the relief administrator, to do away with politics down in Louisiana. They propose to start that burglarizing on us again. That is number 1.

Number 2. They set up as a board of the P. W. A. down there a gentleman by the name of Edward Rightor, and they said he was an ally of Sullivan, who was connected with the wire service and gambling institutions, and they wanted to send to the highway commission a gentleman by the name of Orloff Henry, saying that he would have to be named on any highway construction job that the State of Louisiana had. Right off the bat they began sending out word to this materialman to raise the price "or you will not get the job", to "raise your price, and you will get the job."

We served notice on them that the public roads and highways of the State of Louisiana will be under the jurisdiction of the Louisiana Highway Commission, and the Bureau of Public Roads in Washington, D. C., and the State advisory board, and they will be under no other authority, and no realm of corruption and rottenness can be saddled upon Louisiana in exchange for giving us that fund.

If we have to surrender the sovereignty of the State of Louisiana, we will surrender it into hands that are not reeking with confessions of such fraud and graft and corruption as that gang has acknowledged. They cannot come down there and have the State of Louisiana confess itself into that kind of a situation. So we passed a law.

Last year we said to these communities and boards and departments of Louisiana, "We will take up these bonds you are having to pay. We will assume them as a matter of State obligation, in part, and we will impose taxes and pay this bill." So we levied a tax on the corporations, we levied a tax on the refineries, we levied an income tax, and we devoted the proceeds of all those taxes to paying off, as far as possible, the bonds which had been levied upon those people during the last 30 years, when we had nothing to do with levying them or spending the money.

Just as we got those bonds arranged and the taxes levied and we had to go through a civil war to make the taxes stick to pay off the bonds—lo and behold, they send word that they are going to put all these boards and municipalities in debt again, and allow the money to be squandered.

What have we done, therefore? We have taken the radical step of requiring that expenditures of these funds shall be approved by the State advisory board of Louisiana. We have simply said to Mr. Ickes, and to Mr. Hopkins, and to Mr. Roosevelt, "If you want to lend any money to any board of that State to build a public project, we want to be satisfied, first, that the community needs the project; and we want to be satisfied, second, that the money will not be squandered, as the last money sent to the State was squandered."

I have the proof here in my hand to show how the money has been squandered in the past. We say to them, "If it has been a good thing to have the State advisory board in the past, it will be a good thing in the future; but if you expect the public boards and bodies of Louisiana to be reloaded with obligations of which we have relieved them during the past year, obligations for which primarily and ultimately the State of Louisiana must stand responsible, then you ought not to allow that money to be spent, or misspent, or squandered, unless the State advisory board, nonpolitical, nonsectarian, is allowed to pass on the necessity and the regularity of the expenditures."

Is there any necessity for that? I hold here in my hand a report submitted for the commission council of New Orleans. I have not time to read it, but it is a report in which a public official of the city of New Orleans says:

> We had a political campaign in the month of January 1933. The C. W. A. board took our entire pay roll and paid its standing, regular wages that we have had to pay, and thereupon we took the regular wages, for which we were collecting taxes, and bought votes throughout the city of New Orleans in the month of January.

I have it here, in their public report, which cannot in effect be read in any other way. And now they want to take $100,000,000 and spend it in the same way. It is bad enough to have it spent that way, but then to leave them to have to pay it after the money has been squandered for politics and elections of that kind is worse!

They might go down there and spend the whole $5,000,000,000, but they could not win the election. They could, however, load us with $5,000,000,000 of debt which we would have to pay, for the payment of which they have mortgaged those communities as a result of carrying on their politics.

Mr. President, how much more time have I?

The PRESIDENT pro tempore. The Senator has 6 minutes left.

Mr. LONG. I am sorry I have not more time. I certainly would like to complete my statement of this case. I will not have the time, however.

Let me show the Senate the type of men to whom I am referring. I hold in my hand a little charter, the charter of a "tombstone and coffin club", operating in the State of Louisiana. They issue a man a policy of insurance, and on the face of that policy it reads, "$500." This is an old skin-game society, which, when a man dies, sends his family a check for $10, and tells them they have a clause in the policy providing that if he dies from such and such a thing they divide it by two, and if he dies from something else they divide it by six, and if he dies from something else they divide it by twenty-some odd, or more than that.

They called in the little, crooked operator of this little, crooked society, which we had to put out of business by State law, and I have the evidence in my hand for that statement, which Senators can read if they desire. They called in this little man, and he began summoning the people from south Louisiana, telling them millions of dollars of public funds were going to be placed in the hands of this swindler for disbursement. They are going to load down the municipalities and corporations of the State with debt, and then call upon the Long administration to pay the debts, as they did the last time.

They are not worried. They get all the money they want from the United States Government. They spend it in their filthy politics, and in the rotten debauchery from which we have relieved the State, and leave us to pay it back.

Mr. President, that is known to the President of the United States, I reassert. They get the funds under this Washington administration, load our State government down with debt, spend the money for rotten politics, and then they ride off and say, "That is the result of the debauchery that has been inflicted on Louisiana as the result of Huey Long's administration."

Everything they have been able to spend and inflict in all of their scourges of the past they say are due to the politics of HUEY LONG in Louisiana, notwithstanding the fact they

have had two boards already, and that they were appointed from the ranks of the opposition. Now they have sent down a third, because the others were not quite low down enough for the crooked debauchery they have found necessary for the politics of the coming January.

We have passed a law providing that no municipality shall bond itself without the consent of the State, and that none of these funds for which they have issued bonds shall be spent unless they have received a cursory review and a proper examination on the part of the State advisory board. The law was enacted to take care of such things as this. That is our whole program. Who is going to be injured?

Mr. Ickes said: "Oh, no; we will not lend this money to a municipality which has anything to do with the State." Well, how is the municipality incorporated? From what does the municipality derive its right to borrow money? It derives its authority for its existence, it derives the authority for its maintenance and operation, from the State. But the pronouncement from Washington issued by the President of the United States, through his lord high chamberlain, Harold L. Ickes, is that the State of Louisiana must not dare to say to its own creature, "There shall be propriety, honesty, and regularity in the expenditure of this money." That is the ultimatum. The sovereignty of the State shall be no more. A new "Boston tea party" has been declared. The new President of the United States has set up a "Boston tea party" of his own by which he will reach into the sovereign States of this Union, 48 in number, and he will draw out the tax resources from those 48 States, and then he will withhold from those 48 States their proportion of the funds we have appropriated if they insist upon exercising the right of a State. It is a new kind of a "Boston tea party" that has been decreed by the President of the United States, in which he says to Louisiana, "Yield in this instance to the corruption and the debauchery from which you have freed yourself." "Yield", says he, "to Sanderism." "Yield", says he, "to this squandering set that afflicted Louisiana with a curse worse than the yellow fever, worse than a flood." "Yield", says he, "to this rampant state of debauchery, to prostitution, to utter degradation." "Yield", says he; "surrender your sovereign right to supervise that for which you will be held a debtor, in order that our program may be carried on as a new kind of a 'Boston tea party.'" The State must not only be taxed without its consent, but the State must allow the money to be spent only by surrendering its sovereign right.

There may be a new kind of "Boston tea party" Mr. Roosevelt is creating, but that "Boston tea party" can work two ways. Do not forget that! This "Boston tea party" can work two ways. When you strip the States of this Union of their sovereignty to supervise what afterward they are to be held for, they can strip themselves of the sovereignty of becoming debtors for taxes. Strip them of the sovereignty in one way and they will strip themselves of the sovereignty in another way. You have to go into those States to collect your taxes just as you have to go there to spend them.

The PRESIDENT pro tempore. The time of the Senator from Louisiana on the bill and on the amendment has expired.

THE TWO FORCES EVER CONTENDING FOR SUPREMACY

Mr. SCHALL. Mr. President, since that lawless day—June 16, 1933—when Congress forgot the Constitution which the Members had sworn to uphold and when a rubber-stamp majority surrendered its legislative power to the White House and passed the act to legalize monopoly and crush independent industry, this country has been visited by the greatest flood of economic disasters in its history.

Since July 1933, when the first N. R. A. codes were proclaimed, the industrial production of the United States—which is the chief source of employment and likewise the main source of taxation to support all government—has been reduced in most industries by 25 percent.

Since that July 1933 the army of unemployed has grown to upward of 11,000,000, or to one-half the total of the unemployed for all the industrial nations of the world.

Since that abhorrent day the number of persons carried on Federal relief rolls have swelled to 23,000,000, one-fifth of our population and the greatest public-dole roster in world history.

Since that July 1933 the accumulated deficits of the Treasury, which is the scoreboard of the country's financial failure and shame, have piled the public debt by billions above the World War peak, until the interest burden thereon exceeds our Federal revenues from income taxes.

The homes of the country have been robbed by the extortionate trust prices of legalized monopoly.

The workers have been robbed by trust prices on the cost of living. Thus their real wages have been reduced by code price fixing, while their jobs have been reduced in two ways: First, by wiping out the small industries, and, second, by reducing production and employment to boost the price.

The farms of the United States have been doubly afflicted by the codes of the N. R. A.: First, the forced reduction of industrial production has cut down the home-market demand for everything the farmer raised; second, the price has been increased for everything the farmer bought.

The revenue of the railway freight carriers have been reduced by the fallen tonnage of industrial production and the declining volume of interstate commerce, until scores of formerly prosperous railways are now reduced to the disastrous extremity of either Government ownership or bankruptcy.

The banks, which, because of depressed industrial production, have been compelled to reduce their industrial loans by over $3,000,000,000 since 1932, are in the same slough of despond as are the industries and utilities, and are faced with Government ownership or bankruptcy. In face of this comes the President's "must" of title II of the pending banking bill. If this political centralization is passed the President becomes the financial dictator of the country and can make or break any banking institution at his own sweet will.

The volume of industrial, financial, railway, and utility shares of common stocks marketed in 1934—the second year of the new deal—fell to one-half the sales of 1933 and 100,000,000 shares less than in 1932.

The only glimmer of hope of relief from this 2-year orgy of disaster—the only bright ray of national industrial recovery—is the knowledge that the N. R. A., by the terms of the act itself, expires on June 16, 1935.

There is only one possible disaster that can stay that glad omen of general public relief, and that is the failure of the Members of the Senate to support their oaths to uphold the Constitution.

Why should any Member of the Senate desire to arrest the due processes of Nature, defy public opinion, and disappoint his constituents, fly in the face of the Constitution, indeed, ignore even the terms of the N. R. A. Act? Why not give the people of the United States another breath of hope, as when the Senate voted down the President's ambition for our adherence to the League of Nations by way of the World Court?

If we are here to represent the will and desires of our constituents—the home owners and the workmen who have been harassed by this squawking and felonious foreign-bred "Blue Eagle", the farmers who have lost sales by reduced industrial production and have paid monopoly prices, the shops and mills which have been strangled in a supposed free country—we shall not be particeps criminis to the extension of the life of this ill-omened bird of prey.

The Senator from Maryland [Mr. TYDINGS], one of the ablest spokesmen on the majority side of the Senate aisle, told the Senate on April 2:

> The N. R. A. is the greatest prop ever put under the trusts of America. Every Senator in this Chamber knows that to be so.

And no Senator has denied that statement. Are we here to prop the trusts? Is that the purpose for which we were elected?

The Democratic national platform carried this pledge:

> Strict and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices.

What will be Senators' answer to the folks at home on that pledge? Will the answer be:

I forgot you and the Democratic platform, but I will never do it again. I did all I could to suspend the antitrust laws and extend that suspension and legalize monopoly and unfair trade practices because the President told me to.

The Senator from Maryland [Mr. TYDINGS] further declared:

Every policy of the N. R. A. is a policy to increase the cost of manufactured commodities.

There are 125,000,000 consumers of manufactured goods in the United States, or an average of over a million consumers to each Senator. Will any Senator tell those million constituents of his, who voted for him on the pledge to enforce the antitrust laws against monopoly, that his vote was cast to destroy the antitrust laws and prolong the life of the N. R. A., whose every policy is to increase the cost of manufactured goods consumed by them?

The eloquent Senator from Maryland [Mr. TYDINGS] further remarked, in his exposure of the N. R. A., that by extending this act—

We not only make recovery of the country impossible, but in the succeeding election we will make the recovery of the Democratic Party absolutely null and void.

For over a generation the national platforms of all the political parties have pledged the people for the enactment and enforcement of antitrust laws against monopoly. Few Members have been elected to this Chamber in the past 40 years who have not pledged their constituents to legislate against monopoly and in favor of strict enforcement of antitrust laws to prevent monopoly.

What are pledges worth? What are speeches worth? What are the platforms worth on which we swear to stand? What are the public records of the United States Senate worth if we turn traitor to the pledges of 40 years and admit that we have been elected year after year by false pretenses?

Are we to admit and confess by our votes for the N. R. A. that our particular business is to secure public office by false pretense? Are we here not as representatives of our people, but as obedient props of the international trusts which exploit our people?

Are we here not as independent and responsible delegates of sovereign States, but as dependent and irresponsible mercenaries of federalized monopoly?

To obtain our senatorial seats we have sworn to uphold the Constitution, which in article IV guarantees to every State a republican form of government. Are we now to abdicate from our sworn allegiance to our respective States, shift our allegiance, and vote for an N. R. A. which guarantees to every trust an autocratic form of government? Shall we substitute the united trusts for the United States?

The crimes and misdemeanors of the N. R. A. and the 731 codes of unfair monopoly, the rules and regulations, under the authority given the President, which are as binding as if they were law, run into 75 bound volumes. In addition there are 5,000 more such rules which were meant to be as binding as laws passed by Congress. In this new-deal library its Blackstone would be that now commentary by Gen. Hugh S. Johnson bearing the illuminating title, "The Blue Eagle from Egg to Earth."

All the ideas of all the petty bureaucrats have been incorporated into such laws and from one end of the country to the other have sent free American citizens to jail under some hasty, ill-considered rule, the guilding object of which is to demoralize, intimidate, and punish any who dares to operate his business as it has been operated for a century and a half without the consent of some petty minion of the great smiling tyrant. And yet the Constitution guarantees that our Government is a Government of law, not of petty men.

During the entire years of this administration the people have been hounded, broken in business, sent to jail by whims and fancies of thousands of fascistic- or communistic-minded tyrants who scheme the destruction of the Republic, not its recovery. Washington and the country today swarm with secret spies, out-Russianing Russia, who report anyone and everyone who dares to breathe a thought against this administration and find in its star chambers ways and means to quiet anyone who dares speak out for the preservation of his country.

The criminal career of the N. R. A. began in its conception. The United States Supreme Court, in its recent decision in the petroleum code case, has shown that the codes were conceived by an unconstitutional delegation of the legislative powers of Congress to the Executive. Thus the Blue Eagle was born in unlawful wedlock. It was conceived by violation of the fundamental law of the land.

Moreover, it was born for a criminal purpose. Its fundamental aim was not only to suspend the antitrust laws but to break down the common law of the courts of the English-speaking race—the common law against monopoly—the common law which Washington and Jefferson, which John Marshall and the Supreme Court had recognized from the birth of this Republic down through a thousand decisions of American courts.

That the practices of the N. R. A. are criminal, are tacitly admitted even by the Department of Justice, when it refuses to test these illegal practices by appeal to the Supreme Court after the lower court has denounced their validity.

That these criminal practices cannot be administered under the law of the land is admitted by the administrators thereof—as shown by the resignations of Administrators Johnson and Williams, as further shown by wholesale resignations of bureau chief and board members, and even now is tacitly admitted by Richberg, the last administration experiment.

Richberg came before the Senate Finance Committee, on the first day, with an admission that about 18 codes were rotten. And on the second day, he admitted that of the total 731 only 171 should be retained, thereby admitting that 560, or nearly 80 percent of the whole number, were indefensible, and therefore null and void in principle and practice.

In other words, the N. R. A. administrator finds that 171 trusts still find the codes and their monopoly heads useful in exploiting the American people in violation both of the antitrust laws and the common law against monopoly.

Meantime, General Johnson's textbook of the N. R. A.—"The Blue Eagle from Egg to Earth"—finds that the whole N. R. A. system is "dead as a dodo", and that the third administrator, Richberg, has "ants in his pants."

Are Members of the Senate so anxious to be classed by history with Richberg and the trusts, so eager to be bitten by the ants of the N. R. A., that they propose to enroll themselves as nursemaids and internes in the attempted rebirth of the N. R. A.?

Do they wish to be listed as midwives and quack doctors for an attempted Caesarian operation upon the Constitution in order to bring forth a second puny brood of unlawful codes of N. I. R. A.?

That is what we are asked to do. It is an insult to our intelligence, but we cannot escape the responsibility for our action. We have the privilege of sitting down with Richberg, who admitted, when cornered, that the actions of the N. R. A. were unlawful, but who insists on retaining his regal power through the extension of N. R. A., despite his own admission. What respect will he have for our integrity if we, through our votes, perpetuate this unlawful monster?

The crimes and misdemeanors of the N. R. A. begin with the violation of articles I, IV, and VI of the Constitution. They continue by violation of the constitutions of the 48 States, and by violation of the common law against monopoly. Their final career is the violation of the N. R. A. Act itself—which restricts the administration to interstate and foreign commerce only, and prohibits the use of the codes for the ends of monopoly—which is the prime and chief use of the 731 unlawful codes.

Every one of these codes is based upon an unconstitutional delegation of legislative power to the Executive. When Chief Justice Hughes read the indictment of the petroleum code he pronounced the death-knell of the 731 codes—

all resting upon unconstitutional delegation of legislative power.

These codes not only assume unlawful legislative power, but they are unlawful assumptions of judicial powers. They assume that the N. R. A. administration is both the legislative body, the judge, and the jury. They assume to overthrow the entire American system of government by the people.

The climax of this licentious assumption of autocratic power is reached when members of the Cabinet and bureau chiefs seek to give the N. R. A. the powers of a corporation having " perpetual existence " by organizing six Federal corporations in Delaware—all proposing to take over the powers of the N. R. A. and expand those powers to a system of Government ownership and operation of industrial and utility plants, with all the powers of the Soviet general council in Moscow.

The first of these Delaware holding companies, of which Secretaries Wallace and Morgenthau are controlling board members, incorporated October 16, 1933, is based upon—

2. The National Industrial Recovery Act, approved June 16, 1933.

This Delaware corporation then proceeds to expand the powers of the N. R. A. to include the following:

(d) To engage in any activity in connection with or involving the production, carrying, shipping, storing, exporting, warehousing, handling, preparing, manufacturing, processing, and marketing of agricultural and/or other commodities and/or products thereof.

There is only one way to put an end to this Soviet plan incorporated in Delaware, and that is to bury every vestige of the N. R. A., the basic foundation of this corporation, on June 16, 1935, as provided by the act itself. Otherwise, if we permit Richberg and the President to have their way and extend the act, there is nothing to prevent the financing of this Delaware project from the four billion allocation.

Take, again, the Delaware corporation incorporated by Ickes and Kohn October 27, 1933, which likewise creates a corporation having " perpetual existence " by expanding the powers of the " National Industrial Recovery Act (Public Act No. 67 of the 73d Cong.)", as provided in article (1) thereof, until the powers of the N. R. A. include:

(4) To manufacture, buy, sell, and in any other manner to acquire or dispose of, and generally deal in, building materials and other products of every kind, nature, or description, including without limitation iron, steel, granite, stone, brick, cement, wood, paper, and plaster.

These Delaware articles of incorporation bear the notation, " Do not publish." The undoubted design is concealment of the premeditated crime and purpose. What use is to be made of the $5,000,000,000 appropriated in one sum " subject to the allocation of the Executive "? Does anybody know? Does not the use of this unprecedented fund—two billion greater than the total annual revenues of the Government—come under the same blanket of concealment?

There is just one sure way of blocking the use of this $5,000,000,000 appropriation for carrying out the incorporated ends of these Delaware corporations incorporated by Cabinet and bureau chiefs, and that is to bury N. I. R. A., the basic act on which these Delaware corporations rest.

He who seeks to prolong the life of N. I. R. A. becomes particeps criminis to the attempt by these Delaware charters to convert the United States of America into another Union of Soviet Socialist Republics, such as Russia has in Moscow.

Shall we substitute the N. R. A. of the new deal for the Constitution and Bill of Rights? Shall we give the service of our votes to tear down the America of Washington and Jefferson, and plant on the ruins the Union of Soviet Socialist Republics of Stalin and communism?

Will the United States attempt to perpetuate the unfair codes of monopoly by extending the life of the codes under Delaware charters of " perpetual existence " and the thinly veiled hypocrisy of " codes of fair competition ", which all men know to have been drafted in behalf of the trusts, by the trusts, for the trusts, under suspension of the antitrust laws?

If that is the program of the majority, then let it beware the fate declared by the distinguished Senator from Maryland [Mr. TYDINGS], who warns his party that—

In the succeeding election we will make the recovery of the Democratic Party absolutely null and void.

The Senator from Maryland is not a lone voice from the Democratic side, because when this unlawful act was passed there were 13 other Democrats who cast their votes against with his, and no doubt the practical demonstration of the muss the N. R. A. has gotten the Democratic Party into will produce other wise Senators who sometimes change their minds and will have the courage to stand by that change despite the coercion of our smiling President.

Why did a sound Democrat like the former Senator, Jim Reed, and the former Secretary of State, Bainbridge Colby, and the former Democratic candidate for the Presidency, John W. Davis, inveigh against this outrageous crime upon our Republic? Every patriotic, sound Democrat throughout the country has thumbs down upon extending the life of this tyrannical monster. Backing that decision, regardless of party, are 90 out of every 100 voters, whether farmers or wage earners, producers or consumers, business men or housewives in the United States, and if the people were still the sovereign power of this country the N. R. A. never would have been and surely would be destined to die its natural death. It never could have passed this Senate in the first place had not its period of duration been stated. Are we for the perpetuity of America and American freedom, or for the Tammany Hall and Wall Street regime of subsidized monopoly—the underworld racket of the N. R. A.?

Has the Senate majority reached that stage of its existence when, despite its pledges of 40 years and all its platforms, it will follow the Blue Eagle from egg to earth? It is a choice between the funeral of the Blue Eagle on June 16, 1935, pursuant to law, or the funeral of the Republic through violation of the law.

Will they follow the commands of the code profiteers to give charters of " perpetual existence " to the 171 king trusts, or heed the prayers of the 125,000,000 who cry, " From the crimes of the N. R. A., good Lord, deliver us "?

The only reason the President wants to extend the N. R. A. is to hold the power it gives him, the political machinery it has built up, the employees it has furnished jobs. There is no thought of the people; the only thought is, Can the administration win in 1936 with the $5,000,000,000 campaign fund, the most staggering in history?

If the President gets his section 2 of the banking bill, if he gets the N. R. A. extended, and with the $5,000,000,000 campaign fund he wins the election of 1936, then the velvet glove will be pulled off and we shall see the steel hand of the tyrant without more camouflage. The voice of Jacob will have served its purpose of deception and the hairy hand of Esau will have been permanently declared the heir and head, and in that hand of stealth, secrecy, deceit, fraud, hypocrisy, duplicity will be placed the fate of our once glorious but now crumbled Republic, upon whose ruins another Caesar, another Napoleon will have built his throne. The international Fabian organization will have all but succeeded in its plot to destroy our Republic and substitute in its stead a communistic or fascistic form of government. The bayonet, secret service, and star chamber will do the rest.

It is with a sense of doom and foreboding that I speak. Planned crisis after crisis has been forced upon us, and they have been met with the subservience of dumb-driven cattle. Right after right this Congress has meekly given away. Today we stand at almost the last barrier. Shall we again barter our birthright for a mess of pottage? It is hard to conceive that free Americans have allowed themselves to be mesmerized into a condition of unthinking passivity.

You Democrats, I challenge you; stand by the principles of Jefferson, your founder, and defeat this insidious foreign-planned attack on our liberties. Do not wait until you have revived the terrible thing, without a dotted " i " or a crossed " t " to protest. You see what it is contemplated to do with

your generous gift of $5,000,000,000. Already, in secret, it has been decided not to pretend to begin public building construction until November; by November, Senators, it will soon be so cold that the work will have to be continued over to the spring, and when the spring comes another excuse can be found that the work may not be started until, shall we say September, that the full flood and force of this $5,000,000,000 campaign fund may be poured into the country just previous to the November election in 1936. The last election only cost the taxpayers $200 for every new-deal vote, but with this $5,000,000,000 and other billions left over from other appropriation gifts to the President, one can see that the $200 per vote can be multiplied by three or four; and who cannot say that the next Congress will be coerced into making another $5,000,000,000 allocation to the President? A leading Democrat, the Senator from Kentucky [Mr. LOGAN], said here upon the floor that he should not be surprised if we were called on to appropriate another $5,000,000,000 at the next Congress.

Already your masters, swollen with powers, are beginning tyrannically and shamelessly to put into effect their full punishing power. A child could have foreseen this, but docile, obedient, always hopeful, though so many times deceived, you passed the bill, though no one in this broad land could get a word of information as to who shall administer this stupendous sum or how or where or when. We had the opportunity to safeguard the interests of the people, but we did not do it. Are we going to avoid our duty once again? Surely there are men here who cannot by this time but see what the plot is. If you supinely pass the N. R. A. extension and the administration's banking bill, you might just as well go home and stay there; and I am sure that the President will so instruct you just as soon as he acquires these two little things so necessary to his great ambitions. It will then be "all up" with the country, and we can only look forward to the inauguration of sovietism. For your country's sake, for your children's sake, I beg of you stop, think, act before it is too late; do not go like "dumb, driven cattle" to the slaughter. In a few more weeks, days, it will be too late. Now is the time to be men and assert yourselves.

Look around. See the havoc that has been wrought. Hear the cries of distress. See the arrogance of our masters. This proud Capital city has degenerated into a crossroads village. Dignity has departed, and the press reports of national doings resembles the doings of Podunk, billingsgate, personalities, and small times squabbles taking front-page space.

Where are our principles? Where is there hope in this headlong rush to sovietism? Where a sane, calm leader, whose concern is the good of our own people? Look over the list of key men now in control of our beloved America, once so sane, dependable, a haven of security and certainty, and you will find hundreds of internationalists, Communistic, and Fascistic advocates surrounding in a complete "red" circle our smiling President.

Regardless of platform pledges, the new deal has well established these poor suffering old United States in socialism. The history of long years of a civilization of individualism and representative government was thrown by the board and crack-brained experiment substituted. A civilization which guaranteed to its individuals freedom, luxury, and incentive, and was the envy of all nations, was junked overnight, and in the frenzy of our despair there was forged on us the chains similar to those under which Russia is starving to death.

They never intended anything else. All this talk of recovery has been but "springes to catch woodcocks." "Oh, judgment, thou hast fled to brutish beasts and men have lost their reason!" The whole plot has been to make capital of our misery, and, in the hopelessness of our distress, to catch and bind and deliver us to the Soviet system.

You know what is the condition of Italy, where fascism has destroyed all freedom, and no more is there any independent industry or prosperity. Do you want to gratify one man's imperial ambition? Do you want to establish here another Germany, and a return to the Dark Ages, with wholesale assassination, and the end of freedom of thought and expression? Do you look to Russia as an ideal, where poverty and misery and starvation are rife? Do you want to put our farmers in the state of the Soviet farmers—rob them of their grain, starve them to death, subject them to the tortures of cold and starvation—our free farmers, who have written the history of this beloved country from Lexington to this present day?

This punishing Government has not yet begun to exercise the tyranny which Senators have put trustingly into its hands to employ. When all the rights and liberties of our people have been supplanted by bloody, calculated cruelty, when the conflict arises, and class meets class in violence, what shall you answer to your conscience? Think! Act! Do not let yourselves be drugged into blind submission; do not betray the wholesome, upstanding American people.

When has it ever been that our Government has seen its men in control stoop so low and behave so meanly as to punish whole sovereign States in order to "get even" with their Democratic Governors who still think and act in accord with the Constitution, despite the kindly advice and later coercion of our like-to-be-God President? When has human misery so openly been made the pawn of politics? We have fallen upon an evil state when no longer can we have faith and confidence in the spoken word of our Executive, when his trusted officials tell us one thing and, under cover, do the opposite. It has been the custom in this country to let the people know. Now, no one, except the inner circle, is allowed to question or find out the plan of the dictator.

When the Kaiser became drunk with power, he spoke of "Me und Gott." Our imperial court, with an airy gesture, has even dismissed God.

A young man, Henry J. Burrow, Jr., from St. Paul, a Bible student, studying for the ministry, the other day visited our smiling President to urge him to set aside 5 minutes on some certain day for prayer for the Nation's troubles and against the impending drought. The guardians at the portals of his august majesty informed this young religious zealot that the President could take care of the situation; that he wanted no help from God. In short, if his ambitions are fulfilled—and they seem upon the verge of being fulfilled—he will become God as Lenin has been substituted in the Union of Soviet Socialist Republics for the Divinity. Christ, upon whose teachings this Republic was founded, will no longer need acknowledgment. Home and family ties, the right to worship God as we choose, liberty of speech and press and person, religion, may be things of the past, as in Russia, where the late Commissar of Education Lunacharsky said:

> All religions are poison. They put the mind to sleep and destroy it; they kill both will power and conscience. War to the knife must be declared against all religions. Our task is the destruction of all religion and all morality.

The PRESIDING OFFICER (Mr. HATCH in the chair). The time of the Senator from Minnesota has expired.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico [Mr. HATCH].

Mr. BAILEY. Mr. President, I inquire what is the question?

The PRESIDING OFFICER. The clerk will state the pending amendment.

The CHIEF CLERK. On page 11, line 5, after the word "lease" and the comma, it is proposed to insert the word "mortgage", and to insert the same word at the end of line 8.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. This is the same amendment on which the Senator from Louisiana previously spoke.

Mr. LONG. Very well.

Mr. BAILEY. Mr. President, I should like to have the effect of the amendment explained by its author.

The PRESIDING OFFICER (Mr. MURPHY in the chair). The Senator from New Mexico [Mr. HATCH] is the author of the amendment.

Mr. HATCH. Mr. President, I will explain the amendment to the Senator from North Carolina. He will observe that in section 5 of the bill it is provided that voluntary liens created by a purchaser from the Corporation shall be cause for declaring all the payments due. In section 6 of the bill it is provided that no purchaser of property from the Corporation shall, "without the written consent of the Corporation, sell, lease, transfer, assign, or convey any such property." The amendment proposes to insert with those words, after the word "lease", the word "mortgage", in order to show the policy on the part of the Government that no voluntary lien shall be created on any property purchased during the time any remaining payments shall be unpaid.

Mr. BAILEY. It means that the purchasers may not create a second mortgage so long as the money is unpaid to the Government.

Mr. HATCH. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The CHIEF CLERK. On page 3, line 16, after the word "rehabilitation", it is proposed to insert the words "or under any power given him by said act", so as to read:

(c) The Corporation shall have capital stock in the amount of $50,000,000, and the board is authorized to increase such capital stock from time to time in such amounts as may be necessary to carry out the functions of the Corporation. Such original capital stock may be subscribed for by the President on behalf of the United States, and payments for such subscriptions may be made from any sums appropriated by the Emergency Relief Act of 1935 which may be allocated by the President or otherwise made available for rural rehabilitation or under any power given him by said act.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. LONG. Mr. President, in the State of Tennessee there was a man handling Federal relief under another man. Mr. Menzler was the head of the relief down there, but he had a man under him by the name of Duncan. They sent a man down there by the name, I believe, of Watson, regional field examiner of the Federal Emergency Relief in Washington, and he wrote this in his report:

Mr. W. M. Duncan was appointed auditor of the Tennessee C. W. A. in December 1933. He was a certified public accountant and apparently had excellent references and agreed to carry out the policies of the C. W. A.

By the 1st of February in 1934 it was apparent that Mr. Duncan was not qualified for the position.

I want that to be noted by the Senate. I am reading from the report of an officer of the Government itself referring to Mr. Duncan.

By the 1st of February 1934 it was apparent that Mr. Duncan was not qualified for the position. It was also ascertained that he was being controlled by the same political ring that controlled Mr. Menzler. So it was felt advisable to make a change in the accounting division as well as the administrator—

On the ground that they were controlled by a low-down political ring, I suppose. I do not know whether that is so or not. The ring might have been all right, so far as I know.

Mr. Johnstone and I were both in Nashville for a week during the process of the change. Colonel Simpson, who replaced Mr. Menzler, asked Mr. Johnstone to make and approve recommendations for the staff. I agreed to make an investigation as to available accountants. Because the situation had to be handled quickly, and knowing Mr. Duncan was vice president of the Tennessee Certified Public Accountants' Association, I asked for his recommendation as to his successor, and his recommendation included that of Mr. C. P. Harris, along with others. It was soon ascertained that Mr. Harris was the outstanding candidate of the group, and within 24 hours he was appointed and installed.

He was removed for some cause. There was appointed down there, as the record shows, a man named Simpson. Simpson was highly recommended by the newspapers, which, of course, is not to his credit in some places. I am informed that Simpson has been removed and they have reinstated Mr. Duncan, concerning whom the United States report said that—

It was apparent that he was not qualified and was being controlled by a political ring.

I do not know how true that is, but I merely show these reports which the Government renders on its own men from time to time ought to be fumigated. [Laughter.]

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield.

Mr. McKELLAR. If the Senator is referring to one Walter L. Simpson, who was removed for dishonesty and corruption, I will say that in what he says there is not a word of truth; not a word.

Mr. LONG. I do not know about Mr. Simpson.

Mr. McKELLAR. The Senator is again taking Tennessee as an example. I say to him that I know something about Mr. Simpson. I was almost if not entirely responsible for his removal for dishonesty. If the Senator is defending a man like Simpson he does himself a great injustice. He ought not to stand here and defend such a man.

Mr. LONG. Mr. President, I do not know Mr. Simpson.

Mr. McKELLAR. If the Senator knew him he probably would not be talking about him.

Mr. LONG. I have not said a word to his credit or discredit. I was reading about a man named Duncan who the Government said, was not qualified and was being controlled by a political ring.

Mr. McKELLAR. Duncan from where?

Mr. LONG. From Tennessee.

Mr. McKELLAR. I never heard about him. The Senator is again mistaken in his facts.

Mr. LONG. Then, the Government is mistaken about it. I would not doubt that they are, because most of the things we get out of them are fairy tales. [Laughter in the galleries.]

Mr. McKELLAR. I would not doubt the Senator is mistaken about it. Remembering how greatly mistaken the Senator was in statements he made some time ago, which were wholly without foundation in fact, I have no doubt the Senator is mistaken again just as he then was.

Mr. LONG. Does the Senator refer to the charges on which he would not allow testimony to be adduced under oath? The Senator says they are untrue because he would not let witnesses swear to their truthfulness.

Mr. McKELLAR. We had the facts before us and passed on them, and because they did not tally with what the Senator thought were the facts, he rises here and talks about things about which he does not know anything in the world, and about a man concerning whom he does not know anything except such information as he obtained from a couple of crooks down in Tennessee, for whom he sent, according to his own statement, and had come here and advise him about what honest men should do.

Mr. LONG. Mr. President, I am using now only such information on this last matter as appears over the signature of Robert B. Watson, regional field examiner of the Federal Emergency Relief Administrator, and they may be crooks as the Senator from Tennessee says. I do not know. I rather think they are from what I know about them. However, I do not want to get into any argument with the Senator from Tennessee. [Manifestations of laughter in the galleries.]

Mr. LEWIS. Mr. President, I rise to a point of order. I ask the present occupant of the chair to explain to the occupants of the galleries that Senators who are addressing the Senate have a right to have silence in the galleries. I ask that the Chair admonish the occupants of the galleries to maintain silence. The practice does not prevail in this body as in the House of having expressions of approval or disapproval in the galleries. I hope the Chair will admonish

the occupants of the galleries in such manner that they shall understand it.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The point of order is well taken. The Chair will explain to the occupants of the galleries that they are here as guests of the Senate. In order to carry on the business of the Senate it is necessary that order shall be maintained. It is particularly necessary, when there are so many visitors in the galleries as there are today, that they should observe the rule of the Senate and maintain quiet in order that the business of the Senate may not be interfered with.

Mr. LONG. Mr. President, I do not object to the interruptions of my friend from Tennessee. I am sorry he takes to himself, personally, offense when I read Government reports reflecting on somebody from Tennessee. I hope the Senator will not quarrel with me. I want to be nice to the Senator. I do not want any argument with the Senator.

Mr. McKELLAR. Mr. President, when the Senator admits on the floor of the Senate, as he did sometime ago, that he sent for two dishonest and corrupt men and brought them here to advise him about matters in Tennessee, I am frank to say I do not understand what the Senator is endeavoring to accomplish. When he charges the administration with the wrong of having dismissed a man by the name of Walter F. Simpson, let me state to him that I urged that man dismissed. It was because of facts given by me that he was dismissed. He was dismissed because he was dishonest. I knew he was dishonest, and I urged that he be dismissed. It was not done at the instance of the administration. The administration dismissed him because of the facts which I adduced and upon which I demanded it, and I demanded it because he was dishonest, inefficient, incompetent, and I believe, corrupt; and the Senator from Louisiana, as I understood, was defending him.

Mr. LONG. No; I have not defended him. I do not know the man. I was reading from a Government report in which it was stated that a man named Duncan, who I was informed in Washington had been reinstated in his old job, was reported as being dishonest and corrupt, and in the hands of bad organizations and under political influence. I said, and I was careful to say, that this report might be in error; that I doubted this organization was as corrupt as it was said to be; that I did not believe it.

Mr. McKELLAR. In all kindness to the Senator, if he does not know anything about the facts and is simply reading a report which he thinks might be in error, which he does not know to be correct, but might be erroneous, why in the name of heaven is the Senator willing to rise in this body and read such a report? He does himself the greatest injustice when he undertakes to read reports which reflect on men who ought not to be reflected upon and stands by men that no honest man ought to stand by.

Mr. LONG. I am against all of them.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. Mr. President, could not I use some of the time of the Senator from Tennessee?

The PRESIDING OFFICER. No. The time of the Senator from Louisiana has expired. The question is on the amendment reported by the committee on page 3, line 16.

Mr. COPELAND. Mr. President, I take this occasion to ask that there be inserted in the RECORD a telegram from a prominent citizen of my State, who feels that the pending Bankhead bill should be passed.

There being no objection, the telegram was ordered to be inserted in the RECORD, as follows:

WARM SPRINGS, GA., *April 12, 1935.*

HON. R. S. COPELAND,
The Shoreham, Washington, D. C.:

I rejoice to learn vote will be taken Monday on Senator BANKHEAD'S bill for farm tenant homes corporation. I consider this one of the most constructive and important measures yet proposed. I know conditions fairly well, and am persuaded prompt enactment of the bill will mean greater stability throughout the country. I trust that it may accord with your judgment to use your great influence favorably now.

GEORGE FOSTER PEABODY.

Mr. McNARY. Mr. President, I ask that the pending amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 16, after the word "rehabilitation", it is proposed to insert "or under any power given him by said act."

Mr. KING. Mr. President, may I inquire the purpose of this amendment? Is the amendment tendered by the committee?

Mr. BANKHEAD. Mr. President, I will say to the Senator from Utah that there is an express provision in the work-relief joint resolution authorizing the President to make transfers for the purposes set forth in this bill; and we were afraid the language of the original section of the work-relief joint resolution might not be sufficient. In other words, this amendment simply includes the specific powers given in that joint resolution to transfer funds for this purpose. It conforms to previous legislation on the subject.

Mr. KING. Then, may I inquire of the Senator if it is his understanding that in addition to the funds derived from the sale of bonds, if those funds should be inadequate, the President may take from the $4,880,000,000 any sum that he pleases and devote it to the execution of the purposes of the pending bill?

Mr. BANKHEAD. Yes; the Senator will find that the original working capital of $50,000,000 is authorized to be transferred under the provision which we now have under consideration.

Mr. KING. I am familiar with that.

Mr. BAILEY. Mr. President, with the permission of the Senator from Utah, I wish to ask a question of the Senator from Alabama.

Mr. KING. I yield the floor.

Mr. BAILEY. I understand that the Senator's amendment tends to enlarge the powers to transfer money from what we call the $4,880,000,000 joint resolution.

Mr. BANKHEAD. I do not so regard it, because the work-relief joint resolution authorizes the allocation of money for this specific purpose. This bill really is not properly phrased in that respect.

Mr. BAILEY. That is just the point. The work-relief joint resolution, carrying the appropriation of $4,880,000,000, provides for precisely the same character of activities as are contemplated by the pending Bankhead bill.

Mr. BANKHEAD. Yes.

Mr. BAILEY. I wish to ask the Senator how much, under the work-relief measure, is available for these purposes?

Mr. BANKHEAD. The Senator is familiar with that matter. There is no specific allocation for farm purposes. There is an allocation in the joint resolution, subject to the other provisions of the joint resolution, as I recall, of $500,000,000 for rural rehabilitation.

Mr. BAILEY. So we may assume, Mr. President, that already $500,000,000 are available for precisely the same purposes which are contemplated by the pending legislation. I wish to have this matter placed clearly before the Senate. We are, therefore, in this bill adding a billion dollars to $500,000,000 heretofore provided. I think that is a fact which all of us ought to consider, and it ought to be clearly established.

Mr. BANKHEAD. Mr. President, it is perfectly clear that with this authority permissive only in the President, the original working capital will come out of the $500,000,000 allocated for rural rehabilitation. I wanted to clarify this provision simply for the benefit of the Comptroller General's ruling on the subject; that is all. There is a capital of only $50,000,000 provided to come out of that fund, and, as we know, that is permissive with the President, not directory. There is no enlargement of authority; nothing but language to make it certain and clear that the money may be allocated for this specific purpose.

Mr. BAILEY. Mr. President, I am unwilling to have the pending bill defended on the ground that it is permissive. I

will agree that it is permissive so far as the Senate is concerned, but it is an authorization, and we are responsible for the consequences. I do not think the fact that it is permissive affects its merits at all. We ought to assume that when we authorize the expenditure of a billion dollars it will be expended.

I desire to call the attention of the Senate to the fact that we are not now proposing merely the establishment of a new billion-dollar bank with authority to buy and sell land and stock and chattels and build houses, but we are adding a billion dollars to $500,000,000 already provided for those purposes. I think that states the fact which stands before us in this proposed legislation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. VANDENBERG. In addition to the $500,000,000 which is earmarked in the relief joint resolution, I remind the Senator that there is also a basket clause in that measure which would permit that $500,000,000 to be extended well beyond a billion dollars if the necessity should so require.

Mr. BAILEY. I understand that to be true. I was considering the $500,000,000; but in the possibilities of the 20-percent exchange within the $4,880,000,000 relief act, that sum may be expanded in excess of a billion dollars for precisely the purposes contemplated by the pending bill. In that view, the proposition before us is to add a billion dollars to a billion dollars heretofore authorized, and certain to be expended to a very great extent; I should say to such an extent as may be considered necessary in the premises.

The PRESIDING OFFICER. The question is on the amendment of the committee. [Putting the question.] By the sound the noes appear to have it.

Mr. BANKHEAD. I call for a division.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	La Follette	Robinson
Bachman	Couzens	Lewis	Russell
Bailey	Cutting	Logan	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahey	McGill	Shipstead
Bilbo	Duffy	McKellar	Smith
Black	Fletcher	McNary	Steiwer
Bone	Gerry	Metcalf	Thomas, Okla.
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Caraway	Hatch	Overton	Walsh
Carey	Hayden	Pittman	Wheeler
Clark	Johnson	Pope	White
Connally			

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present. The question is on the amendment of the committee.

Mr. BANKHEAD. Mr. President, we have spent a long time on this amendment. I desire to point out that the amendment does not seek in any way to enlarge the appropriation. I may say to Senators who were not here before that there is an express provision in the work-relief joint resolution authorizing the President to make transfers and assignments for the purpose of aiding tenant farmers and share-croppers in acquiring homes, under regulations to be prescribed by the President.

The bill, before this amendment was offered, authorized the amount necessary to provide the original capital stock to be transferred from the allocation from rural rehabilitation. Doubtless it may be transferred from that fund; but there is a vast difference between what is now commonly known as rural rehabilitation and a new permanent homestead program.

So this amendment does not seek to do anything at all except to clarify the power of the President, and to make it clear, certainly, as to the Comptroller General, that allocations from that fund for this purpose are authorized and permitted. It is simply a clarifying amendment, as I see it, and nothing more.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 3, line 16. [Putting the question.] The noes seem to have it.

Mr. BANKHEAD. I ask for the yeas and nays. I am offering the amendment for the committee, and I wish to have it adopted.

The yeas and nays were not ordered.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed by the committee, on page 3, line 19, after the word "rehabilitation", to insert the words "or under any power given him by said act."

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. The amendment which has just been reported by the clerk is a complement to and a part of the amendment just rejected, is it not?

The PRESIDING OFFICER. The Chair has been advised that it is the same amendment.

Mr. KING. So I assume the same action will be taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BORAH. Mr. President, may not the amendment be again stated?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 3, line 19, after the word "rehabilitation", to insert the words "or under any power given him by said act", so as to read:

> And the President is further authorized to transfer to the corporation, from the sums so allocated or otherwise made available for rural rehabilitation or under any power given him by said act, such sums as he may from time to time deem desirable to carry out the purposes of this act.

Mr. BLACK. Mr. President, I should like to ask my colleague a question, in order that the Senate may understand the amendment. As I see it, the rejection of the amendment would cripple the bill. Of course, to carry out the desire of those who desire to defeat the bill, no more effective method could be taken. I may misunderstand the situation.

Mr. BANKHEAD. I think the amendment is very important to the bill.

Mr. BLACK. May I ask what is the object of the amendment?

Mr. BANKHEAD. The object is to make it clear that the President is authorized to make transfers from the work-relief fund for the original capital of this corporation.

Mr. BLACK. The corporation to be set up would be limited to lending money to tenants and share-croppers and farmers, and the bill provides for no lending of money to landlords?

Mr. BANKHEAD. That is correct.

Mr. BLACK. The object of the bill is to secure the lending of money to tenant farmers?

Mr. BANKHEAD. Yes.

Mr. KING. Mr. President, if the Senator contends that the rejection of this amendment would cripple the bill, I desire to submit just a few observations. If it would cripple the bill, it would cripple it only to the extent that if the words were eliminated the President might not for the purposes of the pending bill divert from the $4,880,000,000 fund, which has been authorized, any of the proceeds of that fund, from the objects for which we had in mind the fund was to be used.

When the pending bill was drafted it was not contemplated that there should be diverted any part of the $4,880,000,000 fund to supplement the grant of money herein provided. The bill stood on its own foundation, an authorization of a billion dollars, fifty million of which was to be immediately subscribed by the President as capital stock, and additional capital was to be provided until a billion dollars of bonds had been issued, and a billion dollars, presumably, secured.

The attempt now is made to incorporate into the pending bill, providing a billion dollars, such part of the $4,880,000,000 heretofore authorized to be appropriated as the President, under the authority given him to make allocations, may see fit.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BORAH. If the amendment should be adopted, would there be any limitation on the amount which the President could take from the $4,880,000,000?

Mr. KING. I see no limitation whatever.

Mr. BORAH. I do not suppose it is the intention of the author of the measure that there should be no limit as to the amount which could be taken.

Mr. BANKHEAD. I stated, probably before the Senator came into the Chamber——

Mr. BORAH. No; I was here while the Senator was speaking.

Mr. BANKHEAD. The only purpose of the amendment is to clarify; it is not to enlarge the original $50,000,000 capital.

Mr. KING. Mr. President, I have the floor; but I yield to the Senator from Alabama if he desires to reply to the Senator from Idaho.

Mr. BANKHEAD. The bill authorizes a $50,000,000 working capital, to be transferred from the rehabilitation allocation in the Work Relief Act. My attention was called to the fact that there was specific authority in the work-relief measure for the allocation by the President of money to aid farmers, tenants, and share-croppers to acquire homes, just as is provided in the pending bill. There is authorization in this bill to take the money from the rehabilitation fund; and if the President did not desire to take it from that fund but wanted to take it from some other fund, he might be prevented from doing so. It would not increase the authorization of the amount of money to be expended.

Mr. KING. Mr. President, as I stated a moment ago, when this bill was drafted, apparently there was no thought that resort would be had to the $4,880,000,000 fund, unless, perhaps, for the $50,000,000 for the capital stock which was authorized to be subscribed by the President.

The amendment, as I understand it, authorizes the President to take from that fund any amount which he may determine to be proper, so that as I read the bill, we have the authorization for a billion dollars, then there is authorization, if the amendment is adopted, for resort to the $4,880,000,000 fund for such further sum as the President may deem proper.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. STEIWER. My attention was directed to the language at the beginning of the section, where it is stated:

> The Corporation shall have capital stock in the amount of $50,000,000.

Then it proceeds to provide that the President may subscribe to the stock, and that he may make payments for the subscription from this fund. Am I not right in assuming, therefore, that wherever he obtains the money, the amount to be used in making the payments cannot exceed $50,000,000?

Mr. KING. I do not quite agree with the Senator.

Mr. ROBINSON. Mr. President, I think there is a further provision, which authorizes an additional amount of capital stock if conditions should require it.

Mr. KING. Up to a billion dollars. I think I am correct in that statement.

Mr. ADAMS. Mr. President, will the Senator from Utah yield to me?

Mr. KING. I yield.

Mr. ADAMS. I call the attention of the Senator from Utah to the fact that in lines 7, 8, and 9, on page 3, the Corporation is authorized to increase its capital without limitation. In other words, with the authority which this amendment would provide, the capital could be increased by all of the $4,880,000,000, should the President see fit to do so.

Mr. KING. I am not sure that he could exceed the billion dollars, but certainly what the Senator states now is true, namely, that the capital stock may be increased up to $1,000,000,000.

Mr. STEIWER. In line 11 we find this language: "Such original capital stock may be subscribed for by the President on behalf of the United States, and payments for such subscriptions may be made from any sums", such as those now under discussion.

Mr. KING. Yes. There may be some qualification by the words "or under any power given him by said act." At any rate, having introduced the bill upon the theory that the Corporation was to be organized with an original capital stock of $50,000,000, to be subscribed by the President, and with authority to issue capital stock up to a billion dollars, it would seem to me highly improper to resort to the fund of $4,880,000,000, unless perhaps for the $50,000,000 for the capital stock, although I disapprove of that. So the relief fund would be diminished, of course, to the extent of the sums which might be taken from it in order to carry out the purposes of the pending bill.

Mr. BORAH. Mr. President, if there is no limitation to the amount which may be drawn from the $4,880,000,000, I think it a very serious amendment, but the Senator from Alabama contends that it does not enlarge the appropriation at all.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. BYRD. Mr. President, I ask that the amendment be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, line 19, it is proposed after the word "rehabilitation" to insert the words "or under any power given him by said act."

Mr. BYRD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BYRD. The occupant of the chair previous to the present occupant of the chair declared a similar amendment defeated.

The VICE PRESIDENT. There was a similar amendment previously rejected. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. BAILEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 6, it is proposed to strike out the following:

> The Corporation is authorized to issue bonds in an aggregate amount not to exceed $1,000,000,000, which may be sold by the Corporation to obtain funds for carrying out the purposes of this act. Such bonds shall be in such forms and denominations, shall mature within such periods from the date of their issue, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds of the Corporation issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this subsection.

All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes), now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

Mr. BAILEY. Mr. President, I understand I have 10 minutes on the amendment. Is that the rule?

Mr. KING. Mr. President, the Senator has 30 minutes on the bill and 10 minutes on the amendment.

The VICE PRESIDENT. The Senator has 30 minutes on the bill and 10 minutes on the amendment.

Mr. BAILEY. I am speaking, Mr. President, on the amendment. My amendment proposes to strike out the authority now contained in the bill to issue bonds to the amount of a billion dollars. It leaves the mechanics of the bill just as they are. I wish to state to the Senate why I desire to strike out the authority to issue a billion dollars of public debt in addition to the billions we have heretofore authorized.

Mr. KING. Mr. President, I suggest that we should have better order. There is too much noise in the Chamber.

The VICE PRESIDENT. Let there be order. The Chair will once more call the attention of visitors in the galleries that even a slight amount of disorder or conversation in the galleries interferes with the business of the Senate. The occupants of the galleries will kindly refrain from audible conversation.

Mr. BAILEY. Mr. President, the very fact that it is necessary for a Senator to ask for a little order while the Senate considers the appropriation of a billion dollars of money from the exhausted Treasury of the United States is not without a very profound significance. I sometimes think we have reached the point where we will authorize the expenditure of a billion dollars as casually as a Senator would light a 10-cent cigar given him by a generous constituent.

The matter strikes me as of the very utmost importance. We are either going to take thought, Mr. President, of the consequences of our money expenditure, of the burden we place upon our country in the present moment, and the burden which we pass upon those who come after us, or we are going to cast loose from all our moorings and spend and spend and spend until the credit of the Government is questioned by investors everywhere.

There is no necessity for one dollar of the bonds provided in this bill. We already have $500,000,000 available, and $500,000,000, Mr. President, is abundantly sufficient for everything in contemplation by the bill or for the ultimate solution of the problem of agricultural tenants.

The solution of the problem is necessarily experimental. We have given the President almost a blank check with respect to this money. He can take such steps as he thinks proper, devise such plans as he conceives to be best, and he has $500,000,000 in his hands today, if the people of the country or the banks will respond by taking the Treasury bonds, for the purpose of undertaking to bring about a solution of the difficulty presented by this very bill.

It is inconceivable that that sum could be expended between now and next January—and we will be here next January. Why should we assume that this plan of public expenditure will be a success? Why should we not assume that the $500,000,000 now available is abundantly sufficient to try out every experiment which can be thought of by the President or suggested by the Members of the Senate?

Let us look at the bill and see what it contemplates. It contemplates not only a billion dollars, but a new billion-dollar bank—that is what it is—with land-buying power, land-selling power, and land-leasing power. The United States Government, under this bill, would be committed to add a billion dollars to the $500,000,000 already authorized, to the $500,000,000 more that may be available under the act we have heretofore passed, for the purpose of proceeding wholesale and unrestrained, with a scheme for buying, selling, and leasing land.

Senators may meditate upon that for a moment. At a time when we are struggling with the immediate difficulties and problems of a great depression, it is proposed to pile a billion upon a billion—and every billion we pile on is bound to be in the nature of a handicap upon commerce and recovery—for the purpose of buying land throughout the country, and of leasing land or selling land, and—now hear me, Mr. President—without one line of restraint. I say that the bill will authorize the board which is to be created by it to pay $100 an acre for the land and sell it for a dollar an acre. There are no restraints. The author of the bill did not even take the trouble to require that the land should be appraised when bought, or that when it should be sold that the selling price should correspond even with the purchase price.

Further than that, it is provided that upon a sale the purchaser may have 60 years in which to pay, and that is two generations of time.

But that is not all, Mr. President. This bill provides not only for buying land and selling land, but for house building and house selling.

Mr. GORE. And for furnishing; does it not?

Mr. BAILEY. And for house furnishing. There is no limitation in the bill. If the board desires to build a $5,000 house it builds it, and no man can call it to account. If it desires to build a $10,000 house it builds that house and no man can call it in question. And if it decides to spend every dollar of this money in three States, leaving all the others out, the board may do so and there will be no recourse.

That is not all, Mr. President. The bill authorizes also the buying of horses, mules, livestock, farming implements, buying them with the bonds which must be paid in interest and in principal by the sweat of the brow of the working millions of this land, and given out on a 60-year basis, and without any reference to what the property may cost. That is the bill. It is as wide open at both ends as a barrel with both heads knocked out.

More than that, the bill provides for no accounting whatever. We place a billion dollars in the hands of five men, and so far as the representatives of the people are concerned—and the Members of the Senate and of the House are their elected representatives—we kiss the whole proposition good-bye. The last thing we will ever have to do about it will be to confirm three nominations sent to the Senate and that will be the end of it, and they will be able to do what they please.

Mr. GORE. They will have to pay off the bonds later.

Mr. BAILEY. We will not pay them off. Senators will not pay them off; I wish they would have to pay them off. The Members of the House of Representatives will not bear this burden. The Government pays us $9,500 a year each, and beginning in July——

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. BAILEY. How much time have I occupied?

The PRESIDING OFFICER. The Senator has occupied 10 minutes on the amendment. If the Senator wishes to speak on the bill he may do so.

Mr. BAILEY. I will take my seat if the Presiding Officer will give me a minute on account of the time his predecessor in the chair took by way of informing the Senate on a certain matter.

The PRESIDING OFFICER. The Senator is entitled to take 30 minutes on the bill.

Mr. BAILEY. I wish to save that for other amendments. I will take my seat with just one remark, that if we are going to part with a billion dollars in this fashion we might as well make a clean sweep of it, send for Dr. Townsend, and let him run the Government.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Carolina [Mr. BAILEY].

Mr. BYRD. Mr. President, I move that the pending bill be committed or referred to the Committee on Banking and Currency.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia to refer the bill to the Committee on Banking and Currency.

Mr. BYRD. Mr. President, in the limited period I have served as a Member of the Senate I do not believe that there has been presented to this body any legislation of such importance so loosely and crudely drawn as is the pending measure. I say this with all respect to the Senator from Alabama [Mr. BANKHEAD], its author. The distinguished Senator from North Carolina [Mr. BAILEY] has demonstrated in language much better than is within my power some of the loose provisions; but not only has this bill been very crudely drawn but there is actual contradiction in one clause as compared to another.

If the United States Government is going to engage in the wholesale buying of land throughout the Nation, a very important question arises as to the taxation of real estate and personal property which is now paid to the localities and to the States, because, under the methods of taxation in use in practically every State in this Union, the localities, the counties, and the subdivisions of counties, collect their taxes mainly from real estate and tangible personal property. I call attention to the provision of the bill at the top of page 6, which reads:

> The corporation, including its franchise, its capital, reserves, and surplus, its loans and income, and its real and personal property, shall likewise be exempt from such taxation.

Then, Mr. President, to show the scant attention that was given to the preparation of this important bill, I call attention to clause (b), at the top of page 12, which provides:

> (b) Nothing in this act shall be construed to exempt any real property acquired and held by the corporation, or held by any purchasers from the corporation, from taxation by any State or political subdivision thereof to the same extent, according to its value, as other real property is taxed.

Mr. President, it is proposed by this measure to establish another great bank in this country, a bank which, in my opinion—and I confidently make the prediction—will rival the Federal farm land bank and the Home Owners' Loan Corporation. It seems to me that before the Federal Government shall embark upon this important departure the Banking and Currency Committee, with the information and experience of the members of that committee, should at least pass upon the provisions of the bill, which proposes to establish, as I have said, another great bank to be financed by Government money.

I wish to call the attention of the Senate to the fact that this $1,000,000,000 appropriation or the guaranty of bonds in that amount—and, under the terms of the bill, I am confident that practically the entire sum will ultimately be paid by the United States Government—is only a beginning for great additional appropriations to follow.

The Senator from Alabama in response to a question propounded by me on Friday of last week, stated that there were 3,000,000 deserving tenant farmers in this country. Now it is proposed, as I understand, to expend an average of $5,000 in order to set up in business each of these tenant farmers. At that calculation the pending appropriation will provide for only 200,000 tenant farmers. I wish to ask the Members of the Senate, are not those who will not secure benefits under this $1,000,000,000 appropriation, as a matter of justice, entitled to have additional appropriations made by the Government in order that they, too, may receive similar benefits?

Mr. ADAMS. Mr. President——

Mr. BYRD. I yield to the Senator from Colorado.

Mr. ADAMS. I call the attention of the Senator from Virginia to the fact that the loan provisions of the bill are not limited to tenant farmers and corporations, but include—and I think perhaps properly so—farm laborers, and we do not have a tabulation of the number of farm laborers before us.

Mr. BYRD. I was coming to that, because I think that there are many farm laborers in this country who are just as much entitled to the benefit of the provisions of this bill as are farm tenants. Let us assume, for the sake of the argument, that the statement made by the Senator from Alabama is correct and that there are 3,000,000 deserving tenant farmers in this country. At the rate of $5,000 for each farmers——

Mr. BANKHEAD. Mr. President, I am sure the Senator does not want to misrepresent what I said. I said there were 3,000,000 tenant farmers, but the whole matter was one of selection. I never said that 3,000,000 were entitled to benefits under this program.

Mr. BYRD. The Senator has stated in the RECORD—he stated it on Friday—that there were 3,000,000 deserving farm tenants in this country.

Mr. BANKHEAD. I challenge that statement, if the Senator wants to repeat it, and ask him to find it in the RECORD.

Mr. BYRD. I will stand on the RECORD.

Mr. BANKHEAD. Very well, but I imagine the Senator will withdraw his statement when he shall have examined the RECORD and find he has not made a correct statement.

Mr. BYRD. I will certainly withdraw the statement if the Senator from Alabama is correct; but he stated, as I understood him, that there were 3,000,000 deserving tenant farmers in this country who, under one condition or another, may be entitled to the advantages to be obtained under the bill.

However, Mr. President, it is not so much a question as to exactly the number of farmers who will be eligible to obtain the benefits of this bill. We all know that the number will be very large; but the question is—and that is what I want the Senate to understand—that if we embark upon this new adventure it will mean an appropriation of $1,000,000,000 at the beginning, with many additional billions of dollars to follow.

Mr. President, the Senator from North Carolina has called attention to what it will be possible to do under this bill. I read from the bill itself:

> (3) To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

What can "facilities" mean? The use of that word gives the broadest possible opportunity to the board to be created to do anything they may desire to do.

Furthermore, I wish to call the attention of the Senate to the fact that the board may require one purchaser to pay 10 percent in cash; they may permit another purchaser to pay nothing in cash, and they may allow 60 years for the payment of whatever sum may be due. In addition to that, in my judgment, they may remit the interest to be paid certainly for a part of that time if they see fit so to do.

Mr. President, upon my responsibility as a Member of the Senate I say that if this bill shall be passed it will not be for the benefit so much of the tenant farmers of the South as it will be for the benefit of the large landowners and farm corporations and those who have mortgages on their lands throughout the South and other sections of the country, because owners will sell their land to the Federal Government and obtain the cash for their land, and those who have mortgages on land will receive the cash when otherwise, perhaps, the mortgages would be of no value.

Mr. President, I do not desire to take up any more time of the Senate, but again I wish to submit to my fellow Senators that if we are going to start another big bank we should let the Banking and Currency Committee pass upon the details of the bill. That committee reported the Federal land bank bill; it reported the Home Owners' Loan Corporation bill; any why should we deny the Senate the benefit of the knowledge and experience of the members of that committee in dealing with a subject with which they are all familiar?

Therefore, Mr. President, I have made the motion to commit or refer the bill to the Committee on Banking and Currency.

Mr. ROBINSON. Mr. President, it was not my privilege to hear all the argument submitted by the Senator from Virginia on his motion to refer the bill to the Committee on

Banking and Currency. Necessarily one must be out of the Chamber sometimes, and I was indulging in the luxury of a light luncheon when I learned the Senator from Virginia had made the motion to refer the bill to the Committee on Banking and Currency. It is my thought and belief that the bill should not be so referred.

It has been said during the course of the debate that the measure is for the benefit of landowners. Certainly if the measure should be placed in operation it would result in the purchase and sale of some lands. The corporation could not function unless that were true. However, I do not believe there is anything in the language of the bill or in the principle which runs through it that warrants the conclusion asserted by the Senator from Virginia, namely, that it is for the benefit of landowners.

On a previous day since the bill came before the Senate for consideration I took occasion to point out some of the conditions which, in my judgment, make necessary the passage of the proposed legislation. In more than one State, according to the statistics which are supplied, there are 68 percent of the farmers who are tenants and share-croppers. The process of passing farm cultivation in this country into the control of persons who do not own the farms has been growing, as was said on another occasion by the Senator from North Carolina [Mr. BAILEY], ever since the Civil War. It has grown more rapidly during the last few years than during any other period with which I have been made familiar.

The pending legislation is, of course, subject to criticism and to amendment. The purpose of the legislation is to check farm tenantry in the United States and to encourage small-farm ownership. If the Senator from Virginia does not believe in that purpose; if he thinks, as is said by some writers on the subject, that the tenant system is the best that has been discovered; if he wishes to see the process carried on until the farmers of the United States consist almost entirely of tenants and share-croppers, he would be opposed to the pending legislation and would vote for some of the amendments which have been offered to it, and which, in my judgment, are intended to defeat the legislation; that is, if the amendments should prevail, they would have that effect.

It has been said—and I believe by the Senator from Virginia—that the bill really should go to the Committee on Banking and Currency. I do not agree to that suggestion. It is not banking legislation in the true sense of the term. It is farm legislation. It pertains to agriculture. The committee which considered and reported the bill was the appropriate committee; the committee which has jurisdiction of the subject matter.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Arkansas yield to the Senator from Virginia?

Mr. ROBINSON. I yield.

Mr. BYRD. Is it not likewise true that the Federal land bank relates to agriculture, and was not that legislation referred to the Banking and Currency Committee?

Mr. ROBINSON. Yes; that was a bank, so-called, or an organization which has many aspects of a bank. I was about to point out, when the Senator from Virginia interrupted me, that frequently we are called on in both houses of Congress to consider legislation as to which there is in a sense an overlapping of jurisdiction. Admittedly this measure could have been considered by almost any committee to which the Senate saw fit to refer it. If we had referred it to the Committee on Banking and Currency, that committee would have taken jurisdiction or might have taken jurisdiction and reported it. But the point I am making is that the fact that the Committee on Agriculture and Forestry actually received the bill and reported it is not any justification for committing or referring the bill to another committee.

Mr. BYRD. Mr. President——

Mr. ROBINSON. I yield to the Senator from Virginia.

Mr. BYRD. The Senator has had much more experience than I have in these matters, but does he recall any legislation which established a bank, as, of course, this bill does, that has ever been presented to this body except with the approval of the Committee on Banking and Currency?

Mr. ROBINSON. I do not think this measure establishes a bank any more than or quite so much as the Reconstruction Finance Corporation Act established a bank. The corporation proposed to be established by this measure would not receive deposits, and that of course is the test of a commercial bank. It would buy and sell real estate and take mortgages.

Mr. BYRD. May I ask the Senator another question, and then I shall not interrupt him again?

Mr. ROBINSON. I yield.

Mr. BYRD. The Senator suggests it is not a bank because it would not receive deposits. The Federal land bank does not receive deposits, and yet everyone recognizes it as a bank.

Mr. ROBINSON. No; it has not that characteristic; but the Federal land bank has other characteristics which are usually found in banking institutions and which this proposed corporation would not have.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Alabama?

Mr. ROBINSON. I yield.

Mr. BLACK. Even if the bill does provide for a bank, it does not provide for a bank any more than it did when it was referred to the Committee on Agriculture and Forestry without objection, does it? Nor does it provide for a bank any more than it did when it was reported by the Committee on Agriculture and Forestry without objection.

Mr. ROBINSON. I do not think it provides for a bank in any proper sense of the term "bank."

Mr. BLACK. I agree with the Senator.

Mr. ROBINSON. I rest my argument on that conclusion. I know that when a Senator introduces a bill usually he determines the committee to which it shall be referred, and the Senate under normal conditions has little opportunity to pass judgment on the question of which committee shall have jurisdiction.

Mr. BLACK. They would have ample opportunity before the bill is brought up and before numerous amendments have been offered if they really wanted to object to it on that ground, would they not?

Mr. ROBINSON. Certainly. The jurisdiction of this bill more properly lies in the Committee on Agriculture and Forestry than in any other committee of the Senate. Concededly it might have been referred to another committee. The Committee on Agriculture and Forestry having considered it and acted, I do not believe the bill should be committed or referred to another committee.

Mr. LONG. Mr. President, if I thought there was any chance at all that the provisions of the bill would be reasonably or honestly administered, I would help to pass it. I do not mean that I would require a preponderance of proof that it would be honestly administered. I mean if I thought there was any chance at all that the provisions of the bill would be honestly administered, I would support it. I have not any belief at all that it would be in any respect or in any degree whatever honestly administered in my State.

I have only one light to guide my feet, and that is the lamp of experience. There has not been one single thing administered in my State, which has been examined, to my way of remembering, that the head of the Department has not himself admitted to be crooked, rampant, and rotten to the core. I start with the home-loan bank and Home Owners' Loan Corporation. The record was not quoted by Mr. John Fahey when he was before the Committee on Finance that he knew to be true, or at least he was not prepared to dispute that it showed rampant fraud and rottenness from top to bottom in the Home Owners' Loan Corporation, but he was not allowed, even if he desired, to make any changes in it. It has continued under the same magnificent management with no pretense of honesty, but with admitted fraud, with flaunted corruption, that institution has continued to operate, and I want to show how low they have descended. I want to show you just how low, publicly, out-

wardly, a board of this Government can be. Why, it is against the principles of that Board to make any pretense of honesty. They would be dismissed for lack of efficiency if they were honest. Even though they were appointed by themselves, even though they were sent into a State by Federal appointment from New York to Louisiana, from California to Alabama, if there were proof of honesty they would be dismissed.

I need go no further than my own State, the examples I have already cited, to show that wherever there is any degree of honesty the board will be dismissed.

If anyone would like proof of that matter, if you will appoint a committee to investigate it, I shall be glad to ask that you single out any board on earth that has operated in my State that is allegedly half honest, and I will go into the proof immediately that according to its own records it will not pretend to be honest.

This crookedness and this rottenness and this fraud is going to descend to where it is going to undermine the characters of men. It has gotten down to the point that a man dealing with institutions must get on a crooked basis in order to get anything. He realizes that he must deal with crooks according to crooked rules.

Down in my little State—and we are a happy people down there; we are a happy, contented people—down in my State we had a Home Owners' Loan Corporation. They put in charge of the Home Owners' Loan Corporation a set of men who do not deny, who cannot deny, and who will not even undertake to say now—there have been two investigations, and neither of them will say to the contrary from the floor of this body, I think—that they took the Home Owners' Loan money when they loaned a man a thousand dollars, and swindled him out of anywhere from $400 up to $750 of that money. They would take a loan of a thousand or two thousand dollars, and they would run that loan through a homestead, and back through a broker, and then to a stock purchaser, and they would wind up with that man borrowing a thousand dollars and signing the note for a thousand dollars and signing a check giving $700 of it over to somebody who stood in with the clique that had made the selection to run the Home Owners' Loan Corporation. Now, they have got worse than that. They make no pretenses; they make no answers; and if there were any chance at all that this act were going to be honestly administered, I should vote for it and take the chance. In other words, if I had the lottery chance of drawing 1 out of 76,000 of an honest administration, I should be inclined to do it. The higher it gets, however, the less chance there is.

Here is the proof. I have here a letter from the Home Owners' Loan Corporation down in New Orleans, La. I will read you their letter:

MARCH 26, 1935.

MRS. ZELDA SCARBORO,
1452 Magazine Street, New Orleans, La.

DEAR MRS. SCARBORO: At the time of your visit to this office today you stated you had obtained State moratorium relief, and that this State moratorium had the approval of the State deputy, Mr. Christenberry, effective for 1 year. In view of the fact that you obtained this moratorium relief, and the fact that you showed us receipts of payments made to moratorium department, we are obliged to rule that your application with this Corporation is ineligible.

We are sending a copy of this letter to your mortgagee, Greater New Orleans Homestead, and are placing your file in the suspended category.

This is signed by C. J. Butterfuss, review clerk. I guess the name indicates that there is always a fuss where there is any butter left in the country. [Laughter.] I do not know what the name means.

I went back and got a letter on the subject, and here is the state of facts: They seized a widow's home to sell it, and she went to the Home Owners' Loan Corporation and asked them for a loan, so that she might pay off this debt for which her home was at that time under a seizure; but they dillydallied with the loan so long—she was not on the inside of the second-story working situation down there, Mr. President; she could not get enough money so that she could give from 40 to 50 to 70 cents on the dollar to some pigeon-hole skyrocketer to make the loan, because she could not pay off the debt—so, therefore, they dillydallied with that poor little old widow's loan until the sheriff was going to sell her home. So she ran up to the debt-moratorium relief agency of the State banking department, and she asked them to suspend the collection under that fieri facias administration of the sheriff, so that she could get the loan. They gave her a suspension so that she might get the loan; and what did they rule? They told her that applicants for moratoriums are ineligible for loans, for the reason that "If we grant one, it is proof that the applicant is not able to pay; and if we do not grant one, the applicant does not need the loan and is not in distress."

Is not that a nice situation for you, gentlemen of the Senate? Here it is in writing that if they grant an application, the applicant is not in distress; and if they do not grant the application for moratorium relief, that is proof that the applicant is not in distress. Therefore, this bunch of self-confessed riggers, who are taking all the way from 40 to as high as 80 cents on every dollar, and do not deny it—that kind of crooks and thieves are to be given another billion dollars. God save the State from the crooks and the thugs and the thieves having another billion dollars down there! If there were any chance whatever that one scintilla of honesty would be permitted from this squandering, debauched sect——

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. I am very sorry it has.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia [Mr. BYRD].

Mr. NORRIS. Mr. President, I think any student of government giving attention to the present economic situation of the country must be alarmed at the fact which is undisputed, shown by statistics, that in round numbers, taking our country as a whole, one-half of the farm lands of the country are cultivated by tenants. To my mind, when we look further and see that the percentage of tenancy has been increasing for 50 years, we should be all the more alarmed at the condition.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. BYRD. The Senator has just stated that one-half the farm lands of the country are operated by tenant farmers. Has he any figures as to the number of tenant farmers and the total number of farmers in the country?

Mr. NORRIS. Yes; I think they are all in the RECORD. I have not now the figures before me, but they have been referred to several times. I myself have examined them. I do not think there is any dispute about the matter. I think it is agreed that the percentage of tenant farmers has been rapidly increasing for 50 years.

Mr. SMITH. Mr. President——

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. SMITH. May I ask the Senator if the statistics which he is now quoting include what are called share-croppers, operating under a system which prevails throughout my section, and renters, and what are known as "contract" or "day laborers"?

I desire to call the Senator's attention—and in my own time I wish to make some further remarks on the bill—to the fact that throughout the section which I in part represent, those who own the farms, the landlords themselves, work a part of them with what is known as "contract labor." A majority of those workers in the past 15 or 20 years have refused to work at what is known as "contract labor", but they demand to be share-croppers, getting a share of the crop for their wages. Then there is a diminishing number of what are known as "renters"; but in the statistics which are given to the public, the contract hand, the share-cropper, and the renter are all known as "tenants." I dare say that if we should compute throughout the Cotton Belt the percentage of share-croppers in relation to the landlords, it would be found to be two or three to one. I said the other day, and I now repeat, that there are those who own small tracts of land who would prefer to share-crop on some landlord——

Mr. NORRIS. Mr. President, I hope the Senator will recognize the fact that my time is limited.

Mr. SMITH. Oh! I had forgotten about that. What I have said in enlightening the Senator can be deducted from my time, because I know he desires to know the facts in the district which I in part represent.

Mr. NORRIS. I will yield the floor and let the Senator from South Carolina continue, and then I will take it afterward.

Mr. SMITH. No; I want every minute of my time.

Mr. NORRIS. I do not know whether I have any time left. I hope Senators will remember that we are now laboring under a unanimous-consent agreement; and, while I welcome interruptions, I hope Senators will not take my time.

Mr. SMITH. No; I will give that much out of my time so the Senator from Nebraska will not lose any of his time.

Mr. NORRIS. Mr. President, I have before me some of the hearings on this bill. On page 72 of the hearings it is shown by the statistics that in the United States there are 6,288,648 farms, of which 2,604,305 are operated by tenants. All tenants in the United States are 42.4 percent of the whole. Of that number 31.1 percent are white tenants and 11.3 percent are colored tenants. I think those figures practically bear out my statement. I have a map before me which shows that 47 percent of the farms in the State of Nebraska, for instance, are operated by tenants. I also have a statement, to which I referred the other day, showing the number of tenants in Nebraska in other years. In 1880, 18 percent of the farms were cultivated by tenants. The proportion gradually increased, until in 1930, 47 percent of the farms in my State were operated by tenant farmers.

Mr. President, I think that is an alarming condition. The ideal condition in every country such as ours, dependent, in the main, on agriculture, would be a condition where all the farms of the country were tilled and operated by the men who owned them and lived on them as homes. We cannot expect to reach the ideal, but as we approach the other extreme we find a most deplorable condition, if all the farms are to be tilled by men who do not own them. It is unnecessary to comment on the terrible blow to civilization such a condition would present. I am alarmed at the rapid increase in the last 50 years in the operation of farms by tenants. An examination of the records shows that more and more our farms are being tilled by men who are tenants, and are owned by people who are not farmers or who do not live upon the land.

Mr. President, the pending bill has for its object changing that condition. Its primary object is to enable tenant farmers and others who are not on farms to become owners of farms. We ought to encourage such legislation.

It is said that in the management of the corporation there could be a great deal of corruption; that much of evil could creep in. I concede that. I do not think anything is made in an argument by denying what seems to be palpably true. I have said before on the floor of the Senate that the success of the bill, if it shall become a law, will depend more upon its administration than upon anything else. It can be made an abject failure, or, in my judgment, it can be made one of the greatest successes it is possible to imagine.

If we can stop the tendency toward tenant farming and have our land cultivated by men who own the farms and live on them, we will have better farms, we will have better production, we will have better homes, we will have a better civilization all through. It would be a terrible condition if our land were all tilled by tenants.

When we come to the question of limiting the number of acres, referred to the other day, it seems to me such a thing would be impracticable. What would be a good-sized farm in New Jersey would not be a good-sized farm in Iowa, or Montana, or Nebraska, or Kansas. We have to depend upon the administrators of the law. If we shall enact this measure, we will have to place our confidence in them. They can make it a great success or a dismal failure. It seems to me the only theory upon which we can legislate is the theory that our laws are to be honestly, fairly, and economically administered. That is the only theory upon which one can favor this kind of legislation.

The PRESIDING OFFICER. The time of the Senator from Nebraska on the motion has expired.

Mr. NORRIS. I shall speak now on the bill.

The PRESIDING OFFICER. The Senator has 30 minutes on the bill.

Mr. NORRIS. I understand a motion is pending to refer or commit the bill. Should this bill have gone to the Committee on Banking and Currency, to the Committee on Interstate Commerce, or to the Committee on Agriculture and Forestry? I concede it might have gone to any one of several committees, such as the Committee on Banking and Currency, perhaps, or one of several others. I believe some reason could be advanced for referring it to the Committee on Commerce, because if the law should be successful, it would greatly increase commerce. However, the most appropriate committee of the Senate, in my judgment, to take charge of a bill like this is the Committee on Agriculture and Forestry, which deals with the abstract things about which we are legislating, namely, farms, land, homes in the country—not homes in the city but farm homes. Where could we find a committee more appropriate for the consideration of such legislation than the Committee on Agriculture and Forestry?

It therefore seems unreasonable to ask that some other committee consider the measure or that the Committee on Agriculture and Forestry consider it again. After all is said and done, the whole thing can be stated in a nutshell, it seems to me. We are confronted with the fact that the farms of our country are gradually being driven into the hands of absentee landlords. Is that a good thing, or is it a bad thing? If it is a good thing, then this bill should be defeated. If it is a bad thing, as I think every man must admit, then some legislation of this kind ought to be enacted.

If there is a better way to handle the matter, I should be glad to support the appropriate measure. If any improvement can be made in the bill I shall be glad to support the proper amendment. But it seems to me that at least we should put the proposed law into operation and see how it will work. It will be a new law. We will find, perhaps, after it has been on the statute books a while, that we ought to change it here or there. That is generally the experience with all legislation of this kind. This is the first step. It is a step in the right direction. It seems to me we ought not to hesitate to take it. Eventually some such step must be taken in this country if we are to sustain and uphold that great portion of our population which comes from the farm and the farm homes.

There is a great deal of difference between a farm being operated by its owner, where he lives and has his home, and one being operated by a tenant, who has no interest whatever in the upbuilding of the farm or the preservation of the natural things which always go with a farm.

It seems to me, therefore, that we can well afford to take this step. In a way it is an experiment, I concede. As I look at it we must perform some experiments, and we never can get a system that will suit every one of us. We will never get one that will be administered with perfection. There will be fraud here and there. I think it is impossible to avoid it. But our aim is toward an ideal, and when we find that it ought to be changed in this particular or that particular we should not hesitate to amend the law. It may be that some of the necessary amendments can now be proposed and added to the bill. It must be conceded, however, it seems to me, that those who are behind the proposed legislation are moved by the very best of motives; and if they attain their object they will greatly assist in producing permanent prosperity in our country, something which has not heretofore existed.

It has been stated as an objection that this is a bill to enable men who own large tracts of land to sell it. Of course, land will have to be sold. There may be fraud somewhere in the operation of the law along those lines. I do not see how that can be avoided. The proposed law could

not operate if we could not buy land in order to provide homes for the people we are to put on the land.

If men now own large tracts of land which is unprofitable, and they want to get rid of it, is not the present a good time to start with the experiment? That is just the kind of situation of which we ought to take advantage. If the owners of large tracts of land have been unsuccessful financially in operating the land, and desire to sell, this is the time when we ought to buy. If there is the right kind of administration, the law could be operated with much less money than if we tried to take the land by condemnation. No man could be compelled to sell his land. If a man wants to sell, we shall have to buy, if we carry out the provisions of the proposed law. So instead of being an argument against the bill, it seems to me to be one in favor of it, as it all works harmoniously together, if properly administered, for the benefit of all.

Mr. BORAH. Mr. President, I have no desire to take this bill away from the Committee on Agriculture and Forestry. I agree with the Senator from Nebraska that the Committee on Agriculture and Forestry ought to deal with the measure. I do feel, however, that the bill ought to go back to the Committee on Agriculture and Forestry. I am satisfied that there are provisions which ought to be incorporated in it, so as to put some limitation, some check, some supervisory power over those who are to expend this money.

This is a measure which will naturally lead, unless great caution shall be exercised, to looseness of expenditure of money, and possibly to favoritism. Those possibilities must be carefully guarded against in the bill itself; and even at the best we shall not be able, perhaps, to avoid everything we should like to avoid.

However, Mr. President, I have no desire to send the bill to the Committee on Banking and Currency. I do not think it belongs there. Possibly there are some features of the bill which might be dealt with by the Committee on Banking and Currency, but it is a measure which really belongs to the Committee on Agriculture and Forestry. However, if a motion is made to send the bill back to the committee for further consideration I shall vote for that motion, not in enmity to the principle involved, but with the desire to see that the measure is more carefully worked out.

Mr. BYRD. Mr. President, with deference to the Senator from Idaho, I withdraw my motion to refer the bill to the Committee on Banking and Currency, and move to recommit the bill to the Committee on Agriculture and Forestry.

Mr. BORAH. Mr. President, is there a motion to recommit?

Mr. BYRD. Yes.

Mr. BORAH. Does it specify any particular committee?

Mr. BYRD. I first moved to refer the bill to the Committee on Banking and Currency. I now withdraw that motion and move to recommit the bill to the Committee on Agriculture and Forestry.

Mr. BANKHEAD. Mr. President, I submit to the Senate that the proposal to recommit the bill is intended to kill it. I do not mean that the Senator from Idaho [Mr. BORAH] is engaged in that kind of effort. I know he is not; but the program originated with and was sponsored and is being pressed by those who do not want any revised bill, who do not want any reconstructed bill, but who are opposed to a bill along this line.

Mr. President, this bill has been under consideration by the Senate for practically a week. Many speeches have been made upon it. A number of amendments are pending to it which, in my judgment, are helpful and constructive. Those amendments are yet to be acted on. One of the amendments puts limitations upon the amount to be expended. There are other really helpful amendments. After having directed our thoughts and attention to the bill for almost a week, having these questions fresh in our minds, and being almost ready to deal with each amendment which has been proposed at the end of a week not only by those who wanted to be constructively helpful but by those who want to destroy the bill, and who have introduced amendments which, if adopted, will destroy it, we have the whole program before us.

Why send the bill back at this time simply, forsooth, to write into it in the committee room certain amendments which are pending here in print upon the desks of Senators and a majority of which probably will be accepted without opposition? Why recommit it to the committee simply because there may be one or two amendments which seek to destroy the bill and which will not be incorporated in it by any committee friendly to the bill?

If the majority of the Senate are in accord with this humane and progressive program, if the majority of the Senate are willing to embark upon this new homestead venture, then I submit, Mr. President, that the thing for us to do is to proceed to final action now upon the bill. Suppose it is recommitted, as those who are opposed to the principle of the bill desire, and then there should develop a legislative jam growing out of the pressure of the N. R. A. bill, the social-security bill, the bonus bill, and other controversial measures of that sort which will require day after day and week after week of the time of the Senate. In that event, in view of the opposition which has already developed here against this measure, what chance would there be to have it again considered by the Senate?

We now have the time necessary for the consideration of the bill. We have spent a week in considering its various phases. I appeal to Senators who are friendly to this program and do not want to defeat it to vote down the motion to recommit. We know its purpose. We know its effect. We know that it means killing this bill in an indirect way instead of doing it openly and manfully, if a majority of the Senate wish to kill it.

So I appeal to those who wish to have orderly consideration of this measure upon its merits to vote against the motion to recommit.

If Senators vote to adopt the motion made by the Senator from Virginia [Mr. BYRD], an ardent opponent of this whole program, we may as well say good-bye to the bill and tell the great mass of people who are looking to the future with increased hope since the word has gone out that this measure may pass to forget it, to make their arrangements from year to year in the future as they have in the past, to be gypsies roaming here and there and hunting year by year a place to hang their hats.

Mr. President, that is all I care to say about this motion. Senators are voting now either to proceed to final action upon the bill or to kill the bill; and every intelligent man here who knows what is behind this program can well realize that situation.

Mr. BYRD. Mr. President, I ask for the yeas and nays on my motion.

Mr. SMITH. Mr. President, before the vote is taken, as chairman of the committee from which this bill came, I desire to make a statement.

Since the bill has come to the floor, no one can deny that there has been voiced against it opposition based upon very pertinent and compelling reason and fact.

The system of landlordism and so-called "tenantry" comprises, as I have indicated before, three major divisions, the share-croppers, the landlords, and the contract laborers. I frankly admit that I have not had an opportunity to study this bill textually and understand thoroughly the purport of its different terms and provisions. In the section from which I come the relationship of landlord and tenant is not an arbitrary one. It has grown up under conditions where the landlord and the tenant were about equally financially, with the one difference that unfortunately the landlord owned the land, had to provide and keep the houses and all the implements in order, and pay the taxes, while the tenant himself had no such burden. No thrifty, saving, provident individual has ever lacked the opportunity of owning his own farm, until conditions came to such a pass that I feel I can challenge any man on the floor of the Senate who owns farm land to deny that farm lands in the past 20 years have been a liability rather than an asset.

Increased tenantry and the distress of the farmer did not come by virtue of landlordism. The landlords themselves are being dispossessed every day because there is no return from the land with which to pay their taxes, educate their children, and obtain the common necessities, not to say the luxuries, of life. Eighty-five percent of all the farms of America are under mortgage. Taking advantage of that condition a "goat" has been found, and it is said the landlord is the oppressor. Therefore, the Government will step in and give to those who, by the sifting process and the test of time, have perhaps not measured up to their full opportunities, the use of a billion dollars for 60 years. I will read a paragraph from the bill, but before doing so, let me say to my colleagues on the committee and other Members of the Senate that I am going to vote to recommit the bill, not for the purpose of destroying it but in order to assure that whatever advantage may be proper will be afforded to those who are entitled to it.

Mr. LONG. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. I yield.

Mr. LONG. How much of this is going to be left to the discretion of those who are to be appointed to administer the proposed legislation?

Mr. SMITH. It is all going to be left to their discretion.

Mr. LONG. Then, God save us from having anything to do with it!

Mr. SMITH. Mr. President, let me read one paragraph from page 9 of the bill. Subsection (c) there provides:

(c) The Corporation may provide for such amortization periods for the repayment of indebtedness owed to it, and may postpone the date when the initial installment shall be due, as it may deem advisable, but in no event shall the amortization period exceed 60 years.

Now I want to read further from the bill. Just listen to this. Amongst the powers granted to this Corporation, to this Board, it is provided on page 8, section 4:

(3) To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

And such loans may run for 60 years.

Now, is it perfectly fair that those who, by the test of time, are in the class of tenants, share-croppers, and contract laborers shall be granted this largess from the Government with the implication that the landlords have been responsible?

Mr. President, the philosophy of this bill in reference to the farmer is like the story of Pat who was riding an old horse that was so thin that every time he took a step he reeled. Someone said, "Pat, why, in the name of the God of mercy, do you not put more flesh on that horse's bones?" "Hell," said Pat, "he can hardly walk with what he has got; what will he do with any more?" [Laughter.]

Mr. President, it is time for us now to legislate in the light of the facts before us. The Senator from Nebraska [Mr. NORRIS] read a list showing the percentage of farm tenants in this country, and he made use of the expression that the landlord, the man who owned the land, should be the one to cultivate it. By the same token the man who owns a factory should be made to run it and all the machinery in it. Why make fish of one and fowl of another? Why invoke the impossible in the case of the farmer, when it is likewise impossible in the case of the industrial plant?

The idea has gone forth that the number of tenants is increasing. Yes, we have tenants right now under the Federal land banks. I know men who are renting from the banks the farms they owned, but which they lost under mortgage to those banks. If we are going to do something constructive here, in the name of reason and common sense, let us get together and make farming profitable. Then we will solve the tenant problem and we will put an end to the weeping and wailing for the laborer and the tenant. Let us make farming profitable. As I said here the other day, $2.50 is paid for a shirt that contains 5 ounces of the simplest kind of white goods. As a result of the manufacturing process, 5 ounces of cotton made into a shirt brings $2.50, while the raw material out of which the shirt is made brings 8 cents a pound. The very material for which he received 8 cents for producing is sold at the rate of $7.50 a pound in a form to go on the farmer's back. Under the magic touch of the loom in a short time the shirt is manufactured, whereas 12 hours a day and 12 months on the farm are required to make a pound of cotton. The fault does not lie here. It lies in the maladjustment of our financial and economic system.

The PRESIDENT pro tempore. The time of the Senator from South Carolina on the motion to recommit has expired.

Mr. SMITH. Mr. President, let me say, in conclusion, that I am going to vote to recommit this bill, not for the purpose of killing it, but for the purpose of affording every member of the Committee on Agriculture and Forestry an opportunity to study the bill and to bring back something which will be helpful to the agricultural interests and not be a gift to a certain class.

Mr. BAILEY. Mr. President, I wish to respond briefly to the Senator from Arkansas [Mr. ROBINSON]. There was some suggestion—I do not know how far it went—that since the purpose of the bill, as declared on its face, was to arrest and, perhaps, to cure the evil of increasing farm tenancy, those of us who should not support the bill might be considered as not in sympathy with that purpose. I wish to say that I am thoroughly in sympathy with any sound measure, and I will go as far as will anyone else to correct the evils attendant upon the growth of farm tenancy; I should like to see a situation in which every man dwelt under his own vine and fig tree; but, Mr. President, my position in this matter is based on a very simple fact, which is this: We have already provided $500,000,000 to arrest and, so far as we can, to cure the evils of farm tenancy. In order to make that clear, I am going to read from page 3 of the joint resolution making appropriations for relief purposes known as the "relief-works measure" carrying $4,880,000,000. This is the language:

Funds made available by this joint resolution may be used, in the discretion of the President—

And the pending legislation also submits the matter to the discretion of the President—

for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be repaid in equal annual installments, or in such other manner as the President may determine.

Mr. President, the language I have read makes provision, according to the statement of the author of the pending bill, for the expenditure of $500,000,000 for precisely the same purposes set out in his proposed legislation.

Mr. BANKHEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Alabama?

Mr. BAILEY. Certainly.

Mr. BANKHEAD. I thought I made clear the fact that rural rehabilitation as now understood is conducted along temporary relief lines, and is totally distinguishable from a long-range plan covering a 50- or 60-year amortization period.

Mr. BAILEY. Mr. President, granting that the Senator has made that clear, let us read again the language.

Mr. RUSSELL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. BAILEY. Certainly.

Mr. RUSSELL. I should like to observe to the Senator from North Carolina that, in my opinion, if the President saw fit, he could use every dollar appropriated by the joint resolution for the purposes set forth and described by the language just read by the Senator from North Carolina. I was the author of the amendment to the bill just read by the Senator. There is no limitation on the amount of money the President may allocate from the $4,880,000,000

appropriated for the purpose of financing the purchase of farm lands and equipment for farmers, farm tenants, and croppers. I think a careful reading of the language of the clause, which is very brief, will show that there is power to use more than $500,000,000 for this purpose if the President should see fit so to use it.

Mr. BAILEY. I thank the Senator. I am fully in accord with his view, but I thought I would be straining the argument if I should undertake to say that the entire $4,880,000,000 would be made available for this purpose. I know that at least $1,000,000,000 might be made available under the terms of the bill; but, for the purposes of the argument, I am taking the smallest sum, $500,000,000, and saying that we have provided that amount, and that is enough for the present. If the $500,000,000, properly expended in the course of the year or the next 18 months, should give us some assurance that the expenditure of larger sums would be wise, I should be ready to vote for additional sums.

My present view is that we ought not to go into this matter further than to the extent of the sum of half a billion dollars, and that, even if the bill should pass, the sum of half a billion dollars could not be expended and the effect of the expenditure could not be realized until the Congress should have met not only in 1936, but in 1937. Therefore we should be content with the $500,000,000 which we have already authorized, and then await the outcome of the experimentation before we commit ourselves to the expenditure of an additional $1,000,000,000.

Mr. DICKINSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. BAILEY. I am happy to yield.

Mr. DICKINSON. In yesterday's Washington Post I observed an article by Stanley F. Morse, who, I understand, is a responsible and able newspaperman from South Carolina, in which he made this suggestion:

> If the Government wishes to try out this idea on a small, practical, inexpensive scale, the Federal land banks have plenty of land they could sell to tenants or croppers on easy terms, supplying supervision and production credits to get 50 or 100 tenants (as a beginning) an opportunity to show their stuff. It would be much wiser and safer to follow this simple, workable plan than to undertake a huge, costly, and probably disastrous experiment in social reform based on the failure of similar schemes in other countries.

Mr. ROBINSON. Mr. President, will the Senator from North Carolina yield?

Mr. BAILEY. Certainly.

Mr. ROBINSON. The statement just made of record does not appear to me to disclose a grasp of the provisions of the bill or the kind of relief which is sought to be extended. I shall not take the time of the Senator from North Carolina to go into it in great detail. I should like the privilege of saying that the Federal land banks cannot make loans which would meet the requirements of the citizens whom this bill is intended to assist. There are several reasons why that is true. In the first place, the land banks are limited by law to about 50 percent of the value of the land. In the next place the terms of the loan are restricted, including the rate of interest, so that the ordinary tenant would be unable to avail himself of a loan from the Federal land banks.

I thank the Senator from North Carolina for yielding.

Mr. DICKINSON. Mr. President, will the Senator yield further?

Mr. BAILEY. I understand the time taken up in colloquy is not taken from my time.

Mr. ROBINSON. Yes; it is. The Senator misunderstands the agreement.

Mr. BAILEY. I do not regret having yielded courteously to my friend from Arkansas.

Mr. ROBINSON. That is very kind of the Senator. I shall not interrupt him further, because the time is limited.

Mr. BAILEY. The Senator from Arkansas knows I do not willingly refuse him any reasonable request on earth.

The PRESIDENT pro tempore. The time of the Senator from North Carolina on the amendment has expired. [Laughter.]

Mr. BAILEY. I live to talk another day on another amendment.

The PRESIDENT pro tempore. The Senator has 15 minutes on the bill.

Mr. BAILEY. If I spoke even a brief time on the bill, that would consume all my time, and I wish to reserve it.

Mr. DICKINSON. Mr. President, in view of the discussion with the Senator from Arkansas, I ask that the article by Stanley F. Morse, which appeared in yesterday's Washington Post, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 21, 1935]

FARM-TENANT PROGRAM WOULD DISTURB SOUTH—NEW BANKHEAD PROPOSAL, ENDORSED BY SOCIAL PLANNERS, CONTEMPLATES REDISTRIBUTION OF LARGE HOLDINGS; WOULD ESTABLISH PEASANTRY

By Stanley Morse

An attack on the cotton-production system of the South so revolutionary and far-reaching as to arouse an antagonism akin to that of the Civil War is contained in the proposed Bankhead Farm Tenant Homes Act now before Congress. This measure, said to be sponsored by Frank Tannenbaum, of the Brookings Institution, and by social planners in the A. A. A. and the F. E. R. A., has been publicly endorsed by Secretary Wallace. It proposes to provide "a democratic system of land tenure * * * in accordance with the example of many other civilized countries."

Since attempts to improve rural conditions by breaking up large land holdings have been made principally by Russia, Mexico, and Spain, it is presumed that this bill contemplates a similar plan to be applied to the cotton plantations of the South. Yet the agrarian policy of these countries has aggravated rather than improved their agricultural conditions. It is paradoxical that a southern Senator is supporting a measure that would result in the eventual destruction of the South's agriculture which, in fact, developed a cotton industry which is the model for most of the foreign countries (including Russia) now building up their own cotton-production systems.

The Farm Tenant Homes Act (S. 2367) is designed to offset the damage done by the A. A. A. cotton program and the Bankhead Cotton Act in forcing thousands of tenants and share-croppers off farms onto relief, although the South is not specifically mentioned. It is a good example of the usual effect of one economic short cut in leading to another perhaps more harmful. It purposes that the Government, through a "farm tenant homes corporation" to be formed, should purchase farm lands and sell them to tenants and share-croppers on easy terms. It would also make loans to these Government-subsidized farmers for livestock, implements, buildings, and production.

This scheme is based on five false assumptions, namely:

1. That tenant farming is an evil, whereas many tenants find it more profitable not to own farms and pay taxes, insurance, repairs, and other overhead expenses. As a matter of fact, many farmers start as tenants and eventually become landowners; these are the capable ones.

2. That of the tenants and share-croppers it is desired to aid (most of whom are submarginal people), probably about 25 percent would be able to operate successfully farms of their own, whereas in the rest of the cases they probably would fail.

3. That small farm units can produce the major farm commodities economically, whereas numerous Government studies have shown that on small farms the higher per acre overhead expenses and the less efficient management usually result in high production costs, and the gross income of small farms frequently is inadequate to support a family.

4. That this project would not increase the unsalable surpluses of farm products to compete with the production of commercial farmers, whereas better land and more money for fertilizer surely would increase the output of these Government-aided farmers.

5. That "many other civilized countries" have developed systems of land tenure superior to that of this country, whereas the American farming system is thought by many to be the best the world has produced and is being imitated widely in other countries.

Lands sold to the Government under the terms of this act would doubtless be priced at double their value, giving landowners an opportunity to unload on the Government. This plan would create uneconomic small farms, increase the production of high-cost surpluses, decrease the farm-labor supply and increase its cost, make tenants and croppers discontented, result in thousands of unsuccessful tenant homesteaders living off the Government, squander more Federal funds, and increase the number of bureaucrats to be supported by the taxpayers.

It would authorize a minimum of $50,000,000 for capital stock to be paid out of funds appropriated by the 1935 Emergency Relief Act and authorize the issuance of $1,000,000,000 of bonds with principal and interest guaranteed by the Government. It would tend to compete with private individuals and concerns engaged in the real-estate, banking, and farming businesses. It could condemn and seize lands by right of eminent domain.

The net result of this scheme would be (a) to establish a Government-sustained peasantry and (b) to upset, instead of improve, the entire economic system of the South. It would have harmful effects on farming in other parts of the country.

If the Government wishes to try out this idea on a small, practical, inexpensive scale, the Federal Land banks have plenty of land they could sell to tenants or croppers on easy terms, supplying supervision and production credits to give 50 or 100 tenant farmers (as a beginning) an opportunity to show their stuff. It would be much wiser and safer to follow this simple, workable plan than to undertake a huge, costly, and probably disastrous experiment in social reform based on the failure of similar schemes in other countries.

Most dangerous is the veiled but nonetheless real purpose to have the Federal Government once again dictate to the South how it shall conduct its own affairs. Such a move, added to the already serious loss of part of the South's cotton-export market, might produce grave reactions.

Mr. ROBINSON. Mr. President, will the Senator yield to me in his time?

Mr. DICKINSON. Certainly.

Mr. ROBINSON. The entire premise of the article which the Senator has had inserted in the RECORD is, in my opinion, incorrect. As a further illustration that the Federal land bank could not make loans to tenants of this class, a borrower from the land bank must own the land upon which the loan is to be made and must show title. This is a bill to lend him money with which to buy land.

Mr. DICKINSON: In reply to that statement, I wish to suggest that it would be just as easy to amend the Federal land-bank law to extend the full 100-percent credit which it is now desired to have for the purchaser, as it would be for the corporation proposed to be set up by this bill.

Mr. ROBINSON. It would be impossible for the Federal land bank to do that, because the law forbids it and because the Federal land bank must make a loan on a different basis in order to safeguard the bonds outstanding.

Mr. DICKINSON. But allow me to suggest again that it would be just as easy to amend the Federal land bank law as it would be to pass this bill.

Mr. BAILEY. Will the Senator from Iowa yield? I hope he will yield in order that I may retrieve myself briefly.

Mr. DICKINSON. I yield to enable the Senator to make the statement which he was denied the opportunity heretofore of making.

Mr. BAILEY. I thank the Senator from Iowa. I simply wish to state that the experiment of looking after the tenant farmer, the experiment with reference to the problem of tenancy, is now going on in this country. There is a very large lay-out in the State of Arkansas—I have the report before me—where there are 700 tenants on one tract under the supervision and ownership of the Government. In my own State there is a small colony, as it is called, for which I believe some $900,000 has been appropriated. In addition to that there are now 150,000 tenant farmers on lands in the cotton States under the supervision of the Government of the United States.

All that is proposed to do here is in addition to the tremendous sum of money we have already provided. For that reason I am in favor of recommitting the bill and letting it be drawn in the light of the circumstances, and also so as to provide that when the money shall be expended there will be some sort of check and some sort of restraint upon its expenditure.

Mr. BLACK. Mr. President, I desire briefly to discuss the motion to recommit.

It is a matter of great regret to me that at least one Senator on this floor who evidently is not opposed to the bill has seen fit to make the decision that he would vote to recommit it under the circumstances which now face us.

It is plain, I think, to anyone who will open his eyes and look that the moving force behind the motion is a desire to defeat the bill. It is impossible for me to believe that one who has listened to the debate and watched the procedure on this measure could escape reaching the conclusion if he should vote to recommit the bill he would be voting to kill it.

I could not, for myself, find much consolation in the arguments made by several of those who have spoken in favor of recommitting the bill. It was difficult for me to see where they had a genuine sympathy pulsating in their hearts for the passage of this measure. When the statement is made that there is a certain amount provided in the general work-relief joint resolution which will last for 18 months or more, and the statement is made that "that is enough for the present", it is difficult for me to believe it is the intention to send the bill back to the committee with any lurking hope that it will be returned to this body.

Of course, it is perfectly proper to take this means of killing the bill; but I should very much regret to see those on this floor who are honestly, conscientiously not only in favor of the objective, as I think most Senators are, but also in favor of attaining that objective by the passage of a bill which will cover the matter in a systematic way, vote to stick a knife in the measure and destroy it and send it to its death by voting to recommit it.

As I see the matter, a vital question of economics and of governmental policy is involved. More than that, there is involved the age-old question as to whether we actually favor the ownership of land by small farmers or whether we honestly favor the ownership of land in large blocks of thousands of acres by corporations or absentee landlords who have it within their power to stifle the initiative and the aggressiveness and the intelligent work of men who ought to be given the privilege of buying those farms.

There is nothing new in this problem. It is as old as the private ownership of land. It is as old as speculation in land. During the 7 years I have been in this body I have heard few objections raised to increasing the amount appropriated to lend money to landlords. I fail to recall many speeches on this floor against lending money through the Federal Land banks to large landowners, even to the extent of twenty-five or thirty or forty or fifty thousand dollars each. I recall how easy it was to increase the appropriation to lend money to landlords through the Federal Land banks. I do not recall a series of motions to recommit in connection with those measures. I do not even recall any motion to recommit the Reconstruction Finance Corporation bill, which was to lend millions and hundreds of millions of dollars to the landlords who own the insurance companies and the railroads.

This is the first measure I recall which has come before this body, certainly during this session, having as its object the lending of money to the forgotten tenant farmers and share croppers, those little men—few of whom vote in most of the sections where they reside—who live upon the fringe and the border line of subsistence.

Mr. President, what is the fundamental distinction and the fundamental difference?

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from North Carolina.

Mr. BAILEY. I wish to ask the Senator just one question. In lending the trust funds of the United States, does he make no distinction as between those who are solvent and those who are insolvent?

Mr. BLACK. I tried to make that distinction when the Reconstruction Finance Corporation bill came up. On this floor I called the attention of the Senate to the fact that the railroads were insolvent; that the public knew the railroads were insolvent. I called the attention of the Senate to the fact that not only were the railroads insolvent but thousands of banks were insolvent. I do not know about trying to draw the distinction. I think eight Members of the Senate voted against that bill, and I am glad to say I was one of them.

Mr. BAILEY. Mr. President, will the Senator yield further?

Mr. BLACK. I yield to the Senator.

Mr. BAILEY. Does not the Senator know that the Reconstruction Finance Corporation has always required adequate security according to the law as enacted by the Congress?

Mr. BLACK. I do not know what adequate security they have required in all cases. I think I know, and I think everybody else knows, that the Government will not collect all the money it has loaned. I do not think anyone will suggest that it will. I do not think anyone will deny that at the time that bill was passed it was generally recognized on this floor that we were voting to lend money to corporations which were insolvent.

The PRESIDENT pro tempore. The time of the Senator from Alabama on the motion has expired. He has not spoken on the bill, so he has 30 minutes more.

Mr. BLACK. I do not think anyone will deny that there were corporations which were insolvent and which were known to be insolvent; there were banks which were insolvent; there were railroads which were insolvent. The only way in the world by which they could be propped up was by lending the people's money, taken out of the people's pockets, frequently to pay dividends to stockholders and interest to bondholders instead of actually to operate the railroads. Now, however, when we propose a measure to lend money to the millions of little farmers, the little "one-gallus" fellows, the little men who wear overalls, far from the busy haunts of the city, the question is raised, "Can we afford it? Look what a terrible thing it will be to take another billion."

I will admit, my friends, that it is bad to take another billion that we might later be called on to lend to the railroads and the insurance companies. So far as I am concerned, however, I am more willing to jeopardize the credit of the United States Government, if it be such, to lend money to the little individuals who have not had their chance in life, in order that we may help them to buy some of these farms, even from the landlords to whom money has been loaned by the Federal land banks—I am more willing to jeopardize the credit of the Government for that purpose, if it be jeopardizing it, than I am to extend any more loans to prop up the falling business enterprises of this country, to pay dividends and unearned salaries and bonuses out of all decency and just proportion to the labor which those receiving them have performed.

So, there is a fundamental distinction here. The people of Ireland fought over this distinction for a great number of years, and when the tenants failed to obtain the opportunities and decent privileges which others sought to give them throughout decade after decade, it was frequently true that they exacted their rights from behind the hedgerows by methods which we never wish to see occur in this Nation. We know, however, that for more than a century the people of Ireland were faced with the desperate problem of trying to put the lands of that country into the hands of the little man. In this country, when we find tenancy increasing, when we find land ownership concentrating more and more into larger and larger acreage groups and into fewer and fewer hands, we now actually have the sad spectacle of someone saying that he does not want to vote for this bill because, forsooth, it may not be administered exactly as he wants it administered.

If there has ever been a measure brought on this floor which was intended to bring about a more equitable diffusion of the wealth produced by all the people than this bill, I have yet to see it. We might as well say that we would vote against increasing the income and inheritance taxes and imposing a heavier burden upon those who are best able to pay, because the tax law would have to be administered by this administration, as to stand up and say: "We will vote against this bill because it will not be administered by someone we name."

It is true we are going through experiments. I desire to read here, from an editorial published by the Birmingham News, a short paragraph showing some of the good that has been accomplished by this effort to take care of and aid the little man:

> Without credit, cash, and almost without hope, Joe Glass, of Piedmont, Calhoun County, last year was enrolled in the rural-rehabilitation program. Payments on a mortgage of $100 on his 20-acre farm were 4 years in arrears and foreclosure was threatened. He owed back taxes of $14 and other taxes totaling $85. The rural rehabilitation division advanced him $96.49 for groceries, fertilizer, seed, and other necessities throughout the year. He made 4 bales of cotton, 100 bushels of corn, 132 gallons of sirup, 5 bushels of potatoes, 100 pounds of peanuts, 575 bundles of fodder, and 4 tons of hay. He repaid the A. R. A. $23 in cash, the remainder in labor. He paid the mortgage and all interest. He paid the back taxes and he paid all other debts. He bought some paint and painted his home, thanked the Alabama Relief Administration, and bade good-bye to relief and rehabilitation. This year he will operate his farm without help from any source.

This man happened to have a small 20-acre farm. Hundreds of thousands of others did not. The condition dealt with by this bill is not limited to any one section of the Nation. It exists all over the country. Even in the great, rich State of Illinois, in the most fertile section of that great State, the evidence shows that from 70 to 80 percent of the farms in the best prairie counties are operated by tenants; and yet we are told that it is dangerous to the credit of the Government to provide for an issue of bonds to the extent of a billion dollars to try to give these men an opportunity to stand up as self-respecting, decent citizens, and buy their land and become good citizens of the Republic.

Let us not make any mistake.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from Iowa [Mr. DICKINSON] a few moments ago placed in the RECORD an article every premise of which I then stated was, in my opinion, unsound.

One of the statements in that article is:

> The net result of this scheme—

Referring to the bill now before the Senate—

> would be (a) to establish a Government-sustained peasantry and (b) to upset instead of improve the entire economic system of the South. It would have harmful effects on farming in other parts of the country.

The article goes on to show that the system which prevails in the South, the one which has been described here, and the one which prevails also in many other sections of the country, including some States of the West, a system under which land tenancy has rapidly increased, is the most admirable system that has ever been worked out.

Mr. BLACK. Mr. President, that admirable system seems to have caused the farms of Iowa to be operated 47.3 percent by tenants.

Mr. ROBINSON. And in some other States 68 percent by tenants.

Mr. BLACK. Certainly. That may be the best method of operating farms in this country. If a Senator believes that to be so he should vote to recommit the bill. I do not hesitate to say that if I thought the welfare of this Nation could be best served by having all of the land owned by a few people, instead of having all of the land owned by many people with small farms and homes to which they could go at night with the knowledge that even though the land might be poor, it was their land, if they met their obligations, I would vote to recommit the bill. But I subscribe to a different idea. I believe a nation can come nearer achieving a great and glorious destiny if the land as well as the income of the nation is more equitably distributed among those who produce and those who labor. At least in the State in which I live I prefer to have thousands and hundreds of thousands of small farmers interested in preserving the soil, interested in protecting it from the erosion of time, interested in going to little homes they may have built, painting them with what little paint they can buy, interested in making improvements in those homes as there may be additions in their families from year to year, interested in the homes being increased in size with knowledge on their part that those homes are theirs.

I have heard some say that the object we have in mind is idealistic, and simply the thought of a dreamer. Some have said that the people do not have the initiative to take advantage of such a law. How do we know they do not have the initiative? The same comment was made about what was done in Ireland. Yet through lending money there, not for 60 years, but for 80 years, they have brought about a redistribution of the land and have put on the soil of Ireland thousands and hundreds of thousands of small farmers, to work out their destiny, with loyalty to their people and to their ideals.

Mr. President, that is what I want in the State from which I come and in the Nation in which we live. I want to see a stop put to the steady progression toward more and more ownership of the soil in this country by a few people, some of them a thousand miles away. It has even gone to such an extent, I was told by one sitting close to me on this floor

several days ago, that a very large area of the land in his State is owned by corporations engaged in the farming business. What we propose to do is to provide a cheap method whereby the credit of the United States Government shall be loaned, not merely, as it has been in the past, to the stupendous business enterprises in order that great dividends may be paid, but to the little man.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BAILEY. Does the Senator propose that the Government shall lend its funds to tenants in order that they may buy lands from the corporations, which the Senator is denouncing?

Mr. BLACK. I do not denounce the corporations, except as they may engage in farming. I do not believe in corporate farming.

If the Senator can suggest any method whereby the farmers can get land without buying it from somebody who has it, then I shall be willing to subscribe to the other method. Does the Senator want to take the lands away from the corporations?

Mr. BAILEY. I will suggest a method right now.

Mr. BLACK. Does the Senator want to take it away from them by law?

Mr. BAILEY. The Senator asked me to suggest a method, and I will suggest one. Pass the pending bill, and repudiate the bonds.

Mr. BLACK. If the Senator favors that, that is perfectly all right.

Mr. BAILEY. I think that will be the inevitable consequence if we keep on spending money as we are spending it.

Mr. BLACK. Of course, there comes the old objection, "Spending money! Spending money!" Whose money is it, anyway? Who makes the money? The people of this Nation make it. It is to the interest of the people of this Nation that we try to do what will be for the benefit of all the people, instead of for the benefit of a small, select group of people, as was the case under the old, antiquated system from which we are trying to get away, and which caused the complete collapse in 1929.

Mr. BAILEY. Mr. President, will the Senator allow me to interrupt him once more?

Mr. BLACK. Certainly.

Mr. BAILEY. I understand the Senator's argument to be that the tenant will get the credit, and this small group will get the cash. I think he is making his argument for the small group.

Mr. BLACK. The Senator misunderstood my argument if he understood it to mean what he says he conceived it to mean. I did state that it is easy enough to try to find reasons why one should not favor the little man owning the farm. One of the easiest things to urge, of course, is that they have to buy the land from someone who has it.

How else can a farmer get land? We have ownership of land in this country, and unless we want to abandon the principle of ownership of land, or socialize all the land, there is no earthly chance for a tenant to get the land except by buying it. He himself can either buy the land—which is practically impossible, as has been shown by past history—or he can be afforded governmental assistance. In either instance, the only chance he has to obtain any land is to have it purchased from those who own it, whether they are corporations or individuals.

The pending bill tends toward this objective; it tends toward increasing the number of small farmers in this Nation who will own their land and love their homes. It seems to me a little strange that credit is always safe so long as it is utilized for those who need it least; without hesitation billions of dollars have been appropriated for the benefit of those who have little need, but there is opposition when it comes to those who need assistance and need it desperately, as do these tenants, hidden down on the banks of the creek, behind the canebrake, under the old pine trees. The very moment we propose to provide a method of relief for those who need it most, we find that the last straw has come to break the camel's back.

Mr. President, I am not afraid that such a measure as that before us will strain the credit of the Government, or destroy the Government. Governments are not destroyed in that way. Governments are destroyed by dissatisfaction and discontent and rebellion and revolution among the masses, who find themselves trampled upon and oppressed under conditions from which it is impossible for them to escape.

I do not anticipate that making it possible for millions, or for 500,000, or 200,000, or whatever number we desire to say, to buy land upon which they can live, where they can attach themselves to the land and become real lovers of the soil, will destroy their Government. I hope that the bill will not be recommitted to the committee.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Virginia [Mr. BYRD] to recommit the bill to the Committee on Agriculture and Forestry.

Mr. GORE. Mr. President, I believe that I am as strongly in favor of a country of home owners as is any advocate of the pending measure. I am in favor of adopting all rational means that will bring about economic conditions under which the tenant farmer can, if he desires, buy a home and pay for a home. I hope that that ideal can be made real.

Oklahoma is for the most part a State of small landowners. We have large estates in Oklahoma. Lands in our State were settled under the homestead laws. This necessitated and insured small holdings, at least in the first instance. Our people have adhered to that plan and that policy.

Oklahoma was settled by pioneers, pioneers who sought homes on the frontier, who builded their own homes. This day is the 46th anniversary of the original opening of Oklahoma Territory. It is a day historic in the annals of the American pioneer. It was dramatized by the historic "run" on the part of the home seekers. It is a day that we still commemorate in Oklahoma and upon which we pay merited homage to the sturdy pioneers who set a new star in that constellation which blazes upon Old Glory.

I think that the pending measure ought to be sent back to the Committee on Agriculture and Forestry or to the Committee on Banking and Currency. I believe every safeguard ought to be erected to insure a wise and judicious administration of the proposed law, and to safeguard it against possible abuses—abuses which, as I interpret the bill as now drawn, might easily creep into the administration of the law; abuses which might not reflect any particular credit upon the prudence and vigilance of Congress in enacting legislation, appropriating such large sums, even though dedicated to bringing about the ownership of homes throughout the country.

The Senator from North Carolina [Mr. BAILEY] a moment ago alluded to the Dyess colony in Arkansas, where some 700 homes have been built in furtherance of one of the subsistence homestead or rural rehabilitation projects; I do not recall the exact title of the project.

I have understood, though I may have been misinformed, that Mr. Dyess, in whose honor the colony is named, was at one time in the employ of the owner of the land on which this colony is located. I do not know whether that is true or not. If it is true, I think that fact ought to be developed when the pending measure is sent back to the committee. The project is located in Mississippi County, Ark. Much of the land, as I have been informed, is owned by the largest individual cotton planter on the globe, and Mr. Dyess, according to my information, was formerly in his employ.

Mr. Dyess has 700 houses, some of which, and perhaps many of which, are located on land, according to this story, owned by his former employer. That story may be true and it may be entirely untrue; I do not know as to that; but at least it raises a warning that the pending measure ought to be so safeguarded as to protect Congress, protect the administration, and protect the Treasury against abuses which might creep in as the measure is now drawn. If the measure is sent back, I hope this project and one other

project which I have in mind will be looked into, Mr. President.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DICKINSON. If a land-colonization plan of this kind is necessary, I am wondering why it could not be tried out in Alabama. We in Iowa will consent to letting them have an Alabama program or an Oklahoma program, but why involve the credit of the Federal Government?

Mr. GORE. I think if the bill goes back to committee, a study should be made of these subsistence homesteads to see if they give sufficient promise to justify our proceeding with them. Perhaps sufficient experience has not been accumulated, yet some lesson might be learned from the programs and experiences already had. I know of one. Another of these colonizations I should like to see investigated.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia [Mr. BYRD] to recommit the bill.

Mr. VANDENBERG. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LOGAN. I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the junior Senator from Utah [Mr. THOMAS] and will vote. I vote "nay."

I am not advised as to how the senior Senator from Pennsylvania or the junior Senator from Utah would vote if present.

Mr. LEWIS. I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

I desire to announce that the Senator from Nevada [Mr. MCCARRAN], the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. MCADOO], the Senator from Utah [Mr. THOMAS], the Senator from Idaho [Mr. POPE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

I also announce that the Senator from Georgia [Mr. GEORGE] is paired with the Senator from Nevada [Mr. PITTMAN]; and I am requested to say that the Senator from Nevada, if present, would vote "yea", and the Senator from Georgia, if present, would vote "nay" on this question.

Mr. METCALF (after having voted in the affirmative). I inquire if the Senator from Maryland [Mr. TYDINGS] voted?

The VICE PRESIDENT. He has not.

Mr. METCALF. I have a general pair with the Senator from Maryland. Not knowing how he would vote if present, I withdraw my vote.

Mr. NYE. My colleague [Mr. FRAZIER], who is unavoidably absent, has a pair on this question with the Senator from Connecticut [Mr. MALONEY]. If present, my colleague would vote "nay", and the Senator from Connecticut would vote "yea."

Mr. AUSTIN. I announce the necessary absence of the Senator from Kansas [Mr. CAPPER] and the Senator from Wyoming [Mr. O'MAHONEY], who are paired on this question. If the Senator from Kansas were present, he would vote "yea", and if the Senator from Wyoming were present, he would vote "nay."

I announce that the senior Senator from Pennsylvania [Mr. DAVIS] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The result was announced—yeas 37, nays, 44, as follows:

YEAS—37

Adams	Clark	Hastings	Smith
Austin	Coolidge	Johnson	Steiwer
Bailey	Copeland	Keyes	Townsend
Barbour	Couzens	King	Truman
Bone	Dickinson	Lonergan	Vandenberg
Borah	Gerry	Long	Walsh
Bulkley	Gibson	McNary	White
Burke	Glass	Moore	
Byrd	Gore	Radcliffe	
Carey	Hale	Schwellenbach	

NAYS—44

Ashurst	Bankhead	Bilbo	Brown
Bachman	Barkley	Black	Bulow
Byrnes	Guffey	Minton	Russell
Caraway	Harrison	Murphy	Schall
Connally	Hatch	Murray	Sheppard
Costigan	Hayden	Neely	Shipstead
Cutting	La Follette	Norris	Thomas, Okla.
Dieterich	Lewis	Nye	Trammell
Donahey	Logan	Overton	Van Nuys
Duffy	McGill	Reynolds	Wagner
Fletcher	McKellar	Robinson	Wheeler

NOT VOTING—14

Capper	McAdoo	Norbeck	Thomas, Utah
Davis	McCarran	O'Mahoney	Tydings
Frazier	Maloney	Pittman	
George	Metcalf	Pope	

So Mr. BYRD's motion to recommit the bill was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate no. 2 to the bill and concurred therein; that the House had receded from its disagreement to the amendments of the Senate nos. 3, 4, 33, and 34 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate; and that the House insisted upon its disagreement to the amendments of the Senate nos. 23, 24, and 25 to the bill.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Carolina [Mr. BAILEY].

Mr. LONG. Mr. President, at this time I wish to complete my remarks relative to the letter of September 8, 1934.

Some of my friends on the floor have been led into error due to some remarks made by the senior Senator from Tennessee [Mr. MCKELLAR]. Some of them understood that I was either criticizing or defending one or the other of the administrators of the relief fund in the State of Tennessee. I had not risen for that purpose. I had intended to close my remarks by sending to the desk this letter and asking that it be incorporated in the RECORD, so that Senators and others might read it; but before I could complete my remarks and submit the request I was interrupted by my friend from Tennessee, who had just entered the Chamber and evidently had been informed on the outside that I had made some statement, which I deny the intent of making or that I have made.

What I had done was to read a few lines from a letter. This is not my letter. If the time has come in the Senate that I am no longer going to be allowed to read reports from the new deal without having to fear being assailed as to my motives, or as to the honesty of somebody whom I have never seen and concerning whose honesty or dishonesty I am in no way concerned one way or the other, I feel that I shall be placed at disadvantage which my colleagues do not intend.

When my misinformed colleague from Tennessee returned to the Chamber and took me to task concerning some man down in the bullrushes of Tennessee whom I do not know, I was reading this letter.

Mr. MCKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield.

Mr. MCKELLAR. The gentleman to whom the Senator refers does not come from Tennessee at all. I was informed that he came from Georgia, but I asked the Senators from Georgia about him and they never even heard of

him. I do not know where he came from. Until the Senator resurrected him I thought he had passed out.

Mr. LONG. I did not resurrect him. My friend from Tennessee very honestly gets the wrong idea sometimes. Because he said the horse is 16 feet high he has to be 16 feet high and cannot be 16 hands high. [Laughter.]

I am reading from a report of the "new deal" government or the "raw deal" government, whichever one may desire to call it:

Federal Emergency Relief Administration, Regional Headquarters, Southeastern Area, 10 Forsyth Street Building, Atlanta, Ga., September 8, 1934.

I read the following extract and I am going to offer the entire letter for the RECORD.

Status of reorganization of the accounting division.

Mr. W. M. Duncan was appointed auditor of the Tennessee C. W. A. in December 1933. He was a C. P. A.—

That means a certified public accountant, I understand—

and apparently had excellent references and agreed to carry out the policies of the C. W. A.

They do not say what the policies were.

By the 1st of February in 1934 it was apparent that Mr. Duncan was not qualified for the position. It was also ascertained that he was being controlled by the same political ring that controlled Mr. Menzler.

I do not know to what political ring they are referring, but I wish to say that if this is a reflection upon the political ring with which my friend the senior Senator from Tennessee [Mr. MCKELLAR] is in any way identified, I myself resent it. [Laughter in the galleries.]

Mr. MCKELLAR. Mr. President, that is very kind of the Senator.

The VICE PRESIDENT. The Senator will suspend. The present occupant of the chair has not cleared the galleries since he has been Vice President. Each guest of the Senate, as he enters the gallery, is handed a little slip on which he is requested respectfully to refrain from laughter, audible conversation, or anything tending to disturb the proceedings of the Senate. I hope our guests will refrain from any aspects of laughter.

Mr. MCKELLAR. Mr. President, I thank the Senator from Louisiana, but I never heard of Mr. Duncan. I do not know what organization he is for or against in Tennessee. I know no such man as the Senator describes. I myself am not allied with any ring of any kind, nature, or description in Tennessee. I hope I have the backing and good will of the people there. I certainly have very much desired their backing and good will.

I am sure the Senator is misinformed about the matter concerning which he is talking. The Senator, as I understood this morning, said something about a man by the name of Simpson and charged the administration with having removed him. The administration did remove Mr. Simpson, but removed him at my earnest request because I thought he was wholly incompetent, wholly inefficient, and not at all the proper man to have in charge down there. They finally agreed with me and removed him, I believe to the great credit of the administration and to the great benefit of my State.

Mr. LONG. That does not cover the point. I was merely stating that this letter says that two men named Menzler and Duncan, who were in charge in Tennessee, were found to be connected with a very bad political set down there and therefore they had to be removed. I understood that a man named Simpson succeeded a man named Menzler. That is all I know. I am now told that later Simpson was removed and somebody else was taken back, and that with him was put back this man Duncan. Their report states he was not only inefficient, but was hooked up with a dirty ring down there.

The point I am making is this: I want to have it understood that these criminations and recriminations are not alone confined to Louisiana. Notwithstanding the fact that Louisiana never did have anything to do with the appointing or removing of either one of them and does not want to have anything to do with the appointing or removing of either one of them, down in Tennessee, where they appointed and removed them, they have had to start down the list again. From what I understand, Mr. Duncan is back again, notwithstanding the report that he is inefficient, incompetent, corrupt, can be bought, and is mixed in with a worse political ring than the first one.

Mr. MCKELLAR. He must be from Louisiana.

Mr. LONG. I do not think he is.

Mr. MCKELLAR. I never heard of the man. I have my doubts whether he is a Tennessean, if I may judge from the Senator's description. I do not think there is a "dirty ring" down there.

Mr. LONG. I, too, doubt it.

Mr. MCKELLAR. I myself doubt it.

Mr. LONG. I never saw a bad ring in my life. [Laughter.]

Mr. MCKELLAR. I have seen them and so has the Senator, but the Senator does not make one simply by saying there is one. I think the Senator has enough to do in his own State without trying to come up to Tennessee and run that State. Frankly, so long as the Senator undertakes to bring in Tennessee, he is going to hear from me right along. I am not in favor of Mr. Duncan, if he is a bad man. I do not know where he came from. I do not care where he came from. If he is not the right kind of an official, I am against him. I am sure the Senator knows I would not stand for any man in public office who did not regard it as a public trust and who did not act honestly.

Mr. LONG. Mr. President, I send to the desk this letter both recommending Simpson and condemning Duncan in order that it may be incorporated in the RECORD so that the present employees administering the funds may understand.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

FEDERAL EMERGENCY RELIEF ADMINISTRATION,
REGIONAL HEADQUARTERS—SOUTHEASTERN AREA,
Atlanta, Ga., September 8, 1934.

MEMORANDUM

To: Mr. Corrington Gill, assistant administrator.
From: Robert B. Watson, regional field examiner.
Subject: Progress report on reorganization of the accounting and auditing department of the Tennessee Emergency Relief Administration.

You have received this week two wires stating that the accounting and auditing division of the Tennessee Emergency Relief Administration was in process of reorganization. On Thursday we had a lengthy telephone conversation in reference to this situation. In view of the fact that it was impossible to give you a complete picture of the situation at that time, in satisfactory manner, I am presenting this progress report so as to enable you to intelligently answer any questions which may be raised at the Washington office.

INTRODUCTION

The present crisis in the accounting and auditing department can only be viewed intelligently against the background of the past 2 years' experience in Tennessee. The administration of relief never got started properly. The first relief commission in Tennessee, which was organized by the Emergency Relief Division of the R. F. C. in October 1932, was constituted by the State Highway Department of Tennessee. The highway commissioner was chairman of the relief commission. Funds received by the relief commission or the highway department were disbursed by the accounting division of the highway department under the regulations of the State. Using their previous experience in disbursing highway funds they organized a disbursement plan calling for a centralized system. This meant that pay rolls, relief bills, and administrative expenses were all disbursed through the State office. The program itself was never conceived on a decentralized basis, whereas they had county relief committees that had little actual responsibility and at the start were purely political in character. Mr. Roland Haynes, the field examiner of the R. F. C. at that time, succeeded in extending the commission to include other representatives of the State government and the public but the actual administration and the details of the work were carried out by the highway department. This continued until the close of the R. F. C. administration in May of 1933. At that time the accounting division of the highway department was writing from 500,000 to 600,000 checks a month in the State office.

At the start of the F. E. R. A. every effort was made to change the administration set-up, and in the last week of June the Governor appointed the relief commission, to be known as the "Tennessee Emergency Relief Administration", to which commission no representative of the highway department was appointed. Pressure was brought to bear upon the Governor to take away the machinery of the accounting division and statistical division from the highway department, but he successfully resisted the efforts made at that time. In September renewed efforts were made to bring the ac-

counting department over from the highway department to the Tennessee Emergency Relief Administration. By that time the situation was quite deplorable; bills were being piled up, disbursements were unsatisfactory, and there was much friction between the accounting department of the highway department and the officials of the Tennessee Emergency Relief Administration. However, Mr. Johnstone and I obtained an agreement from the Governor that the situation would be corrected, and this agreement was approved by the commissioner of the highway department, and to which the administrator, Mr. Menzler, also agreed. This agreement was obtained about the 1st of October.

When the C. W. A. was inaugurated it was insisted by both Mr. Johnstone and myself that an accounting division must be established in the Tennessee E. R. A. for the accounting and reporting of all C. W. A. funds. It was agreed that along with that should be the accounting and reporting of the F. E. R. A. funds as well. The accountant of the highway department, who was relying upon the staff of his office, which was then doing F. E. R. A. work for his own highway work, resisted all efforts to make this change. Further efforts were dropped during the rush of C. W. A.

In February of 1934 it was apparent that the administrative head of the Tennessee E. R. A. was unsatisfactory and a change would have to be made. As a consequence of the change which took place it was insisted that the disbursing and accounting of F. E. R. A. funds would be transferred from the highway department of the Tennessee E. R. A. and that the Tennessee E. R. A. would disburse all F. E. R. A. funds. After a week's campaign with the Governor and other officials, this was finally obtained, and so the present accounting department of the Tennessee E. R. A. really dates from the 1st of February 1934.

STATUS OF REORGANIZATION OF THE ACCOUNTING DIVISION

Mr. W. M. Duncan was appointed auditor of the Tennessee C. W.A. in December 1933. He was a certified public accountant and apparently had excellent references and agreed to carry out the policies of the C. W. A.

By the 1st of February in 1934 it was apparent that Mr. Duncan was not qualified for the position. It was also ascertained that he was being controlled by the same political ring that controlled Mr. Menzler. So it was felt advisable to make a change in the head of the accounting division as well as the administrator. Mr. Johnstone and I were both in Nashville for a week during the process of the change. Colonel Simpson, who replaced Mr. Menzler, asked Mr. Johnstone to make and approve recommendations for the staff. I agreed to make an investigation as to available accountants. Because the situation had to be handled quickly and knowing that Mr. Duncan was vice president of the Tennessee C. P. A. Association, I asked for his recommendation as to his successor, and his recommendation included that of Mr. C. P. Harris along with others. It was soon ascertained that Mr. Harris was the outstanding candidate in the group, and within 24 hours he was appointed and installed.

I spent some time with Mr. Harris going over the C. W. A. situation and also the F. E. R. A. division. Mr. Duncan agreed to remain for a week or so in order to give Mr. Harris a picture of his work. Right in the midst of this situation I received word from the Washington office to return and get ready to go to Puerto Rico immediately. While in the Washington office it was agreed that Mr. Hickerson, an assistant field examiner, would be assigned to my territory in my absence, with the instructions to go immediately to Tennessee and assist Mr. Harris in his reorganization. I went over the ground thoroughly for an entire day with Mr. Hickerson, with various specific instructions to carry out.

Upon my return from Puerto Rico I went immediately to Tennessee and found that Mr. Hickerson had carried out the instructions to the letter. I spent some time with Mr. Harris and emphasized that the accounting department in the Tennessee F. E. R. A. would never be satisfactory to me until it had been decentralized entirely. I pointed out that Tennessee was the only State which maintained the centralized accounting control, as well as the cumbersome centralized disbursing system. He agreed in general, but felt that the C. W. A. procedure had worked out so satisfactorily that it would be unwise to carry out decentralization at that time. Colonel Simpson, the administrator, was also opposed to the idea. Both men felt at that time that it would be unwise to place any responsibility on the local units, and, furthermore, that there was insufficient trained personnel in the county units to hold up such a system. However, after having Colonel Simpson talk to Mr. Johnstone on the wire, the colonel finally agreed to make an attempt, and specific instructions were given to Mr. Harris to take steps immediately to decentralize his system. I furnished him with copies of all the forms used in the other States and stated to him that by the 1st of April I expected him to be ready to inaugurate his plan, and if he would submit his system to me for approval I would spend some time with him helping him to get started.

Some acute problems arose in my other States during April and May, and I could not carry out the close supervision which I had promised but did keep in touch with the situation from time to time, by wire and telephone. At the end of May, just before my second trip to Puerto Rico, Mr. Harris stated that he was starting to decentralize and so I felt confident that some progress was being made.

I had not been able to return to Tennessee until August 23. On August 24 and 25 I spent the day and a half going over the entire system and as a result of my investigation I disclosed the following points:

(1) No steps had been taken to decentralize the accounting system beyond disbursing the pay rolls in 39 of the 95 countries.

(2) Mr. Harris was still opposed to decentralization although he was willing to follow my instructions in carrying out the plan.

(3) Mr. Scott, his assistant, was also opposed to decentralization.

(4) In spite of trips taken by Mr. Harris and Mr. Scott to survey the Georgia office and also a trip to Washington to consult with you and Mr. Carr, there was a complete lack of understanding as to what was required in the accounting division.

(5) There were 106 employees in the State accounting and disbursing office.

(6) Colonel Simpson reported that he had been able to weed out all employees whom he felt were in any way connected with the political machine of Tennessee with the exception of the employees in the accounting division. On numerous instances Mr. Harris had failed to carry out the instructions of Colonel Simpson in reference to dismissing inefficient employees.

(7) It was very obvious that the personnel of the accounting division were very inefficient and the work was carelessly done, and when I charged Mr. Harris and Mr. Scott with the responsibility of this situation they put up the alibi that they were not responsible for the employees of their division.

(8) On several instances Colonel Simpson had received reports in regard to members of the field auditing staff which tended to definitely show they were playing politics in the field at the behest of the political machine of Tennessee.

(9) Neither Mr. Harris nor Mr. Scott were familiar with the F. E. R. A. accounting manual and no attempt had been made to instruct the field force or the local units as to correct accounting and auditing procedure. No manual for the State of Tennessee was contemplated.

(10) The outstanding commitments of the F. E. R. A. were not ascertainable and could not be obtained as of August 1.

(11) A report had been submitted to Colonel Simpson by Mr. Meiers, the statistician, that apparently Tennessee E. R. A. has run anywhere from $700,000 to $1,000,000 in the red for the month of August.

When this situation was reported to Mr. Harris he had no explanation and stated that he could not ascertain it accurately.

As a result of the foregoing facts, I have discussed the entire situation with Colonel Simpson and recommended that he ask for Mr. Harris' and Mr. Scott's resignations immediately. The situation was reported to Mr. Johnstone, the field representative, and he approved the action.

At this stage of the investigation we were all called into Washington for a conference on August 27–29. In the meantime, I surveyed the personnel of the State offices in the Southeastern States and determined upon Mr. John Tarleton, of Georgia, to take over the accounting division temporarily, if Miss Shepperson and Mr. Johnstone agreed. This approval was obtained during the conference at Washington and I also obtained Mr. J. M. Jordan, former assistant field examiner of the F. E. R. A., to act as Mr. Tarleton's assistant during the process of reorganization. It was agreed that we would meet in Nashville on August 31 to make plans for reorganizing the entire accounting and auditing system for the State E. R. A. in accordance with instructions from the field examiner.

PROGRESS MADE FROM SEPTEMBER 1 TO 6, INCLUSIVE

(1) Colonel Simpson requested the resignation of Mr. C. P. Harris and Mr. Scott on Saturday morning, September 1, to be effective September 15. He instructed both Mr. Harris and Mr. Scott to take 2 weeks' vacation between the 1st and 15th and to have their desks available on Tuesday morning.

(2) The week-end was spent in going over the entire background of the previous history of the accounting division with Mr. Tarleton and Mr. Jordan.

(3) Conferences were held by Mr. Tarleton and Mr. Jordan with two or three division heads in the accounting department relative to the present procedure in the accounting division.

(4) Colonel Simpson appointed Mr. Tarleton and Mr. Jordan as acting State auditor and acting assistant State auditor, respectively.

(5) On Tuesday morning Colonel Simpson, Mr. Tarleton, Mr. Jordan, and the regional field examiner talked to the group of 106 employees of the accounting division with the following results:

(a) Mr. Tarleton requested the resignation of the entire 106 of employees immediately. After receiving these resignations he said the acceptance of the resignations would be determined on the basis of efficiency and asked the employees for their 100-percent cooperation.

(b) The field examiner spoke to the employees and stated the purposes of the F. E. R. A. and the necessity for complete reorganization of the accounting and disbursing division.

Later in the day Colonel Simpson and Mr. Tarleton and Mr. Jordan met with the field staff of 16 or 17, and 7 resignations were accepted in the afternoon. It was discovered that these seven men were not qualified as accountants, to say nothing of their qualifications for field work; had been inefficient generally, and were the ones the colonel knew had engaged in political activities to a greater or lesser degree.

(6) It was mutually agreed by Mr. Tarleton, Mr. Jordan, Colonel Simpson, and myself that Mr. Tarleton would have charge of the entire reorganization and that Mr. Jordan would be responsible for establishing the field work throughout the State.

CONCLUSION

In a process of investigating the qualifications of the employees of the accounting division, some interesting facts were disclosed.

One field auditor presented as his sole experience, being a timekeeper and blacksmith on a C. W. A. project. His next position was field auditor for the F. E. R. A. The head of the bookkeeping department presented an experience as follows:

Postmaster of a small town in Tennessee; 10 years as head yard master for the L. & N. Railroad yards, in Nashville; cashier of a grocery store. His next position was head of the bookkeeping department of the State C. W. A.

It was also ascertained on very good evidence that the leading bootlegger in Nashville is a member of the disbursing office of the State F. E. R. A. Two members of the disbursing office and one member of the bookkeeping department have definite criminal records. Further analysis of the qualifications of the bulk of the 106 employees discloses a situation, amounting well-nigh to a scandal. Colonel Simpson has exercised every effort to keep the situation from the newspapers and I have given specific instructions to Mr. Tarleton with the 100-percent support of Colonel Simpson to get rid of all the inefficient employees immediately, if it takes the entire 106. It is to be emphasized that throughout the process of this reorganization the colonel is asking for and accepting all resignations on the recommendation of Mr. Tarleton.

I am leaving on my vacation on September 7 and will return to Tennessee immediately at the end of 1 week's time, about September 15. Mr. Tarleton has stated that, bad as the situation is, he feels that he can have his system very well organized by the time of the regional conference and it is my hope that Mr. Tarleton will be able to present an interesting progress report on Tennessee. At that time, you will get first-hand in much more detail some of the disclosures which were made in the investigation.

Respectfully submitted.

ROBERT B. WATSON,
Regional Field Examiner.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY].

Mr. COUZENS. May the amendment be stated?

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all of subsection (d) on pages 4 and 5 down to and including the word "authority" on line 25, page 5, and line 1, page 6.

Mr. ROBINSON. Mr. President, I should like those who are in favor of the bill to understand that this is a very vital amendment, and that its adoption would eliminate from the bill all authorization for a bond issue; and if the amendment should prevail it would, in my judgment, take the very heart out of the bill.

Mr. BAILEY. Mr. President, before the Senator from Arkansas takes his seat, may I ask him a question?

Mr. ROBINSON. Certainly.

Mr. BAILEY. Would not the adoption of the amendment still leave available all the money that was made available for the purpose in the work-relief joint resolution, namely, $500,000,000?

Mr. ROBINSON. I do not understand that the adoption of the amendment would strike anything out of the work-relief joint resolution. My statement is that it would take the heart out of the bill, and I think that is correct.

Mr. BAILEY. It would take a billion dollars out of the bill, but it would leave the mechanics of the bill to operate on the $500,000,000 which is available under the work-relief joint resolution. That is correct, is it not?

Mr. ROBINSON. It would leave in the bill the $50,000,000 for stock to be subscribed by the President.

Mr. BANKHEAD. Mr. President, I am in full accord with the statement made by the Senator from Arkansas. Whatever the possibilities may be under the work-relief joint resolution, we know as a matter of fact that that money is not going to be transferred to this corporation; so it is simply a question of whether we are going to give them this possible asset, this bond issue which can be made only with the approval of the Treasury Department. We know, as a matter of practical affairs, that the $500,000,000 appropriation for rehabilitation work is to be used along entirely different lines, and the only prospect we have is to get $50,000,000 out of it and no more. So, if this paragraph is eliminated, the heart of the bill is gone. There will be no appropriation.

Mr. LONG. Mr. President, will the Senator from Alabama answer a question for me?

Mr. BANKHEAD. I will if I can.

Mr. LONG. How many of these so-called "share-tenant" people is the bill to take care of?

Mr. BANKHEAD. I hope it will take care of at least half a million of them before we get through; but this is a long-range program. It is not intended to go into operation for a day or a year. It is to be worked out gradually under the authorization proposed to be given.

Mr. LONG. I understood that there was a total of a billion and a half dollars; or is there just a billion?

Mr. BANKHEAD. Just a bond issue for a billion; that is all.

Mr. LONG. I do not see how very many share-tenant people can be taken care of with that amount. That would be $200 to the man, would it not?

Mr. BANKHEAD. No; $2,000. Half a million people would be taken care of under the bond issue.

Mr. ASHURST. Mr. President, before the question is put on the amendment of the Senator from North Carolina, let me say that while I wish to support the pending bill I think the time has come—indeed, it is overdue—when the Government should cease to issue any more bonds with the tax-exempt privilege. The Federal Government and the States are breaking down, they are bogging down, beneath the weight of tax-exempt securities. I, therefore, move to strike out, in line 20, page 5, beginning with the word "The", the following language:

The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes), now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

And to insert in lieu thereof:

The interest on the bonds issued by the Corporation shall be subject to taxation as other income.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. ASHURST] to the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from Arizona if the bonds of the Reconstruction Finance Corporation are tax-exempt.

Mr. ASHURST. The bonds of the Reconstruction Finance Corporation, as I recall, are not tax-exempt, and, in my judgment, they should not be.

Mr. COUZENS. Mr. President, the Reconstruction Finance Corporation bonds are all in the Treasury. There are none in the hands of the public.

Mr. SHIPSTEAD. Then, I should like to say that, while I am opposed to the issuance of tax-exempt securities, I do not like to start the innovation of taxing the income from bonds which have relation to indebtedness assumed by farmers. Necessarily, if they are taxed they will have to bear a higher rate of interest than they will if they are tax exempt, and that means that the farmer will have to pay the tax. He will pay it in a higher rate of interest.

Mr. WALSH. The Senator means that the interest will be added to his total investment, and thereby his investment will be larger, and his debt will be greater.

Mr. SHIPSTEAD. Yes.

Mr. ASHURST. Mr. President, I should be lacking in candor if I failed to say that in my efforts to prevent the issuance of tax-exempt securities I have always had the hearty and able support of the Senator from Minnesota [Mr. SHIPSTEAD]. Of course, no matter where we begin the effort to prevent the further issuance of tax-exempt securities, we are always met with the argument that "this is not the place where the movement should be inaugurated. We have exempted from taxation other securities, why start here?"

We must begin somewhere. All too soon there will come a day when we shall have to commence practicing economy. There will come a day when we shall have to begin to stop the issuance of tax-exempt securities by the Federal Government, and the States likewise will be obliged to take similar action. This bill contemplates a bond issue of a bil-

lion dollars. I assert here, and I call upon members of the Finance Committee to bear me out, that the fact that a bond carries the tax-exempt privilege does not promote its sale. Three Secretaries of the Treasury have advised to that effect.

I submit the amendment. I do not wish to take any more time, except to sound a note of warning: The Federal Government will bog down, the States will bog down, stagger, surrender completely under a load of debt if we continue to permit persons and corporations to have their strongboxes rich and plethoric with tax-exempt securities. Tax-exempt securities cannot be defended.

I hope the amendment I propose will be agreed to at this time.

Mr. DICKINSON. Mr. President, a parliamentary inquiry. I rise to inquire whether the matter proposed by the Senator from Arizona to be stricken out is not included in the motion to strike out made by the Senator from North Carolina [Mr. BAILEY], and whether it is in order.

Mr. ROBINSON. Mr. President, may I interrupt the Senator?

Mr. DICKINSON. I yield.

Mr. ROBINSON. It is in order to perfect the amendment of the Senator from North Carolina.

The VICE PRESIDENT. The amendment offered by the Senator from Arizona is in order, because it undertakes to perfect the amendment of the Senator from North Carolina before the Senate votes on it. The question is on agreeing to the amendment offered by the Senator from Arizona to the amendment of the Senator from North Carolina.

Mr. DICKINSON and other Senators called for the yeas and nays, and they were ordered.

Mr. RUSSELL. Mr. President, I wish to make a very brief statement in connection with the motion made by the Senator from Arizona.

I heartily agree with all the Senator from Arizona says about the impropriety of the issuance of tax-exempt securities as a general proposition. I have supported every measure which has been proposed in the Senate since I have been a Member of this body to change our present national policy of issuing tax-exempt securities.

Mr. ASHURST. I bear witness to that.

Mr. RUSSELL. I have done so for the reasons so very ably described by the Senator from Arizona. However, in this bill there is a distinct provision that—

> The rate of interest to be charged by the Corporation upon indebtedness owed to it shall be at as low a rate of interest as the Government can secure the money, and may include a reasonable charge to be applied toward the expenses of administering the provisions of this act.

In other words, Mr. President, if we should make these bonds subject to taxation, and therefore provide a higher rate of interest on the bonds issued to finance the operations of this corporation, seeking, as it will, to provide homes for tenants and those who are least able to pay a higher rate of interest, we would have forced a higher rate of interest on those least able to pay it. We all know that if these bonds alone of the vast amount of Government securities now in circulation are subject to taxation, a higher rate of interest will be required to place them on the market than on issues of other Government securities. We will be providing for a higher rate of interest upon those least able to pay it, the men we are attempting to rehabilitate, and afford opportunities of owning farms.

For this reason, I shall deviate from my policy of voting against the issuance of tax-exempt securities, because I do not intend to see that policy adopted only in providing credit for the most impoverished class of our people, those who have had less advantages in this country than any other class of citizens.

I hope the amendment will be rejected.

Mr. NORRIS. Mr. President, I should like to have the attention of the Senator from Arizona [Mr. ASHURST].

As I remember the language the Senator undertakes to strike out, it provides, not that the bonds shall be entirely exempt from taxation, but only partially so.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ASHURST. Under the provision as it now reads the bonds are to be exempt only from the normal tax. The bonds will not be exempt as to the surtax, the inheritance tax, the estate tax, or the gift tax.

Mr. NORRIS. No.

Mr. ASHURST. My amendment, if adopted, would simply remove the exemption as to the normal tax.

Mr. NORRIS. Exactly.

Mr. ASHURST. That is the way I understand it. It would strike out certain provisions, and then it would read, "the interest on the bonds issued by the Corporation shall be subject to taxation as other income."

Mr. NORRIS. Mr. President, that brings up a point to which I want to direct the attention of the Senate. Let no Senator be deceived into thinking that the bonds provided would be totally exempt. The bonds would be exempt only as to the normal tax.

Mr. ASHURST. That is correct.

Mr. NORRIS. The bonds would not be exempt as to the surtax. So, after all, the bonds would not be tax exempt. They would be only partially tax-free bonds.

I think every Senator knows that I am opposed, and always have been opposed, to the nontaxation of many bonds which are tax-free. Municipal bonds, State bonds, county bonds, school bonds, all bonds of any particular political subdivision of a State, are entirely free from all sorts of Federal taxation, except as to the inheritance tax.

I favored the attempt that was made when the last revenue bill was before us to insert a provision that the matter of the taxation of bonds should be submitted again to the Supreme Court of the United States. My own judgment has always been that under the income-tax amendment to the Constitution Congress has the power to tax the income from bonds. But the Supreme Court decided otherwise by a divided court. In my opinion, the question has not been as fully analyzed as it might be, and I have thought there might be a fair chance of the Court deciding that Congress had the power to tax the income from bonds under the amendment that was added to the Constitution providing that Congress should have the power to levy income taxes. I have thought a decision might be rendered affirming our power to tax the income from all kinds of bonds if Congress desired to do so.

That amendment failing, I favored, as the Senator from Arizona knows, his proposal to amend the Constitution so that there would be no question about Congress having the power to levy taxes on bonds.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I will yield in just a moment. The great bulk of tax-free bonds are not covered by the provisions of the pending bill. We are letting the great bulk escape, and have done so for a good while. Now there is an attempt to levy a full tax upon the income from these bonds which are intended to give aid to the farmers of the Nation, or those who want to become farmers and own the land they till, a taxation that will mean an increase in the rate of interest they will have to pay and add to their indebtedness in acquiring homesteads. That does not seem to be fair. If there is a place on earth where there ought to be tax exemption, this is the place for it, it seems to me. This matter goes to the very homes of the people.

Mr. CONNALLY. Mr. President, will the Senator yield now?

Mr. NORRIS. I yield.

Mr. CONNALLY. The Senator is aware of the fact that the Federal Government can tax its own bonds.

Mr. NORRIS. Yes; that is true, and these bonds would be partially taxed. They would be taxed as the Liberty bonds were taxed.

Mr. CONNALLY. Would the Senator favor levying a Federal tax on State bonds?

Mr. NORRIS. Yes; on the income from State bonds, as the amendment to the Constitution provides, "from whatever source derived."

Mr. CONNALLY. At the present time States can tax the bonds of other States. New York State can tax the bonds of Nebraska and does it.

Mr. NORRIS. Yes; but New York does not levy a tax on New York bonds, and the United States Government levies no tax on the income which may be derived from an investment in New York State bonds, or in the bonds of any other State, any county, or municipality.

Mr. CONNALLY. The reason why New York levies a tax on bonds of other States and does not levy a tax on her own bonds is that she does not want to tax her own credit.

Mr. NORRIS. Yes; that has been the argument urged.

Mr. ASHURST. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. ASHURST. I would not have anyone believe, least of all would I have a Senator believe, that I would select the farmer as the first victim, so to speak. It is well known, if Senators have deigned to pay any attention to my humble efforts, that for 2 or 3 years I have been going about the land like a bifurcated volcano seeking, at every opportunity, to have enacted legislation designed to prevent the issuance of any further tax-exempt securities by States or the Federal Government. While I do not at all assume an apologetic attitude for the pending amendment, because it happens to be offered to a bill which it is presumed will affect farmers, I wish it understood that I have, at every opportunity, and I shall in the future at every other proper opportunity, offer an amendment similar to this. It just so happens that many Senators honestly believe that the tax-exemption privilege might aid the farmer in selling the bonds.

Mr. NORRIS. I hope the Senator will recall that my time is limited.

Mr. ASHURST. I beg the Senator's pardon. I wish to assert again that the removal of the tax-exempt privilege will not result in an increase in the interest rate.

Mr. WALSH. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. WALSH. I was interested in the colloquy the Senator from Nebraska had with the Senator from Texas, and I was surprised to learn that some States, for instance, New York, tax the income of bonds of other States. Is that a general practice?

Mr. NORRIS. I think it is.

Mr. WALSH. I am surprised to hear that. My own State does not follow that practice.

Mr. NORRIS. But the Federal Government does not levy a tax on the income of bonds of any State. The provision of the bill which the Senator from Arizona seeks to amend provides only a partial tax exemption. It does not permit the bondholder to escape the surtax; and that, after all, is the tax collected from those who can best afford to pay it.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. Would the Senator also provide that the States might tax Federal bonds?

Mr. NORRIS. No, Mr. President; I would not. That suggestion is not involved in this question. I should be glad to discuss that subject, but it would involve a lengthy debate. If I, as a Member of Congress, had my way about it, I would not have, unless indeed it should be in time of war, any exemption from tax on the income from Federal issues of bonds. I do not see any reason why an income derived from municipal bonds—and I myself own some of them—should not be taxed the same as any other income. I do not think there is anything unfair about it.

Mr. LONG. Mr. President, on one day here we vote an appropriation of several million dollars or billion dollars—it does not make any difference; we just use those terms in order to identify the matter—on one day we vote billions in order to take land out of cultivation, and the next day we vote a few billion dollars to get it back into cultivation. One day we vote a few billion dollars to kill all the hogs, and then the next day we vote a few billion dollars to raise hogs.

A bill is brought in here under the provisions of which a man can be loaned $10,000 or $2,000 or $500. Under it, the Government can lend to one man and does not have to lend to the next man. It can make one man put up 10 percent and give him 30 years in which to repay the loan. Another man does not have to put up 10 percent, and is given 60 years in which to repay. Any kind of discrimination can be indulged in, and any kind of terms for loans can be given.

We have two agencies of farm relief, one to hire a man not to raise, and the other to hire him to buy land on which to raise. Where in the hell are we going?

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arizona [Mr. ASHURST] to the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. DICKINSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). Making the same announcement as on the previous roll call, I feel free to vote. I vote "nay."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. I understand, however, that if present he would vote as I intend to vote. I vote "yea."

Mr. ROBINSON. I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

I desire to announce that the Senator from Washington [Mr. BONE], the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Illinois [Mr. LEWIS], the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. MCADOO], the junior Senator from Nevada [Mr. MCCARRAN], the Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS], are necessarily detained from the Senate.

Mr. NYE. I announce that my colleague [Mr. FRAZIER] has a general pair with the Senator from Connecticut [Mr. MALONEY].

Mr. AUSTIN. I wish to announce the general pair of the Senator from Kansas [Mr. CAPPER] with the Senator from Wyoming [Mr. O'MAHONEY]. I am not advised how either Senator would vote on this question if present.

The result was announced—yeas 32, nays 47, as follows:

YEAS—32

Adams	Coolidge	Hale	Metcalf
Ashurst	Costigan	Hastings	Moore
Austin	Dickinson	Hayden	Steiwer
Barbour	Duffy	Johnson	Townsend
Borah	Gerry	Keyes	Vandenberg
Byrd	Gibson	La Follette	Van Nuys
Carey	Glass	Lonergan	Walsh
Clark	Guffey	McNary	White

NAYS—47

Bachman	Connally	McGill	Russell
Bailey	Copeland	McKellar	Schall
Bankhead	Couzens	Minton	Schwellenbach
Barkley	Cutting	Murphy	Sheppard
Bilbo	Donahey	Murray	Shipstead
Black	Fletcher	Neely	Smith
Brown	Gore	Norris	Thomas, Okla.
Bulkley	Harrison	Nye	Trammell
Bulow	Hatch	Overton	Truman
Burke	King	Radcliffe	Wagner
Byrnes	Logan	Reynolds	Wheeler
Caraway	Long	Robinson	

NOT VOTING—16

Bone	Frazier	McAdoo	Pittman
Capper	George	McCarran	Pope
Davis	Lewis	Norbeck	Thomas, Utah
Dieterich	Maloney	O'Mahoney	Tydings

So Mr. ASHURST's amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. ROBINSON. Mr. President, manifestly it will not be possible to complete consideration of the bill this afternoon unless the Senate should remain in session longer than

is expected. It is my purpose now to move an executive session.

Mr. McNARY. Mr. President, may we not dispose of the pending amendment?

Mr. ROBINSON. I understand there will be further debate on the amendment.

Mr. McNARY. The amendment to the amendment was disposed of and leaves the amendment standing as the pending question. If we could get a vote on it at this time, I should be very glad to do so.

Mr. ROBINSON. It was not an amendment to an amendment on which we voted. It was an amendment proposed to the text of the bill.

The VICE PRESIDENT. The amendment just voted on was an amendment to the amendment. The original Bailey amendment is now pending before the Senate, and the yeas and nays have been ordered.

Mr. ROBINSON. The Chair is in error about that. The amendment of the Senator from Arizona [Mr. ASHURST] was to the text of the bill.

The VICE PRESIDENT. But he proposed to amend the amendment of the Senator from North Carolina [Mr. BAILEY].

Mr. ROBINSON. No; he did not.

Mr. McNARY. Yes; he did. [Laughter.]

Mr. ROBINSON. He proposed to perfect the text of the bill, and that is the theory upon which the Chair held his amendment was in order, that it was in order to perfect the text to be stricken out before voting upon a motion to strike it out. It is now immaterial as a matter of fact, but if Senators desire to remain in session longer, I have no objection to doing so.

Mr. McNARY. I am certainly conscious of the amendment upon which I was voting. The Chair is perfectly right in holding that the question voted was an amendment to the amendment offered by the Senator from North Carolina.

Mr. ROBINSON. Since the issue has been raised, we may just as well have it correctly understood. The Senator from Arizona [Mr. ASHURST] moved to strike out a provision in the text of the bill and insert a substitute therefor. The Chair held that he had the right to have it considered before the amendment of the Senator from North Carolina was considered, because the latter Senator's amendment was to strike out the entire provision. Under the rule of the Senate it is proper to perfect the text before voting upon a motion to strike it out. I hold in my hand the amendment which the Senator from Arizona offered. It does not matter what the Chair understood, that is the correct status.

The VICE PRESIDENT. If the Senator from Oregon will permit the Chair to do so, he will state just what happened. The Senator from Arizona offered an amendment to the amendment of the Senator from North Carolina. The Senator from Iowa made a parliamentary inquiry as to whether the amendment of the Senator from Arizona was in order. The Chair held that the Senator from Arizona had a right to perfect the amendment of the Senator from North Carolina before the amendment of the Senator from North Carolina was voted on.

Mr. ROBINSON. I think the Chair is in error. I call for the statement of the Senator from Arizona.

The VICE PRESIDENT. The Senator from Arizona nodded his head indicating that the Chair was correct. [Laughter.]

Mr. ASHURST. Mr. President, the Senator from Arkansas correctly stated my position. The Senator from Arkansas is a trained parliamentarian, as is the Vice President.

Mr. ROBINSON. I have the amendment marked in the bill. This was not a motion. The amendment of the Senator from North Carolina is as follows:

Amend by striking out all of subdivision (d), pages 4 and 5, down to and including the word "authority" in line 25, page 5, and line 1, page 6.

That was the amendment of the Senator from North Carolina. The Senator from Arizona moved to strike out certain language in paragraph (d) on page 5 and insert a substitute therefor.

The VICE PRESIDENT. In the amendment of the Senator from North Carolina?

Mr. ROBINSON. No; not in the amendment of the Senator from North Carolina. There is no language in the amendment of the Senator from North Carolina pertaining to the bill. That was a bare motion to strike out. The amendment of the Senator from North Carolina was to strike out a portion of paragraph (d). The Senator from Arizona, as I stated, moved to strike out a portion of the language in the bill, which was in order, because, as the Chair well understands, it is in order to perfect the language in the bill before striking it out.

The VICE PRESIDENT. Will the Senator permit the Chair to make a statement?

Mr. McNARY. I call for the regular order.

The VICE PRESIDENT. The regular order is the amendment submitted by the Senator from North Carolina [Mr. BAILEY].

Mr. LA FOLLETTE. Mr. President, will the Senator from Arkansas permit me to ask him a question?

Mr. ROBINSON. Certainly.

Mr. LA FOLLETTE. I understood and voted on the understanding that the Senator from Arizona [Mr. ASHURST] was moving to strike out a part of the original text and to insert certain words.

Mr. ASHURST. That is true.

Mr. LA FOLLETTE. So obviously it could not have been in the amendment of the Senator from North Carolina to strike out the entire text, because the amendment of the Senator from Arizona was to strike out and to insert.

Mr. ROBINSON. Perfecting the text of the bill.

Mr. LONG. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. I know nothing about the rules, and it does not make any difference. We have yet to vote on the amendment of the Senator from North Carolina.

The VICE PRESIDENT. The Senator from Louisiana submits a point of order and states he does not know anything about the rules. The Chair sustains the point of order. [Laughter.] The Senator from Oregon has demanded the regular order.

Mr. McNARY. There can be no doubt on the part of anyone conversant with the rules that the Chair is absolutely correct. It is now a matter of holding an inquest, and I am not going to pursue it further. In view of the statement of several Senators just made to me that they desire further to discuss the amendment of the Senator from North Carolina, I am willing to recess at this time.

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD a statement in behalf of the pending bill, the Bankhead-Jones farm tenancy bill, by the National Committee on Small Farm Ownership. This committee is made up of outstanding citizens from all over the country who consider it one of the most important and constructive pieces of legislation ever voted upon by Congress.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

STATEMENT ON THE BANKHEAD-JONES FARM TENANCY BILL BY THE NATIONAL COMMITTEE ON SMALL FARM OWNERSHIP

No greater problem confronts our rural community than the persistent growth of farm tenancy. Nearly one-half of all our farmers are now tilling land owned by others, and if the present tendency toward converting the independent farmer into a dependent and propertyless tenant continues, then we must abandon hope of achieving a stable and progressive rural civilization. No satisfactory rural community can be either developed or maintained on a tenancy basis. In eight of our States farm tenants represent more than 60 percent of all farm operators. Nor is the problem a sectional one. Ten of the Wheat and Corn Belt States show from one-third to one-half of the farms operated by tenants, and even in such Western States as Montana and Idaho one-fourth of the farm operators are tenants. Nor is the problem a racial one. There are three times as many white as Negro tenants in the United States, and even in the South there are twice as many white as colored farm tenants.

In view of all these facts we consider the proposed bill for the gradual conversion of the tenant into a land owner as one of the most important and constructive pieces of legislation ever voted upon by the Congress of the United States, and the National Committee on Small Farm Ownership takes this formal occasion to commend Senator BANKHEAD and Congressman JONES for bring-

ing the problem of farm tenancy in the United States before the American Congress, and expresses the hope that the bill which is now before the Senate will be adopted. If passed, it will make possible the growth of a secure and prosperous rural community that owns the land it tills and that can develop to the fullest its share of the great American heritage.

Adopted at a conference of the committee held in Washington, April 19, 1935.

The National Committee on Small Farm Ownership: George Foster Peabody, chairman; Dr. W. W. Alexander, director, Commission on Interracial Cooperation; Rev. W. Howard Bishop, past president National Catholic Rural Life Conference; Dr. Edwin B. Embree, president Julius Rosenwald Fund; Dr. Ivan Lee Holt, Federal Council of the Churches of Christ in America; Mr. William Green, American Federation of Labor; Dr. Charles S. Johnson, director department of social science, Fisk University; F. E. Murphy, the Tribune, Minneapolis, Minn.; Dr. Howard Odum, the University of North Carolina; Charlton Ogburn, counsel American Federation of Labor; Prof. Frank O'Hara, Catholic University; Dr. Clarence Poe, editor the Progressive Farmer, Raleigh, N. C.; B. Kirk Rankin, editor Southern Agriculturist, Nashville, Tenn.; Rev. Edgar Schmiedeler, director rural life bureau, National Catholic Welfare Conference; M. W. Thatcher, the Farmers Educational and Cooperative Union of America; Cal Ward, the Farmers Educational and Cooperative Union of America; Benjamin Hubert, president Georgia State College, Savannah; Donald Comer, Avondale Mills, Birmingham, Ala.; Clark Howell, editor the Atlanta Constitution; Frank O. Lowden, of Illinois; John B. Miller, president Farmers' Cooperative Council; Maj. Robert Russa Moton, Tuskegee Institute, Ala.; Rt. Rev. John A. Ryan, National Catholic Welfare Council; Edgar B. Stern, New Orleans; Louis J. Taber, president the National Grange; Gen. Robert E. Wood, president Sears, Roebuck, Chicago, Ill.; J. F. Jackson, general agricultural agent, Central of Georgia Railway; Hugh McRae, president Southeastern Council.

SALE OF PROPERTY UNDER COURT DECREES

Mr. KING. Mr. President, a day or two ago I asked unanimous consent for the consideration of Calendar No. 513, being the bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.

There was objection at the time the bill was prepared by the Attorney General's Office. I now renew my request for immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. McNARY. Mr. President, when the request was made on Friday last I objected to the consideration of the bill because there was really no emergency demonstrated. The matter has gone over since Friday, and I am now willing that the bill may be considered.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments, in section 1, on page 2, line 12, after the word "sold", to insert the words "as a whole or in separate parcels"; on page 3, in line 6, to strike out the words "the court, after a hearing, upon such notice to parties in interest as said court may direct" and to insert the words "after a hearing of which notice to all interested parties shall be given by publication or otherwise, as the court may direct, the court"; and in line 21, after the word "value", to insert "*Provided further*, That before confirmation of any private sale, the terms of such sale shall first be published in such newspaper or newspapers of general circulation as the court having jurisdiction may direct at least 10 days before confirmation; and such private sale shall not then be confirmed by said court where a bona fide offer has been made, under such conditions as said court may prescribe, which offer shall guarantee at least a 10 percent increase over the offered price specified in such private sale", so as to make the section read:

That the act entitled "an act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893 (ch. 225, 27 Stat. 751, as amended; U. S. C., title 28, secs. 847, 848, and 849), be, and it is hereby amended to read as follows:

"SECTION 1. All real estate or any interest in land sold under any order or decree of any United States court shall be sold at public sale at the courthouse of the county, parish, or city in which the property, or the greater part thereof, is located, or upon the premises or some parcel thereof located therein, as the court rendering such order or decree of sale may direct, said sale to be upon such terms and conditions as said court shall approve: *Provided, however*, That if said property shall be situated in more than one county, State, judicial district of the United States, or judicial circuit of the United States, whether in one or more parcels, said property shall be sold as a whole or in separate parcels at public sale at the courthouse of the county, parish, or city in which the greater part thereof is located or upon the premises or some parcel thereof as the court rendering such order or decree of sale may direct: *And provided further*, That if at the time said property is offered for sale it is in the possession of a receiver or receivers, or ancillary receiver or ancillary receivers, appointed by one or more district courts of the United States, said property wherever situated shall be sold at public sale in the district of primary jurisdiction at the courthouse of the county, parish, or city situated therein in which the greater part of said property in said district is located or on the premises or some parcel thereof located in such county, parish, or city therein as the court having primary jurisdiction by such order or decree of sale may direct, unless said court shall order the sale of the properties or one or more parcels thereof in one or more ancillary districts. The United States court having primary jurisdiction shall be deemed to be the court first appointing any such receiver.

"After a hearing of which notice to all interested parties shall be given by publication or otherwise as the court may direct, the court may order and decree the sale of such real estate or interest in land or any part thereof at private sale for cash or other considerations and upon such terms and conditions as the court directing the sale may approve, if it finds that the best interests of the estate will be conserved thereby: *Provided*, That before confirmation of any private sale, the court shall appoint three disinterested persons to appraise said property or, if the court deems advisable, different groups of three appraisers each to appraise properties of different classes or situate in different localities, and no private sale shall be confirmed at a price less than two-thirds of the appraised value: *Provided further*, That before confirmation of any private sale, the terms of such sale shall first be published in such newspaper or newspapers of general circulation as the court having jurisdiction may direct at least 10 days before confirmation; and such private sale shall not then be confirmed by said court where a bona fide offer has been made, under such conditions as said court may prescribe, which offer shall guarantee at least a 10 percent increase over the offered price specified in such private sale. The provisions of this section shall apply to sales and proceedings now pending in the courts of the United States as well as those commenced hereafter. The provisions of this section shall not apply to sales and proceedings under the Bankruptcy Act."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. LONERGAN, from the Committee on Finance, reported favorably the nomination of Dr. Harry C. Knight to be assistant surgeon in the Public Health Service, to take effect from date of oath.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first business in order on the calendar.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered.

That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, April 23, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 22 (legislative day of Apr. 15), 1935

UNITED STATES DISTRICT JUDGE

John D. Martin, Sr., of Tennessee, to be United States district judge, western district of Tennessee, to succeed Harry B. Anderson, deceased.

UNITED STATES ATTORNEY

Frank E. Flynn, of Arizona, to be United States attorney, district of Arizona, to succeed Clifton Mathews, appointed United States circuit judge, ninth circuit.

UNITED STATES MARSHAL

Robert W. Rabb, of Pennsylvania, to be United States marshal, middle district of Pennsylvania, vice Percy Brewington, deceased.

JUDGE OF THE MUNICIPAL COURT, DISTRICT OF COLUMBIA

Armond W. Scott, of the District of Columbia, to be a judge of the municipal court, District of Columbia, vice James A. Cobb, term expired.

REGISTER OF THE LAND OFFICE

Leo F. Sanchez, of New Mexico, to be register of the land office at Santa Fe, N. Mex., vice Maurice F. Miera, resigned.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Elmer Dane Pangburn, Infantry (detailed in Quartermaster Corps), with rank from March 26, 1934.

Second Lt. Charles Gates Herman, Infantry, with rank from June 10, 1932.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

To be brigadier general, Adjutant General's Department, National Guard of the United States

Brig. Gen. Carl Eugene Nesbitt, Adjutant General's Department, Texas National Guard.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 22 (legislative day of Apr. 15), 1935

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Arthur John McChrystal, to Adjutant General's Department.

First Lt. Elmer Matthew Webb, to Quartermaster Corps.

Second Lt. Lawrence Browning Kelley, to Air Corps.

PROMOTIONS IN THE REGULAR ARMY

Clyde Charles Alexander, to be major, Field Artillery.

James Clyde Welch, to be captain, Infantry.

Miner Welsh Bonwell, to be captain, Infantry.

George Frederick Kehoe, to be first lieutenant, Air Corps.

Roy Henry Lynn, to be first lieutenant, Air Corps.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 22, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of life and light, tarrying in the afterglow of the greatest day in the calendar of men, we would learn more of the earthly life of our Savior. Today thoughts and themes are stirring and thrilling the finest spirits of earth. Around His brow, so pure, chivalrous, and holy, are the sparkling suns of eternity. We rejoice that in Him is life eternal and that He lives above the clouds of sorrow and the gorge of death. Give us, blessed Lord, a courageous sense of Thy presence and an appreciation of the royalties that belong to the sons of God. So often in the midst of responsibilities and problems unsolved, touch the strongest chords of our natures. Help us to always hold the truth in all earnestness and eagerness of mind. Keep us tremendously aware that to love self to the neglect of others is a wicked and a woeful mistake. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, April 19, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

Mr. SNELL. Mr. Speaker, reserving the right to object, it has not been my policy to object to Members on the other side speaking whenever they desired, but the other day when the gentlewoman from Massachusetts [Mrs. ROGERS] wanted to address the House, someone on that side objected, and it has always been that way. Whenever someone on this side wanted a few minutes, someone on the other side objected. If that policy is going to be followed, I shall have to object to my good friend the gentleman from Virginia [Mr. WOODRUM], even speaking for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none.

Mr. SNELL. Mr. Speaker, I objected.

The SPEAKER. Did the gentleman object? The Chair begs the gentleman's pardon. Objection is heard.

Mr. WOODRUM. Mr. Speaker, I desire to submit a unanimous-consent request.

I ask unanimous consent that on Wednesday next, after the reading of the Journal and the disposition of matters on the Speaker's table, I may be permitted to address the House for 30 minutes.

The SPEAKER. The Chair will state to the gentleman from Virginia, as he probably knows, the Chair made an announcement some time ago that in the future the Chair would not entertain requests to address the House prior to one day preceding the time at which the address is to be delivered. The Chair therefore hopes the gentleman will withdraw his request and make it tomorrow, and the Chair hopes that the request will then be granted.

Mr. WOODRUM. Mr. Speaker, I withdraw the request and serve notice that on tomorrow I shall renew it.

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes. Forty-six years ago today my State was opened by a "run." I would like to speak on that subject for 5 minutes.

Mr. SNELL. Mr. Speaker, I shall have to object to all such requests. I have told the reason, and I am sorry.

Mr. LEE of Oklahoma. I never objected to such a request in my life.

Mr. SNELL. I know that, but the sauce that is served to the goose is going to be served to the gander, and if you are not going to allow us to speak, we are not going to allow you to do so by unanimous consent.

Mr. LEE of Oklahoma. May I say it is embarrassing enough to ask for a chance to speak here—I surely shall not argue for it.

ELECTRIC POWER FOR SOUTH DAKOTA

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, although more than half of the farms in the Eastern States, as well as certain extreme Western States, have electric lights and power, not more than 5 percent of the farms of South Dakota enjoy these facilities. Why should not South Dakota have as complete electric service as any State? Why should not all farms have such service everywhere?

This is shown in interim report, Power Series No. 1, of the National Power Survey of the Federal Power Commission.

Development of the Missouri River can provide energy for the rural electrification that my State and several nearby States so greatly need. I have frequently urged such development, and at this time I wish to repeat my recommendations that early action be taken.

The prospect of farm homes equipped with electric lights and power for the operation of threshers, washers, and other machines necessary to take care of the work of a farm has been placed before us in recent months, especially in connection with the Tennessee Valley Authority project. It is a prospect that appeals to every citizen to see life made happier, freer, and more comfortable for the average man and woman. Those who know my own sympathy with this average citizen—this "forgotten man" (and woman)—will have no uncertainty as to my position on this point.

The question has sometimes been raised as to the possibility of selling electric energy and there has been the implication that the field would be a very limited one. I believe this is an incorrect view. If a real program of rural electrification is put on, there will be no question about the sale of the energy. Naturally it would have to be cheap electricity. That is what we are seeking. If the electricity is not cheap enough, certainly our people are not going to buy it—could not afford to; but if it is sufficiently cheap, there will be an abundance of purchasers.

The Federal Power Commission, in a report that is on the surface dry and uninteresting, but which is really laden with vital facts, furnishes me with better arguments than I could personally advance in favor of an extensive program of electrification in South Dakota.

The report is accompanied by a detailed map of undeveloped power areas, showing the Missouri River Basin in South Dakota, also the Cheyenne River Basin, as among the sections which, in the Commissioner's opinion, merits development.

The estimated annual output of the upper Missouri region is placed in the report at 4,788,000,000 kilowatt-hours.

The reference to sparsely settled territory is natural, although with sufficient hydroelectric development, it is a certainty that the territory will be more densely settled. People gravitate into sections in which they can live with satisfactory conveniences. The way to build up a section is to electrify it. I quote from the portion of the report dealing with this point:

> Many of the undeveloped water-power sites are located in sparsely settled territory and, in general, will require relatively long transmission lines, unless certain industries find it more economical to construct their new plants at or near the water-power sites rather than to expand their existing plants or locate at present industrial and commercial centers. Water-power plants must be located where streamflow, head, topography, and geological conditions are found favorable.

Electricity is the key to modern progress. It must, however, be electricity that is in the hands of the people and that is available at cheap prices. It must not be electricity that is monopolized by selfish private interests and that is turned over to the public only after it has paid exorbitant rates through coercion.

THE CHILDREN'S HOSPITAL OF THE DISTRICT OF COLUMBIA NEEDS ADDITIONAL FUNDS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, I want to thank the distinguished Chairman of the Committee on the District of Columbia, the gentlewoman from New Jersey [Mrs. NORTON], for agreeing to present an amendment to S. 2035 permitting the Commissioners of the District of Columbia to borrow $100,000 for the purpose of making a loan to the Children's Hospital for necessary alterations and enlargement of the buildings of the Children's Hospital of the District of Columbia.

As chairman of the Subcommittee on Fiscal Affairs of the Committee on the District of Columbia, it was my responsibility to consider S. 2035. By direction of the subcommittee, the bill was favorably reported at the last meeting of the full Committee on the District of Columbia last Wednesday.

Subsequent to the meeting of the committee I was approached on behalf of the Children's Hospital and was informed of the conditions which have developed at the Children's Hospital. It appeared that the amendment which has been adopted by the House was not only appropriate but necessary. I immediately contacted the gracious Chairman of the Committee on the District of Columbia, the gentlewoman from New Jersey [Mrs. NORTON], and found a ready response to the needs of the Children's Hospital of the District of Columbia. As ever, Mrs. NORTON has displayed a fine humanitarian spirit—a spirit of understanding and appreciation of the needs of sick children, and particularly of the needs for separating tubercular children from other children who are ill.

TUBERCULAR CHILDREN OF THE DISTRICT OF COLUMBIA

Much progress has been made in the care of tubercular children in the District of Columbia in the last years. The establishment of a home for tubercular children, at Glendale, Md., has been a favorable forward step. Great care should be exercised, particularly at this time when so many children are suffering from malnutrition, in the separation of these two general classes of cases. To have an undernourished child coming in contact with a tuberculosis sufferer is almost an assurance of adding another to the unfortunate list. All are agreed that a clinical examination for the determination of the condition of children should be made in the community in which they reside and that a definite diagnosis should be made of suspects in some well-established clinic. The Children's Hospital, with all of its clinical facilities and its record department of 66,000 up-to-date case histories of children under 16 years of age in the District of Columbia, not only makes of it the ideal location for such a clinic but it is now, and has for years past, been doing this work for the District of Columbia without charge.

The heating plant of the Children's Hospital has been condemned. It needs a new laundry and it needs additional rooms for nurses. A very careful and economical study has been made of costs of such alterations and installations and it is estimated that about $100,000 will be required. Most of this amount would be expended in labor on the site of the hospital. Owing to the financial condition of the hospital and the existing mortgage, as outlined heretofore, the hospital is unable to finance these necessary repairs, betterments, and alterations.

The amendment gives permission to the District of Columbia by the Congress to enter into a contract with the Children's Hospital for the clinical examination of children suspected of being tubercular, and to pay to the hospital, in advance, the sum of $100,000, or so much thereof as may be necessary, to make the necessary improvements, betterments, and alterations in the buildings now or to be constructed on the property of the Children's Hospital; and that further permission be granted the District of Columbia to borrow such funds as may be necessary out of any appropriation heretofore or hereafter made and available for such purpose.

THE CHILDREN'S HOSPITAL, WASHINGTON, D. C.

The Children's Hospital of the District of Columbia, organized in 1870 as a charitable institution, merits support by Congress. Not to burden you with volumes of statistics, may I briefly summarize its functions by stating that, for the year 1934, 48,727 days' care was given patients in the hospital, 85 percent of which were charitable cases. That 57,784 visits were made by children to the numerous clinics operated in the hospital, from which the hospital received during the year $5,295.42, representing small fees from those able to pay. The most eminent physicians of Washington make no charge for their daily devotion to the wards of the hospital.

Of the total of $230,272.49 expense of operating the hospital for the year 1934, $14,585.87 was paid for administration; $32,779.20 for nurses; $11,029.44 for internes and house doctors; $67,309.78 for dietary; $10,589.67 for maintenance and repairs. Our per patient day cost in 1931 was $4.68. In a continuing descent it reached the figure of $3.60 for the 6-month period ending June 30, 1934. In the last 6 months of 1934 it rose again to $3.83. Later figures are not available but they are on the ascent again. The Board of Public Welfare of the District of Columbia sends indigent patients for hospitalization and during the present fiscal year engaged to pay the hospital at the rate of $2.48 per day, per patient. The difference between the cost of operating the hospital and the amount received from the Board of Public Welfare, and such few patients as can pay for hospitalization, is made up of an insufficient contribution on the part of the community chest, gifts from individuals, income from endowments; the sum total of which, however, have left deficits represented by a bank loan of $70,000 and unpaid accounts with merchants and others.

A mortgage on the property of the hospital amounting to $156,500 makes it impossible for the hospital to make further borrowings for the necessary alterations, rehabilitations, and installations hereinafter outlined.

Mr. Speaker, I again want to thank the gentlewoman from New Jersey for her readiness and willingness to introduce the amendment on behalf of the Children's Hospital of the District of Columbia, and I want to thank the Members of this House for adopting this amendment.

NATIONAL MONUMENTS IN SOUTH CAROLINA

Mr. TAYLOR of South Carolina. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some historical data gathered at the Army War College by Col. R. T. Jaynes, of Walhalla, with respect to certain activities during the Revolutionary War.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. TAYLOR of South Carolina. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

I have introduced in the House of Representatives two bills which are to create national monuments of two hallowed and historical spots in the State of South Carolina which I have the honor to represent in this body. One bill, H. R. 7543, is to provide for the establishment of a national monument in Oconee County, S. C., to be known as the "General Andrew Pickens National Monument"; and H. R. 7542, to provide for the establishment of a national monument and cemetery in Greenwood County, S. C., to be known as the "Star Fort National Monument and Cemetery."

In order to acquaint Members of the House with the background of these two measures and the particular localities which they would preserve and perpetuate for all time, I feel that it is proper that I give as briefly as possible the history connected with the old Star Fort, in Greenwood County near Ninety Six, and also take a glance at the life and times of Gen. Andrew Pickens, whose memory and old homestead I propose to perpetuate in H. R. 7543.

In this connection I feel that it is a proper time to take some definite steps not only to preserve the memory of Gen. Andrew Pickens and the battlefield at Star Fort, where Gen. Nathanael Greene engaged the British in a long siege in 1781, but also other men whose memory time has dimmed and other locations where the original glory has been effaced by the elements and time. South Carolina was in the forefront of the battle for American independence. Her people gave generously of their lives and fortunes to create this Nation. Many of the great battles of the Revolution were fought on her soil. I propose in these bills I have introduced to preserve for generations that are to come two of the particular spots that mean so much to the people of my State and that should, in reality, mean a great deal to the people of the Nation. The Daughters of the American Revolution of my State have already marked these two hallowed spots but there remains yet considerable work that can be done to restore these two localities to the conditions existent during and immediately following the periods during which both made history for this Republic.

The Star Fort Battlefield is in Greenwood County, S. C., 3 miles from Ninety Six, by improved road. The fort which is in the shape of a star is yet in a fine state of preservation, although it was built nearly 160 years ago. It has already been surveyed and inspected by the War Department, and it is my opinion that not a great deal of money would be required to put it in fine shape and to keep it that way. The same is true of the home of Gen. Andrew Pickens near Tamassee in Oconee County, S. C., near which is the site of the "ring fight" where General Pickens engaged the Cherokee Indians in 1779 in a battle that made the upper section of South Carolina safe for the white settlers.

STAR FORT HISTORY

With reference to the historical background of old Star Fort I am quoting herewith in part some information which has been prepared on this subject by the historical section of the Army War College.

The siege of Star Fort and Ninety Six is one of the most interesting and spectacular of the operations which occurred during the closing months of the Revolutionary War. The 4 weeks from May 22 to June 19 were crowded with the drama of siege warfare, with novel expedients to secure military advantage, and with examples of chivalrous conduct on the part of all the combatants, somewhat exceptional in the southern campaign. After Lord Rawdon burned and abandoned his post at Camden, S. C., on the 8th and 9th of May, 1781, the ruins of the town were immediately occupied by the Continental Army, commanded by Gen. Nathanael Greene. Plans were at once made by the Americans to press the advantage gained over the British by the latters' evacuation of the strong frontier posts of Augusta and Ninety Six. At this time Lord Charles Cornwallis was operating in Virginia at the head of the main British Army in the South.

Upon abandoning Camden, Lord Rawdon fell back in the direction of Charleston for the purpose of receiving expected reinforcements, to cover the lower country, and to give protection to Charleston itself. Several expresses were sent by him to Lt. Col. John H. Cruger, commanding at Ninety Six, to withdraw his garrison and join that of Augusta, about 60 miles to the south, on the Savannah River. None of the several messengers sent with these dispatches for Cruger succeeded in reaching their destination.

Ninety Six derives some celebrity in the annals of this country from having been the scene of the first conflict in South Carolina of the Revolutionary War. At that place commenced, on the 19th day of November 1775 the sanguinary conflict between Whig and Tory which never ceased during the entire period of the war. The settlement of Ninety Six was surrounded by the stockade as a defense against incursions of Indians who were not far removed from it. The stockade still stood when the British subjugated the province of South Carolina in 1780, and Ninety Six was garrisoned by them and made a principal point in the chain of their military posts. Its situation on the Cherokee Trail rendered it peculiarly important and of great strategic value to the British. It maintained communication with the Indians, kept in check the Whig settlements to the west of it, and covered those of the loyalists to the north, east, and south. It was the most advanced post occupied by the British, and by its approach to the upper parts

of North Carolina and Georgia, supported Camden and Augusta in their influence upon the population of these two provinces. It was also a depot for recruits, and it was here that Major Ferguson made his headquarters in 1780 as organizer and inspector of Tory militia recruited in the adjacent country.

Ninety Six was garrisoned by about 550 loyalists at the time General Greene marched from Camden to lay siege to it. Of this number 350 belonged to the Provincial Corps, made up of troops recruited in the United States. In Delancey's battalion of New York Loyalists there were 150 men, and in the Second Battalion of New Jersey Volunteers 200 men. These corps had been raised in 1776, were well disciplined, and from the active service in which they had been engaged ever since their first landing in Georgia, had become equal to any troops. The remainder of Cruger's command consisted of about 200 South Carolina Tories, under Colonel King. These were given an opportunity to quit the garrison when it became known that Greene's Army was approaching, but they preferred to remain. The entire garrison of Ninety Six was composed of Americans, Colonel Cruger being a native of the State of New York.

When Cruger learned that the British had abandoned Camden and fallen back on Charleston, it appeared quite probable to him that a strong force of Americans would be sent against Ninety Six to effect its subjugation, and energetic measures were at once put into effect to strengthen the post. The entire garrison was set to work to throw up a parapet outside the stockade, and slaves were called in from the neighborhood to assist in the work. Beyond the ditch, created by throwing up the parapet, abatis was constructed. To the left of the stockaded village was a ravine, through which ran a rivulet that supplied the troops with water. Lying contiguous to the village, between it and the rivulet, and within the confines of the stockade was the county prison. This was fortified, and its cannon and musketry fire covered the valley of the rivulet on the side next to the village. On the opposite side of the valley, and within reach of the gun posted at the prison, there was constructed a strong stockade fort with two blockhouses, which covered the communication with the rivulet in that quarter. A covered way led from the village to the rivulet, and by this passageway water was obtained during the siege. Within the village blockhouses were erected, and caponiers prepared by which communication was maintained between the several parts of the works. Traverses were thrown up to prevent the execution of shells and ricochet shots.

On the right side of the village was located the only part of the works that constituted a strong defensive position. This had been planned sometime before by Lieutenant Haldane, of the engineers, aide-de-camp to Lord Cornwallis. It consisted of a work of 16 salient and reentrant angles, with a dry ditch and abatis, and was called the "Star." One hundred and fifty of the Provincial Corps and 50 militia, under the command of Major Greene, of Delancey's battalion, were selected to occupy the Star. A captain's party and some militia were placed in the stockade beyond the rivulet, and a subaltern's guard in the prison. The remainder of the troops was held by Cruger under his immediate command in the village. There were only three 3-pounder cannon in the garrison, and but a very small quantity of ammunition. Food had been stored within the stockade surrounding the village in anticipation of a siege.

General Green appeared in front of Ninety Six on the 22d of May 1781. His effective force, exclusive of militia, was about 1,000 men and a park of artillery. His command included the Maryland and Virginia brigades and the Delaware and North Carolina battalions. Reconnaisance was made of the position by Greene and his engineer officer, the Polish count, Kosciusko, and it was decided to demolish the Star, the strongest point in the enemy's defenses, rather than to attempt to secure the rivulet and cut off the water supply. This latter plan was rejected as it was believed at the time that the besieged could obtain water within the stockade by sinking wells.

Breaking ground close to the Star, Kosciusko labored with diligence during the first night, but by daybreak only very little headway had been made. Cruger hastily completed platforms for his guns in the Star and moved them into the salient nearest to the besiegers and opened fire on the working party, not more than 70 paces distant. Under cover of the gunfire, supported by musketry, 30 men debouched from the Star about noon on the 23d and rushed the working party, putting every man they could reach to the bayonet. This raiding force was followed by a detachment of militia, who quickly demolished the works and carried off the intrenching tools. So judiciously was this double sally planned and so rapidly executed, that although Greene promptly sent a detachment to support Kosciusko, the object of the raiders was accomplished before the supporting troops could arrive. Taught by this essay that the enemy was of a cast not to be rashly approached, Greene ordered Kosciusko to resume his labors under cover of a ravine at a more respectable distance. Kosciusko broke ground again on the night of the 23d at a distance of 400 paces, still directing his approaches against the Star, and by the 3d of June completed the second parallel.

In the meantime General Pickens and Lt. Col. Henry Lee besieged and captured Forts Cornwallis and Grierson at Augusta, and then hastened to the assistance of Greene. Lee arrived on the 8th of June, and Pickens soon afterward. In this connection I would like to add that the General Pickens referred to is the same one whose home and memory I propose to perpetuate in H. R. 7453.

As soon as the second parallel was completed Greene summoned the garrison to surrender, but Cruger replied that "My duty to my sovereign renders inadmissable at present such a step." The temporary truce entered into to conduct the parley thereupon ceased and Greene opened fire with his batteries, which enfiladed some of the works. The cannonading was continued at intervals for several days, and at the same time a sap was pushed against the Star, and the batteries advanced as the work progressed. One of the saps, constructed of fascines and gabions, at no greater distance from the abatis than 35 paces, was elevated 40 feet from the ground and upon it a number of riflemen were stationed, who, as they overlooked the British works, did great execution. The garrison crowned their parapet with sandbags, leaving apertures through which to fire their rifles. African arrows were thrown by the besiegers on the roofs of the barracks within the stockade to set them on fire, but this design was immediately counteracted by Colonel Cruger, who directed that all the buildings be unroofed. These arrows fitted into the bore of muskets from which they were discharged. They were armed at the end with a barbed spear, entwined with flax, dipped in combustibles, lighted, and shot into the wooden buildings.

With the intention of burning a battery position of the assailants, constructed of crib work, attempts were made by the British to heat shot, but these efforts were frustrated for want of furnaces. The personnel in the Star now found themselves unable to continue firing their guns from the platform in the daytime, so withdrew them through the day and used them only at night.

When on the 8th of June the command of Lieutenant Colonel Lee joined from the successful siege of Augusta, the garrison of Ninety Six had the mortification of seeing their comrades in arms from Augusta marched by them as prisoners of war. With the British standard reversed, drums beating, and fifes playing, the exhibition, instead of producing a depressing effect upon the besieged, had quite a contrary effect. The regular soldiers were convinced by their officers that death was preferable to capitivity under such humiliating circumstances, and the Tories within the works felt more certain than ever before that each was "fighting with a halter around his neck."

On the evening of the 9th of June two parties made a sortie from the works to obtain more definite information relative to the nature and progress of the siege operations being conducted by the Americans. One party from the

Star penetrated to one of the four-gun batteries, but was unable to damage the guns for want of spikes and hammers. This party discovered the mine designed to be carried under a curtain of the Star, and inflicted a wound upon Count Kosciusko, who was engaged at the time in examining it; the other party from the left of them to the bayonet, capturing the officer in command. On the 12th of the month, at 11 o'clock in the forenoon, a sergeant and nine privates from Colonel Lee's command advanced with lighted combustibles to set fire to the abatis on the left of the works. This bold enterprise was conducted under cover of a concentrated fire from all the batteries and during a heavy storm. Just as the sergeant was in the act of applying the fire his party was discovered, and he and five privates were killed. The remaining four men succeeded in reaching their lines.

Work on the approaches was being pushed by both Greene and Lee. Several batteries for cannon, one more than 20 feet high, had been raised within 140 yards of the Star. A rifle battery was constructed within 30 yards, to prevent the British from annoying the workmen of the besiegers. On Colonel Lee's front, approaches drew nearer and nearer to the stockade on the left of the stream from which the besieged obtained their supply of water. Firing along the front was almost incessant day and night; not a man could show his head without being fired upon.

About this time a countryman was seen riding along the American lines conversing familiarly with the officers and soldiers on duty. He was not regarded with suspicion, and was permitted to go wherever his curiosity led him. At length he reached the main road leading to the village, and putting spurs to his horse rushed with full speed into the town, receiving the ineffectual fire of the American sentinels and guards nearest to him, and holding up a letter in his hand to attract the attention of the garrison within the works. The demonstrations of joy with which this messenger was received made it evident to General Greene that he was the bearer of good news, which could be nothing other than that relief was being sent to the beleaguered force.

On the 2d of June a convoy of ships carrying three regiments from Cork had reached Charleston, and the newspaper of that date, announcing that a large fleet with powerful reenforcements for the Royal army had just anchored off the bar, was dispatched to General Greene, who received it on or before the 10th of the month. Now, that Greene interpreted the joyful demonstrations within the works as due to the promise of early relief for the garrison, it became necessary for him to strike a decisive blow without further delay. The message which had been received by Colonel Cruger was in fact from Lord Rawdon, giving information that he had passed Orangeburgh and was marching to raise the siege. This comforting information came none to soon to the beleaguered garrison, for on the 17th of June Lee's guns brought a concentrated fire upon the stockade beyond the rivulet so intense as to render it untenable, and that night the British evacuated this portion of the works. A well was dug in the Star, but no water was obtained, and naked Negroes, their black bodies indistinguishable at night from the fallen trees, were sent to the rivulet to secure an inadequate supply.

On the 18th of June the third parallel was completed close to the abatis in front of the Star. The Americans turned the abatis, drew out the pickets, and ran forward two approach trenches within 6 feet of the ditch surrounding the Star. On the American right, where Lee commanded, the trenches were now within 20 yards of the enemy's ditch. The siege operations had progressed to the point where an assault could be launched with every hope of success and delay could no longer be countenanced, as Greene knew definitely by this time that Rawdon was en route with superior numbers to raise the siege.

Dispositions were accordingly made by Greene to take the works on the 18th, and at noon of that day the assailing columns advanced on signal from the center battery. Colonel Lee, with his legion infantry, and Captain Kirkwood's light infantry, made the attack on the right. Colonel Campbell, with the First Maryland and the First Virginia Regiments, attacked the Star. As the parapet of this work was about 12 feet high, with an additional 3 feet of sandbags, a detachment under Lieutenant Duvall of the Maryland line, and Lieutenant Selden, of the Virginia line, was sent against it to pull down the sandbags by the use of hooks, to enable the Americans to make a lodgment. American riflemen were posted upon the elevated battery to pick off the enemy wherever they appeared, while the Maryland and Virginia troops sustained the action by platoon fire from their trenches.

A furious cannonade was soon followed by the assaulting columns rushing to their respective tasks. The troops on the right were exposed to the fire of a three-pounder and to musketry fire from the blockhouses in the village, but the British were driven out of their works on this front and Lee's men took possession. On the left the initial operations by Lieutenants Duvall and Selden did not meet with success. Their detachments entered the ditch surrounding the Star at different points, and Colonel Campbell stood prepared to support them. When the detachments succeeded in lowering the height of the parapet by pulling down the sandbags, Campbell's men were to rush through this partial breach and gain the interior of the fort.

The command of the Star was intrusted to Major Green, who well justified the confidence placed in him by Colonel Cruger. Not only had careful preparations been made to meet the assailants should they reach the parapet, but his men were impatient to sally from the works and meet the enemy on his own ground. Two parties of 30 men each were therefore organized, one under Captain Campbell, of the New Jersey Volunteers, and the other under Captain French, of Delancey's corps. These officers led their men from the sally port in the rear of the Star, and upon entering the ditch separated, one party passing through the ditch in one direction, the other taking the opposite direction. With their bayonets projected well to the front, they encircled the ditch until the Americans working on the sandbags were encountered. Here ensued a desperate conflict with Duvall's and Selden's men. The Americans, fighting not only with the enemy in the ditch but fired on by those overhead, gallantly sustained the unequal contest until both leaders became disabled by wounds, when they yielded and were driven back, with great loss, to the point of entry into the ditch. Finding the British defending their works with great obstinancy, and seeing but little prospect of succeeding without heavy loss, General Greene ordered a cessation of the attack.

The American losses during the entire siege amounted to 185 killed and wounded. The losses in the final action on the 18th of June, which lasted three-quarters of an hour, were about 40 killed and wounded. General Greene raised the siege upon the afternoon of the 19th, and on the morning of the 21st the reinforcements under Lord Rawdon made their appearance. The chivalrous conduct of all the participants in these siege operations gives a glamor to Ninety Six and Star Fort that is quite a happy contrast to the needless cruelties generally practiced by Whig and Tory partisan groups throughout the southern Provinces.

GEN. ANDREW PICKENS' MEMORIAL

It is proposed in H. R. 7543 to establish a national monument near Tamassee, in Oconee County, S. C., to be known as the "Gen. Andrew Pickens National Monument", in honor of the memory of one of South Carolina's greatest soldiers during the Revolutionary War. For 27 years General Pickens lived and died where it is proposed to erect this memorial, and where it is proposed to reconstruct and rebuild his old home for a museum. He came to this particular spot in 1794, after many turbulent years in command of Colonial soldiers in the war against the British for independence.

In securing information regarding the life and deeds of General Pickens I am deeply indebted to my friend, Col. R. T. Jaynes, of Walhalla, S. C. Colonel Jaynes, a gentleman and a scholar of the old school, is an outstanding authority on General Pickens, and is one of the best-versed men in South Carolina on the history of the upper section of the State.

In order to acquaint those who may be interested in General Pickens and this memorial, and with the permission of

Colonel Jaynes, I am going to quote from an address made by Colonel Jaynes in March 1932, at which time he was the principal speaker on a program dedicating a small monument to Gen. Andrew Pickens at the site where it is proposed to erect a national monument. This monument was erected by the Daughters of the American Revolution. On this occasion Colonel Jaynes said in part:

The lineage of him whose memory we honor here today (Gen. Andrew Pickens) traces back through the centuries to that sad procession of half a million of French Protestant refugees leaving France in the time of Louis XIV, exiles for liberty of religious opinion. Some found a temporary resting place in Scotland. Then came another sojourn in the north of Ireland, where his parents were born. Then an earnest longing for absolute liberty brought the Pickens family across the Atlantic to a settlement at Paxton, Pa., where on September 13, 1739, our hero first saw the light.

About the middle of the eighteenth century long wagon trains made their way southward to the Piedmont section of South Carolina. These overland settlers were what might be designated "Scotch-Irish." The Pickens family settled first at Old Waxhaws and later came to Long Cane, in what is now Abbeville County. Here Andrew spent his youth and early manhood in farming and hunting, in building up his physique and becoming a skilled marksman and frontiersman, in laying the practical foundation for the great career which was destined for him.

On March 19, 1765, he married Miss Rebecca Calhoun, daughter of Ezekiel Calhoun. During the War for Independence her devotion and fidelity to the patriot cause cheered her gallant husband through all those terrible years. What Marion was in the low country, and Sumter in the middle country, Pickens was in the upper country. When British troops had overrun the colony and held possession practically from Charleston to the mountains, these leaders kept alive the spirit of liberty, and their names will forever shine out in our history with increasing luster. It is a just criticism of historical writers that they have failed to give to General Pickens due credit for his service to his country. It is not possible to go into details on this occasion. As an instance, however, mention might be made of his part in the Battle of Cowpens, on January 17, 1781, justly regarded by historians as the second link (Kings Mountain, Oct. 7, 1780, being the first) in the chain of events that led to the surrender of Cornwallis at Yorktown on October 7, 1781. He was second in command to Gen. Daniel Morgan. At a critical moment he reformed the militia, thereby turning apparent defeat into probably the most brilliant victory won on any battlefield during the war. He thus enabled General Morgan, known as the "Old Wagoner", to crack his whip over Tarleton, who barely escaped capture and fled the field with the shattered remnant of his army in dismay and despair. The Seventy-first British Regiment surrendered as prisoners of war, its commander, McArthur, delivering his sword to Colonel Pickens. In recognition of his services he was raised to the rank of brigadier general by Governor Rutledge and voted a sword by Congress.

Mention should also be made of the Battle of Kettle Creek, in what is now Wilkes County, Ga., February 14, 1779. Here Colonel Pickens was the commanding officer. By a forced night march he overtook Colonel Boyd with superior forces and by a surprise attack won a decisive victory. These two battles alone show the mettle of which he was made and prove him to have been a military tactician of the highest order. He was also one of the leaders of the siege of Ninety Six, old Star Fort.

In 1794 General Pickens removed here with his family, where he acquired an estate of 1,237 acres. In the primeval forest he selected this site on which to erect his dwelling. Here he made his home for 27 years as a country gentleman, dispensing a gracious hospitality. This place was peculiarly interesting and attractive to him. Near by, in 1779, he fought the most desperate battle he ever engaged in with the Cherokees. But for this signal victory, South Carolina might have suffered a bloody Indian invasion far more terrible in its consequences than British or Tory warfare. But so completely subdued were they and brought under his control that in 1794 this was a safe and delightful retreat. The Indians, in their devotion to him, would bring their first offerings to him adorned in the highest style of Indian costume. Cannot we in imagination reconstruct here today one of these kindly visits, as these Red Sons of the forest came to pay homage to him, whom they delighted to call "Ski-Agunsta" (Great Chief)? Can't we hear the echo of their cry, as they came up this valley shouting, "Ski-Agunsta, Ski-Agunsta, Ski-Agunsta"?

Peace being restored, he helped to make secure the freedom which he had so signally helped to win in war. He was continually called to serve his country in various capacities. He was a member of the convention which framed our first State constitution. He served three terms in the legislature and one term in Congress. He was appointed by the United States Government to make the Treaty of Milledgeville, also the Treaty of Natches, and, indeed, almost all the treaties made with the southern Indians. When the crisis of 1812 with England arose, he was solicited to accept unanimous nomination as Governor of our State, which honor he declined on account of advancing years, believing that a younger man should serve.

He was also a surveyor. Probably his greatest task with the compass, tripod, and chain was the surveying of the boundary line between the States of North Carolina and Tennessee.

It is the enduring honor of these early patriots that more battles for American independence were fought on South Carolina soil than on that of any other State of the Union. Of the 137 battles and engagements fought in South Carolina, 103 were by South Carolinians alone; in 20 others, South Carolinians fought with troops from other States, leaving 14 in which troops from other States fought without assistance from her soldiers. These figures are taken from the list prepared by McCrady. Her sons lost by disease and in battle were 4,000 or more.

A northern historical writer has passed this judgment on South Carolinians in the Revolution: "To the women of South Carolina and to Marion, Sumter, and Pickens, who kept the field without the promise of men, money, or supplies, it was owing that the spirit and name of liberty did not become utterly extinct."

Of the character of Gen. Andrew Pickens little need be said. He was a farmer turned soldier and not a soldier turned farmer. From youth to age he was a firm believer in the Christian religion and an influential member of the Presbyterian Church. He loved his church and was an humble worshiper. In short, it can be truly said of him that he had courage without rashness; dignity without pride; religion without austerity. He had an abiding faith in an overruling Providence and carried the spirit of piety with him, both in his private life and in his public service. He was not narrow-minded nor bigoted. He was tolerant and his attitude toward all religions was one of broad sympathy.

Here in the red house, on this gently sloping eminence, he lived until August 11, 1817, when, full of years and honors, he laid his earthly armor by, sustained by the simple faith of the Christian religion, and passed on in the hope of a glorious immortality. His memory being revered for his long and distinguished service in both war and peace, it was most fitting that when the new district embracing this territory was founded in 1828 it should be given his name; and when Pickens district was divided in 1868 Pickens County took his name, which it will perpetuate as long as the flag which he followed on many hard-fought fields floats over the land of the free and the home of the brave.

HYDRO IN TROUBLE

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an editorial from the New York Sun.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the New York Sun:

HYDRO IN TROUBLE

The cause of public ownership of electrical utilities in the United States receives a genuine set-back as the American public begins to understand what is happening to the blue-ribbon baby of public ownership, the Hydro-Electric Commission of Ontario. That is the largest municipal supply system in the world, often held up as an example of what governmental operation can accomplish in the utility field. But its record indisputably shows that political management and an unsound economic basis can get the strongest of such institutions into trouble.

Theoretically the corporation exists for much the same purpose as that proposed for various "yardstick" enterprises in the United States—that of furnishing electrical current at low rates to consumers through public management and control. Actually it has added hundreds of millions of dollars to the public debt of Ontario which, on a per capita basis, scarcely can be said to compare favorably with that of New York or Quebec, where private management is the rule. To make things worse, its enemies offer to demonstrate that its rates for service are, on the average, higher than those of Quebec.

A crisis in its affairs came last week when the Provincial Legislature passed Premier Hepburn's bill declaring "illegal, void, and unenforceable" contracts for the purchase of power between the commission and certain private producers. Prior to 1929 the commission had contracted for 260,000 horsepower to meet increased demand which its own facilities were unable to supply. In that year it entered into contracts with three companies for 570,000 horsepower. But about that time demand began to fall off and the power load started down.

Since then the commission has found itself with an unmarketable surplus on hand and has been compelled to face heavy annual deficits. Critics of the commission assert that power on the Niagara part of the system alone costs the commission considerably more than it receives for it. Although consumption in Toronto, for instance, actually declined, cost there increased by around $2,000,000. Rather than risk unpopularity by raising rates the commission began to dig into its reserves.

But this did not affect the mounting annual deficits which, according to Attorney General Roebuck, seem likely at present rates to reach $4,000,000 in 1935 and $7,000,000 in 1938. Meanwhile communities in Ontario using municipal power on which no tax is paid have found their burdens of debt steadily growing heavier. These would gladly use tax money from electrical services if they only could devise some means of collecting it.

As one way to help the commission out of its difficulties the Hepburn government, declaring that Hydro has been a "political tool", which was "nearly ruined by mismanagement and ineffi-

ciency", has resorted to the drastic expedient of repudiating contracts negotiated by an agency of the Government. Our own repudiation of the gold clause in Federal bonds estops us on this side of the border from raising any question as to the morality of this procedure. There are hints that Ontario may continue to take power at present prices from the companies affected, but the bondholders of those companies are greatly worried. Their main hope seems to be that some way may be found to export power to the United States.

This seems unlikely if the Power Authority and the Federal Power Commission see them first. Those bodies are committed to the theory that what the United States most needs is to develop new sources of electric power. It would not accord with this notion to find Canada eager to get rid of surplus power now available without necessity for developing the St. Lawrence seaway.

EXTENSION OF REMARKS

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks and to place in the RECORD a statement by Henry P. Fletcher to the Associated College Press on the Republican Party's Stand for Individual Opportunity and Security.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, where was the gentleman a moment ago when the gentleman from New York submitted his request?

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. TAYLOR of Colorado. Mr. Speaker, I understand the gentleman to say that he desires to extend his remarks by including a large quantity of Republican campaign material, and for that reason I shall have to object. I feel that we should not permit the RECORD to be encumbered by that kind of material so far in advance of the next campaign; and I hope someone will object to Democratic statements of that kind being put in the RECORD.

Mr. RICH. I am sure we will meet that request.

The SPEAKER. Objection is heard.

TREASURY AND POST OFFICE APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I call up the conference report on the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 16, 20, 22, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 21, 26, and 27, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following:

"Salaries: For Commissioner of Accounts and Deposits and other personal services in the District of Columbia, including the Division of Bookkeeping and Warrants, $285,920.

"DIVISION OF DISBURSEMENT

"Salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, $710,700: *Provided*, That with the approval of the Director of the Bureau of the Budget there may be transferred to this appropriation from funds available for new activities or for the expansion of existing activities such sums as may be necessary to cover the additional expense incurred in performing the function of disbursement therefor."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$261,668, of which $8,000 shall be immediately available for the suppression of an epidemic of typhus fever"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "540 inspectors, $2,112,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$12,825,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$575,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out the word "hereafter" and insert in lieu thereof the following: "during the remainder of the fiscal year 1935 and during the fiscal year 1936"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 4, 23, 24, 25, 33, and 34.

WILLIAM W. ARNOLD,
LOUIS LUDLOW,
JOHN J. BOYLAN,
WILLIAM J. GRANFIELD,
EMMET O'NEAL,
CLARENCE J. MCLEOD,
Managers on the part of the House.

CARTER GLASS,
KENNETH MCKELLAR,
PARK TRAMMELL,
FREDERICK STEIWER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference as to each of such amendments, namely:

TREASURY DEPARTMENT

On no. 1: The Senate consolidated into a single appropriation unit the separate appropriations made by the House for the Office of Commissioner of Accounts and Deposits, the Division of Disbursements, and the Division of Bookkeeping and Warrants and increased the consolidated total by $16,960 over the aggregate of the separate items passed by the House. The conference agreement retains the Division of Disbursement as a separate appropriation unit in the amount and in the phraseology as passed by the House and consolidates the Office of Commissioner of Accounts and Deposits and the Division of Bookkeeping and Warrants in a single appropriation increased by $16,960 over the total of the two separate appropriations for these activities as passed by the House.

On no. 5: Strikes out, as proposed by the Senate, the limitation in the House bill on the number of passenger motor vehicles that might be maintained by the Coast Guard.

On nos. 6, 7, and 8, relating to the Secret Service Division: Increases from $25,000 to $57,000, as proposed by the Senate, the amount which may be expended for purchase of automobiles.

On no. 9: Makes available $8,000, instead of $10,000 as proposed by the Senate, of the appropriation for prevention of epidemic diseases by the Public Health Service, for the suppression of typhus fever.

On no. 10: Strikes out the appropriation of $22,000, inserted by the Senate, for reestablishment of the Helena, Mont., assay office.

On no. 11: Makes a typographical correction.

On no. 12: Inserts the word "and", as proposed by the Senate, in lieu of the phrase "and/or" as proposed by the House.

POST OFFICE DEPARTMENT

On no. 13: Appropriates $192,000 as proposed by the Senate, instead of $191,000 as proposed by the House, for salaries, Office of the Chief Inspector, Post Office Department.

On no. 14: Appropriates $39,260 as proposed by the Senate, instead of $35,760 as proposed by the House, for salaries in the office of the purchasing agent of the Post Office Department.

On no. 15: Appropriates $94,000, as proposed by the Senate, instead of $92,380 as proposed by the House, for salaries, Bureau of Accounts, Post Office Department.

On no. 16: Appropriates $875,000 as proposed by the House, instead of $900,000 as proposed by the Senate, for printing and binding for the Post Office Department.

On no. 17: Provides for 5 additional postal inspectors instead of 15 additional as proposed by the Senate.

On no. 18: Appropriates $55,000 as proposed by the Senate, instead of $50,000 as proposed by the House, for payment of rewards for the detection, arrest, and conviction of post-office burglars.

On no. 19: Appropriates $75,000 as proposed by the Senate, instead of $65,000 as proposed by the House, for unusual conditions at post offices.

On no. 20: Appropriates $1,595,000 as proposed by the House, instead of $1,600,000 as proposed by the Senate, for village delivery service.

On no. 21: Appropriates $52,500,000 as proposed by the Senate, instead of $52,400,000 as proposed by the House, for salaries of railway mail clerks.

On no. 22: Appropriates $3,250,000 as proposed by the House, instead of $3,325,000 as proposed by the Senate, for travel allowance of railway postal clerks.

On no. 26: Provides, as proposed by the Senate, that the appropriation for balances due foreign countries shall be available for the payment of such balances during "prior fiscal years", instead of confining the appropriation to the fiscal year 1936 as proposed by the House bill.

On no. 27: Inserts the word "and" as proposed by the Senate, in lieu of the phrase "and/or" as provided in the House bill.

On no. 28: Appropriates $12,825,000 for operating force of public buildings under the Post Office Department, in lieu of $12,650,000 as proposed by the House and $13,000,000 as proposed by the Senate.

On no. 29: Appropriates $4,650,000, instead of $4,700,000 as proposed by the Senate and $4,600,000 as proposed by the House, for operating supplies of public buildings under the Post Office Department.

On no. 30: Appropriates $575,000, instead of $550,000 as proposed by the House and $600,000 as proposed by the Senate, for furniture, etc., for public buildings under the Post Office Department.

On no. 31: Inserts the paragraph, proposed by the Senate, providing for payment of traveling expenses and the transportation of household effects of employees of the Division of Disbursement from one official station to another, modified so as to confine the effectiveness of the amendment hereafter to the remainder of the fiscal year 1935 and to the fiscal year 1936.

On no. 32: Strikes out section 4, inserted by the Senate, providing that no part of any appropriation contained in the bill should be used for personal services unless specifically authorized by law.

The committee of conference report in disagreement the following amendments of the Senate:

On no. 2: To provide authority for the Bureau of Internal Revenue to pay the cost of acquisition and maintenance of automobiles seized for violations of internal-revenue laws.

On no. 3: Relating to the concentration of distilled spirits in bonded warehouses.

On no. 4: Relating to the payment of certain employees in the Bureau of Customs, Bureau of Internal Revenue, Bureau of Narcotics, and Secret Service, who were deprived of pay commencing December 1, 1934, under the provisions of the so-called "McKellar amendment" to the appropriation for the Bureau of Internal Revenue in the Emergency Appropriation Act, fiscal year 1935.

On nos. 23, 24, and 25: Increasing from $8,575,000 to $10,575,000 the appropriation for foreign mail transportation and making the additional $2,000,000 available for the transportation of mail across the Pacific Ocean between California and China.

On no. 33: Prohibiting the use of any money in the bill for the payment to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person, or for the payment of an acting official whose name has been submitted to the Senate and withdrawn.

On no. 34: Correcting a section number.

WILLIAM W. ARNOLD,
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JOHN J. BOYLAN,
WILLIAM J. GRANFIELD,
EMMET O'NEAL,
CLARENCE J. MCLEOD,
Managers on the part of the House.

The Clerk read the statement.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 14, line 24, after "services;" insert: "Cost of acquisition and maintenance of automobiles seized for violations of internal-revenue laws delivered to the Secretary of the Treasury for use in administration of the law under his jurisdiction."

Mr. ARNOLD. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 16, line 5, after the word "violation", insert the following: "*Provided further*, That for the purpose of concentration, upon the initiation of the Commissioner of Industrial Alcohol and under regulations prescribed by him, distilled spirits may be removed from any internal-revenue bonded warehouse to any other such warehouse, and may be bottled in bond in any such warehouse before or after payment of the tax, and the Commissioner shall prescribe the form and penal sum of bond covering distilled spirits in internal-revenue bonded warehouses and in transit between such warehouses."

Mr. ARNOLD. Mr. Speaker, I move to recede and concur with the following amendment:

The Clerk read as follows:

Line 7, page 16, strike out the words "industrial alcohol" and insert in lieu thereof "Internal Revenue."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 16, after line 14, insert the following:

"That the proviso to the paragraph under the heading 'Bureau of Internal Revenue', contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934, be amended to read as follows: '*Provided*, That from and after May 15, 1935, no part of the appropriation made herein, or heretofore made, shall be used to pay the salaries of persons who were dropped from the service under the Executive Order Numbered 6166 of June 10, 1933, and reinstated, transferred, or promoted to positions in the Bureau of Industrial Alcohol, or in the Alcohol Tax Unit upon certificates issued by the Civil Service Commission between January 30, 1934, and May 10, 1934, unless such persons shall have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, such persons being those who were separated from the service by Executive order of June 10, 1933, and who, under the terms of such order, were ineligible for reappointment unless such reappointments were made before December 10, 1933: *Provided further*, That inasmuch as the Treasury Department, under the advice of the Attorney General, has given the proviso referred to above a construction including other employees not intended by the Congress to be included in that proviso and advising the Treasury Department that it could retain such employees without pay, there is hereby appropriated for salaries from December 1, 1934, to May 15, 1935, both dates inclusive, in the offices as follows: Bureau of Customs, $2,357.14; Bureau of Internal Revenue, $1,367,006.91; Bureau of Narcotics, $8,642.85; and Secret Service Division, $7,857.14; in all, $1,385,864.04; to pay all of said employees up to and including May 15, 1935: *Provided further*, That the employees, other than those heretofore designated, may be retained by the Treasury Department, but those designated in the first proviso hereof shall not be retained after May 15, 1935, by the Treasury Department unless they have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, and, if retained, shall not be paid out of this appropriation or any other appropriation made by this act.'"

Mr. ARNOLD. Mr. Speaker, I move to recede and concur with the following amendment.

The Clerk read as follows:

In lieu of the matter inserted by said amendment, insert the following:

"That the proviso to the paragraph under the heading 'Bureau of Internal Revenue' contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934, be amended to read as follows: '*Provided*, That from and after May 15, 1935, no part of the appropriation made herein, or heretofore made, shall be used to pay the salaries of persons who were dropped from the service under the Executive Order No. 6166 of June 10, 1933, and reinstated, transferred, or promoted to positions in the Bureau of Industrial Alcohol, or in the Alcohol Tax Unit upon certificates issued by the Civil Service Commission between January 30, 1934, and May 10, 1934, unless such persons shall have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, such persons being those who were separated from the service by Executive order of June 10, 1933, and who, under the terms of such order, were ineligible for reappointment unless such reappointments were made before December 10, 1933: *Provided further*, That inasmuch as the Treasury Department under the advice of the Attorney General, has given the proviso referred to above a construction including other employees not intended by the Congress to be included in that proviso and advising the Treasury Department that it could retain such employees without pay, there are hereby made available for salaries from December 1, 1934, to May 15, 1935, both dates inclusive, from the unexpended balances under the following titled appropriations, the sums, respectively, enumerated after each: "Collecting the revenue from customs, 1935", $2,357.14; "Collecting the internal revenue, 1935", $1,367,006.91; "Salaries and expenses, Bureau of Narcotics, 1935", $8,642.85; and "Suppressing counterfeiting and other crimes, 1935", $7,857.14; in all, $1,385,-

864.04, to pay all of said employees up to and including May 15, 1935: *Provided further*, That the employees, other than those heretofore designated, may be retained by the Treasury Department, but those designated in the first proviso hereof shall not be retained after May 15, 1935, by the Treasury Department unless they pass an appropriate noncompetitive examination to be held by the Civil Service Commission and, if retained without having passed such noncompetitive examination, shall not be paid out of this appropriation or any other appropriation made by this act.'"

Mr. ARNOLD. Mr. Speaker, I may say to the House that this amendment deals with the controversial McKellar amendment that was placed on the deficiency bill of June 19, 1934, in the Senate. The amendment I now propose accepts the Senate amendment with some clarifying language and also with the provision that the pay of these employees in the Revenue Service shall be made out of the 1935 Appropriations. The Senate amendment makes a new appropriation for 1935 in the 1936 bill.

There is sufficient money in the 1935 appropriation to take care of all those employees who went off pay on the first of December, and it is not necessary at all to make a new appropriation.

You doubtless will recall that under the McKellar amendment a great many employees were separated from the service by reason of a very unusual open competitive civil-service examination. Each and every one of these men had a civil-service status which had been acquired by an open competitive civil-service examination prior to that time. Something like 500 of them who had civil-service status failed to qualify in that new examination. Those men have been in the service and have been performing their duties since the 1st day of December 1934, but have not been receiving any pay for the services performed by them. What we propose to do in this amendment is to pay these men who have been working since the first of December 1934, without salary, out of the 1935 appropriation. As to those who did not qualify in that open competitive examination—and I think it is generally conceded by everyone that that was a very unfair examination; more of an intelligence test than a test of qualifications for the particular service—they will be cut off the pay roll on the 15th of May unless they qualify by a noncompetitive examination, which the Civil Service Commission will conduct, with a view to ascertaining their fitness and their ability to perform the services in which they are engaged.

Those who do qualify under that noncompetitive examination will continue in the service of the Government and draw their pay as usual. The amendment was not intended to and does not apply to any employees who are not now on the rolls without pay. Those who do not qualify in that noncompetitive examination will naturally go off the pay roll. I make this statement so that the Membership here may understand the situation.

Mr. McLEOD. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. McLEOD. This is the group of people who were recommended by the Secretary of the Treasury to be continued in their status without any kind of examination? In other words, this is an agreement with the administration.

Mr. ARNOLD. This meets the approval of the Secretary of the Treasury.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. DIRKSEN. If I caught the date correctly, they will automatically go off the roll unless they requalify as of the 15th of May, 1935?

Mr. ARNOLD. Yes.

Mr. DIRKSEN. That is only 3 weeks from now, and assuming that another week will be consumed in getting this bill through conference and having it finally signed at the White House, that will leave the Civil Service Commission only 2 weeks in which to call that examination. Is it not likely that they might be foreclosed in their chance to stay on the pay roll?

Mr. ARNOLD. The time is rather short, as the gentleman says, but I have discussed this matter with the Civil Service Commission and also with the Treasury officials. They are already making arrangements for this examination, and they do not have to advertise ahead of time, as in an open competitive examination. They tell me that they can hold these examinations within the time set, and permit those to qualify who are able to, without having to go off the pay roll after the 15th of May.

Mr. DIRKSEN. Would there be any particular objection to giving them an additional month, making it June 15, so that nothing would intervene to prevent their qualifying?

Mr. ARNOLD. We have had all kinds of difficulty with this matter and I do not think the waters ought to be muddied any more than they are. The Civil Service Commission say they can handle the situation by the 15th of May, and I think it would be much better to let the matter stand as it is.

Mr. PALMISANO. Mr. Speaker, what was the result of the civil-service examination that took place? Did they obtain sufficient men to fill these offices in that examination?

Mr. ARNOLD. Yes; there is an eligible list, but these men have been especially trained and equipped for this work, and to resort entirely to a new civil-service register would bring in new recruits who would have to be specially trained.

Mr. PALMISANO. This amendment is prepared purposely to take care of these men and rule out the men who are now eligible under the civil-service rules.

Mr. ARNOLD. Not necessarily. The noncompetitive examination will go right to the heart of the qualifications, and if they do not qualify they have to go off the pay roll.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. TABER. This amendment has been worked out in the way that the gentleman has presented it here after a long debate with the Senate conferees and it is the best the gentleman could do, everything considered.

Mr. ARNOLD. The gentleman is correct. I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I want to protest against a Department of Government ignoring the law. I want to protest against a lot of employees treating the law with indifference and ignoring it. This McKellar amendment should have caused 1,300 employees to be separated from the service on December 1 if the law of the United States had been obeyed.

When the McKellar amendment was passed by the Congress it ceased to be the McKellar amendment and became the law of the land, the law of the United States Government, and no Department head should have ignored and overridden it. The Department head said in effect, "Yes; it is true; the law has been passed, but you fellows work on here; we cannot pay you, but work on and I shall get Congress to annul its own law and pay you." That is what has been done. One Department head has seen fit to ignore a law passed by the Congress and has caused 1,300 employees to work for the Government without pay since December 1, assuming that he could get the Congress to annul its action and accord to his wishes. And he is now getting Congress to undo its own law and to obey him. That is what has been done. I am not in favor of doing that kind of business, although just now I am going along with my committee. But in the future Departments of this Government must understand that they cannot ignore and disobey laws passed by Congress.

The Senator from Tennessee, Mr. MCKELLAR, is the Chairman of the Civil Service Committee in the United States Senate. As such chairman he had ascertained that there are six States and the District of Columbia which have more than their lawful quota of civil-service employees, to wit: the District of Columbia is entitled to 133, but in fact has 9,411. Virginia is entitled to 662, but in fact has 2,013. Maryland is entitled to 446, but in fact has 1,888. Massachusetts is entitled to 1,162, but in fact has 1,166. Utah is entitled to 139, but in fact has 143. Iowa is entitled to 676, but in fact has 739. Vermont is entitled to 98, but in fact has 118; and the remaining 42 States of this Nation are below their quotas, and nothing effective and worth while is being done by the

Civil Service Commission to correct these inequalities. And they should be corrected. Not another civil-service employee should be allocated to the District of Columbia and these 6 States having more than their lawful quotas until all of the other 42 States are treated justly and receive their lawful quotas.

Do you know how many civil-service employees have been employed here by the Government from the State of Tennessee? Four hundred and twenty-eight. From the great State of Tennessee only 428 have been able to get civil-service positions here with the Government, while Tennessee is entitled to 715 as its quota. Yet here in Washington, the District of Columbia, only 10 miles square, is entitled to only 133 employees as its quota, but in fact has 9,411 employees, or 9,278 more employees than it is entitled to, as against only 428 from the great State of Tennessee, the Speaker's State, if you please.

Over in Maryland, right next door, they did not get just 428 allotted to Tennessee, but the State of Maryland got 1,888 employees here through the Civil Service Commission, when it was entitled to only 446.

Mr. KRAMER. Will the gentleman yield?

Mr. BLANTON. I regret that I cannot yield at this time, as I do not want to use over the 5 minutes allotted to me.

Mr. KRAMER. How many are there from California?

Mr. BLANTON. California is entitled to 1,552, but has only 410, yet the District of Columbia here has 9,411. Please let me go ahead. I will print an authentic table for all States which I have just gotten from the Civil Service Commission, The chairman of the committee has been very kind to me, and I do not want to waste his time in discussing the number each State has received just now, but you can read it in the RECORD tomorrow.

Let me tell you about the other State that adjoins the Nation's capital, the great Commonwealth of Virginia,—my father's native State. Virginia is entitled to 662, but in fact has 2,013 employees, nearly 5 times as many as are from the Speaker's State of Tennessee. Let me read you this letter just received from the Civil Service Commission, and attached to it is a report showing exactly what has been done for each State——

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I regret that I have not time to yield.

Mr. BOYLAN. What is the Speaker going to do about it?

Mr. BLANTON. I do not have time to yield for frivolity, but if he does what I am going to do about it, he is going to raise cain with the Civil Service Commission, until these inequalities are stopped.

Mr. Speaker, I have here a letter from the Civil Service Commission, a short letter consisting of just 1 page, dated April 18, last Friday, giving some of these inequalities, attached to which is a 1-page report on all of the States. I ask unanimous consent to put the whole letter and report in the RECORD in connection with revising and extending my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The following is the letter from the Civil Service Commission:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., April 18, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: I am glad to acknowledge receipt of your letter of April 10, and in compliance with the request contained therein I am forwarding herewith copy of a report on the condition of the apportionment at the close of business Monday, April 15, 1935. The States listed are entitled to apportioned appointments in the amounts set after their names on the basis of the total number of appointments as of the date of this report (Apr. 15, 1935), which total is 34,107. The following tabulation is given in connection with your inquiry regarding the particular States listed:

Appointments under the apportionment

	Entitled to—	Received
District of Columbia	133	9,411
Maryland	446	1,888
Virginia	662	2,013
Texas	1,593	500
Oklahoma	655	260
North Dakota	186	153
Utah	139	143
New Hampshire	127	117
New York	3,442	2,180
Tennessee	715	428

As you will note from the report, there are 7,249 employees from the several States occupying apportioned positions who are excluded from the apportionment under section 2 of Civil Service rule VII and the Attorney General's opinion of August 25, 1934. This total includes those persons entitled to military preference and those appointed through Executive order, or who have been exempted from the quota provisions by such order; also persons formerly in the apportioned service who have been reinstated.

If you desire any further information on this subject, the Commission will be glad to be of aid.

Very sincerely,

L. A. MOYER, *Chief Examiner.*

The following is the report accompanying the above letter:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C.

Condition of the apportionment at the close of business Monday, Apr. 15, 1935 [1]

State	Entitled	Received
IN ARREARS		
1. Puerto Rico	422	24
2. Hawaii	101	12
3. California	1,552	410
4. Alaska	16	5
5. Texas	1,593	500
6. Arizona	119	47
7. Michigan	1,324	523
8. Louisiana	575	228
9. Oklahoma	655	260
10. New Jersey	1,105	441
11. Arkansas	507	234
12. Alabama	723	360
13. South Carolina	475	247
14. Mississippi	549	288
15. Georgia	795	443
16. Ohio	1,817	1,017
17. North Carolina	867	499
18. Wisconsin	804	475
19. New Mexico	116	69
20. Tennessee	715	428
21. Illinois	2,086	1,260
22. Connecticut	439	268
23. Oregon	261	164
24. New York	3,442	2,180
25. Nevada	25	17
26. Montana	147	100
27. Kentucky	715	493
28. Wyoming	62	43
29. Florida	401	302
30. Pennsylvania	2,633	2,080
31. Idaho	122	99
32. North Dakota	186	153
33. Washington	427	362
34. Indiana	885	777
35. Missouri	992	874
36. Kansas	514	461
37. Colorado	283	256
38. Minnesota	701	644
39. New Hampshire	127	117
40. Maine	218	207
41. Delaware	65	62
42. Nebraska	377	365
43. West Virginia	473	460
44. Rhode Island	188	184
45. South Dakota	189	188
IN EXCESS		
46. Massachusetts	1,162	1,166
47. Utah	139	143
48. Iowa	676	739
49. Vermont	98	118
50. Virginia	662	2,013
51. Maryland	446	1,888
52. District of Columbia	133	9,411

GAINS	
By appointments	60
By reinstatements	5
By transfer	68
By correction	2
Total	135
LOSSES	
By separation	45
By transfer	24
Total	69
Total appointments	34,107

[1] Quota filled, none.

NOTE.—Number of employees occupying apportioned positions who are excluded from the apportionment figures under sec. 2, rule VII, and the Attorney General's Opinion of Aug. 25, 1934, 7,249.

Mr. BLANTON. The foregoing letter will show you that there was some reason for this so-called "McKellar amendment." When the Congress passed that law to correct some of these inequalities the Civil Service Commission called for an examination, which was Nation-wide. It called for an examination to be held in California, in Texas, in New York, and everywhere else in the United States, and there were worthy people, efficient people, capable of holding these jobs, who had not had a chance at them before, who took that examination expecting employment when they passed it, and not a single one of them has been recognized by being placed on the eligible list. That examination was annulled. They do not have a chance to compete in the noncompetitive examination that under this bill is to occur between now and May 15. Your people out in California will not be given a chance to compete with these 1,300 employees here in Washington.

Mr. KRAMER. We do not have an opportunity.

Mr. BLANTON. Certainly not.

Mr. KRAMER. It is a lot of hokum.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. BLANTON. What chance have the constituents of my great Irish friend from New York, Mr. BOYLAN, to get any of these positions? Not a bit. It is a closed proposition to all but these 1,300 employees who are being cared for by this bill, and 500 of them failed to pass the examination.

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOYLAN. The gentleman knows that unless a course was followed, which was followed, the Government would have lost millions of dollars in revenue. There would be nobody with experience to collect it.

Mr. BLANTON. Oh, I have heard that before. But I have plenty of my constituents in Texas who could efficiently do the work.

Mr. BOYLAN. Furthermore——

Mr. BLANTON. I regret that I cannot yield further. I have only 2 minutes, and I do not want to use any more time.

Mr. BOYLAN. But the gentleman should wait until I finish. The gentleman said there were many who could not pass this examination.

Mr. BLANTON. Mr. Speaker, I do not want this interruption taken out of my time. I do not yield further. The gentleman from New York [Mr. BOYLAN] is an able, distinguished, and valuable Member, and has been here a long time, and he and I have worked hard here together, but if we should pass out tomorrow somebody would take our places and we would be gone and forgotten.

Mr. BOYLAN. We could never forget you. [Laughter and applause.]

Mr. BLANTON. Oh, but in all of our districts back home we can find just as worthy and efficient civil-service employees in New York, and in California, and in Texas, and in Tennessee, as you can here in Washington, Virginia, and Maryland. And an injustice is done all of them when we do not give them a competitive chance at these positions.

Mr. NICHOLS. Will the gentleman yield?

Mr. BLANTON. In a moment, I will. I am one of those here who is going to make a real fight from now on to see that the people back home in the 48 States away from Washington get a chance at these civil-service positions, so that the District of Columbia will not get 9,411 employees when it is entitled to only 133.

Mr. NICHOLS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. NICHOLS. I just wondered if the gentleman's figures also showed the division between Democrats and Republicans.

Mr. BLANTON. Oh, no. That is impossible, because some change overnight. Here is the State of Texas, 900 miles across it east and west and 900 miles across it north and south. The State of Texas has only 500 employees as against 9,411 in the little District of Columbia, only 10 miles square. If you Members want to stop these inequalities, give me a little help, and we will stop it.

The SPEAKER. The time of the gentleman from Texas [Mr. BLANTON] has again expired.

The question is on the motion of the gentleman from Illinois [Mr. ARNOLD].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that amendments 23, 24, and 25 may be considered together. They all deal with the same subject matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Amendment no. 23: On page 57, line 6, after the figures "1928" and the parenthesis, strike out "$8,575,000" and insert in lieu thereof "$10,575,000."

Amendment no. 24: On page 57, line 7, after the word "exceed", strike out "$7,000,000" and insert in lieu thereof "$9,000,000 (of which $2,000,000 shall be available for the transportation of mail, including mail for island possessions and Territories of the United States, across the Pacific Ocean between California and China)."

Amendment no. 25: Page 57, line 14, strike out "$7,000,000" and insert in lieu thereof "$9,000,000."

Mr. ARNOLD. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendments.

Mrs. KAHN. Mr. Speaker, I submit a preferential motion.

The Clerk read as follows:

Mrs. KAHN moves that the House recede and concur in Senate amendments nos. 23, 24, and 25.

Mr. ARNOLD. Mr. Speaker, these three amendments have to do with the additional amount of $2,000,000 that was inserted by the Senate from the floor by Senator McADOO, of California. We took this matter up very carefully. We went over it and tried to work the matter out from the standpoint of the merits of the proposal. During the last few days there has been quite a little in the press about this experimental trip by air from San Francisco to Canton, China, first going to Honolulu, then to the Midway Island, then to Guam, and then to Manila, from where they will fly to Canton. There has been no estimate on this appropriation by the Bureau of the Budget. I contacted the Bureau of the Budget and asked them to give me such information as they could as to the merits of this proposal. They tell me that they have had no opportunity whatever to study the matter, and that it would take 2 or 3 weeks to make an investigation before they could determine whether or not they would make a recommendation for this additional amount.

I think perhaps the House generally understands that the greater portion of this amount for this new project of air mail from San Francisco to Canton, China, will be largely a subsidy. Your committee feels that we should not appropriate money for this purpose at this time in view of the fact that there has been no study and no investigation made of any consequence either by the Post Office Department, the Bureau of the Budget, by the House Committee on Appropriations, or by the Senate Committee on Appropriations; and no discussion of any consequence on the floor of the Senate at the time this amendment was offered and adopted.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. In just a moment. When this amendment was proposed in the Senate it was said they would let it go to conference, and no information on the subject was there developed.

Now, here is what we propose to do—and I think it is the only proper thing to do under the circumstances: There will be another deficiency appropriation bill before this session of Congress adjourns; as a matter of fact, there will be two of them, I am informed by the Chairman of the Appropriations Committee. The money carried in this amendment is not available until the 1st of July. So we will have ample time between now and when the next deficiency appropriation bill is reported to this House to get some additional information and to enable the Post Office Department to

make some further study of the problem and to enable the Bureau of the Budget to make their decision and recommendation to the President for his consideration. I now yield to the gentleman from New York.

Mr. BACON. If we make this additional appropriation of $2,000,000, it will not be used until the Post Office Department studies the situation. All we are doing is making it available for the Post Office Department to use if, after investigation, they see fit to go ahead with it. That is all we are doing by our action at this time; we are simply making it available for the Post Office Department to use if and when after proper study they so decide.

Mr. ARNOLD. But may I say to the gentleman from New York that it is entirely too big a proposition for this Congress to put $2,000,000 in this item, two-thirds of which appropriation will be subsidy, without having some study made of the matter.

Mr. BACON. But they will be able to make the investigation before using any of this money.

Mr. ARNOLD. The Congress, however, ought to have something to say about this question of subsidy. I am not willing to impose this responsibility entirely upon the Postmaster General or on any one individual when it comes to a question of subsidy such as is involved here. The matter ought to be determined by Congress itself; and then if the Congress, after having all the information it is able to get in the meantime, decides to go ahead and make the appropriation, it will be entirely agreeable to me, and we shall have something on which to base our action. As it is now we do not have sufficient information.

Mrs. KAHN. Mr. Speaker, will the gentleman yield me some time on this amendment?

Mr. ARNOLD. I will a little later. I yield to the gentleman from New York.

Mr. BOYLAN. Mr. Speaker, I am rather surprised to hear the gentleman from New York [Mr. BACON], who is also a member of the Appropriations Committee, make the suggestion he has made of appropriating money without any investigation, without any research or hearing by the Bureau of the Budget or by any subcommittee of the Appropriations Committee. I think the chairman of the subcommittee has made a very fair and reasonable statement; and, furthermore, at the conference we permitted one of the Representatives from California [Mr. DOCKWEILER] to make a statement. At the conclusion of his remarks the House Members expressed themselves to be sympathetic to his views. We explained to him, however, that we would have the Bureau of the Budget go into the matter and, if they reported it favorably, we would be very glad to take it up in the next deficiency bill. This course was satisfactory to the gentleman from California, and he agreed with the procedure and thought it was correct.

Now, if we are going to make appropriations of two and more millions of dollars just by amendments from the floor, what is the use of having an Appropriations Committee? What is the use of having a Bureau of the Budget? These committees are your committees; you are not able to pass on these questions; you delegate to your committees who act as they feel the circumstances warrant, and submit their findings to you for your action. You all know, especially the Members of experience, that an appropriation bill cannot be written on the floor of the House, and written properly, any more than a tax bill can be written from the floor. They must have consideration, we must have orderly procedure, otherwise the result will be a hodge-podge instead of well-thought-out legislation.

So I say, therefore, the plan proposed by our chairman is eminently fair not only to the people of California, but to all who want this service, and we would be glad to give it to them if the circumstances show it should be inaugurated.

Mrs. KAHN. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentlewoman from California.

Mrs. KAHN. Does the gentleman seem to think this service is going to be exclusively for California? Does he not presume that the merchants of the city of New York are going to take advantage of a 5-day service from New York to Canton?

Mr. BOYLAN. Absolutely, and we want it, but we are satisfied to try and get it in an orderly way.

Mrs. KAHN. Does the gentleman think this is of benefit only to California?

Mr. BOYLAN. No, indeed; the whole country would benefit. We are glad to see the gentlewoman agitate this matter, but let us do it in a proper manner, and not try to pull it out of the air.

Mrs. KAHN. That is where we want it—in the air.

Mr. BOYLAN. We are in agreement, being both air-minded.

Mr. ARNOLD. Mr. Speaker, I yield 5 minutes to the gentlewoman from California [Mrs. KAHN].

Mrs. KAHN. Mr. Speaker, may I say just a word in reference to what this air line will mean to the whole of the United States? We know that the Postmaster has the right to call for bids for foreign mail under contract, but the appropriation without this extra $2,000,000 will not allow him to consider new plans as promulgated by the Pan-American Airways for service across the Pacific.

Mr. Speaker, a route from San Francisco to Honolulu, to Wake, to Midway, to Guam, and on to Manila is now being considered, all under the American flag. From Manila to Canton there is a line controlled by the Pan American Airways. At Canton there is a Chinese Government-owned airway line controlling 3,000 miles of air lines into China. This is also being operated, manned, and run by Americans under a private contract with the Pan American line. So we will have an air line practically from San Francisco to Manila to Canton and all through China operated, owned, and run under the American flag and by Americans. What this will do to trade in this country is almost beyond belief.

Mr. Speaker, may I read a paragraph from the magazine Aviation of March 1935.

> Planted unobtrusively in an introductory paragraph of one of Pan American's traffic estimates for the project is a phrase worth rescuing from prospective oblivion. It might well serve as a motto on a division's insignia "The Orient'" so runs the phrase, "need not be 3 weeks away." And, indeed, it won't be when the new division is under way—a convenient overnight service between San Francisco and Honolulu; a further service from Honolulu to Manila, of four daylight flights from Honolulu to Midway, Midway to Wake, Wake to Guam, Guam to Manila, respectively; connections with Hong Kong or Canton, with Java, with Japan will put the teeming markets of Asia within a week by air from any part of the United States, and make Hawaii in fact the southwest corner of the country. What the route will mean to the future of our trade relations, our tourist habits, our importance as a world power are generally beyond the scope of this present treatment. Needless to say, the potentialities are almost limitless. It takes 6 to 7 days to reach Hawaii from California on the average steamer, 14 days to Japan, 3 weeks to Manila, longer to the coast of Asia. Simply from a postal point of view, consider the gain to our commerce from substituting a 2-week mail and reply cycle for the 2 months it now takes for the average letter to reach China and the answer to return. American industry has been offered no such advantage in the China trade since the days when our sailing clippers dominated the trade routes of the world.

To show you that other countries of the world are not unmindful of what this oriental trade means, may I read what they are doing with reference to air lines?

> The Imperial Airways now are operating from London to Paris, and Brindisi to Melbourne, via Singapore, and they have a projected extension from Singapore to Hong Kong.
>
> France is operating from London to Marseilles to Saigon, via Italy, Greece, and India, and have a projected extension from Saigon to Canton.
>
> All of the countries are making a bid for this enormous new oriental trade.
>
> The Royal Dutch Air Lines are operating from London via Amsterdam to Rangoon and thence to Java and have a projected extension from Java to Manila, thence to China.
>
> Russia is operating from Vladivostok to Moscow, clear across Asia. Their projections are unknown.
>
> Germany is making a bid for the South American trade and is practically paralleling the Pan American Air Line which starts at Miami and goes down into South America.

These countries appreciate fully the advantages of this trade. As a means of national defense it is also invaluable, but my limited time will not permit my going into that phase.

Why put off this legislation? It is not mandatory, it leaves it to the discretion of the Postmaster General. Let us encourage these pioneers with more than words. Let us get behind them 100 percent, and give them the support to which they are entitled.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Speaker, we have heard for a long time that the Orient is destined to become the next great theater for American trade. Now comes the proposal to span the Pacific by airplane. May I say that in developing this air line the Pan American Co. itself is spending hundreds of thousands of dollars in developing landing places alone the route. In order to get the project going the Senate added an appropriation of $2,000,000 to this bill.

Mr. Speaker, the objection is made that this is a subsidy. When we started our railroads back in the early days we subsidized them. When we started our steamship lines we subsidized them, and we are still doing so. When we started air lines down into South America we subsidized those lines, and we are doing that today. I ask in the name of common sense, with an opportunity to grasp one of the greatest trade opportunities that was ever presented to this Congress, that you appropriate this $2,000,000 and give American business men an opportunity to develop their trade with the Orient on an equal basis with other countries. Here is an opportunity for this Congress to aid in a pioneering effort to take advantage of a tremendous trade-building opportunity. I trust you will vote for the appropriation of this $2,000,000 in order to make it possible for this line to be started immediately so that other nations, eager to get a foothold, may not get established first.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, the question of this being a subsidy has been developed in general debate. A number of years ago Congress passed on this question by approving subsidies for air mail service. This is not a new venture; it is already covered in existing law by a broad, liberal statute pertaining to the development of foreign air mail service.

There is merit to the suggestion advanced by the committee that this matter be reserved at least temporarily for further study; but I make the point that it is an essential, necessary operation and should receive the approval of this Congress before we adjourn.

The reason for haste in this connection is that the nations of the world are engaged in a race for trade, and Germany, with her Zeppelins, Italy, with her squadrons, and France, with her flying boats, are already in competition with us for South and Central American trade.

America's foreign service began in 1927 with a ferry service from Key West to Cuba. In later years, by reason of our encouragement, it developed into a service that reached the West Indies and Central America. Today it puts us in touch with South America and brings us not only the good will that always results but business and commerce as well.

This is the only air line that has been constantly reducing its cost to us and at the same time increasing its revenues as a result of its operations. Pan American, a few years ago, acquired the Alaskan Air Line; recently it acquired control of the Chinese Air Line; and only a few weeks ago it sent a giant steamship, equipped with men and material, to acquire landing space and to build hangars, radio stations, and other facilities in Hawaii, in the Midway Islands, Wake Island, Guam, and Manila. This work is now under construction and the hangars and bases will be ready for operation on July 1.

This $2,000,000 will be merely an authorization given to the Post Office Department, whom we can trust, and trust implicitly, because of its interest and concern about air mail, and unless the service meets with the Department's approval this money will not be spent.

However, I want to make this additional point: Before Congress adjourns this legislation should be adopted, because unless we acquire these rights in foreign countries our competitors in the air, including Germany, France, and Italy, as well as other nations, will acquire them before we do. Just as the American clipper ships traversed the seven seas to the glory of the American sailor in the past, we should let the genius, the skill, and the courage of America's intrepid aviators conquer the skies and bring us commerce from the various nations of the Orient.

I think this is a movement in the right direction; I know the committee is in sympathy with it; and before the termination of this Congress it will become a reality. It is a splendid thing and something that should be accomplished.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I shall be pleased to yield.

Mr. ARNOLD. Does not the gentleman think it will be better to put the matter over until the next deficiency bill comes in, so we may have an opportunity to study it further?

Mr. MEAD. With the cooperation and support of the gentleman who represents the Subcommittee on the Post Office in the Appropriations Committee, realizing he is intensely interested in the matter, I feel that would be a safe proposition; but my attitude is that this plan should be adopted before the end of this Congress, so that America may become the pioneer in flying in China and in other sections of the world yet unconquered by any nation on earth. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, I am pleased to have an opportunity to support the motion of the gentlewoman from California to recede and concur in the Senate amendment.

I have listened with a great deal of interest to the able speech made by the Chairman of the Post Office Committee, the gentleman from New York [Mr. MEAD]. The gentleman correctly states that this action should be taken before the Congress adjourns. The Senate Committee on Appropriations has given this matter consideration and they have adopted it in the Senate.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield.

Mr. ARNOLD. The gentleman certainly is in error, because the matter was never presented to the Appropriations Committee of the Senate.

Mr. BACON. I am informed, though, that they considered it before the conference committee met.

Mr. ARNOLD. The gentleman is in error. It was not presented to the Appropriations Committee of the Senate. The amendment was offered from the floor of the Senate and there was very little discussion of it.

Mr. BACON. Whatever the situation may have been in another body, they have acted with great vision, looking toward a future of peace and increased trade with the Orient.

The company that is now pioneering the trans-Pacific route is spending from $1,500 to $2,000 a day in this work. On the 15th of June there will be delivered to this company three large Martin planes, larger than the Sikorsky plane that went from San Francisco to Honolulu the other day in the record time of 17½ hours. I think every real American must have been thrilled by the monumental flight of this plane the other day, arriving as it did in Honolulu 55 minutes ahead of its schedule.

These three planes are to be delivered on the 15th of June. They are larger and faster planes than the pioneer plane that made this trip the other day. With these three planes delivered on the 15th of June, there is an excellent possibility and probability that by the first of July a weekly service can go out of San Francisco across the Pacific to Canton, China.

In addition to these 3 new Martin planes that will be delivered, there will also be delivered 3 new Sikorsky planes, shortly to be followed by 2 additional Sikorsky planes, all made and developed in this country. These new Martin planes and the Sikorsky planes are the finest commercial planes in the world today. This company is going ahead with courage and vision. Increased trade with the Orient

means as much to the State of New York and the East as it does to the State of California. This proposal will mean a lot to the United States. Anything we can do to help our export trade is worth doing.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield gladly to the gentleman from New York.

Mr. O'CONNOR. What I cannot understand is why the matter should be delayed if only this $2,000,000 is to be made available and the Post Office Department would determine what to do in reference to a subsidy, if anything. I cannot understand why it cannot be done now just as well as later in the deficiency bill.

Mr. BACON. I think the gentleman is entirely right. This money will not be spent until after the Post Office Department has made a thorough investigation of the matter, until after bids have been called for and contracts let, and the amount involved is a maximum of only $2,000,000 and if they go ahead with the proposal the amount that will be used will probably be less than $2,000,000. The Senate is willing to act and it seems to me the House ought to have courage and vision to act now and should leave the matter with their own Post Office Department.

Mr. TAYLOR of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield.

Mr. TAYLOR of South Carolina. Is there not this difference between acting now and postponing the matter? The postponement will give Congress a chance to review the merits of the report of the Department's investigation instead of leaving it to their discretion.

Mr. BACON. There may be something in that, but I hope we can act now because these pioneering Americans who are at this time developing this new air route will then have some encouragement and will know that their own Government will be behind them. If we delay the matter, there is always the chance that in the long run the plan may fail entirely.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Speaker, there is no lack of sympathy in the Committee on Appropriations for this proposition. We have no prejudice against it, but we have no information on which to base a conclusion because no information has been brought forth. Why should we go into the subject blindly, half-cocked, as it were? Why should the House rush into a commitment about which it knows nothing?

This proposition was popped into Congress in another body out of a clear sky, without estimates, without any evidence, without any investigation, without anything whatever to back it up. Never before was such an important proposition advanced without any official report or official information of any character to support it.

This is not an inconsequential matter. These contracts run for 10 years. Are we going into them and bind our Government to this annual subsidy without giving the Post Office Department an opportunity to investigate all of the facts and all of the elements involved so that a decision may be reached that will be in the public interest?

I understand the Post Office Department is agreeable to the postponement of this matter until they can investigate and decide by the time the deficiency bill is considered whether this proposed mail subsidy is advisable or not.

Congress has been trying to get out of subsidies. I do not know whether this one has merit or not. Owing to the utter lack of information no one knows whether or not it is advisable. I do know that in the case of the South American air mail they have been running 6 years at a total expense of $7,000,000 per annum, and yet we have not been able to get away from a subsidy of about $5,000,000 a year in that service.

I say that this proposition has not been adequately considered—in fact, it has not been even approximately considered, because the estimate is for $2,000,000, and when you come to make a close calculation you will find that it would only require $1,820,000 a year on a basis of 52 round trips per annum. This shows a lack of the mature consideration that should be given to a matter of such importance.

The proposition, as already stated, has not had the slightest consideration, and no prejudice can be brought against it by letting it go over according to the understanding of the Post Office Department that it have a little more time for consideration. Let us not be rushed into a commitment for an air mail scheme that has not been digested and thought out to a conclusion, a scheme that may be all right but which at this time nobody really knows anything about. The wisest policy is to look before we leap.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am glad to see that the gentleman from Illinois [Mr. ARNOLD] and the gentleman from New York [Mr. BOYLAN] are now in accord with me on the proposition that we should have estimates from the Budget before we act on the appropriation.

This is a little different from the ordinary situation. I think I should tell the House what I know about the situation so that it may pass on it intelligently.

This matter came up as the result of an amendment by Senator McADOO in the Senate on March 26, 1935—almost 1 month ago.

Personally, I do not like to see any appropriation made without an estimate from the Budget. I do not care to see any appropriation until we have a statement from the Department as to what is and what is not necessary before we act.

Notwithstanding 25 days have elapsed since this matter was put up to the Department, the Department has taken no action in passing on it, and there has been no submission of an estimate from the Budget.

I called up the assistant in charge, Mr. Harllee Branch, this morning and asked him what the situation was and what the Department's opinion was.

He told me that the Department had taken no position upon it, that it is a service that probably should be inaugurated, that the cost of it, based upon other items, on a mileage basis, would probably be $35,000 a round trip, and once a week, 52 trips, would amount to $1,820,000.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ARNOLD. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. TABER. He further stated that the postage that would be realized from it, provided they used what he called prohibitory rates, running up to $1 for service to China, 25 cents for Hawaii, and 50 cents or 75 cents for the Philippine Islands, would be $600,000.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I want first to finish the details. Further, that if the rates were fixed upon the same basis as South American rates with a maximum of 60 cents, the revenues would run up to about $300,000. Frankly I believe we always should have an estimate from the Budget, but I believe that when an amendment comes up as this has come up, for a month, the Department ought to take some action upon it and give us the benefit of its advice as to what we ought to do. I have felt I ought to give the House the benefit of the information that I obtained from the Department this morning.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. MEAD. In the event the Senate disagrees with the action taken by the House, would the gentleman look with favor on a compromise that would appropriate $1,000,000, because $1,000,000 would be more than enough for a semimonthly service rather than a weekly service. That would amount to about $900,000, and a very liberal estimate of revenues resulting from that service would be around $300,000. Therefore, at an expenditure of $600,000, we could inaugurate this service if it was approved by the Post Office Department. I offer that as a suggestion.

Mr. TABER. I am not sure but that I would approve this just the way it stands, but I believe that as a general rule we should have budgetary propositions. However, I do feel that the Department ought to move in a month's time.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. ARNOLD. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. MCFARLANE].

LET US SHOOT SQUARE WITH THE TAXPAYER AND REQUIRE EACH DIVISION OF THE POSTAL SERVICE TO PAY ITS OWN WAY

Mr. MCFARLANE. Mr. Speaker, I think the committee is taking the correct attitude regarding the $2,000,000 amendment added in the Senate for foreign air mail. I read the debate at the time the amendment was offered in the Senate. Very little, if any, debate was had upon it. No reason was given for its adoption. We have just now heard the only reasons that have come to light as to the necessity for an extension of this air mail service from San Francisco via Hawaii to Canton, China. We all know that second- and third- and fourth-class mail is being carried at a net loss, as shown from the following reports from the Post Office Department for the past 4 years:

	Revenue	Expenditure	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
First class:				
Fiscal year—				
1931	$335,835,235.87	$277,546,208.01		$58,289,027.86
1932	310,325,470.64	276,713,262.04		33,612,208.60
1933	332,341,206.91	227,481,016.85		104,860,190.06
1934	325,476,303.05	205,835,483.87		119,640,819.18
Total	1,303,978,616.47	987,575,971.57		316,402,245.70
Second class:				
Fiscal year—				
1931	27,471,247.67	124,145,865.60	$96,674,617.93	
1932	23,149,305.44	125,293,596.27	102,144,290.83	
1933	19,837,184.18	108,040,146.55	88,202,962.37	
1934	21,204,194.48	98,827,422.42	77,623,227.94	
Total	91,661,931.77	456,307,030.84	364,645,199.07	
Third class:				
Fiscal year—				
1931	58,274,996.73	81,663,891.55	23,388,894.82	
1932	50,687,165.76	79,596,529.03	28,909,363.27	
1933	50,926,364.04	79,222,926.81	28,296,562.77	
1934	50,146,716.69	67,445,439.95	17,298,723.26	
Total	210,035,243.22	307,928,787.34	97,893,544.12	
Fourth class:				
Fiscal year—				
1931	138,135,806.79	158,167,406.60	20,031,599.81	
1932	113,580,337.21	146,296,604.57	32,716,267.36	
1933	100,236,271.27	132,250,673.18	32,014,401.91	
1934	101,904,677.10	120,962,632.17	19,057,955.07	
Total	453,857,092.37	557,676,316.52	103,920,224.15	

I hope the proper committees of the House will go into that matter and see if we cannot readjust those rates so that these rates can be taken care of and that this air mail subsidy will stop. Our losses on domestic and foreign air mail the past 4 years is as follows:

	Revenue	Expenditure	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
Domestic air mail:				
Fiscal year—				
1931	$6,210,344.86	$17,593,410.00	$11,383,065.14	
1932	6,016,280.02	23,771,367.26	17,755,087.24	
1933	6,116,441.57	23,033,856.27	16,917,414.70	
1934	5,737,536.00	15,290,032.86	9,552,496.86	
Total	24,080,602.45	79,688,666.39	55,608,063.94	
Foreign air mail:				
Fiscal year—				
1931	780,422.27	6,564,858.17	5,784,435.90	
1932	1,075,352.34	7,165,576.41	6,090,224.07	
1933	942,584.52	7,166,053.90	6,223,469.38	
1934	1,290,804.83	7,200,603.84	5,909,799.01	
Total	4,088,163.96	28,097,092.42	24,007,928.36	

I think the committee has taken the proper attitude and I see no reason why we should extend further the losses to the American people in subsidizing big business to the Orient, to people who cannot pay their debts to us now. I do not see any reason why we should spend our good money in going after this character of business. [Applause.]

At this point, under the permission to extend my remarks, I insert the following:

First-class mail as shown from the above schedule of the Post Office Department has year after year shown a tremendous profit and it is the only service the Post Office Department renders that does not show a loss. Yet we find postal rates on first-class mail have been increased from 2 cents to 3 cents and although a gesture has been made toward returning first-class mail from 3 cents to 2 cents by the last Congress, in granting that privilege to local first-class mail, I believe that this Congress should not adjourn without reducing first-class mail rates from 3 cents to 2 cents.

SECOND-, THIRD-, AND FOURTH-CLASS MAIL

It is not treating the American taxpayer fairly in allowing rates on second-, third-, and fourth-class mail to remain as they are and thus to place this tremendous loss upon the poor people of the United States. If this Congress had the internal stamina to do its duty it would see to it that these rates are properly adjusted. Why should the large mail-order houses, chain stores, large daily newspapers, magazines, and so forth, of this country be allowed to retain their subsidy as above shown amounting to millions of dollars annually. The already overburdened taxpayer is not able to bear this expense.

DOMESTIC AND FOREIGN AIR MAIL

The same arguments that apply to losses suffered in carrying second-, third-, and fourth-class mail apply to the losses in carrying domestic and foreign air mail. Rates should be adjusted for these services so that those using these services pay the expense, otherwise the services should not be rendered. It is unfair to sandbag the employees of the Federal service, including those of the Postal Department, and reduce their salaries through consolidation and elimination, which has been going on at a rapid rate and yet permit these extravagant losses to be suffered as above shown without making proper adjustment in the rates charged for the services rendered.

THE REMEDY

If we will adjust our tariff schedules and will correct our medium of exchange we can deal fairly and justly with all people at home and abroad. We should meet this issue fairly and squarely, and not apply a poultice plaster when major monetary legislation is necessary.

Mr. ARNOLD. Mr. Speaker, I am asking the House to vote down the motion offered by the gentlewoman from California [Mrs. KAHN], and I am doing that simply for the purpose of getting some additional information on the matter and having that information in time so that it can be considered when the next deficiency appropriation bill is before the House. Personally I am friendly to the proposition. I do not want to get this matter in such shape that it might cause us serious trouble in the future. I suggest to the Membership of the House that they vote down the motion of the gentlewoman from California, and then that the House further insist upon its disagreement to the Senate amendment.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentlewoman from California that the House recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. FORD of California) there were—ayes 45, noes 70.

So the motion was rejected.

The SPEAKER. The question now recurs on the motion of the gentleman from Illinois that the House further insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment numbered 33: Page 69, after line 18, insert a new section, as follows:

"SEC. 5. That no part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of said person, or for the payment of an acting official whose name has been submitted to the Senate and withdrawn."

Mr. ARNOLD. Mr. Speaker, I move that the House recede and concur with an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment numbered 33: In lieu of the matter inserted by the Senate amendment, insert the following:

"SEC. 4. No part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person."

The SPEAKER. The question is on the motion of the gentleman from Illinois to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 34: Page 70, line 1, strike out the figure "4" and insert in lieu thereof the figure "6."

Mr. ARNOLD. Mr. Speaker, I move that the House recede from its disagreement with the Senate amendment no. 34 and agree to the same with the following amendment:

Strike out the figure "6" and insert in lieu thereof the figure "5."

The SPEAKER. The question is on the motion of the gentleman from Illinois to recede and concur with an amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

POWER PLANT PROJECTS, THE P. W. A. AND THE POWER TRUST

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include some excerpts.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, electric power, its production, cost, and use, is the most vital as well as volatile question that is before us for solution; and whether we want to realize it or not, that question is now very much before us.

PRESIDENT ROOSEVELT ON MUNICIPAL OWNERSHIP OF POWER

President Roosevelt, in his many references made to this matter before and since his election to the Presidency, indicated our course; but for some reason we have not made the progress on P. W. A. power projects that we should have made.

While Governor of the great State of New York, Mr. Roosevelt sent many messages to that legislature about needed corrections in the matter of power rates as well as public statements made by him during that administration. In his book, Looking Forward, published March 1, 1933, at Hyde Park, N. Y., President Roosevelt says:

Let us be clear at the outset that the liberty of individuals to carry on business should not be abrogated unless the larger interests of the many are concerned. It is the purpose of government to see that not only the legitimate interests of the few are protected but the welfare and rights of the many are conserved.

Following that statement he says:

This, I take it, is sound government, not politics.

Further, on page 140, he says:

Power should be discussed in simple, honest terms so it could be understood by millions of our citizens, because, as the Federal Trade Commission has shown, a systematic, subtle, deliberate, and unprincipled campaign of misinformation, of propaganda, and if I may use the words, of lies and falsehoods.

On page 146 is found this statement:

In 1931 the electric, gas, telephone, and telegraph utilities collected from the people $4,000,000,000.

I want to repeat that amount "$4,000,000,000", the exact amount that this Congress voted to President Roosevelt for work relief.

On page 151 is found this purely democratic statement by President Roosevelt:

Where a community or district is not satisfied with the service rendered or the rates charged by a private utility, it has the undeniable right as one of its functions of government, one of its functions of home rule, to set up, after a fair referendum has been taken, its own governmentally owned and operated service.

In the Washington Star for December 19, 1934, in connection with the New York City municipal light project, the President is quoted as having said that the power question was largely a question of mathematics—a question of whether it is cheaper to buy from the private companies or construct one's own plant. In the same article Senator GEORGE W. NORRIS said the Executive already had the authority under existing public-works laws to loan money for construction of municipal power plants but that the fund was almost exhausted. Senator NORRIS is quoted further:

"I don't think this is a bluff either", Senator NORRIS added; "I think the President really means what he said."

Mayor LaGuardia was asked that if the municipal plant were authorized and the private companies then reduced their rates, would that affect his plans. His reply was:

I have heard those promises before, and I am not as gullible as I used to be.

PRESENT POWER RATES EXCESSIVE

Mr. Speaker, what I have said thus far is only a preface for what I now want to lay before this body in the interest of the vast majority of our people, something that is in direct line with the major program confronting this Congress, relief of distress resting so heavily upon our people.

Up to October 1929 the American people were taught by cunning, adroit propaganda to believe many fallacious things about the false prosperity they were then witnessing, one of which fallacies was that we should look up to the so-called "captains of industry" as the sole creators of that prosperity, and those so-called "captains of industry" threw out their chests, accepted the credit, and said, "Look what we did." One year later, when the depression was well under way but by no means at its height, these same so-called "captains of industry" could hardly be found, much less heard of, with their advice to young men about how to succeed in business and all such salubrious verbosity. And ever since then they have almost to a man closed up like clams and crawled into their shells. At least, they have not attempted to tell us until just recently how to get out of the depression. All they are now doing is criticize President Roosevelt, the House, or the Senate, but not a word about a constructive, definite, tangible program to get out of this mess that they and their kind brought upon the people. It is true they and their kind do offer some things that they say should be done, but those things are simply measures that will help them to hold their death grip of profits, with which they have now almost strangled the very life out of American business.

POWER TRUST RECOGNIZES NO PARTY

We Democrats have for several generations accused the Republican Party of being the party of the predatory rich, but recent administrations have proven that the predatory rich have no party. They use all parties and play all ends against the middle, and this statement is not a criticism against the present administration; in fact, it is a warning to good Democrats in this Congress and out of it to come to the rescue of our President, and not only the President but our party, before it is prostituted, ruined, and taken over for the private profit of such "big business" interests as the Power Trust utilities.

President Roosevelt has stated his position, as I have quoted from his book, Looking Forward, where he said, "Let us be clear at the outset." He is perfectly willing and anxious that business, both large and small, shall have their just and legitimate rights fully protected, but he has with equal force stated that the rights of the many must be conserved, and this cannot be done if these gigantic combinations are to continue thwarting the plans of our President, this Congress, and the various departments and administrations set up for relief.

MUNICIPAL OWNERSHIP THE ONLY WEAPON THE POWER TRUST FEARS

Almost every city in America should own its own electric light and power plant. If there is a man in this Congress that does not know that this is a fact, I think the people of his district have made a mistake in sending him here. One may have been denied the opportunity of receiving, or for some other reason may not have received, these facts, and he is excusable for not being in possession of those facts, but he is not excusable if he continues to stay in ignorance of them, because they are all readily available if he will take the time to read the reports of the Federal Trade Commission or other reports on the findings of that very valuable Commission.

Before going into the matter of how the people are bilked and plundered by these Power Trust pirates with their holding company, false bookkeeping to fool the public, and various other means of fraud, I want to make known a few things that have been going on in the Public Works Administration that may have escaped your attention. It did mine until only recently.

I refer particularly, specifically, and directly to the manner in which the Public Works Administration has handled applications for P. W. A. funds filed by municipalities for the purpose of constructing light plants. I insert at this point a letter just received from the Federal Emergency Administration of Public Works, including the list of municipal power-plant applications in which I believe we are interested:

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS,
Washington, D. C., April 27, 1935.

Hon. W. D. MCFARLANE,
House of Representatives, Washington, D. C.

MY DEAR MR. MCFARLANE: Attached herewith is the list of municipal power-plant applications which you requested in your letter of April 16. You will note that the projects are arranged according to the following headings:

Non-Federal approved applications for power projects—completed or under construction.

Approved applications for power projects—construction not started.

Non-Federal applications for power projects—under study.

Non-Federal applications for power projects—rejections.

Non-Federal applications for power projects—rescinds.

Non-Federal applications for power projects—transfers.

Non-Federal applications for power projects—withdrawals.

Non-Federal applications for power projects—superseded.

In connection with the rejected applications, we have analyzed each project and indicated by code the grounds on which it failed of approval by the Public Works Administration.

Sincerely yours,

LEONA B. GRAHAM,
Special Assistant, for the Administrator.

Attachment.

[Division of Economics and Statistics]

Tabulation no. 635. Description: Applications for power projects; seven parts; through date of April 20, 1935; date tabulated, April 24, 1935; non-Federal projects; copy A standard wiring no. special.

PUBLIC WORKS ADMINISTRATION

Non-Federal approved applications for power projects, status 8 and 9, completed or under construction

State	Docket no.	Location	Type	Date received	Date approved	[1] Key	Date started	Allotment	Expenditures	Contracts
California	2659	Anaheim	Electric distribution	November 1933	Nov. 29, 1933	1	Jan. 19, 1934	$15,000	$56,614	$52,163
Colorado	8808	Fort Morgan	Electric plant	April 1933	June 20, 1934	1	Jan. 22, 1935	23,500	1,707	73,737
Florida	702	Fort Pierce	do	August 1933	Aug. 2, 1933	2	Aug. 2, 1933	36,000		7,914
Illinois	759	Springfield	do	September 1933	Sept. 19, 1933	1	Oct. 6, 1933	51,500	61,371	170,678
Do	6162	Lockport	Water power	Feburary 1934	June 20, 1934	1	Nov. 29, 1934	230,000	43,873	708,632
Do	6970	Highland	Electric plant	do	do	1	Oct. 15, 1934	25,000	10,859	94,023
Indiana	3959	Columbia City	Generator	December 1933	Dec. 28, 1933	1	Mar. 19, 1934	29,000	105,384	94,858
Iowa	2346	Lawler	Electric distributor	November 1933	Nov. 23, 1933	1	Aug. 22, 1933	1,400	3,878	3,888
Do	5421	Independence	Diesel engine	January 1934	Apr. 4, 1934	1	Aug. 21, 1934	18,400	3,292	49,268
Kansas	2117A	See 2117	Electric plant	March 1934						
Do	2117	Chanute	Power equipment	October 1933	Nov. 2, 1933	1	Mar. 5, 1934	29,500	115,328	101,072
Do	3286	Anthony	Generator	November 1933	Dec. 26, 1933	1	Aug. 23, 1934	15,000	74,959	58,800
Do	3906	Butler County	Diesel engine	December 1933	Dec. 28, 1933	1	Feb. 14, 1934	6,000	17,396	17,220
Do	4677	McPherson	Electric plant	do	Feb. 7, 1934	1	July 2, 1934	58,000	46,273	12,410
Massachusetts	960	Boston	do	September 1933	Feb. 21, 1934	1	Apr. 11, 1934	120,000	184,770	319,670
Do	1027	Northampton	do	do	Oct. 17, 1933	1	Apr. 4, 1934	101,000	148,437	334,195
Do	1275	Waltham	Transmission line	October 1933	Oct. 19, 1933	1	Apr. 20, 1934	3,500	9,539	8,431
Do	4642	Harding	Electric plant	December 1933	Feb. 28, 1934	1	Mar. 4, 1935	62,500		129,360
Minnesota	1198	Blue Earth	do	October 1933	Oct. 27, 1933	1	Feb. 17, 1934	30,500	116,666	111,231
Do	1198A	See 1198	do	June 1934						
Do	1484A	See 1484	Power equipment	May 1934			Dec. 21, 1933		36,959	97,785
Do	5119	Austin	Generator	January 1934	Apr. 11, 1934	1	July 24, 1934	46,000	143,200	154,394
Do	5622	Litchfield	Diesel engine	do	Mar. 21, 1934	1	Apr. 24, 1934	18,000	58,870	57,423
Missouri	2427	Kennet	Electric plant	November 1933	Jan. 23, 1934	2	Mar. 3, 1935	160,000		150,773
Do	2772	California	do	do	Dec. 28, 1933	2	Aug. 7, 1934	145,000	81,540	138,293
Do	2893	Monroe City	do	do	June 20, 1934	1	Oct. 29, 1934	17,000	43,332	51,727
Do	5846	Hannibal	do	January 1934	do	1	Feb. 28, 1935	81,000	12	212,055
Do	5964	Independence	Power improvement	do	do	1	Feb. 11, 1935	52,500	417	107,804
Nebraska	573	Gothenburg	Water power	August 1933	Nov. 2, 1933	2	Sept. 18, 1934	7,500,000	336,452	3,781,888
Do	665	Columbus	do	September 1933	Nov. 14, 1933	2	Oct. 15, 1934	7,300,000	59,218	1,643,503
Do	3553	Minden	Diesel engine	December 1933	Dec. 28, 1933	1	Aug. 25, 1934	8,000	18,390	23,933
Do	4082	Hastings	Electric plant	do	Jan. 11, 1934	1	Nov. 6, 1934	48,600	57,886	134,498
Ohio	966	Shelby	Generator	September 1933	Oct. 27, 1933	2	Apr. 18, 1934	184,000	152,750	177,202
Oklahoma	2392	Pawnee	Electric plant	November 1933	Dec. 28, 1933	2	Nov. 12, 1934	60,000	33,000	61,425
Do	2962	Blackwell	Power improvement	November 1934	Dec. 12, 1933	1	Jan. 22, 1934	300	1,152	1,152
Do	6142	Loyal	Transmission line	February 1934	June 20, 1934	2	Feb. 26, 1935	7,100		5,850
Pennsylvania	1482	Chambersburg	Generator	October 1933	Oct. 31, 1933	1	July 30, 1934	26,100	63,722	84,767
Do	1482A	See 1482	do	March 1934						
South Carolina	3972	Greenwood County.	Water power	December 1933	July 18, 1934	2	Apr. 8, 1935	2,852,000		494,810
Tennessee	3289	Knox County	Electric distribution	November 1933	Dec. 28, 1933	2	Mar. 7, 1935	2,600,000		197,575
Texas	341	Pecos	Water power	August 1933	Oct. 10, 1933	2	Mar. 26, 1934	2,600,000	158,629	1,667,330
Utah	8857	Murray	Electric plant	April 1934	Aug. 23, 1934	2	Oct. 30, 1934	33,000	25,589	26,458
Virginia	925	Culpeper	do	September 1933	Nov. 9, 1933	2	Dec. 11, 1933	160,000	153,833	142,449
Do	1544	Danville	Electric distribution	October 1933	Mar. 7, 1934	1	Oct. 30, 1934	5,500	12,376	18,000
Wisconsin	1616	Hartford	Power equipment	do	Dec. 26, 1933	1	Dec. 19, 1934	14,200	26,550	46,178
Total								24,774,100	2,464,223	11,824,857

Approved applications for power projects, status 2 through 7, construction not started

State	Docket no.	Location	Type	Date received	Date approved	Key [1]	Allotment
Alabama	3124	Sheffield	Electric distribution	November 1933	Nov. 23, 1933	2	$230,000
Do	3125	Tuscumbia	do	do	do	2	130,000
Do	4259	Florence	do	December 1933	Jan. 9, 1934	2	436,000
Do	6587	Decatur	Electric distribution	February 1934	Aug. 15, 1934	2	350,000
Arizona	9061	Navajo County	Water power	June 1934	Aug. 23, 1934	2	148,000
Arkansas	4197	Osceola	Electric plant	December 1933	June 20, 1934	1	15,000
California	5731	Lodi	do	January 1934	Mar. 27, 1935	2	600,000
Colorado	1692	Fort Collins	do	October 1933	Nov. 2, 1933	2	738,000
Georgia	2194	Augusta	Water power	do	Dec. 28, 1933	2	1,250,000

[1] 1 grant only. 2 loan and grant.

Approved applications for power projects, status 2 through 7, construction not started—Continued

State	Docket no.	Location	Type	Date received	Date approved	Key	Allotment
Illinois	3970	Cave in Rock	Electric distribution	December 1933	Aug. 15, 1934	2	$23,000
Do	6955	Centralia	Electric plant	February 1934	June 20, 1934	2	477,000
Indiana	2520	Tipton	do	November 1933	Dec. 28, 1933	1	60,000
Iowa	5831	Lamoni	do	January 1934	Dec. 19, 1934	2	97,000
Kansas	2143	Burlington	do	October 1933	Jan. 16, 1934	2	145,000
Do	7490	Herington	Power equipment	March 1934	June 20, 1934	1	3,500
Kentucky	309	Middlesboro	Electric plant	August 1933	Dec. 7, 1933	2	328,000
Louisiana	1995	Alexandria	do	October 1933	Dec. 28, 1933	2	250,000
Michigan	2601	Allegan	Water power	November 1933	Nov. 29, 1933	2	410,000
Missouri	2718	Concordia	Electric plant	do	Dec. 28, 1933	2	47,000
Do	4652	Trenton	do	December 1933	June 20, 1934	2	315,000
Do	4806	La Plata	do	January 1934	July 18, 1934	2	100,000
Nebraska	3709	Beatrice	Electricity distribution	December 1933	Nov. 7, 1934	2	575,000
New Jersey	2955	Essex Co	Electric plant	November 1933	Dec. 12, 1934	2	125,000
New York	6394	Auburn	do	February 1934	June 20, 1934	2	319,000
Do	6472	Rockville Center	do	do	do	1	78,000
Do	7255	Ocean Beach	do	March 1934	Dec. 26, 1934	2	75,000
North Carolina	6178	Fayetteville	Electricity distribution	February 1934	June 20, 1934	1	10,000
Ohio	3412	Hiram	Electric plant	November 1933	June 20, 1934	2	32,500
Do	3504	Wapakoneta	do	December 1933	do	2	146,000
Do	3945	Columbus	Generator	do	Dec. 19, 1934	1	320,000
Do	8934	Edgerton	Electric plant	April 1934	Mar. 27, 1935	2	60,000
Do	9227	Dover	Power equipment	June 1934	do	2	225,000
Oklahoma	1620	Cushing	Electric plant	October 1933	Dec. 14, 1933	2	350,000
Do	1820	Hominy	Electric distribution	do	Mar. 21, 1934	2	150,000
Do	5810	Frederick	Electric plant	January 1934	Dec. 26, 1934	2	136,000
Pennsylvania	7479	Bethlehem	Electric distribution	March 1934	Mar. 27, 1935	2	115,000
Texas	380	Burnet County	Water power	August 1933	May 24, 1934	3	4,500,000
Do	8021	Plainview	Electric plant	March 1934	Mar. 27, 1935	2	423,346
Vermont	5063	Burlington	do	January 1934	Feb. 1, 1934	1	74,000
Washington	4634	Spokane	do	December 1933	Dec. 26, 1934	2	625,000
Alaska	6279	Seward	do	February 1934	June 20, 1934	2	118,000
Total							14,609,346

Non-Federal applications for power projects, under study

State	Docket no.	Location	Type	Date received	Key [1]	Requested amount
Alabama	6648	Muscle Shoals	Electric distribution	February 1934	2	$16,000
Do	7341	Guntersville	do	March 1934	2	304,900
Do	7403	Oneonta	do	do	2	72,000
Do	7512	Tarrant City	do	do	2	184,000
Do	7664	Enterprise	do	do	2	177,200
Do	7665	Cottonwood	do	do	2	54,000
Do	7667	Harrell	do	do	3	51,700
Do	7677	Bessemer	do	do	2	636,000
Arkansas	5005	Paragould	do	January 1934	2	173,000
Do	6204	Carver	Water power	February 1934	3	1,682,000
Do	8663	England	Electric distribution	April 1934	2	108,800
Do	8980	Stuttgart	do	May 1934	2	225,000
Do	9030	Springdale	Power plant	do	2	135,000
California	5555	Escondido	Electric distribution	January 1934	2	200,000
Do	5625	Montebello	do	do	3	400,000
Do	6672	Sonoma County	Electric plant	February 1934	3	250,000
Do	7030	California State	Water power	do	2	99,000,000
Do	7030A	Part of 7030	do	do	2	58,652,000
Colorado	3554	Basalt	do	December 1933	2	35,000
Do	4134	LaSalle	Electric distribution	do	2	60,000
Do	5321	Delta	do	January 1934	2	205,000
Florida	4446	Mount Dora	Power	December 1933	2	70,000
Do	6242	Frost Proof	Electric distribution	February 1934	2	110,000
Do	9260	Macclenny	Electric plant	June 1934	2	125,000
Georgia	7558	Rochelle	Electric distribution	March 1934	2	57,500
Do	8428	Rhine	Electric plant	April 1934	2	24,900
Do	8438	Baxley	Power plant	do	2	89,600
Idaho	3904	Idaho Falls	Electric distribution	December 1933	2	345,000
Do	7709	Mackay	Power	March 1934	2	31,400
Illinois	3898	Carbondale	Electric plant	December 1933	2	375,000
Do	3953	O'Fallon	do	do	2	145,000
Do	5869	Eldorado	do	January 1934	2	240,000
Do	6674	Mill Shoals	Electric distribution	February 1934	2	12,491
Do	6676	Liberty	do	do	2	7,221
Do	6715	Springerton	do	do	2	6,217
Do	7721	West Frankfort	Power plant	March 1934	2	680,000
Do	8179	Collinsville	do	do	1	128,000
Do	8206	Jacksonville	Electric plant	do	2	420,000
Do	8396	Sparta	do	April 1934	2	177,800
Do	8735	Petersburg	do	do	2	160,000
Do	8820	Aledo City	Electric distribution	do	2	76,700
Indiana	7135	Mishawaka	do	March 1934	2	570,000
Do	7157	Morristown	Electric plant	do	2	50,000
Iowa	7185	Winfield	do	do	2	76,500
Do	7460	Hampton	Electric distribution	do	1	51,000
Do	8141	Oskaloosa	Electric plant	do	2	461,200
Kansas	3286A	Anthony	Generator	February 1935	1	
Do	5264	Washington	Electric plant	January 1934	2	88,000
Do	8610	Phillipsburg	Electric distribution	April 1934	2	120,500
Do	9005	Webber	do	May 1934	2	4,000
Louisiana	5333	East Feliciana	do	January 1934	2	48,800
Do	8522	Port Allen	do	April 1934	2	245,000
Do	9186	Glenmore	do	June 1934	2	65,000
Do	9211	Kaplan	do	do	2	65,000
Do	9301	Deridder	do	July 1934	2	190,500
Do	9345	Lake Providen	do	do	2	11,000
Do	9354	Mamou	do	do	2	55,000
Maine	1641	Eastport	Diesel engineering	October 1933	3	43,000,000
Michigan	191	Bessemer	Electric distribution	August 1933	3	135,000
Do	5995	Dowagiac	do	January 1934	2	260,000
Do	7307	Tecumseh	do	March 1934	2	166,000
Do	9401	Sturgis	Power equipment	July 1934	2	12,700

[1] 1 grant only. 2 loan and grant.

Non-Federal applications for power projects, under study—Continued

State	Docket no.	Location	Type	Date received	Key	Requested amount
Minnesota	8134	Cass Lake	Electric distribution	March 1934	2	$91,000
Do	8135	Staples	Electric plant	do	2	97,500
Do	9624	Rochester	Power improvement	February 1935	1	29,742
Missouri	4072	Stanberry	Electric distribution	December 1933	2	98,000
Do	4243	Fredericktown	do	do	2	132,500
Do	4508	Licking	do	do	2	29,200
Do	4608	Summersville	do	do	2	21,500
Do	5181	Perry	do	January 1934	2	67,900
Do	6822	Liberal	do	February 1934	2	31,400
Do	8464	Phelps County	Electric plant	April 1934	3	8,750,000
Do	8519	Anderson	do	do	2	56,000
Montana	7944	Forsyth	Electric distribution	March 1934	2	135,000
Nebraska	1751	State of Nebraska	Power, water	October 1933	2	2,116,890
Nevada	8468	Washoe County	Dam	April 1934	2	1,500,000
Do	9628	Lincoln County	Electric distribution	February 1935	3	1,500,000
New Jersey	8207	Lakeland	Electric plant	March 1934	2	390,000
New York	7264	North Tarrytown	do	do	2	106,400
North Carolina	906	La Grange	Municipal improvement	February 1934	2	20,000
Do	5578	Lexington	Power equipment	January 1934	2	645,000
Do	7249	Belhaven	Electric plant	March 1934	2	50,000
Do	8345	Lincolnton	do	April 1934	3	6,750,000
North Dakota	216	Jamestown	Power heat	February 1934	2	657,000
Do	2608	Enderlin	Electric plant	November 1933	2	101,000
Do	6725	Walhalla	do	February 1934	2	49,000
Do	6743	Crosby	do	do	2	82,600
Do	6795	Lidgerwood	do	do	2	89,000
Do	6797	Devils Lake	do	do	2	422,800
Do	6804	Leeds	do	do	2	50,000
Do	6817	Jamestown	Power heat	do	2	657,000
Ohio	4593	Kenton	Electric plant	December 1933	2	442,900
Do	5879	Cuyhoga Falls	do	January 1934	2	402,000
Do	5880	Defiance	do	do	2	342,000
Do	7004	Sandusky	do	February 1934	2	1,649,000
Do	8639	Williamsburg	Electric distribution	April 1934	2	66,000
Do	8694	New London	do	do	2	37,100
Do	9535	Greenfield	Power improvement	August 1934	2	75,000
Oklahoma	6947	Mooreland	Electric plant	February 1934	1	12,500
Do	6965	Pauls Valley	Electric distribution	do	2	200,000
Do	7210	Wynnewood	Electric plant	March 1934	2	65,000
Do	7470	Norman	do	do	2	482,200
Do	8451	Woodward	Electric distribution	April 1934	2	293,000
Do	8708	Eldorado	do	do	2	25,000
Do	8709	Shawnee	do	do	2	175,000
Do	8941	Eufaula	Electric plant	do	2	122,700
Do	8945	Erick	Electric distribution	do	2	85,000
Do	8949	Temple	do	do	2	60,000
Do	8989	Morris	Electric plant	May 1934	2	112,000
Oregon	420	Portland	Water power	September 1933	3	7,350
Do	8260	Bandon	Electric plant	April 1934	2	52,800
Pennsylvania	7832	Huntingdon County	do	March 1934	2	40,000
Do	7878	Pen Argyl	do	do	2	20,000
Do	7892	East Pittsburgh	do	do	2	353,000
Do	7969	Fleetwood	Electric distribution	do	2	148,000
South Carolina	5814	West Minister	Electric plant	January 1934	2	110,000
Do	6419	South Carolina State	Electric distribution	February 1934	2	5,902,900
Do	7281	Spartanburg	Electric plant	March 1934	2	651,800
South Dakota	6006	Elk Point	Electric distribution	January 1934	2	25,000
Tennessee	5449	Lewisburg	do	do	2	167,000
Do	6997	Columbia	Electric plant	February 1934	2	430,000
Do	6647	Hamilton	Electric distribution	do	2	105,200
Do	6756	San Angelo	Electric plant	do	2	879,500
Do	6855	Marlin	do	do	2	175,000
Do	8253	Big Wells	Electric distribution	April 1934	2	30,100
Do	8259	San Saba	do	do	2	71,000
Do	8367	Lubbock	Power improvement	do	2	100,000
Do	9125	Spearman	Electric plant	June 1934	2	89,900
Do	9292	Wink	Diesel engine	July 1934	2	39,600
Do	9312	Liberty	Electric plant	do	2	114,800
Do	9399	Goose Creek	Electric distribution	do	2	123,800
Do	9441	Booker	Electric plant	do	2	30,000
Do	9630	Wichita Falls	do	February 1935	3	2,220,000
Utah	2788	Loa	do	November 1933	3	5,000
Do	8618	Orderville	Water power	April 1934	3	41,000
Do	8644	Tropic	Electric distribution	do	2	32,000
Virginia	1151	Danville	Electric plant	September 1933	2	3,000,000
Do	6999	Galax	do	February 1934	2	365,600
Do	7105	Covington	do	March 1934	2	462,400
Do	7465	Marion	do	do	2	221,000
Washington	1136	Seattle	Water power	September 1933	2	25,792,000
Do	1681	Columbia River	Dam	October 1933	3	63,000,000
Do	8034	Wenatchee Valley	Electric distribution	March 1934	2	1,425,627
Wisconsin	1616A	Hartford	Electric plant	October 1934	1	2,200
Do	5071	Merrillan	do	January 1934	2	21,000
Do	7336	Altoona	do	March 1934	2	177,500
Do	7517	Milwaukee	do	do	2	14,820,000
Wyoming	4655	Lyman	Diesel engine	December 1933	3	12,000
Do	5373	Powell	Electric distribution	January 1934	3	12,000
Do	5997	Park County	Transportation line	do	2	85,000
Puerto Rico	263	San Juan	Power improvement	August 1933	2	300,000
Total						362,612,538

Non-Federal applications for power projects, rejections

Reasons for rejection	State	Docket no.	Location	Type	Date received	Key [1]	Amount requested
6	Alabama	110	Elba	Electric plant	August 1933	3	$20,000
1	Do	5084	Andalusia	Electric distribution	January 1934	2	214,000
2	California	354	Susanville	Power plant	August 1933	3	300,000
1	Florida	554	Fort Meade	Power	September 1933	3	3,383
6	Do	2593	Jacksonville	Electric distribution	November 1933	2	512,000
6	Georgia	201	Eatonton	Power plant	August 1933	3	60,000
1	Do	3625	Waycross	Water power	December 1933	2	137,000
1	Do	5658	Lakeland	Electric plant	January 1934	2	161,961
1	Idaho	544	Murtaugh	Hydroelectric	September 1933	3	3,574,322
1	Illinois	5857	Urbanna	Electric distribution	January 1934	2	650,000
3	Indiana	371	Brazil	Electric plant	August 1933	3	555,000
2	Iowa	2869	Ramse	do	November 1933	1	20,100
2	Do	3048	Muscatine	Power improvement	do	2	70,000
6	Michigan	7970	Detroit	Electric distribution	March 1934	2	1,500,000
3	Minnesota	3818	St. James	Electric plant	December 1933	2	110,000
1	Mississippi	4291	Lexington	Electric distribution	do	2	100,000
1	Missouri	1542	Sullivan	do	October 1933	2	85,000
1	Do	2927	New London	Electric plant	November 1933	2	45,000
4	Do	4138	Cape Girardeau	Electric distribution	December 1933	2	685,200
1	Do	4579	Owensville	do	do	2	89,000
1	Do	5263	Weston	do	January 1934	2	67,400
1	Do	5414	Pattonsburg	Electric plant	do	2	67,400
1	Do	5893	Ava	Generator	do	2	59,000
1	Do	6843	Seymour	Electric distributor	February 1934	2	45,000
1	Nebraska	2042	Gering	Electric plant	October 1933	2	72,000
2	Do	8240	Sutton	Power improvement	March 1934	2	1,800
1	Do	8646	Peru	Electric plant	April 1934	2	37,500
1	Ohio	6886	Bradsford	do	February 1934	2	83,800
1	Oklahoma	6191	Claremore	do	do	3	150,000
1	Do	7049	Wetumka	Electric distributor	March 1934	2	23,000
1	Do	7472	Stigler	Electric plant	do	2	65,000
1	Do	8486	Mutual	Electric distributor	April 1934	2	14,000
2	Oregon	5873	Eugene	Electric plant	January 1934	1	12,000,000
4	Do	8574	Portland	Electric distributor	April 1934	2	3,313,000
6	Pennsylvania	4078	Bradford	Electric plant	December 1933	2	1,175,000
6	South Carolina	3577	Parler	Electric distributor	do	2	8,500
6	Tennessee	6000	Cookeville	do	January 1934	2	40,000
1	Texas	9109	Fort Worth	do	June 1934	2	2,228,000
6	Utah	1399	Heber City	do	October 1933	2	13,700
	Do	8876	Hatch Tow	Water power	April 1934	2	29,400
6	Virginia	7610	Crewe	Electric plant	March 1934	2	126,000
6	West Virginia	7053	Circleville	do	do	2	20,000
6	Wyoming	6738	Albin	do	February 1934	2	30,000
2	Alaska	6990	Seward	do	do	3	30,000
	Total						28,591,466

[1] 1 grant only. 2 loan and grant.

Key to reasons for rejections: 1. Loan requested not reasonably secured. 2. Ineligible. 3. Bonds defeated. 4. Project unnecessary and not socially desirable. 5. Applicant lacks legal authority to issue bonds offered as security for loan. 6. Applicant failed to submit requested data.

Non-Federal applications for power projects

RESCINDS

State	Docket no.	Location	Type	Date received	Key [1]	Amount requested
Alabama	5182	Waterloo	Electric distribution	January 1934	2	$9,100
Arkansas	1740	Conway	Power	October 1933	2	45,000
California	1539	San Francisco	Electric plant	do	1	1,657,350
Illinois	6708	North Chicago	Electric distribution	February 1934	2	425,000
Do	8205	Naperville	Electric plant	March 1934	2	80,700
Indiana	3844	Edinburg	Electric distribution	December 1933	2	80,000
Do	4947	Brooklyn	do	January 1934	2	11,100
Iowa	5340	Sibley	Power improvement	do	2	26,300
Do	7738	Iowa City	Electric plant	March 1934	2	917,000
Kansas	5322	Osawatomie	Water works	January 1934	2	84,300
Michigan	2837	Grand Haven	Electric plant	November 1933	2	95,000
Minnesota	1060	Thief River Falls	Electric distribution	September 1933	1	16,000
Do	2247	Preston	do	October 1933	2	22,000
Do	4716	Moorhead	Power improvement	December 1933	1	23,900
Do	6058	Worthington	Generator	January 1934	1	27,400
Do	6266	St. Paul	Electric plant	February 1934	2	133,500
Do	6796	Thief River Falls	Power improvement	do	1	4,800
Do	8619	St. Cloud	Electric plant	April 1934	2	1,249,000
Missouri	1877	Moberly	do	October 1933	2	700,000
Do	5095	Memphis	do	January 1934	1	8,300
Do	5240	Mount Vernon	Electric distribution	do	1	7,100
Do	6083	Laclede	do	do	2	16,000
Do	8466	Farmington	do	April 1934	2	137,000
New Jersey	6800	Camden	Electric plant	February 1934	2	6,000,000
New York	4357	Wellsville	do	December 1933	2	85,000
Ohio	5125	Montpelier	Power equipment	January 1934	1	10,500
Oklahoma	2679	Chandler	Electric plant	November 1933	2	130,000
Do	6958	Okeene	do	February 1934	2	47,200
Oregon	309	Ore State	Manufacturing plant	November 1933	3	106,500
Utah	305	Fairview	Water power	August 1933	3	9,000
Vermont	5096	Ludlow	Electric distribution	January 1934	1	1,300
Wisconsin	6799	Two Rivers	Electric plant	February 1934	2	172,300
Do	7232	Stoughton	do	March 1934	1	39,000
Total						12,376,650

TRANSFERS

Kentucky	3168	Columbus	Electric distribution	November 1933	2	$3,000
Total						3,000

[1] 1 grant only. 2 loan and grant.

Non-Federal applications for power projects, withdrawals

State	Docket no.	Location	Type	Date received	Key [1]	Amount requested
Alabama	5104	Dothan	Power plant	January 1934	2	$224,600
Arizona	7792	Tucson	Electric distribution	March 1934	2	500,000
Do	8659	Mesa	Electric plant	April 1934	2	133,700
Arkansas	541	Clarksville	Power plant	September 1933	3	15,000
Do	3571	Rector	Electric plant	December 1933	2	70,600
Do	8773	Arkansas City	do	April 1934	2	34,700
Colorado	230	Lafayette	do	August 1933	3	75,000
Do	617	Basalt	Power plant	September 1933	3	33,000
Florida	116	Vero Beach	Power	August 1933	3	55,000
Georgia	490	Tallulah	Water power	do	3	170,000
Illinois	3796	Chester	Electric plant	December 1933	2	158,800
Do	4619	Chicago	Steam plant	do	2	10,750,000
Indiana	626	Peru	Power equipment	September 1933	3	75,000
Iowa	2524	Corning	Electric plant	November 1933	2	144,200
Do	4184	Gowrie	Electric distribution	December 1933	2	80,000
Do	4721	Onawa	Electric plant	do	1	12,400
Do	7193	Villisca	Electric distribution	March 1934	2	113,400
Do	7258	Manning	Electric plant	do	1	28,400
Do	7485	Wellman	Electric distribution	do	1	24,000
Kansas	1343	Kansas City	do	October 1933	2	608,000
Do	4314	Russell	Electric plant	December 1933	2	67,500
Do	7301	Strong	Electric distribution	March 1934	2	53,000
Louisiana	16	Morgan City	do	August 1933	3	175,000
Michigan	129	Allegan	Electric plant	do	3	370,000
Do	131	Wyandotte	do	do	3	175,000
Minnesota	163	Moose Lake	do	do	3	28,000
Do	3503	Grove City	Electric distribution	December 1933	2	6,000
Do	7736	Morris	do	March 1934	2	188,000
Mississippi	7504	Corinth	do	do	2	113,900
Missouri	1593	St. Charles	Electric plant	October 1933	2	350,000
Do	2694	Belton	Electric distribution	November 1933	2	60,000
Do	3103	Macon	Generator	do	2	178,000
Do	3394	Potosi	Electric plant	do	2	64,000
Do	4950	Higginsville	do	January 1934	1	2,100
Do	5913	Bloomfield	do	do	2	56,200
Do	6060	Advance	do	do	2	35,400
Do	8358	Monett	do	April 1934	2	148,500
Do	8497	Thayer	do	do	2	110,000
Do	8524	Centralia	do	do	2	58,800
Nebraska	141	Ainsworth	do	August 1933	3	100,000
Do	294	Mitchell	Power plant	do	3	50,000
Do	430	Gering	Municipal improvement	September 1933	3	90,000
Do	464	St. Edward	Electric plant	do	3	72,000
Do	7937	McCook	Electric distribution	March 1934	2	330,000
New Jersey	606	Trenton	Electric plant	September 1933	3	99,000,000
Do	606A	Part of 606	do	do	3	31,000,000
Do	2841	Clinton	do	November 1933	2	95,000
New Mexico	6911	Roswell	do	February 1934	2	570,000
North Carolina	290	Fayetteville	do	August 1933	3	450,000
Do	6202	Kinston	Electric distribution	February 1934	2	25,800
Ohio	6771	Larue	Electric plant	do		
Oklahoma	2945	Muskogee	do	November 1933	2	1,260,000
Do	7418	Geary	do	March 1934	2	75,000
Oregon	8686	Blachly	Electric distribution	April 1934	2	43,800
Pennsylvania	342	Olyphant	Power improvement	November 1933	3	100,000
South Carolina	4867	Calhoun County	Electric distribution	January 1934	3	18,000
Do	7731	Rock Hill	Electric plant	March 1934	2	529,400
Texas	9329	Austin	Electric distribution	July 1934	2	350,000
Do	9447	Elgin	Electric plant	do	2	108,000
Virginia	307	Covington	do	August 1933	3	370,000
Do	479	Danville	do	September 1933	3	2,500,000
Alaska	2516	Alaska	do	November 1933	3	3,000,000
Total						155,682,200

[1] 1 grant only. 2 loan and grant.

Non-Federal applications for power projects, superseded

State	Docket no.	Location	Type	Date received
Alabama	2979	See 3124	Electric distribution	November 1933.
Do	2996	See 3125	do	Do.
Florida	325	See 9017	Water power	August 1933.
Georgia	260	See 2194	Power	Do.
Kentucky	643	See 3168	Electric distribution	October 1933.
Missouri	115	See 8497	Electric plant	August 1933.
New Jersey	9077	See 8207	do	June 1934.
North Carolina	320	See 5578	do	August 1933.
Ohio	403	See 7606	do	September 1933.
Texas	5640	See 6756	do	January 1934.
West Virginia	584	See 7053	do	September 1933.

I believe that in my opening remarks, with the quotations from President Roosevelt, I have shown that by his statements he is for the principle of municipal ownership of light and power plants wherever and whenever the municipality can profit by the operation of their own plant as against private ownership and operation. If I am wrong or if the papers have misquoted him, I am sure he will correct me; but until he does we must assume that this is a fact.

Of all the municipalities that have made application to the Public Works Administration, surely many of them met the requirements as laid down by President Roosevelt that would make them eligible for P. W. A. loan and grant, but when I found that out of the several hundred applications filed, totaling more than $612,935,380, that only $3,292,100, not taking into consideration $20,482,000 allotted for water power, had thus far been completed or under construction, I determined right then to look into the matter further, for I believe in municipal ownership of light and power for my own home town and for all other towns and cities.

Many of our cities have taken our President at his word early in his administration and applied for P. W. A. funds with which to build a municipal plant, not simply for the benefits to be derived in reduced rates only, but in the greater matter of keeping the thousands and millions of dollars

spent for legitimate costs of electricity at home, rather than having those millions sent to New York City to the national offices of the power holding companies. Let me illustrate what I mean by this statement.

WHAT ARE REASONABLE POWER RATES?

In Fort Worth, Tex., the electric operating company charges a top rate of about 6 cents per kilowatt-hour, which, unreasonably high as it is, is much less than is charged by other companies in other places. The reason I say "unreasonably high" is because it has been definitely and conclusively proven that under anything like normal or average conditions throughout America electricity can be produced in almost every town at approximately three-quarters of 1 cent per kilowatt and can be distributed under reasonable or average conditions at a total cost of 2 cents per kilowatt. In proof of this, the city of Cleveland, Ohio, has been selling electric current at a top rate of 3 cents per kilowatt-hour for nearly 20 years, paying for its plant out of earnings and making a big profit besides. And the Cleveland plant has always operated in sharp competition with a big private company and had but part of the business in the city.

THE TEXAS ELECTRIC SERVICE CO.

This Texas producing company, which charged 6 cents top rate in 1932, made a net profit of approximately $1,740,000, and out of that sent approximately $1,350,000 to the Electric Bond & Share Co. and its intermediate holding companies. This shows that only about $300,000 stayed in Texas out of the net profit to appease the preferred stockholders and the bondholders of the operating company.

Please be reminded that the common stock of these utility companies is all that participates in the profits. The preferred stock and bonds are nothing more than a representation of money advanced or loaned to the company on a specific guaranty of 5- or 6-percent interest return, "if the company makes that much." Those who bought the preferred stock and bonds of these legitimate operating companies have done nothing more than loaned them the money with which they have bought the existing properties and paid for the operation of them so the holding company common-stock holders could make these outlandish profits. The Texas Electric Service Co. in my State has six million common stock, of which 5,998,000 shares are owned by the holding company. In that same operating company there is about six million of obligations in preferred stock and bonds. So you can see the people who have been inveigled into buying the preferred and bonds pay for the whole thing and get 5 and 6 percent, maybe and the New York Shylocks get from 15 percent to as high as 96.8 percent—see page 905, parts 23 and 34, Federal Trade Commission Reports—on their actual investment. And this is how that comes about: The Texas Electric Service Co., which made nearly $2,000,000 profit in 1932, was purchased about 13 years ago by the American Power & Light Co., which is owned by the Electric Bond & Share Co., for about $3,000,000, and is now valued at over $68,000,000.

The purchase price at that time, we must assume, was actually put up by these holding companies and covered all of the properties that existed in that territory at that time. The additions and extensions since then have been paid for by the "suckers" who bought the preferred stock and bonds. Do not ever think these New York boys use their money to buy anything but "profits"; they let the "dear people" buy the properties for them.

I do not know what this company now values their properties at, because they even increase their values annually by claiming their expense account is added capital, but a year or so ago they valued them at about sixty-eight million. These properties that they had paid three million for only about 13 years ago, and the dear people had built onto and added the increased values for them, showing an increase in values of about 2,250 percent profit.

All through the Federal Trade Commission reports one finds that the annual profits from the monthly light and power bills paid by the public run from reasonable returns to most unreasonable rates of profit, as illustrated by the following:

[From the Federal Trade Commission reports, pts. 23 and 24]

Profit of the American Power & Light Co. derived from subsidiaries:

	Percent
Kansas Gas & Electric Co	3.76
Portland Gas & Coke Co	43.3
Southwestern Power & Light Co., Inc., New York	51.86
Florida Power & Light Co	54.00
Minnesota Power & Light Co	10.6
Nebraska Power & Light Co	96.8
Average	26.00

There is no excuse for anyone remaining in ignorance of the facts regarding this most gigantic of all swindles perpetrated upon the American people, which has now reached the proportion that will make this Congress and this administration the laughing stock of the Nation if we do not remedy the situation.

MUNICIPAL POWER PLANTS HAVE MADE GOOD RECORD

In the United States there are some 65 municipalities that are free of taxes for local government expenses as a result of owning their public utilities and about half the cities in this country now own their own light and power plants. About the only cities in this country that are in excellent shape financially are those who own their revenue-producing utilities.

POWER TRUST LOBBY ACTIVITIES

The Wheeler-Rayburn holding-company bill furnishes a good example of the limits to which this power octopus has its tentacles wrapped around our governmental affairs. Every Congressman and Senator, as well as the President, has received thousands of the Power Trust propaganda letters opposing that bill, and I regret to say that from the weakening support that is coming out for the bill it looks like the Power Trust propaganda is convincing some committee members that they should do what their own conscience surely tells them they should not do.

The President's stand on that bill is again in line with his previous commitments on this power issue, and again I say that there is no excuse for any Member of this or future Congresses being ignorant of the facts in this issue as disclosed in the findings of the investigation carried on by the Federal Trade Commission.

POWER TRUST PYRAMIDS

I have prepared some extracts from the Federal Trade Commission report, Senate Documents No. 92 and 213, Sixty-eighth Congress, second session, that I will refer to briefly. This shows the pyramid of ownership vested in the Electric Bond & Share Co., the biggest of all the holding companies, which owns, or did at that time, about eight other holding companies, who in turn owned numerous operating companies, but these ownerships change rapidly, due to stock juggling, tax dodging, and various other "high-financing methods" to swindle the public. They change, however, in form only, not in principle for the basic object of holding companies is to swindle and deceive.

No. 1, owned by Electric Bond & Share is American Power & Light Co., which in turn owns the following: Citizens Power & Light Co., Council Bluffs, Iowa; Central Arizona Light & Power Co., Phoenix, Ariz.; Consumers Water Co., Miami, Fla.; Crystal Ice & Cold Storage Co., Dallas, Tex.; Eagle Pass Water Co., Eagle Pass, Tex.; Florida Power & Light Co., Miami, Fla.; Fort Worth Power & Light Co., Fort Worth, Tex.; Helena Gas & Electric Co., Helena, Mont.; Kansas Gas & Electric Co., Wichita, Kans.; Miami Beach Railway Co., Miami, Fla.; Miami Water Co., Miami, Fla.; Minnesota Power & Light Co., Duluth, Minn.; Missoula Public Service Co., Missoula, Mont.; Montana Power Co., Butte, Mont.; Nebraska Power Co., Omaha, Nebr.; Northern Power Co., Superior, Wis.; Northwestern Electric Co., Portland, Oreg.; Pacific Power & Light Co., Portland, Oreg.; Portland Gas & Coke Co., Portland, Oreg.; St. Augustine Co., St. Augustine, Fla.; Texas Electric Service Co., Fort Worth, Tex.; Texas Power & Light Co., Dallas, Tex.; Texas Public Utilities Corporation, Dallas, Tex.; Washington Water Power Co., Spokane, Wash.

THE GOLD DUST TWINS

There are 24 companies listed by the Federal Trade Commission as being owned by the American Power & Light Co., which is in turn owned almost 100 percent by the Electric Bond & Share Co. This is worse than it might appear to just look at this list, for the "Gold Dust Twins" in my State—the Texas Electric Service Co. at Fort Worth and the Texas Power & Light Co. at Dallas—supply several hundred communities in central Texas; and, as previously illustrated in the case of one of these twins, these two sets of producing properties were purchased about 13 years ago from the Southwestern Utilities Corporation for less than $7,000,000, and are now valued at and the people pay rates based on a valuation of about $150,000,000.

So much for company no. 1 owned by this powerful holding company. No. 2 is the Electric Power & Light Corporation, which owns Arkansas Power & Light Co., Pine Bluff, Ark.; Dallas Power & Light Co., Dallas, Tex.; Dallas Railway & Terminal Co., Dallas, Tex.; Idaho Power Co., Boise, Idaho; Inter-City Terminal Railway Co., Little Rock, Ark.; Louisiana Gas & Fuel Co., Shreveport, La.; Louisiana Power & Light Co., New Orleans, La.; Mississippi Central Power Co., Jackson, Miss.; Mississippi Power & Light Co., Jackson, Miss.; Nevada Power Co., Boise, Idaho; New Orleans Public Service, Inc., New Orleans, La.; Salmon River Power & Light Co., Boise, Idaho; Texas Interurban Railway, Dallas, Tex.; Utah Light & Traction Co., Salt Lake City, Utah; Utah Power & Light Co., Salt Lake City, Utah; Western Colorado Power Co., Durango, Colo.

Then no. 3, the National Power & Light Co., owns companies at Birmingham, Ala.; Raleigh, N. C.; Rogersville, Tenn.; Houston, Tex.; Knoxville, Tenn.; Memphis, Tenn.; Newport, Tenn.; and Jackson, Tenn.; several companies in some towns.

Then no. 4, Lehigh Power Securities Corporation, owns companies at Allentown, Pa., and Lancaster, Pa.

Then no. 5, American & Foreign Power, owns operating companies in Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Mexico, Panama, Venezuela, China, and India.

Then no. 6, American Gas & Electric Co., owns Appalachian Electric Power Co., Ohio Power Co., Indiana & Michigan Electric Co., the Scranton Electric Co., Atlantic City Electric Co., Kentucky & West Virginia Power Co., Wheeling Electric Co., Indiana General Service Co., and Kingsport Utilities, Inc.

Then no. 7, Commonwealth & Southern with its subsidiaries.

No. 8, Electric Investors, Inc., owns investments in various banks, insurance, industrial, and so forth.

THE REMEDY—MUNICIPAL OWNERSHIP AND WHEELER-RAYBURN BILL

In the face of this giant, this selfish giant, the Power Trust, I say we have an issue that is now demanding our honest attention, and I say honest because I mean the consideration of the people who elected us and sent us here to look after the interest of the majority and not the favored, rich, selfish minority. I am not going to burden this body with statistics that are available to every Member and every American citizen as to how the wealth of our Nation has rapidly sifted into the hands of a menacingly few people, for again, I say, if any Member does not know this trend, and that if not checked it means revolution and ruin for this Nation, his constituents made a mistake in sending him here.

These public utilities have combined capital that probably amounts to the equivalent of the wealth of the Nation. This, coupled with the unrestrained selfishness that has been exhibited by them constitutes a menace to our Government that demands the immediate enactment of the Wheeler-Rayburn bill at this Congress.

Passage of the Wheeler-Rayburn bill will permit proper supervision of the holding companies, which are now used as a smokescreen for sandbagging operating companies who in turn, because of this tremendous holding-company expense, are required to charge the consuming public exorbitant rates. The only real remedy any local community has left to force down unfair rates is the construction of their own municipal light plant. This administration is the first administration within my memory that has shown a sympathetic attitude toward municipal light-plant construction. With the above information furnished, I trust that all cities and towns within the United States interested in owning their own utility will immediately file or refile and/or push their applications now pending under the new public works relief bill for construction of their municipal utilities.

THE PROGRESS OF RECOVERY

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, better times are undoubtedly ahead for the people of this Nation. This is not just a good-sounding sentence to bolster up an uncertain hope. This is a statement of fact, backed by conditions that are plainly visible, as you may note by the following letter I have just received:

THE UNION NATIONAL BANK,
Wichita, Kans., March 22, 1935.

Hon. JOHN M. HOUSTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Five years this Nation has bowed to fear. Dire predictions as to the future have been freely indulged by men whose fortunes were built on courage and enterprise, not on fear and dismay.

Some still indulge this pessimism. Some still doubt the genius of the American people to rise above a crisis. Some criticize the administration as too radical, some condemn it as too conservative. And foolish people, listening to ghost stories, shuddering at their own shadow, permit opportunities of a lifetime to pass them by.

Today business is showing a steady advance all over the United States. Black breath curls upward from long-listless smokestacks, long-idle factories begin to hum, transportation lines are increasing their loads, farmers are paying their debts, and building construction is struggling to rise from its debris. Annual statements for 1934 coming to our files show substantial gains in varied lines.

Business is on the upgrade. The depression is history, with important lessons for all. America is still the leading nation of the world, her people the most intelligent, her resources incomparable, her future better than her past. If the United States bonds outstanding should reach forty billions they would still be the best security in the world.

Kansas has varied resources, three of which top the list—wheat, livestock, and oil. Wheat has recovered from a low of 25 cents in 1932 to 90 cents today. Cattle, hogs, horses, mules have all reached prices several times their recent low levels. Oil is being produced profitably, conditions of production are more stable than ever before, and the State's petroleum fields are attracting the attention of the oil world.

The unemployed, those willing to work but deprived by an unbalanced economic system of their rightful opportunity, see hope in the new social program for which the sufferings of the past 5 years opened the way. This Nation today answers the age-old question, "Am I my brother's keeper?" with "I am", and is preparing to perform the natural duties of a fortunate brother to one less favored.

One year ago this bank announced that recovery was beginning. Today we state it is well under way. Tomorrow it will be in full swing. Ups and downs will be travelled, like valleys crossed on the road to higher peaks. Honesty, industry, judgment, thrift, courage, vision, and their allied virtues will ever continue to be essentials of success. No nation can legislate its people into permanent prosperity. The people must do that themselves by their own conduct.

In few, if any, parts of this great country are natural conditions more favorable today than in Wichita and Kansas. Is it not time to pierce the cloud of gloom with the sunshine of better days? Is it not time to banish fear and to go confidently forward?

Sincerely,

W. B. HARRISON, *President.*

SUDDEN & CHRISTENSON, INC.—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 164)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Claims and ordered printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the enclosed decision rendered on December 22, 1934, by the arbitrator, John Clark Knox, judge of the United States District Court for the Southern District of New York, to the end that legislation may be enacted authorizing an

appropriation of the sum of $78,025.83 for the payment to Sudden & Christenson, Inc., John A. Hooper, Emil T. Kruse, Edward Kruse, Gilbert Loken, and G. W. McNear, Inc., or their successors in interest, as recommended by the arbitrator, upon receipt by the Secretary of State of satisfactory releases from the respective claimants.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 22, 1935.*

DISTRICT OF COLUMBIA LEGISLATION—LOANS FROM FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes; pending that I ask unanimous consent that general debate be limited to 1 hour, one-half to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and one-half by myself.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

There was no objection.

The SPEAKER. The question is on the motion of the lady from New Jersey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2035, with Mr. BLOOM in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. NORTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill, S. 2035, does not increase the amount of loan previously provided, but merely permits the Commissioners of the District of Columbia to include the Municipal Court, Police Court, Juvenile Court, and Recorder of Deeds Buildings in the list of projects heretofore approved.

When the proper time comes the committee will consider an amendment to this bill for a purpose which I shall take a few minutes to outline. It is to advance to the Children's Hospital in the District of Columbia the amount of $100,000 from this unexpended fund.

This hospital, I may say, is doing a very wonderful work in the District of Columbia for the children living here. A few days ago I was invited to visit this hospital and spent several hours investigating just what is being done by the Children's Hospital. I want to say to you members of the committee that I came away with the feeling that we Members of Congress really know very little about what is happening here in the Nation's Capital. We see our beautiful buildings of marble and stone, and we hear a great deal about beautifying Washington with parks and all the other things to make it attractive to visitors, but we know very little about what is going on in the most important buildings in our District. I am sure you will agree with me that there are no more important buildings than the hospitals of the District. It is an absolute fact that the hospitals in the District of Columbia are inadequate and overcrowded, but none more so than Children's Hospital.

I made a few notes while going through the hospital which I thought would be interesting to you, and I shall submit for your consideration my observations.

There are 9 resident staff doctors engaged in the work of caring for more than 5,000 children. Two of these are women. One hundred nurses for the 24-hour period are employed; each nurse on duty for 8 hours, meaning about 33 nurses to take care of 175 daily bed patients. Remember those are babies and children who require a great deal more attention than adults; also an average of 5,000 out-patients per month brought in to the clinic daily. If you could have been with me to see the marvelous work that is being conducted in those clinics, I am sure you would agree that we certainly owe a very great debt to this hospital. The number of nurses is less than half the number required by the standard of American Hospital Association College of Nurses. Right here I want to pay a tribute to the director of the hospital, Miss Gibson, for the great work she is doing in behalf of these suffering children.

In talking over the hospital with her, I felt that God must love her for the wonderful work and the personal care that she is giving to His little ones. These children, of course, have all kinds of diseases. It is a general hospital. There are more than 100 doctors in the District who are giving specialized free service, and if it were not for these it would be utterly impossible for the hospital to carry on.

I should also like to pay a tribute to the Junior League, too, which has undertaken to furnish four full-line qualified social-service nurses to the institution. Three others of these social-service nurses are paid for out of the hospital funds.

Twenty-seven or more volunteer workers are doing a great amount of work to cut down the expenses of this hospital.

Mr. BEITER. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. BEITER. I noticed a statement in the papers the other day to the effect that Commissioner Allen favored some comprehensive plan of consolidation of hospitals. Should we take this consolidation plan into consideration when thinking of this $100,000, or is this to be a separate hospital?

Mrs. NORTON. This is a separate hospital. I sincerely hope that plan will be approved by the House, but it has nothing to do with this particular hospital at this time. Later it may be considered in the consolidation plan.

Three dollars and eighty-three cents per day is the actual cost of a child in this hospital. The average national cost and the cost in my State is about $5. So the cost is really very much under the average cost in a large city. Sixty-seven cents is paid for dispensary care for each child. The Board of Welfare does not pay for any dispensary service. The city pays only $2.48 per child for hospital care, which is much below the actual cost.

Fifty-one nurses must be lodged outside, adding not only additional cost to the hospital but very great inconvenience. If this $100,000 is given to the Commissioners for this work, the new plan will enable much more space for nurses' quarters within the hospital building.

There is no waiting room of adequate size for these children. Much of the time they must remain outdoors until their turn comes to be taken care of in the clinic. At least 200 children a day pass through this clinic, and the space allowed for the care of these children, each of which, of course, is accompanied by its mother, is only about what should be given to 50 patients; so you can understand how inadequate it is. On pleasant days it is not so bad, because they can stay outside, but on stormy days it is very pitiable to see these children waiting their turn, suffering as they are with all kinds of diseases.

There is a heating plant in this building that has been condemned and which is absolutely unsafe for the children. The pressure has been reduced from 150 pounds to 25 pounds; and for 24 hours during this past winter the hospital was entirely without heat. At any time a very serious accident may develop.

The hospital has made a great many efforts to raise money, and as a result of a recent radio appeal did raise something like $6,000, which made possible a few very necessary improvements. I am mentioning only a few of the outstanding necessities that occurred to me in going through the hospital. It would take far too much time to give you a detailed account.

I come from a city that is not nearly so beautiful as Washington; we have not the elaborate buildings in our city that we have here in Washington, but I want to say to you that we believe it is much more important to take care of suffering human beings than it is to beautify the city. We can point with pride to the finest medical center to be found anywhere in the country. The result is a very

greatly reduced death rate. Now, I know it certainly would not be the purpose of Congress to have a hospital here in Washington devoted exclusively to little children and have it as inadequate as this hospital is; and so today I am drawing attention to these facts and asking you to help us secure this $100,000 appropriation from the Public Works funds of the District in order to give these children a chance in life.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield myself 5 additional minutes.

There are very few of us who have not come in contact with little children. Most of us have children of our own, or have had; and we would not want to feel that if we were deprived of the means of giving these children the care they should have that they were going to die or be crippled because we were unable to supply them with the necessities they are entitled to have. Therefore, I appeal to you today when this amendment comes before the House to sustain the committee and help us secure this very much needed improvement. A few days ago we passed an old-age-pension bill for the Nation, a very good bill; and I felt greatly privileged to vote for that bill. But I want to say that it does not seem to me nearly so important to take care of old age as it does to take care of little children, because, after all, children are brought into the world with no consent on their part and they are often obliged to suffer all kinds of ills.

As I went through that building and saw a makeshift pool that has been set up for the treatment of infantile paralysis, the comparison between it and the great foundation in Georgia for the treatment of infantile paralysis came to my mind.

I wish you could see this set-up in the Children's Hospital. It is an example of what can be accomplished with little money but much sincerity of purpose and human cooperation; you would want to send the men and women responsible for that hospital a vote of thanks, for they are doing marvelous work with the most meager kind of equipment and a minimum of cost. It is to help their humanitarian efforts that we are asking for this appropriation today.

Another thing that amazed me was to see an enormous refrigerator, probably sent by some big hotel here in the city, and equipped with home-made machinery installed to supply the necessary cooling refrigeration.

Instead of having an entirely new, fine porcelain refrigerator, this refrigerator had to serve their purposes though inadequately. I am stating these little details to point out the devotion of the staff responsible for the good that is being accomplished at Children's Hospital.

Mr. NICHOLS. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. I wonder if the $100,000 which has been requested will be adequate to put the hospital in the condition it should be in to take care of the number of patients they have to take care of?

Mrs. NORTON. Well, I do not think that it will be adequate, but I may say to the gentleman, if we vote this $100,000 it is going to do more good than any $100,000 you have ever voted for any purpose since we came to Congress.

Mr. NICHOLS. I may say to the gentlewoman that I am in hearty sympathy with the amendment and certainly feel that Congress should not be lacking in its duty toward the youngsters of the District of Columbia, but from the condition which the gentlewoman outlines I was afraid the $100,000 would not be enough, and if the gentlewoman has any figures upon the matter upon which to base an estimate, we might be able to get an additional amount if the $100,000 is not adequate.

Mrs. NORTON. I will say to the gentleman that for the present I think $100,000 will be adequate for the improvements that are suggested at this time. May I also say that I believe before long the new director of health, Dr. Ruhland, who has come to the District to take charge of public health will probably have a very comprehensive hospital program to bring before the District and I think at that time we shall be able to add to it.

Mr. BOYLAN. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from New York.

Mr. BOYLAN. I want to congratulate the District of Columbia on having such an able and efficient Chairman of the District Committee. I know the welfare of the District is safe in the lady's hands on account of the splendid welfare experience she has had in her native State. I say that the poor, unfortunate, sick, and afflicted children of Washington are indeed fortunate to have the gentlewoman as Chairman of the District Committee.

Mrs. NORTON. I thank the gentleman, but believe that each and every Member of the House is just as much interested as is your chairman when the question of humanity is being considered.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, may I say for the benefit of those who are interested in this legislation that in June of 1934, after many conferences between the House and Senate District Committees, we finally enacted a measure providing for $10,750,000 to carry on a program of public works in the District of Columbia. This program embraced an extension to the Tuberculosis Hospital, an extension to Gallinger Hospital, an extension to Lorton prison, and the sewage disposal plant. At that time there was no recital in the bill dealing with the juvenile court, the police court, and the recorder's building and all that the pending measure does is to leave the amount intact, namely $10,750,000, and broadens the scope of the expenditure to include these additional buildings, together with that embraced in the committee amendment providing $100,000 for the Children's Hospital.

Mr. Chairman, there is nothing controversial about this measure, and there is no reason why it should not pass this House.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, I appreciate the time that has been given to me by both sides of the House.

Mr. Chairman, this is the forty-sixth anniversary of the opening of Oklahoma by a "run." Many of our citizens came to Oklahoma C. O. D. Some of them came from other States P. D. Q. Then, after the first drought, they sent back an SOS, and know they are living on F. E. R. A.

When the State was opened for settlement, its virgin soil beckoned to thousands of homeless men.

Oklahoma's unspoiled beauty attracted men and women from every point of the compass and from every strata of society. As the Indians were driven from Florida, Alabama, Georgia, and the Carolinas, their trail of tears ended there, and as they beheld the natural beauty of that Territory, they said in their own language "Oklahom", which means beautiful land. There the red man hunted buffalo, deer, and wild turkey. The life was easy and happy. There was a plentiful supply of fruits, nuts, and wild game. The streams were full of fish. There were wild plums, persimmons, wild grapes, pecans, walnuts, and hickory nuts. There were rabbits, squirrels, wild ducks, plovers, prairie chickens, and bobwhites in abundance.

But not for long were the Indians to be undisturbed, because Oklahoma history had begun. Then came a chapter crowded with romance and adventure. The most colorful characters that ever crossed the pages of history played their last stand in Oklahoma. The household words of those days tell the story. Buffalo hunters, bullwhackers, pioneers; the gambler, the cattle king, the squaw man; war paint, scalp-lock tomahawk; branding irons, cattle rustlers, six-shooters; rolling plains, sod shanties, gyp water, settlers, nestors, United States troopers; free land, boomers, sooners, camp fires, covered wagons, outlaws; the Jameses, the Jennings, the Daltons, the Doolins; sod plows, milo maize, droughts, Chisolm Trail, Santa Fe Trail; sand storms, cyclones, politics, street fights, saloons, the dugout, the mustang, the coyote, kaffir corn, wheat, cotton, corn; coal, lead, zinc; oil, oil, oil; paved roads, air fields, skyscrapers.

We have made progress from those early days, our desire for speed increasing all the time. In those days when a fellow missed a stagecoach, he just waited a week until the next one came along. But today a guy gets hoppin' mad, if he misses one section of the revolving door of one of our skyscrapers.

The early history of Oklahoma is written in colors as flaming as an Oklahoma sunset, and the thing that made that history colorful was the indomitable spirit of the people themselves. The picturesque cavalcade of Coronado with armor gleaming in the sunlight and plumes dancing in the breeze opened the first chapter with a flash of glory. Then came the trader, the trapper, the trooper, and the missionary. On the headstone of a grave in the Neosho Valley is the following inscription: "In memory of Epaphrus Chapman who died in 1825; first missionary to the Osages." Chapman was typical of those adventurous spirits who left their bones to bleach on the rolling prairies, inhabited first only by red men. There were many great scouts and soldiers and explorers and missionaries. There is a long list of Indians whose names mean dignity and honor, but I do not have time here to call the roll of honor of that proud and haughty race.

We owe much to the red man. In fact, we owe the whole State to them. You know the difference between the Indian and the white man is this: the Indian scalps his enemy but the white man skins his friend.

The red man gives color to the history of Oklahoma. The Indians also gave us the names of most of our streams and mountains and towns and cities. These names all have meaning to Indians, but they do not mean much to us. Sometimes the names of Oklahoma towns recited together have a meaning all their own. For instance, Sallisaw, Henryetta, Wagoner, Bushyhead. The Indians have added some great names to Oklahoma history such names as Chief Sequoyah, General Stanwaite, Senator Owen, Will Rogers, and hundreds of others.

On the morning of the 22d of April 1889, every manner of man and vehicle were assembled on the Kansas line ready for the run. Swarming like bees, they struggled for position. At high noon the shrill notes of a bugle silenced the confusion. A United States cavalry trooper raised a carbine. A hundred thousand hearts leaped to a hundred thousand throats. A hundred thousand hopes hung on that signal. The carbine flashed and Oklahoma was opened with a pistol shot. In a few hours a new territory was populated and cities and towns sprang up with the magic of an Arabian Nights story. That night a hundred thousand campfires twinkled like new stars in the firmament, and the savory odor of frying bacon was rising from every quarter section of the new empire.

Then in 1901, on the 6th day of August, the roulette wheel of chance spun around again, and the Government opened by lottery—Congressman KENNEY would have liked that—the remaining surplus lands of the Comanche, Kiowa, Apache, Wichita, and Caddo Tribes. This ended the last great land opening in Oklahoma.

And, finally, what could be more fitting to climax this stirring episode of Oklahoma history than to have a dashing, rough-riding, two-fisted Teddy Roosevelt himself sign the bill for statehood? Thus in 1907 Oklahoma became the forty-sixth star in the flag.

It seemed very appropriate that the young State of Oklahoma should be opened with a run. The very manner of opening the land to settlement appealed only to the daring, the active, the courageous, the swift, the strong, and the young. Thus did Oklahoma in a unique manner attract hand-picked settlers with the spirit to do or die. Like Gideon's band those best fitted for the stern hardships of pioneer life were sifted out by the nature of the contest.

And even after the "run" people still poured into the new territory. In the old States it was a common thing for the people to sit on their porches and watch a covered wagon go rolling by, the husband and wife sitting on the spring seat and half a dozen children peeping out from beneath the wagon sheet. This American ship of the desert was freighted with the hopes, dreams, and ambitions that made Oklahoma great.

Here they came to Oklahoma, the melting pot of America. The shrewd New England Yankee with his practical business methods, the courteous southerner with his statesmanship, the easterner with his culture, the hardy westerner with his courage, the northern farmer with his superior methods of agriculture—all joined in the common cause of building a commonwealth, each one bringing his pearls of wisdom, culture, and experience to lay as rich treasure at the feet of this young State. Neighbor helped neighbor in the feeling of common unity. The general attitude was one for all and all for one.

The opening was gay and thrilling, but the real test came afterward. It came when the provisions that were brought along gave out. It came with the long stretch of homemaking—securing a water supply, providing a shelter. There were log cabins and dugouts and half dugouts, and there were tents and there were sod shanties. Then again there were the hardships of the weather—the blasting wind and the blazing sun. There were sand storms, cyclones, and droughts.

THE DROUGHT

You remember the year the drought began,
The sky took on a brazen tan,
  And water holes dried
  And cattle half died,
In the time of the terrible drought.

The earth cracked up like sun-baked clay
And the maize was good for naught but hay,
And kaffir corn was all curled up,
  And the sun was hot
  As a blazing blot,
And drank up the ponds at a sup.

So the drought went on from year to year,
And the tough mesquite was sad and sear,
And the sky looked hard as pointed steel,
  And the hot winds blew
  And the whirlwinds, too,
And the earth plowed up as dry as meal.

The prairie dogs deep and deeper went—
The Indians knew what that sign meant
And shook their heads with knowing nod,
  And the dry spell stayed
  And the settlers prayed
"That rain might fall, Almighty God."

Sometimes a cloud in the heat of the day
Would float into view and hurry away,
For the cloud was dust in the droughty days
  And the sky was high
  And the sky was dry
And the sun would set with scorching rays.

It grew so hot that a storm arose
And brought the drought to a tardy close
And cooled those winds so hot from hell
  But we hear
  From the old pioneer
His graphic tale, "the long dry spell."

Western Oklahoma never would have been settled if it had not been for the humble little prairie dog. Now we did not eat the prairie dogs, but they were destructive to the crops. So the counties decided to help the farmers by helping to destroy the prairie dogs. So they offered a bounty for each dead prairie dog we carried in to them. All of those westerners were good shots, so the prairie dogs accumulated faster than the county authorities could dispose of them. So finally Kiowa County told us not to bring the whole dog in, but just to bring the head or tail in so they could tell that we had killed it. Then pretty soon Washita County did the same thing, so we soon got wise to it; and we took the heads to Kiowa and the tails to Washita, and we settled western Oklahoma on heads and tails.

There is another little animal that is a native of the West and that is—

THE JACK RABBIT

I like the jack rabbit
Because of his habit
Of racing the hounds in the clear
  He always runs in the clear.

He leaves the plum thickets
And bramble briar wickets
To wildcats and foxes and deer
  To the elk and the deer.

He chooses his races
In the open spaces
And waits for the hounds to appear
This rabbit they call a mule ear.

When the hounds give chase
He opens the race
By twisting his tail awry
He cocks his tail awry.

He runs off a ways
And stands up to gaze
To see if they mean to try
And when they really try—

He's off with a canter
And makes them a banter
By twisting his tail awry,
He cocks his tail awry.

But like the plover
He spurns the cover
And spreads himself to fly,
He makes the distance fly.

Then there was white gravy, too. I do not want to forget it; I could not forget it if I wanted to. Western Oklahoma never would have been settled if it had not been for white gravy. What mother made it out of I do not know. Our rations would give out but mother would always have plenty of white gravy. It saved thousands of homesteaders from being forced to leave their claims. Every morning there was enough white gravy made in those two counties alone to spread a white blanket over the entire State.

Even with the heads-and-tails life for existence, even with the white gravy and alkali water, I remember those days on a Government claim as the happiest days of my life.

THE OLD SOD HOUSE

I lived on the plains in an old sod house
And played in the sage with rabbit and grouse.
I found the bear grass and gathered its pod,
And lived like a king in a mansion of sod,
For life was free in the early days
Where wild ducks feed and cattle graze.

You see, my father had staked a claim
And brought his family to prove the same.
Oh, the life was rough and sort o' hard
But we went on without regard
To inconvenient western fare
And built a home of gladness there.

Our house was built of the native sod,
But the hearts within lived close to God.
This palace contained a single room
And just one window dispelled the gloom,
But the souls within created the light
And especially so on a wintery night.

With mother and father and Cousin Jim,
Sister and brother, and the rest of them,
Including grandma, who furnished the cheer,
They kept things merry most of the year.
It seems like a dream as I think of it now—
We lived in a house we built with a plough.

The fireplace served as the altar of love,
For which we thanked the Father above.
We gathered there at the end of day
To fast and feast and frolic and play.
The meat was scarce and so was the meal,
But of love and joy we had a good deal.

Grandfather sat in a corner there
And grandma sat in her little low chair.
They'd tell us stories of the long ago
And stop and listen to the flame spit snow,
Then grandma would make some popcorn balls
And we'd make shadows on the old sod walls.

Then father would say he'd bet his clothes
That he could win at dominoes,
And mother would look from her sewing and say,
"And if you lose, you've nothing to pay!"
Then we laughed and had a game,
But he let us win it just the same.

Then from the Book a chapter he read,
And after a prayer we scampered to bed.
I want to go back to those happy days,
And sit once more and stare in the blaze.
I want to go back and chase the grouse
And live once more in the old sod house.

When I think of the spirit of those rugged pioneer settlers, it stirs my soul. They were not daunted by the lack of church buildings or schoolhouses. The organization of many a church took place under a wagon sheet or a brush arbor. As to the schools, some pretty young "school marm" was induced to leave the old home town and come out to this new country to impart knowledge of the three R's to the future farmers, statesmen, and business men of the new Territory. What did it matter to this young schoolmistress that the children gathered around her in a sod house with the flowers nodding gaily from its earthen roof. Those brave spirits never knew the tragedy of the unprepared.

It was this spirit—this pioneer spirit of achievement and progress that made Oklahoma great. It was this spirit that prompted Albert Payne to lead the settlers back into the Territory after they had been twice driven out by the United States troops.

RESOURCES

That same spirit of chance has developed our State. It opened our oil fields and built our skyscrapers. That is the old sooner spirit. That is the spirit of believing in one's self and in the future. That is the spirit of the pioneer who did not know how to quit.

This conquering spirit of the pioneer wrested from the land its treasure. When Coronado and his gold-seeking Spaniards came, Oklahoma opened not the doors to her wealth. But those doors yielded to the compelling hands of the homesteader.

First. There is the wealth of her natural beauty. She has streams, mountains, and plains, fascinating and beautiful. The northwest has the unique and colorful Red Hills. The skyline of the southwest is coxcombed by the rugged Wichitas. The south central is rockribbed by the Arbuckles. The north central has the romantic Osage Hills, while the untamed Kiamichi make southeastern Oklahoma a wild paradise.

Then, again, Oklahoma has every imaginable kind of stream from Big Elk to Little River, from the peaceful Chikaskia to the turbulent Canadian, from the deep Verdigris to the shallow Cimarron, from the muddy Washita to the sparkling Spavinaw.

Yes, we have all kinds of rivers. Not long ago we had a flood-control convention in Oklahoma, and a big, "instutin' engineer" came down there and made a speech to tell us how to control our rivers. He said that we needed drainage experts down there. Drainage experts—why, we invented that term. Why, there are oil-stock salesmen in Oklahoma who have drained every State east of the Mississippi. It is not drainage we need. It is some fellow who can dam up one of our rivers and make it stay dammed.

This big consulting engineer said in his eloquent speech, "I was reared on the banks of the old Missouri, and I learned about rivers from her. In the evening when the sun hung low in the west I watched the long shadows of the trees as they faded into the dark and mysterious vapors that arose from her swift-moving tide, and I learned about rivers from her. And as I watched that current day after day I was mystified; I wondered from whence it came and whither it went."

Now, that engineer might know about the old Missouri. I am not questioning his knowledge of her, but he did not learn about Oklahoma rivers from her. Why, mister, if you never saw the old South Canadian on a tear, "you ain't seen nothing." Why, man alive, that old heifer can run uphill faster than the Missouri could fall over Niagara. And as to mystery—there are farmers along that old river today who spend their time thinking of the mystery of it. Some of them used to have land that they do not have now, and some have land they did not used to have. She is a Biblical old stream. She giveth and she taketh away, and they know not from whence it cometh nor whither it goeth.

Oklahoma not only has mountains and rivers but she has canyons and caves and prairies and plains.

Northwestern Oklahoma is a cattle country, and on farther west are the intriguing plains of the Panhandle. Sometimes the wind blows out there. So those people invented a wind barometer so they could judge the wind. Many of the houses are equipped with these wind barometers. They have a big pole sticking out from the gable end of the house. On the end of this pole is fastened a log chain. When the wind blows hard enough to make that log chain stand out straight

it is too windy to work, but if the chain sags a little, they go right on pitching hay.

Coronado came to Oklahoma seeking Quivira, the fabled land with seven cities of gold, but he returned empty-handed for Quivira opened not her gates to this armed force. And then for 400 years afterwards Oklahoma held the secret of her hidden wealth. It remained for the homesteader to find her riches, for they lay in hidden mines of zinc and coal, in secret pools of oil, and fertile fields of soil.

Today Oklahoma has not merely seven cities of Cibola, but 77 cities in 77 counties, each one producing enough wealth in a single year to match Coronado's wildest Spanish dream.

Here in this wonderland, oil volcanoes spout their black gold high over the derrick, and Oklahoma bids high for first place in the production of mineral petroleum. One half of her 77 counties produce either gas or oil, and yet her western oil reserves have not been tapped.

There is enough unmined coal in Oklahoma to turn every factory wheel in the United States for a thousand years. At the present rate of production the Geological Survey estimates that there is enough unmined coal in Oklahoma to last 26,000 years. Oklahoma stands thirteenth among the States in the production of coal.

With her coal and gas together, Oklahoma stands first in the production of fuel which is the very foundation of industrial life.

Oklahoma produces more zinc than all the rest of the Nation together, and stands second among the States in the production of lead.

The building materials of Oklahoma are illimitable. She has enough glass sand to make a glass roof over the entire State and have glass sand left. She has great ledges of limestone, hills of gypsum and mountains of granite. She has quarries of marble and sandstone. She has an inexhaustible supply of clay for the manufacture of brick, tile, and pottery.

Oklahoma has enough asphalt to pave every road in the State; while her salt beds contain the salt of the earth.

Although Oklahoma is considered a prairie State, she has a vast amount of uncut timber, and stands twenty-fourth among the States in the production of lumber. The mountainous southeast has an abundant supply of short-leaf pine and the State produces more different kinds of hardwood than all of Europe combined. So you see Oklahoma has enough building material to last forever.

Furthermore, there are the agricultural resources. Although Oklahoma ranks second among the States in mineral production and first in fuel, yet in her greatest year she produced more in agricultural wealth than she did in mineral products. Oklahoma is primarily an agricultural State, and her greatest treasure lies in the first 6 inches of the soil.

Oklahoma stands first in the production of broomcorn, second in the production of pecans, second in the production of grain sorghum, third to fifth in the production of wheat, third to seventh in the production of cotton, twelfth in the production of corn. In addition to these, her great production of oats, barley, rye, peanuts, and fruits give her first place in diversified crops, which is the most important factor in the agricultural program.

Then, again, Oklahoma is a great livestock State. She is high in the production of hogs, eleventh in cattle, seventh in poultry, and the Oklahoma City stockyards are seventh in the United States in the number of livestock handled each year.

As among the Southern States, Oklahoma stands first in the production of butter, second in the production of turkeys, second in the production of mules, and second in the production of furs.

The fabulous wealth of Quivira is a reality. Where once the buffalo grazed, today blooded livestock fatten on the succulent grasses of Oklahoma and bring wealth to the State.

Mr. COLDEN. Mr. Chairman, will the gentleman yield? I would like to invite the gentleman to California. He seems to have the California spirit. [Laughter.]

Mr. LEE of Oklahoma. I appreciate that, for California has the spirit of advertising, and that is a mighty good spirit.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. RANDOLPH. I hesitated to interrupt the gentleman's very eloquent address, in which he is painting the glories of Oklahoma. The gentleman has spoken about the oil and gas industry in that great State. It is a fact, and I know the gentleman will allow it to be placed in the RECORD at this point, that it was the pioneer oil and gas man who went from my State of West Virginia into Oklahoma who really opened up that great industry for the gentleman's State.

Mr. LEE of Oklahoma. You know that when a hen lays an egg she flies up on the barnyard fence and tells the whole world about it. When a duck lays an egg she waddles off from her nest and says nothing about it. The result is that the whole world eats hen eggs and nobody eats a duck's egg. If anybody ever tried to eat a duck's egg, they understand why the duck says nothing about it. If you have nothing to advertise but climate in your State, you should take a lesson from the duck. [Laughter and applause.]

Mr. RANDOLPH. Will the gentleman yield further?

Mr. LEE of Oklahoma. I yield.

Mr. RANDOLPH. I might say before I interject this that I like Oklahoma, and a great many of my people live there. I once worked there on a newspaper; but before there was an opening up of the oil and gas field in Oklahoma there was an oil and gas industry in my State, and you had to have experienced men there. These hardy men brought with them the pioneer spirit from West Virginia, and I know you have been glad to have them as residents and builders of your State.

Mr. LEE of Oklahoma. Yes; many people came to our State from West Virginia, Georgia, and Tennessee. One neighbor said he had raised his last crop of rocks, and he wanted to come to a country where he could stand on both feet at the same time. [Laughter]

Mr. HOEPPEL. Many people went away from their own State to get away from the sheriff.

Mr. BOYLAN. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. BOYLAN. Have you raised great corn crops in Oklahoma?

Mr. LEE of Oklahoma. Yes; Oklahoma stands twelfth in the production of corn when we do not have a drought.

Mr. BOYLAN. Is that corn manufactured into good moonshine? [Laughter.]

Mr. LEE of Oklahoma. Yes; in eastern Oklahoma they call it "mountain dew" and out West they call it "canyon rum."

Mr. NICHOLS. We raise about 4 gallons of corn to the acre.

Mr. LEE of Oklahoma. May I say that my good friend, Mr. NICHOLS, represents southeast Oklahoma, the land of a thousand hills and thrills and stills?

Mr. HOUSTON. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. HOUSTON. Is it not a fact that the buffalo all came from Kansas?

Mr. LEE of Oklahoma. Yes, one time Joe Bailey said that he thanked God for Oklahoma for it separated Texas from Kansas. [Laughter.]

I appreciate the contribution the gentlemen have made from other States, and I am sure you took my answers in the friendly spirit in which they were intended.

Bob Taylor of Tennessee once said, "I do not like sectional hatred and animosity but I do not object to sectional pride and patriotism." "I do not object", said he, "if the easterner believes that the aurora borealis is only the glow in the sky from the factories and furnaces of the East. I do not object if the westerners believe, as they do, that the glow of the setting sun is but a reflection of the grain fields of the

West. Then why should they object if I believe, as I do, that the great Milky Way is but a reflection in the sky of the rice and cotton fields of Dixie."

That is the way I feel, Mr. Chairman, as a representative of the forty-sixth star in the flag. Go out there soon and you will see oceans of wheat, wave following wave, as far as the eye can see, while ripening wheat heads billow and surge before the harvest breeze; there the tall corn shoots and tassels in the sun, and the cotton whitens beneath the stars. There you can see the farmer's big red barn and his modern home, his windmill and his silo; his spreading shade trees and his orchard fragrant with blossoms or laden with fruit, cherry-cheeked as are the sons and daughters of the last frontier, Oklahoma, the forty-sixth star in the flag. [Applause.]

Mrs. NORTON. Mr. Chairman, there being no further requests for time, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act approved June 25, 1934 (Public, No. 465, 73d Cong.), is hereby amended to read as follows:

"That the Commissioners of the District of Columbia are hereby authorized to borrow for the District of Columbia from the Federal Emergency Administration of Public Works, created by the National Industrial Recovery Act, and said Administration is authorized to lend to said Commissioners the sum of $10,750,000, or any part thereof, out of funds authorized by law for said Administration, for the acquisition, purchase, construction, establishment, and development of a tuberculosis hospital, a sewage-disposal plant, an extension of or addition to Gallinger Municipal Hospital, a jail or other enclosure for prisoners at Lorton, Va., and a building or buildings for the police court, the municipal court, the recorder of deeds, and the juvenile court, or any of them, said court buildings to be located on such portions or parts of Judiciary Square, or the area bounded by Fourth and Fifth Streets, D and G Streets NW., as shall be approved by said Commissioners and the National Capital Park and Planning Commission, or any one or more of said projects as the said Commissioners may determine."

With the following committee amendment:

Page 1, line 9, after the word "Works", insert "or such other agency."

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mrs. NORTON: Page 2, line 16, after the word "determine", strike out the period and insert a semicolon and the words "and to advance to the Children's Hospital of the District of Columbia, in compensation for clinical examination of tubercular children, the sum of $100,000, or so much thereof as may be necessary, for alterations and enlargement of buildings, equipment, and accessories."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. That section 3 of said act is hereby amended by adding at the end thereof the following: *Provided*, That whenever the District of Columbia is under obligation by virtue of the provisions of section 4 of said Public Act No. 284, Seventy-first Congress, reimbursement shall be not less than $300,000 in any one fiscal year.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLOOM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2035, and had directed him to report the same back to the House with sundry amendments, with the recommendations that the amendments be agreed to, and that the bill as amended do pass.

Mrs. NORTON. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

APPEALS FROM PUBLIC UTILITIES COMMISSION

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 3462) to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the lady from New Jersey that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 8 of the act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", be, and the same is hereby, amended by striking therefrom all of paragraph 52, and all of paragraph 64, after the first sentence thereof, and inserting in lieu of the matter stricken the following:

"That any public utility or any other person or corporation affected by any final order or decision of the Commission may, within 30 days after the publication thereof, file with the Commission an application in writing requesting a reconsideration of the matters involved, and stating the errors claimed as grounds for such reconsideration. The Commission, within 30 days after the filing of such application, shall either grant or deny it. If such application be granted, the Commission shall, either with or without hearing, rescind, modify, or affirm its order or decision. The filing of such an application shall act as a stay upon the execution of the order or decision of the Commission until the final action of the Commission upon the application: *Provided*, That upon consent of the utility such order or decision shall not be stayed but shall take immediate effect unless otherwise ordered by the Commission. No appeal shall lie from any order of the Commission unless an application for reconsideration shall have been first made and determined."

With the following committee amendments:

Page 2, line 6, after the word "stating", insert the word "specifically."

Page 2, line 7, after the period, insert "No public utility, or other person or corporation shall in any court urge or rely on any ground not so set forth in said application."

Page 2, line 11, after the period, insert "Failure by the Commission to act upon such application in such period shall be deemed a denial thereof."

Page 2, line 14, after the word "Commission", insert "after giving notice thereof to all interested parties."

Page 2, line 19, after the word "upon" where it occurs the second time, insert the word "written."

Page 2, line 20, after the word "stayed", strike out "but shall take immediate effect."

The amendments were agreed to.

The Clerk read as follows:

SEC. 2. That said section 8 be, and the same hereby is, further amended by striking therefrom paragraphs 65, 66, 67, 68, and 69 and inserting in lieu of the matter stricken the following:

"PAR. 65. The Supreme Court of the District of Columbia shall have jurisdiction to hear and determine any appeal from an order or decision of the Commission. Any public utility, or any other person or corporation affected by any final order or decision of the Commission, other than an order fixing or determining the value of the property of a public utility in a proceeding solely for that purpose, may, within 60 days after final action by the Commission upon the petition for reconsideration, file with the clerk of the Supreme Court of the District of Columbia a petition of appeal setting forth the reasons for such appeal and the relief sought; at the same time such appellant shall file with the Commission notice in writing of the appeal together with a copy of the petition. Within 20 days of the receipt of such notice of appeal the Commission shall file with the clerk of the said court the record, including a transcript of all proceedings had and testimony taken before the Commission, duly certified, upon which the said order or decision of the Commission was based, together with a statement of its findings of fact and conclusions upon the said record, and a copy of the application for reconsideration and the orders entered thereon. At the same time the Commission may, if it so desires, answer, demur or otherwise move or plead. Thereupon the appeal shall be at issue and ready for hearing. All such proceedings shall have precedence over any civil cause of a different nature pending in said court, and the Supreme Court of the District of Columbia shall always be deemed open for the hearing thereof. Any such

appeal shall be heard upon the record before the Commission, and no new or additional evidence shall be received by the said court. The said court, or any justice or justices thereof, before whom any such appeal shall be heard, may require and direct the Commission to receive additional evidence upon any subject related to the issues on said appeal concerning which evidence was improperly excluded in the hearing before the Commission or upon which the record may contain no substantial evidence. Upon receipt of such requirement and direction the Commission shall receive such evidence and without unreasonable delay shall transmit to the said court the findings of fact made thereon by the Commission and the conclusions of the Commission upon the said facts.

"Upon the conclusion of its hearing of any such appeal the court shall either dismiss the said appeal and affirm the order or decision of the Commission or sustain the appeal and vacate the Commission's order or decision. In either event the court shall accompany its order by a statement of its reasons for its action, and in the case of the vacation of an order or decision of the Commission the statement shall relate the particulars in and the extent to which such order or decision was defective.

"Any party, including said Commission, may appeal from the order or decree of said court to the Court of Appeals of the District of Columbia, which shall thereupon have and take jurisdiction in every such appeal. Thereafter the Supreme Court of the United States may, upon a petition for certiorari granted in its discretion, review the said case.

"Said Commission shall not, nor shall any of its members, officers, agents, or employees, be taxed with any costs, nor shall they or any of them be required to give any supersedeas bond or security for costs or damages on any appeal whatsoever. Said Commission, or any of its members, officers, agents, or employees, shall not be liable to suit or action or for any judgment or decree for any damages, loss, or injury claimed by any public utility or person, nor required in any case to make any deposit for costs or pay for any service to the clerks of any court or to the marshal of the United States.

"PAR. 66. In the determination of any appeal from an order or decision of the Commission the review by the court shall be limited to questions of law, including constitutional questions; and the findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall appear that such findings of the Commission are arbitrary or capricious.

"PAR. 67. All orders and decisions of the Commission shall remain in full effect, except as provided in paragraph 64, unless and until they are superseded or rescinded by the Commission or are vacated by lawful order of the Supreme Court of the District of Columbia: *Provided*, That if in any petition made to the said court appealing from an order or decision of the Commission it be alleged that substantial and irreparable property loss would be occasioned to the petitioner by the operation of the said order pending the determination of the said appeal, the court may set a time and place for hearing upon the said allegation after not less than 3 days' notice to the Commission (during which 3 days the execution of the order or decision shall be stayed), and the said court may then, upon a clear showing of the irreparable and substantial property loss as alleged, suspend the effective date of the said order. No such suspension shall be for a greater period than 60 days without further hearing by the court. In the event of the issuance of an order suspending the operation of any order of the Commission, the court may include therein such provision as it deems advisable for the preservation of records or accounts and the impounding or otherwise securing of moneys necessary to give effect to the order of the Commission in the event the said order is sustained.

PAR. 68. The Supreme Court of the District of Columbia, or any justice thereof before whom an appeal from an order of the Commission is pending, may certify to the Court of Appeals of the District of Columbia any questions or propositions of law concerning which instructions are desired for the proper disposition of the appeal; and thereupon the court of appeals may either give binding instructions on the questions and propositions certified or may require that the entire record in the cause be sent up for its consideration, and thereupon shall decide the whole matter in controversy in the same manner as if it had been brought there by writ of error or appeal.

"PAR. 69. That if, after appeal is filed, the Commission shall rescind the order or decision appealed from, the appeal shall be dismissed; if it shall alter, modify, or amend the same, such altered, modified, or amended order or decision shall take the place of the original order and the court shall proceed thereon as though the late order had been made by the Commission in the first instance.

"PAR. 69a. The method of review of the orders and decisions of the Commission provided by paragraphs 64, 65, 66, 67, 68, and 69 herein shall be exclusive."

With the following committee amendments:

Page 3, line 20, after the word "record", insert "including a transcript of all proceedings had and testimony taken before the Commission."

Page 4, line 2, strike out the word "thereon" and the period and insert "thereon: *Provided*, That the parties, with the consent and approval of the Commission, may stipulate in writing that only certain portions of the record be transcribed and transmitted."

Page 4, line 5, strike out "at the same time the Commission may, if it so desires, answer, demur, or otherwise move or plead", and insert "Within this period the Commission or any other interested party may answer, demur, or otherwise move or plead."

Page 6, line 13, after the word "are", insert "suspended."

Page 6, line 21, strike out the word "may" and insert the word "shall."

Page 6, line 23, strike out "3 days" and insert "period."

Page 7, line 3, after the word "further", insert "order after notice or."

Page 7, line 23, after the figures "69", insert "That the Commission may at any time rescind, alter, modify, or amend its order."

The committee amendments were agreed to.

Mr. SMITH of Virginia. Mr. Speaker, I move to strike out the last word of the committee amendment. It seems to me this is a very worth-while bill, but in going over it I noticed in several instances there are provisions which seem to foreclose the right of appeal. I am just wondering whether the committee has taken into consideration the possibility, and perhaps probability, that if this law is enacted we may go along for a year or two seeking to enforce it and wind up by having the whole thing declared invalid. In that case we would be back where we are, with a couple of years' lost time. I am wondering if the committee would not agree to some slight amendments rather than to take that chance?

Mr. CARPENTER. Will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CARPENTER. I understood the gentleman to say that he understood the bill did not provide for the right of appeal.

Mr. SMITH of Virginia. Yes.

Mr. CARPENTER. That is what the bill is intended to provide. The purpose of the bill is to provide a judicial or constitutional appeal. That is the essence of the bill—to provide for judicial review. According to the procedure under the law as at present, the courts in the District of Columbia act in the capacity of legislative bodies. When an appeal comes to the court it is not considered by the court as in a judicial review, but the court acts upon it in a legislative capacity. There is no real appeal or review in the procedure now in force under the statute.

The court can step in on the so-called "appeal" and act as the Commission could in the first instance. Now, we are trying to straighten this matter out and provide that the Commission shall act as the legislative or administrative body. The Commission receives the evidence and makes the findings of fact. Then those findings of fact are presented, if there is an appeal taken, to the court as an appellate body.

Mr. SMITH of Virginia. But the bill provides there shall be no appeal on a question of fact, under paragraph 66, and the findings shall be conclusive unless it appears that they are arbitrary or capricious.

Mr. CARPENTER. May I say to the gentleman that this matter was gone over by the committee quite thoroughly. The heart of the bill is in the paragraph that was mentioned by the gentleman, namely, paragraph 66. That paragraph was taken out of the Radio Act almost verbatim, and simply adding the words "including constitutional questions." That act has been passed upon by the Supreme Court of the United States.

In addition to that, I cite the gentlemen to the procedure in California, Missouri, South Dakota, and Utah. They have exactly the same provisions.

Mr. SMITH of Virginia. Does the gentleman have any decisions where the right of appeal on the ground of the reasonableness of the order has been denied? That is what this bill provides.

Mr. CARPENTER. The matter of reasonableness was considered at some length by the committee. Such provision was opposed very strongly by those representing the District of Columbia, for the reason that if you add the word "reasonable" you might as well not pass the bill. You open up the whole field.

Mr. SMITH of Virginia. That is on the question of appeal?

Mr. CARPENTER. Yes.

Mrs. NORTON. That is what has been delaying matters so much. There are cases 10 or 12 years old just because of that.

Mr. CARPENTER. In the case of *Interstate Commerce Commission* v. *Union Pacific Railroad Co.* (222 U. S. 541)——

The SPEAKER. The time of the gentleman from Virginia [Mr. SMITH] has expired.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARPENTER. In that case the Supreme Court said:

In determining these mixed questions of law and fact the Court confines itself to the ultimate question as to whether the Commission acted within its power. It will not consider the expediency or wisdom of the order, or whether on like testimony it would have made the same ruling. Its conclusion, of course, is subject to review, but when supported by evidence—

That is, when the findings are supported by evidence—

it is accepted as final; not that its decision, involving as it does so many and such vast public interests can be supported by a mere scintilla of proof, but the courts will not examine the facts further than to determine whether there was substantial evidence to sustain the order.

Mr. SMITH of Virginia. May I interpose a question right there?

Mr. CARPENTER. Let me call attention to paragraph 66 of the bill:

In the determination of any appeal from an order or decision of the Commission the review by the Court shall be limited to questions of law, including constitutional questions; and the findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall appear that such findings of the Commission are arbitrary or capricious.

I believe that should answer the gentleman's question.

Mr. SMITH of Virginia. That is not the question I wanted to ask just at this time. In your committee have you not had considerable doubt in your own mind as to the constitutionality of this act as it is now drafted?

Mr. CARPENTER. Not as to any of these sections. There has been a question of constitutionality raised, I will say frankly to the gentleman, in regard to paragraph 69 (a), the exclusive provision of the bill, and that was the only section of the bill in which the committee had any serious doubt as to its constitutionality.

Mr. SMITH of Virginia. That is somewhat along the same line. It is a question of whether or not, after enacting this legislation and proceeding for a year or two trying to regulate a utility, then having the whole proceeding upset by the unconstitutionality of the act. Do you not have great doubt about it?

Mr. CARPENTER. There is a saving clause in this bill. Section 4 on page 9:

If any provision of this act or the application to any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. SMITH of Virginia. You have that, of course, in every case of legislation.

Mr. CARPENTER. So that I do not think the question of constitutionality amounts to anything one way or the other.

This body legislating for the District of Columbia as a State legislature can neither give the District of Columbia nor anyone residing here any constitutional right they do not already possess nor can it take away from them any constitutional right. Now, if section 69 (a) is unconstitutional it does not mean anything.

Mr. SMITH of Virginia. Why not? That is what I want to get at.

Mr. CARPENTER. We have practically the same proposition relating to the United States courts. We passed the Johnson Act at the last session of Congress which prevented the utilities from going into the United States Court in equity and attempting to enjoin any State commission. The Johnson Act, however, does not apply to the District of Columbia.

Mr. SMITH of Virginia. The gentleman is referring to the act passed last year?

Mr. CARPENTER. Yes. I think this bill should be passed as it is. The Senate will take it up for consideration and give it further consideration. I believe we have a fair chance to pass this utility bill which the gentleman says he would like to see passed; and we should keep this provision in the bill at this time.

Mr. SMITH of Virginia. Irrespective of whether it is constitutional or unconstitutional?

[Here the gavel fell.]

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia may have 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SMITH of Virginia. The gentleman thinks it better to pass the bill as it is irrespective of the question of constitutionality?

Mr. CARPENTER. Yes.

Mr. SMITH of Virginia. The question I want to discuss with the gentleman is this: The gentleman says it does not make any difference whether the bill is constitutional or unconstitutional. If an appeal is taken from the decision of the board and the court refused to hear it and it is ruled by the Supreme Court that this particular section is unconstitutional then the whole proceeding goes out, does it not?

Mr. CARPENTER. No.

Mr. SMITH of Virginia. Why not?

Mr. CARPENTER. The bill can stand on its own feet.

Mr. SMITH of Virginia. The bill could not stand on its own feet if the Supreme Court decided that you could not take away the right of appeal.

Mr. CARPENTER. The only way I know in which that question could come up would be if a utility should appeal through the equity procedure to the courts by way of injection, for instance, trying to circumvent the provisions of this bill and the court should make a ruling based upon this bill if enacted into law they did not have any right to such relief. In such a case the constitutionality of the bill would come up for consideration.

Mr. ELLENBOGEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. ELLENBOGEN. May I say to the gentleman that as a member of the Subcommittee on Utilities I had the same doubt he has as to the constitutionality of section 66 and section 69 (a), and still have some doubt; but Mr. Prettyman, the corporation counsel, advised us that in his opinion there was no doubt at all, that they made a very careful study of the bill. In view of that opinion we felt that we should proceed with the bill and report it out; that if there were any questions about it we should let the courts decide it.

Mr. SMITH of Virginia. The gentleman also had in mind that the bill would come up for further study and consideration in the Senate, did he not?

Mr. ELLENBOGEN. No; we did not have that in mind. We felt that the preponderance of the evidence was in favor of the constitutionality of the measure and that the bill was very desirable. Therefore we reported the bill favorably.

Mr. CARPENTER. The question of the constitutionality of the section the gentleman has in mind has been sustained. It was sustained in the case of the *Radio Commission* v. *Nelson Bros.* (289 U. S. 266). I will read the decision or insert it in the RECORD, if the gentleman desires:

That review (of orders of the Federal Radio Commission) is now expressly limited to "questions of law", and it is provided "that findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Commission are arbitrary or capricious."

That is at page 275. Then the Court goes on:

The limitation manifestly demands judicial, as distinguished from administrative, review. Questions of law form the appropriate subject of judicial determinations. Dealing with activities admittedly within its regulatory power, the Congress established the Commission as its instrumentality to provide continuous and expert supervision and to exercise the administrative judgment essential in applying legislative standards to a host of instances. These standards the Congress prescribed. The powers of the Commission were defined, and definition is limitation. Whether the Commission applies the legislative standards validly set up, or whether it acts within the authority conferred or goes beyond it, whether its proceedings satisfy the pertinent demands of due process, whether, in short, there is compliance with the legal re-

quirements which fix the province of the Commission and govern its actions, are appropriate questions for judicial decision. These are questions of law upon which the Court is to pass. The provision that the Commission's findings of fact, if supported by substantial evidence, shall be conclusive unless it clearly appears that the findings are arbitrary or capricious, cannot be regarded as an attempt to vest in the Court an authority to revise the action of the Commission from an administrative standpoint and to make an administrative judgment. A finding without substantial evidence to support it—an arbitrary or capricious finding—does violence to the law. It is without the sanction of the authority conferred. And an inquiry into the facts before the Commission, in order to ascertain whether its findings are thus vitiated, belongs to the judicial province and does not trench upon, or involve the exercise of, administrative authority. Such an examination is not concerned with the weight of evidence or with the wisdom or expediency of the administrative action.

And then the Court proceeds to cite quite a number of cases. Then the Court says:

If the questions of law thus presented were brought before the court by suit to restrain the enforcement of an invalid administrative order, there could be no question as to the judicial character of the proceedings. But that character is not altered by the mere fact that remedy is afforded by appeal. The controlling question is whether the function to be exercised by the court is a judicial function, and, if so, it may be exercised on an authorized appeal from the decision of an administrative body (276, 277).

We are of the opinion that the Commission's findings of fact, which we summarized at the outset, support its decision, and an examination of the record leaves no room for doubt that these findings rest upon substantial evidence.

I call the gentleman's attention also to the Los Angeles case:

No basis is laid for relief under the general equity powers. The investigation was undertaken in aid of the legislative purpose of regulation. In conducting the investigations, and in making the report, the Commission performed a service specifically delegated and prescribed by Congress. Its conclusions, if erroneous in law, may be disregarded. But neither its utterances, nor its processes of reasoning, as distinguished from its acts, are a subject for injunction (314, 315, *United States* v. *Los Angeles R. R.*, 273 U. S. 299).

The purposes of the proposed bill are twofold—first, to strengthen the arm of the Public Utilities Commission in dealing with public-utility matters, and second, to eliminate the excessive delay caused by the present system of retrying in the courts every appeal case. Under the provisions of the present law, when the Commission acts and there is an appeal, the review is a legislative or administrative review and as such the court sits in such cases in its legislative capacity rather than as a constitutional court. As such, new evidence can be introduced, new findings of fact and conclusions arrived at by the court, the same as can be made by the Commission in the first instance. This causes delay, extra expense, and confusion. In addition the Utilities can independently commence an injunction action. The bill proposed here provides for one review, a judicial review by the courts. All evidence must be introduced before the Commission and its findings of fact are conclusive if supported by substantial evidence, unless it shall appear that such findings of the Commission are arbitrary or capricious. It would be, I believe, proper and helpful to here refer to the report of the committee as to the purpose and content of the bill.

PURPOSE OF THE BILL

H. R. 3462 was transmitted to the committee with the endorsement of the Commissioners of the District of Columbia as one of the principal matters of legislation which the officials of the District of Columbia deemed necessary of passage in the present session of Congress. Its principal purpose is to simplify the court review of actions of the Public Utilities Commission and to reduce the duration of litigation arising from such proceedings. The bill was referred to the Subcommittee on Public Utilities and adequate hearings were held thereon. At these hearings there was full participation by the general counsel of the Public Utilities Commission, numerous attorneys for the public utilities which would be affected, civic organizations, and bar associations. The bill was originally drafted, and its passage is strongly urged by the people's counsel of the District of Columbia. The corporation counsel, as general counsel of the Public Utilities Commission, presented the urgent request of that body for the improvement in the appeals law. Unqualified endorsements were presented on behalf of the Federation of Citizens' Associations and the District of Columbia Bar Association, as to both the practicability and constitutionality of the proposed measure.

Testimony and argument were presented and a number of briefs were filed by counsel for the various public utilities in opposition to the change in the method of appeal and to particular language in the bill. Although this bill had been under study for a number of years, certain minor technical defects were revealed by the hearings and amendments proposed by the general counsel and the people's counsel in correction thereof. These amendments have been approved by the committee, together with other minor amendments tending to clarify the statute. Throughout the hearings, the proposed legislation was subjected to word-by-word scrutiny, and extensive briefs thoroughly covered the field of legislative precedent and judicial decision as to the validity of the method of appeal proposed and the constitutionality of the language. The hearings on H. R. 3462 were printed as a House document.

CONTENTS OF THE BILL

Section 1 strikes out certain paragraphs of the act of March 4, 1913 (37 U. S. Stats. 974), relating to the form of appeal now in effect from orders of the Public Utilities Commission to the courts and substitutes a new section. It preserves a right of appeal to the courts from any final order or decision of the Commission and fixes the time limitations and the conditions upon which such appeal may be had. It provides for a petition for reconsideration so as to afford the Commission an opportunity to modify its order and advise it of the grounds of intended appeal. With the amendments proposed it will afford a certain and prompt recourse to the courts.

Section 2 strikes out paragraph 65 to paragraph 69, inclusive, of the present Public Utilities Act and provides definite time limitations and methods covering the form of application to the courts and provides for the transfer to the court of the complete record before the Public Utilities Commission. It grants precedence to such proceedings over other civil causes and assures prompt hearing. An essential feature is the elimination of the presentation of new evidence before the court. However, the court may direct the Commission to receive additional evidence in the event that pertinent matter was improperly excluded by the Commission or in the absence of substantial evidence upon any relevant point. Full jurisdiction is preserved in the court to either affirm or vacate the Commission's order, and the court is required by this section, as amended, to set forth in full its reasons for its action so that the litigants may adopt remedial measures. This section also provides for appeal to the Court of Appeals of the District of Columbia and for review in its discretion by the Supreme Court of the United States upon petition for certiorari. Additional language is carried, in the customary form, relieving the Commission and its staff of personal liability for costs and damages in such actions.

Section 2 of the bill provides a new paragraph 66 which gives the court the power to review the orders or decisions of the Commission on all matters of law, specifically on all constitutional questions. It provides that if the court, on examination of the testimony and full record taken before the Commission, finds that the specific findings of fact by the Commission are supported by substantial evidence the court shall deem such findings conclusively correct unless it shall determine that they are arbitrary or capricious. It was as to this language that the principal opposition of the utility companies arose. The testimony of all witnesses showed that under the present law without regard to the duration of the hearings before the Public Utilities Commission, the Supreme Court of the District of Columbia had jurisdiction to hear unlimited new evidence. Furthermore, the court, at present, is a legislative court in which the judge may reach a separate and distinct decision as a substitute for the order of the Commission and is not limited to the determination of the validity or constitutionality of the Commission's order. Proponents of the measure contended vigorously that it was fully supported by decisions of the Supreme Court of the United States and that it is identical to language in the Federal Communications Act which has been sustained by the Supreme Court. They deny any intention of impairing the constitutional rights of the utilities and insist that the proposed paragraph 66, as included in section 2 of H. R. 3462, in terms preserves the full judicial authority of the courts. Utilities contend that since paragraph 69a of the section 2 of the bill makes the review proposed therein exclusive, it deprives them of the right of a new trial in the general equity jurisdiction of the courts at which all facts and evidence could be considered de novo by the court. This, the public representatives contend, is not a constitutional right and would unwarrantedly extend the time of trial. The committee finds that the present procedure has, in the past, resulted in trials extending over a period of several years, and that the judicial review proposed in the bill is constitutionally adequate.

The remaining provisions of section 2 elaborate the method of review in the Supreme Court of the District of Columbia and provide for expedition of appeals to the United States Court of Appeals of the District of Columbia by the certification of definite questions propounded by the supreme court. They preserve also the right of the Commission to rescind or modify its order at any time and to permit the improved order to take the place of that changed so as to expedite review.

Section 3 of the bill is a restatement of existing law which has been sustained by the courts imposing expenses of investigations and other proceedings of the Public Utilities Commission and legislation arising therefrom upon the utilities.

Sections 4 and 5 are the customary provisions preserving the integrity of the act and denying its application to present pending litigation of a judicial nature.

The committee in reporting the bill is aware of the importance of the constitutional questions involved therein and has given serious and profound consideration to the arguments in opposition

to its passage. It is, nevertheless, of the opinion that the bill, with the suggested amendments, should pass as the method of review proposed is unquestionably in the public interest, and while preserving adequate review of actions affecting the rights of utilities will tend toward their more efficient regulation.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Speaker, I withdraw my pro forma amendment.

The Clerk read as follows:

SEC. 3. That the said section 8 is hereby further amended by striking all of paragraphs 42 and 42a thereof and inserting in lieu thereof the following:

"PAR. 42. That the expenses of any investigation, valuation, revaluation, or proceeding of any nature by the Public Utilities Commission of or concerning any public utility operating in the District of Columbia, and all expenses of any litigation, including appeals, arising from any such investigation, valuation, revaluation, or proceeding, or from any order or action of the said Commission, shall be borne by the public utility investigated, valued, revalued, or otherwise affected as a special franchise tax in addition to all other taxes imposed by law, and such expenses with interest at 6 percent per annum may be charged to operating expenses and amortized over such period as the Public Utilities Commission shall deem proper and be allowed for in the rates to be charged by such utility. When any such investigation, valuation, revaluation, or other proceeding is begun the said Public Utilities Commission may call upon the utility in question for the deposit of such reasonable sum or sums as in the opinion of said Commission, it may deem necessary from time to time until the said proceeding is completed, the money so paid to be deposited in the Treasury of the United States to the credit of the appropriation account known as 'Miscellaneous trust fund deposit, District of Columbia' and to be disbursed in the manner provided for by law for other expenditures of the government of the District of Columbia, for such purposes as may be approved by the Public Utilities Commission. Any unexpended balance of such sum or sums so deposited shall be returned to the utility depositing the same: *Provided*, That the amount expended by the Commission in any valuation or rate case shall not exceed one-half of 1 percent of the existing valuation of the company investigated, and that the amount expended in all other investigations shall not exceed one-tenth of 1 percent of the existing valuation for any one company for any one year."

With the following committee amendments:

Page 8, line 23, after the figure "69", insert "That the Commission may at any time rescind, alter, modify, or amend its order."

Page 9, line 7, before the word "is", insert "or the litigation arising therefrom."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 4. If any provision of this act or the application to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 5. No proceeding or litigation, except a proceeding involving solely the valuation of the property of any public utility, pending in any court in the District of Columbia on the date of the approval of this act, shall be affected by any of the provisions hereof.

Mrs. NORTON. Mr. Speaker, I move the previous question on the passage of the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMOOT SAND & GRAVEL CORPORATION

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 2197) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Commissioners of the District of Columbia are hereby authorized and empowered to grant permission to the Smoot Sand & Gravel Corporation, a corporation organized and existing under the laws of the State of Delaware, the owner of squares 705, 707, and east of 708, and part of square 708, in the District of Columbia, its successors and assigns, to lay down, construct, maintain, and use pipe lines for the carriage of petroleum and petroleum products from any point or points within any such square or such part of square or such part of square, or to the pierhead line of the Q Street, R Street, Potomac Avenue, reservation 246 and reservation 247, to any point or points within any such square or such part of square, or to the pierhead line of the Anacostia River.

SEC. 2. All the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith, and all plans and specifications for such construction shall be subject to their approval. The Commissioners of the District of Columbia shall have full authority to designate the location and to cause such repairs or relocation of said pipe lines as the public necessity may require, any such repairs or relocation to be at the expense of the Smoot Sand & Gravel Corporation, its successors, or assigns.

SEC. 3. No permission granted or enjoyed hereunder shall vest any right, title, or interest in or to the land within the streets or reservations referred to in section 1.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mrs. NORTON. Mr. Speaker, as there seems to be no objection to this bill, I move the previous question on the passage of the bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. F. DROOP & SONS CO.

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 4708) for the relief of E. F. Droop & Sons Co., and ask that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

A bill for the relief of E. F. Droop & Sons Co.

Be it enacted, etc., That the E. F. Droop & Sons Co., a corporation incorporated under the general laws of the District of Columbia April 27, 1904, shall continue as an existing corporation, and that the term of existence of said corporation shall be made perpetual upon complying with the requirements of section 2 of this act.

SEC. 2. That the said E. F. Droop & Sons Co. shall file with the recorder of deeds of the District of Columbia a certificate similar to that required by subchapter 4 of chapter XVIII of the Code of the District of Columbia approved March 3, 1901, as amended, in respect to increase or diminution of capital stock, and pay to the recorder of deeds of the District of Columbia the fee to which he would be entitled if such corporation were newly organized.

Mrs. NORTON. Mr. Speaker, as there has been no objection expressed to this bill, I move the previous question on the passage of the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA AUTOMOBILE TAGS

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 6192) to authorize the issue of certain automobile tags to certain employees of the House of Representatives, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the proviso in section 6 (c) of the District of Columbia Traffic Act is amended by inserting after the comma following the phrase "Parliamentarian of the House of Representatives" the following: "the Assistant Parliamentarian of the House of Representatives, the tally clerk of the House of Representatives, the Journal clerk of the House of Representatives."

Mrs. NORTON. Mr. Speaker, this is merely a courtesy that is extended for the purpose of helping the Parliamentarian and his assistants in getting work accomplished through the city. As there seems to be no objection to it, I move the previous question on the passage of the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mrs. NORTON. Mr. Speaker, this concludes the business of the District of Columbia Committee for today.

FREDERICK N. ZIHLMAN

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McLEOD. Mr. Speaker, I was shocked this morning to read of the death yesterday of former Congressman Frederick N. Zihlman, at Cumberland, Md., as were the other Members of this body who knew him. During the many years I have served in this House I have never met a more lovable character than Fred Zihlman. His outstanding thoughtfulness of others, his desire at all times to help the needy, and especially motherless and fatherless children, cannot more clearly be exemplified than to cite the fact that our former colleague was one of the small committee responsible for the creation of "Mooseheart"—a great home for the aged and orphaned children.

I was privileged to serve for several years as ranking member to Chairman Zihlman on the District of Columbia Committee, which close association brought about a warm and lasting friendship between us.

His work as Chairman of the District Committee was work of the first magnitude in behalf of the people of the Nation's Capital, and the beneficial results brought about by his untiring energy will long be remembered by them.

Fred Zihlman was an outstanding example of a self-made man and was a born leader. At the age of 11 he started out as an apprentice glass blower and at the age of 25 was elected president of the glass workers' union. His entry into politics came in 1909, when he was elected to the Maryland State Senate, and was elected Republican floor leader in that body in 1914. In 1916 he was elected to this body and served here until 1930, during which time he brought credit to himself and the Congress of the United States.

But though he be dead, the sunny influence which his presence lent will always be with those of us who knew him best, while the kindness of his generous heart and gallant nature can never be forgotten. Hundreds of loving friends who in the sunlight of his genial presence had learned to admire and love him, to love him for his manly characteristics, his nobleness of nature, his purity of heart, his deep affection, are overcome with that grief which silence, not language, can alone express.

Mrs. NORTON. Mr. Speaker, as Chaiman of the District of Columbia Committee, having served with the late Mr. Zihlman for a number of years, and recognizing all of the qualities so ably expressed by the gentleman who preceded me, may I add my tribute to the splendid work performed by Mr. Zihlman during all the time I was associated with him on the District Committee. Mr. Zihlman served faithfully on the District of Columbia Committee during 14 years, 6 of which he served as chairman. His service at all times was in the interest of labor. Through his untiring efforts, a teachers' retirement bill was successfully enacted, as well as a mothers' pension bill and many others too numerous to mention. Mr. Zihlman was among the kindliest men I have ever known; thoughtful and considerate of others always. Particularly was this true with regard to children, as was evidenced when he adopted a little child some years ago. May I not offer my sympathy—and it is a heartfelt sympathy—to his family in this great sorrow that is theirs.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I just want to add to what the gentlewoman from New Jersey and the gentleman from Michigan said my appreciation throughout my years of friendship for Fred Zihlman. His congressional district adjoins the congressional district I represent. I knew him personally, and I know the high esteem in which he was held by the people of that section of the country.

AUTHORIZING OFFICERS OF THE NAVY AND MARINE CORPS TO ADMINISTER OATHS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 93) to authorize certain officers of the Navy and Marine Corps to administer oaths.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in places beyond the continental limits of the United States where the Navy or Marine Corps is serving, such officers of the Navy or Marine Corps as are authorized to administer oaths for the purposes of the administration of naval justice and for other purposes of naval administration shall have the general powers of a notary public or of a consul of the United States in the administration of oaths, the execution and acknowledgment of legal instruments, the attestation of documents, and the performance of all other notarial acts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMEMORATIVE OR SPECIAL MEDALS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1208) authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That authority is hereby granted to personnel of the Navy and Marine Corps to wear in lieu of commemorative or special medals awarded to them a miniature facsimile of such medal and a ribbon symbolic of the award thereof under such regulations as the Secretary of the Navy may prescribe.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING CERTAIN OFFICIALS OF NAVAL ESTABLISHMENTS TO ADMINISTER OATHS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1210) authorizing certain officials under the Naval Establishment to administer oaths.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That chief clerks and inspectors attached to the office of inspectors of naval material, chief clerks attached to field services under the Naval Establishment and to navy yards, naval stations, and Marine Corps posts and stations, and such other clerks and employees attached to offices of inspectors of naval material, field services, naval stations, navy yards, and Marine Corps posts and stations, as may be designated by the Secretary of the Navy, are authorized to administer any oath required or authorized by any law of the United States, or regulation promulgated thereunder, relating to any claim against or application to the United States of officers and employees under the Naval Establishment; said persons so authorized to administer the aforesaid oaths are also authorized to administer oaths of office to officers and employees under the Naval Establishment, but no compensation or fee shall be demanded or accepted for administering any such oath or oaths.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CONSTRUCTION OF BRIDGE ACROSS ARCHERS CREEK IN SOUTH CAROLINA

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4759) to amend section 1 of the act of February 14, 1927, entitled "An act authorizing the Secretary of the Navy to accept, on behalf of the United States, title in fee simple to a certain strip of land and the construction of a bridge across Archers Creek in South Carolina."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. SNELL. Mr. Speaker, reserving the right to object, and I do not suppose I have any objection to this bill, I do not know whether it is quite the right thing to take this bill

up at this time. There are no minority members of the committee here and I do not know anything about these bills.

Mr. VINSON of Georgia. I may say to the gentleman from New York that I have spoken to the gentleman from Pennsylvania [Mr. DARROW], a minority member. All of these bills have been unanimously reported by the Naval Affairs Committee. If the gentleman does not care to have these uncontested bills considered at this time I will withdraw my request.

Mr. SNELL. I do not like the idea of putting them through when there is not a single minority member of the committee here and we did not have notice before.

Mr. VINSON of Georgia. Mr. Speaker, I withdraw my request.

Mr. SNELL. I think that would be better.

Mr. VINSON of Georgia. Mr. Speaker, may I call the attention of the gentleman from New York [Mr. SNELL] to the fact there is a Senate bill of identical character to the House bill here, and I trust the gentleman will permit the consideration of that Senate bill. These bills have been considered by the Naval Affairs Committee, and there is no objection by any member of that committee.

Mr. SNELL. I honestly think that is not quite the fair thing to do without any of the minority members of the committee being present. I think the gentleman should have notified us in advance, and then we would have had someone here during the consideration of the bill. It is taking a little advantage of us to call them up in this way.

Mr. VINSON of Georgia. I do not want to be put in the position of taking advantage of anyone, and I do not think the gentleman's statement is exactly correct, because I spoke to the gentleman about calling up these bills.

Mr. SNELL. The gentleman told me he expected to call up some Senate bills. These are some bills that the gentleman did not say anything about.

Mr. VINSON of Georgia. Then, Mr. Speaker, I withdraw my request for the present consideration of House bills.

FANTASTIC NEW DEAL BORROWING AND EXPERIMENTS

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech to be delivered tonight by my colleague the gentleman from New York [Mr. FISH].

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. KAHN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following address of Hon. HAMILTON FISH, Jr., of New York, over the National Broadcasting Co. network, Monday evening, April 22, 1935:

The "new dealers", confused and confounded and drifting into state socialism and as far away from the principles of Thomas Jefferson as it is possible to get, are flying distress signals on the Ship of State and sending out SOS messages and pleas to cease opposition and uphold the new-deal measures.

My answer to that kind of unadulterated and brazen propaganda and effrontery to free Americans is that it is the duty of all those who are opposed to the unsound, unworkable, and socialistic new-deal measures to speak out in no uncertain terms before our American system is undermined by the termites of the new deal and brought crashing into ruins on our heads. As for me, I propose to use every opportunity to expose and ridicule the fantastic new-deal experiments and raise my voice against the continuous and destructive efforts of the "new dealers" to destroy our representative and constitutional Government and impose on the American people an autocratic, bureaucratic, socialistic, dictatorial form of government without their approval or consent.

The new-deal administration, pledged to reduce the running expenditures of the Government by 25 percent and to balance the Budget, has deliberately repudiated these promises, and has substituted in their place no economic or financial policy except to pile debt upon debt and borrow billions, more billions, and still more billions, without a thought of extinguishing the debt or of the inevitable day of reckoning.

The result has been to destroy business confidence, increase unemployment, impoverish the people, and retard or destroy recovery. The attitude of the "new dealers" is similar to the old French King who said, "I am the state; after me the deluge."

The fantastic increase in the national debt from twenty billions in 1933 to over thirty-five billions, and by the end of June this year to probably over forty billions, is worthy of the vivid imagination of Alice in Wonderland. In fact, it is beginning to become more and more apparent that the American public have been elected to the role of Alice in Wonderland, or, more properly speaking, Blunderland. The new-deal administration, in the guise of the Mad Hatter, invites everyone to help spend billions of the taxpayers' money as if money grew on magical trees or was as numerous as the sands of the sea.

A puzzled, somewhat skeptical, Alice asked the new-deal leadership some simple questions: "Where are all the new billions coming from and how are they to be paid back?" To which the startled Jabberwock replied: "That is not a fair question, but I'll tell you anyhow. The more billions we spend, the easier it is to balance the Budget." "I see", said Alice, "first, the 'new dealers' balance the Budget in their platform and campaign promises; next, by special message to Congress a year ago and now by the definite assurance of the President that the $4,880,000,000 work-relief bill will balance the Budget." "Yes", said the White Knight of Democracy and of Blunderland, James Aloysius Farley, above fear and above reproach, "I have been thinking of a plan to dye one's whiskers green and then to hide behind a fan so that they cannot be seen." "Oh", said the Cheshire Cat, "your plan to balance the Budget must be like me, a vanishing type. Sometimes you see the head, sometimes the tail, but never the whole body." "But", said the bewildered Alice, "I don't even see any head or tail to the financing of the 'new deal' measures and balancing the Budget. Is nothing based upon common sense, experience, sanctity of contract or pledges, and everything on expedients, experiments, and broken promises?" "Don't worry", said a cynical Father William, "the 'new dealers' have a magic formula to balance the Budget—inflation, chaos, bankruptcy, and repudiation."

The limited time does not permit me to further discuss financing the new-deal measures and balancing the Budget. Now, let us turn to some of the other experiments.

President Roosevelt, in his book, entitled "Government, Not Politics", published July 25, 1932, said: "The Chinaman would rather lose life than lose face." Dominated by the same spirit, the "new dealers" vainly endeavor to make unsound and unworkable plans work, merely to salvage their pride. It is more important to save the country than to save the face of the "new dealers."

The American people are sick of the depression, but whichever way they turn they find a lot of inefficient visionary and jabbering bureaucrats not only blocking the way to recovery, but threatening to take what little they have left. The American people are bewildered and mystified by the honeyed words and the sugar-coated fireside chats of the President about a more abundant life in the future under a policy of destruction of crops, birth control of pigs, and a rapidly growing mountain of debt. All that the American wage earner is asking for is the right to earn an honest living at the present time, and educate and support his family properly in accordance with American standards of living.

The very word "recovery" means trying to get back something that was lost. What has been lost under the guidance of the "brain trusters", most of whom are Socialists and never identified with the Democratic Party, but sound American principles of government based upon the wisdom and experience of the past? The truth is that the American system is being hitched up with an un-American system. President Roosevelt is trying to ride two horses going in opposite directions, and that is why we are not getting anywhere. Our economic, industrial, and political problems can only be solved upon sound American principles of government for the best interest of all our people, as they have in the past without recourse to socialism and communism of the left or fascism or Hitlerism of the right.

The Republican Party must stand squarely without fear or favor for the American system and appeal to the people regardless of former party affiliations to come over and help. This is the real issue. It is the greatest in our country's history, and cuts across party lines the way slavery did. The new-deal administration has not only repudiated every principle of Jeffersonian democracy, but of our American system and is rapidly drifting, or perhaps it is truer to say, rushing headlong, into state socialism which is a kind of American fascism.

Our American system, based upon private initiative and reasonable profit, spurred by competition, has given a far more abundant life than any other economic system in the world. Today we find the "new dealers" following after the false economic gods of socialism and those theories of government ownership and operation pursued in Soviet Russia with disastrous results to the people who are undernourished and starving. A very large part of the Democratic Party is not in favor of such radical experiments and is becoming more and more bewildered, disappointed, disgusted, and deceived.

I was a former follower of Theodore Roosevelt and stood with him in 1912 on a platform of social and industrial justice, and believe in those principles more today than ever before, but believe in putting them into effect under the Constitution of the United States, and not outside of, or around, or beyond the Constitution and our American system.

President Roosevelt and his administration was elected on a sound platform, promising a reduction of 25 percent of the running expenditures of the Government, sound money to be preserved at all hazards, a reduction in the number of commissions, to stop borrowing and deficits, and a balanced Budget. During the first 6 months the President gave an admirable administration and tried to live up to his promises and pledges. Confidence was restored and there was a partial recovery and several million American wage earners were put back to work.

Then something happened, revolutionary in nature; the President called in a lot of radical and Socialist professors and vision-

aries to experiment upon our people and our institutions, and, if permitted to continue, will bring down our American system in ruins upon the heads of all our people. These radicals, Socialists, and near Communists were not elected by the people to office to tear down our American institutions. The Socialists and Communists received only a million votes. If, however, our American system is not to be scrapped without ever being submitted to the Nation for a vote, it is clearly the duty of the Republican Party, as the party of opposition, to force the issue before the great power of the administration and its enormous and relentless publicity stifles and smothers the issue.

The question is not that of conservatism or liberalism, although I am a political liberal who believes in the rights and capacity of the people to rule themselves and with Lincoln that human rights are superior to property rights and that labor is prior to capital. The Republican Party must have definite, clear-cut policies and become a fighting, militant organization and purge itself of all who do not believe in our American system. There can be no compromise between the American system and the alien and socialistic policies of the "new dealers", who are changing our form of government without the consent of the people, and setting up a bureaucratic and autocratic form of government, foreign to all American principles and ideals and similar in nature to fascism, Hitlerism, or communism, and everything except Americanism.

The Republican Party must purge itself on one side of all who do not believe in our American system and, on the other, of special privilege and selfish interests, who seek to exploit it. We must get back to the early principles of our party. The sooner we get back to the principles advocated by Abraham Lincoln, of faith in the people, free institutions, and popular government, the sooner will the confidence of the people be restored in the Republican Party.

It is becoming more and more apparent that the Nation cannot long endure half for the American system and half for some imported foreign form of socialism, or "third economy", as described by Prof. Rexford Guy Tugwell, a former member of the League for Industrial Democracy and the People's Lobby, both of which are against the profit system and in favor of Government ownership.

Newspaper reports state that Professor Tugwell will be in charge of the disbursement of $900,000,000 of the funds carried in the work-relief bill, and may become the most important administrative officer in the relief program, with full control of rural rehabilitation, soil erosion, submarginal land activities, and perhaps the Mississippi Valley development. Such an appointment is a typical example and an unanswerable reason for the loss of confidence by American business men, small and large, in the new-deal policies. How can business men, investors, and employers of labor place any confidence in the "new dealers", who have opposed in the past and are still opposed in their hearts to our entire industrial system based on private initiative and profit?

Let the Republican Party face the issue squarely and uphold our American system and fearlessly announce that it can only be improved by sound American principles of government. If it has failed, then it should be scrapped for collectivism, regimentation, a crushing bureaucracy, Government ownership, and state socialism. The battle should be joined by the upholders of our American system and those opposed, whether for state socialism, communism, or fascism. The American system is based on three separate and independent branches of government under the Constitution, acting as checks and balances on each other in order to preserve the rights and liberties of the American people. Until the advent of the new-deal administration no American questioned our representative form of government and the capacity and intelligence of the people to govern themselves within the confines of the Constitution.

Two years of new-deal rule has seen a cowardly, supine, and partisan Congress surrender its legislative powers month by month, upon the arrogant demands of the Chief Executive, and set up an autocrat in the White House. At first these powers were delegated on a supposedly temporary basis in an economic emergency, but that is no longer the case. President Roosevelt apparently is obsessed with the idea that he is divinely sent to rule and insists on permanent autocratic powers, in defiance of our representative form of government and the Constitution. Not satisfied with driving a subservient Congress to turn over the power to determine the value of money and the making of tariff schedules, he has taken away from Congress the control of the purse strings, the main reason for its existence. The new work-relief bill, totaling almost $5,000,000,000, has left Congress with scarcely any more legislative powers than Ghandi has clothing. The President is now demanding control over both credit and currency through the new banking bill establishing virtually a central bank under the political control of the President through the Federal Reserve Board. By the end of the present session, Congress will be nothing more than a debating society like the Parliaments of Italy and Germany—nothing but a rubber stamp to affirm the edict of the President.

The rape of the legislative powers of Congress and the betrayal of representative and constitutional government is an issue that the Republican Party must meet without compromise. If we remain silent on this issue and drift into an autocratic socialistic dictatorship, then we cannot avoid a share of the blame for not taking up the challenge. If the American people want to change their form of government they have a right to do so, but a partisan, patronage-driven Congress has no right to change our form of government without the approval and consent of the people.

Up to the time of the new deal and its foreign imported ideals, the Government was, except in time of war, conceived to be the servant and not the master of the people. The American system has demonstrated throughout the years that it stood for the greatest good of the greatest number and for equal opportunities for all. Under it American labor has been the best paid, the best housed, the best fed, the best clothed, the most contented and the freest in the world. It has been upheld by every prominent Democrat, including Grover Cleveland, Woodrow Wilson, William Jennings Bryan, Alfred E. Smith, John W. Davis, Albert C. Ritchie, and Newton Baker. All of a sudden the "new dealers" tell us because we are in a depression that everything is wrong, rotten, and corrupt in our economic and political system, and all must be scrapped for a new form of government with a beneficient dictator in the White House.

Without attempting or desiring to formulate a Republican platform, I submit that any Republican program must not pussyfoot or compromise on the following fundamental issues:

First. Restoration of representative and constitutional government by restoring to Congress the powers surrendered to the executive branch of government and the reestablishment of a government of law.

Second. Restore business confidence and put American wage earners to work by withdrawing the Government as quickly as possible from control of business and from competition with industry, and from direct interference with business by Executive orders, and drastically modifying the N. R. A. A few fundamental codes are all that is necessary—one for natural resources, oil, coal, etc., one for fair competition strong enough to protect the small man in paying his employees according to American standards, one to do away with child labor, and another for a minimum wage scale and maximum hours of labor.

Third. Establish and maintain a stabilized currency on a sound basis.

Fourth. Repeal the A. A. A. and give the Secretary of Agriculture emergency power to fix national minimum prices for domestic consumption, which is the only way to regain the wheat and cotton markets of the world. Advocate an economy of abundance, not scarcity, and creation of true wealth, not its destruction. Protect all farm products from foreign competition by adequate duties or an embargo, if necessary. Establish an equilibrium between the products of the farms, mines, and factories. Assure the farmer the cost of production plus a reasonable profit. Establish a reserve supply of meat, grain, and other foodstuffs whenever surpluses arise, to provide 1 year's supply for the American people against drought, climate conditions, undernourishment, or famine, but not to be used except in war or other emergency.

Fifth. Abolish all processing taxes and taxes on production. Do away with tax-exempt securities. Put taxes where they can be seen and felt on income, inheritance, and sales. Practice national economy, balance the Budget, and fund the national debt for 50 years.

Sixth. Preserve the home market for American goods and retain the American wage scale and standards of living. Protect the American wage earner against competition from the cheap products of the low-paid labor in Japan and Europe.

Seventh. Abolish all Government publicity bureaus. They are nothing more than political propaganda machines, deceiving the people back home, creating a censorship of news, endangering free institutions, and have no place in our American system.

Eighth. Social and economic justice: Provide a reasonable and adequate old-age pension or retirement plan, without political advantage to any group or party. Develop under normal times an unemployment-insurance fund under State control. Improve the means of distribution and reduce the high cost of living on foodstuffs for American wage earners and consumers and enable the housewives to balance their family budgets.

Ninth. Provide for national defense, but not for aggression. Take the profit out of war and prohibit the loaning of money to foreign nations. Stay out of all foreign entanglements, leagues of nations, world courts, sanctions, or war commitments. Keep out of all foreign boundary disputes, ancient blood feuds, and intrigues. Cease passing moral judgments on foreign nations. Stop trying to police the world or to pick the chestnuts out of the fire for other nations, and, above all, mind our own business, as we have plenty of problems to attend to in our own country at the present time.

Tenth. Provide for the fullest freedom of speech, of the press, and over the radio for American citizens, except to the extent of urging the overthrow of our republican form of government by force and violence, which is guaranteed to each State by the Federal Constitution. Enact deportation laws against all aliens who seek to spread class hatred, promote strikes, riots, and industrial unrest, and to undermine and tear down our free institutions, and give their jobs to industrious and loyal American citizens now walking the streets and who have faith in our American system.

Eleventh. Reaffirm our faith in the early principles of the Republican Party, enunciated by Abraham Lincoln who repeatedly stated that he had obtained all his political principles from Thomas Jefferson. Build a bridge on the firm foundation of the rights and liberties of the people under the Constitution, so that all disgusted and deceived Jeffersonian Democrats can cross over to help elect a Republican President in 1936 in order to oust the "new

dealers" who have all but destroyed Jeffersonian principles that have been the creed of the Democratic Party for over 135 years.

Twelfth. Set up a bookkeeping system in the Nation so that we shall always know the extent of our wealth and its distribution, and currently know our actual position in international finance and trade.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1611. An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.; to the Committee on Naval Affairs.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Comimttee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 23, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Tuesday, Apr. 23, 10 a. m.)

Subcommittee will hold hearings on bill (H. R. 6656) authorizing Pennsylvania Railroad Co. to construct a bridge over New York Avenue NE., etc., and bill (H. R. 7447) amending act providing for a union railroad station in the District of Columbia, and for other purposes, room 345, old House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Tuesday, Apr. 23, 10:30 a. m.)

Committee will hold hearings on bill (H. R. 7170) authorizing the naturalization of certain resident alien World War veterans, room 445, old House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Tuesday, Apr. 23, 10 a. m.)

Committee will hold hearings on bills (H. R. 3252) prohibiting the advertising of loans carrying excessive rates of interest; (H. R. 5728) prohibiting the use of the mails for the taking of straw votes; and (H. R. 6177) relating to threatening letters in the mails.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

306. A communication from the President of the United States, transmitting two supplemental estimates of appropriations for the Treasury Department of the fiscal year 1935 amounting to $24,354,530.78, together with draft of a proposed provision pertaining to an existing appropriation (H. Doc. No. 161); to the Committee on Appropriations and ordered to be printed.

307. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations for the fiscal years 1928 and 1936 for certain independent establishments amounting to $363,051.25, together with a draft of a proposed provision pertaining to an existing appropriation (H. Doc. No. 162); to the Committee on Appropriations and ordered to be printed.

308. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal year 1935, amounting to $345,500 (H. Doc. No. 163); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 7593. A bill to facilitate the extension of agricultural credit at lower interest rates by providing for the issue of certain bank notes, and for other purposes; without amendment (Rept. No. 743). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6719. A bill to amend the Canal Zone Code; with amendment (Rept. No. 744). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DORSEY: Committee on Military Affairs. H. R. 417. A bill for the relief of William P. Brady; without amendment (Rept. No. 745). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEY: A bill (H. R. 7650) to regulate fares and tolls on certain bridges in the case of pedestrians and motor-bus passengers; to the Committee on Interstate and Foreign Commerce.

By Mr. KIMBALL: A bill (H. R. 7651) to authorize the erection of an addition to the existing Veterans' Administration facility, Camp Custer, Mich.; to the Committee on World War Veterans' Legislation.

By Mr. LANHAM: A bill (H. R. 7652) to authorize the furnishing of steam from the central heating plant to the Federal Reserve Board, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. WELCH: A bill (H. R. 7653) to grant to the State of California a retrocession of jurisdiction over certain rights-of-way granted to the State of California over certain roads about to be constructed in the Presidio of San Francisco Military Reservation and Fort Baker Military Reservation; to the Committee on Military Affairs.

By Mr. LEMKE: A bill (H. R. 7654) authorizing the State highway departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N. Dak.; to the Committee on Interstate and Foreign Commerce.

By Mr. RAMSPECK: A bill (H. R. 7655) amending the act of August 23, 1912 (37 Stat. 413), relating to preference in reduction of force granted to persons entitled to military preference; to the Committee on the Civil Service.

By Mr. BROWN of Michigan: A bill (H. R. 7656) to amend subdivision (c) of section 36 of title 12, United States Code, supplement VII, Revised Statutes 5155, as amended; to the Committee on Banking and Currency.

By Mr. SAMUEL B. HILL: A bill (H. R. 7657) to authorize the adjustment of the boundaries of the Colville National Forest, in the State of Washington, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 7658) to amend the act entitled "An act to reclassify terminal railway post offices", approved June 14, 1934; to the Committee on the Post Office and Post Roads.

By Mr. SPENCE: A bill (H. R. 7659) to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KLEBERG: A bill (H. R. 7660) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife administered by the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MURDOCK: Resolution (H. Res. 200) to appoint a special committee to conduct an investigation of unfair and illegal acts and practices by business competitors; to the Committee on Rules.

By Mr. DINGELL: Joint resolution (H. J. Res. 254) providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings; to the Committee on Public Buildings and Grounds.

By Mr. FISH: Joint resolution (H. J. Res. 255) to prohibit the extension of credits and the issuance of foreign loans; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to reduce the tax on beer and other liquor; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New York regarding the importation of textile articles; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 7661) for the relief of John Smith; to the Committee on Military Affairs.

By Mr. FARLEY: A bill (H. R. 7662) granting an increase of pension to Nancy A. Bortner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7663) granting a pension to Eliza Jane Wilkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7664) granting a pension to Mary E. Michaud; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 7665) granting an increase of pension to Mabel A. LaForge; to the Committee on Invalid Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7666) for the relief of Sol J. Hyman; to the Committee on Claims.

By Mr. MITCHELL of Illinois: A bill (H. R. 7667) for the relief of Jane Gordon; to the Committee on War Claims.

By Mr. PARKS: A bill (H. R. 7668) for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.; to the Committee on Claims.

By Mr. PITTENGER: A bill (H. R. 7669) for the relief of Joe Rodmonovich; to the Committee on Military Affairs.

By Mr. ROMJUE: A bill (H. R. 7670) granting a pension to James Robinson; to the Committee on Invalid Pensions.

By Mr. STUBBS: A bill (H. R. 7671) to direct the Secretary of the Interior to convey title to certain lands in California to the heirs of George P. Eddy; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7287. By Mr. BUCKLER of Minnesota: Petition of A. D. Johnson, county auditor of Beltrami County, Bemidji, Minn., praying for the passage of old-age-pension and social-insurance legislation; to the Committee on Ways and Means.

7288. Also, petition of H. A. Johnson, adjutant, Post No. 421 of the American Legion, of Erskine, Minn., in behalf of members of the post, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

7289. By Mr. FISH: Petition of 30 citizens of the city of Poughkeepsie, N. Y., favoring the passage of House bill 2897, to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence; to the Committee on the Judiciary.

7290. Also, petition of 108 citizens of the State of New York, protesting against religious persecutions in Mexico and requesting the recall of the present Ambassador, Josephus Daniels; to the Committee on Foreign Affairs.

7291. By Mr. JOHNSON of Texas: Petition of the Fox Co., of San Antonio, Tex., and Black River Paper Co., of Watertown, N. Y., favoring House bill 2798, restoring 2-cent postage; to the Committee on the Post Office and Post Roads.

7292. Also, petition of Grace V. Strahm Letter Co., of Kansas City, Mo., favoring House bill 2798; to the Committee on Ways and Means.

7293. Also, petition of A. M. Smith, secretary-sales manager, Barron Brick Co., of Palmer, Tex., opposing House bill 3657; to the Committee on Labor.

7294. By Mr. KENNEY: Petition of the Workmen's Sick and Death Benefit Fund Society of Branch 235, in North Bergen, N. J., endorsing House Resolution No. 2827, known as the "Lundeen bill"; to the Committee on Labor.

7295. Also, petition of Ridgefield Park Council, No. 123, of Ridgefield Park, N. J., representing the Sons and Daughters of Liberty, urging upon Congress favorable consideration and immediate passage of House bill 5921, introduced by Hon. MARTIN DIES; to the Committee on Immigration and Naturalization.

7296. By Mr. KING: Concurrent resolution from the Legislature of the Territory of Hawaii, urging the Governor of the Farm Credit Administration to send qualified representatives to Hawaii; to the Committee on Agriculture.

7297. By Mr. LORD: Petition of Henry Toelke and others of Binghamton, N. Y., urging the passage of House Joint Resolution 167; to the Committee on the Judiciary.

7298. By Mr. McREYNOLDS: Petition signed by members of the Boot and Shoe Repair Local No. 620, Chattanooga, Tenn., urging early passage of the Wagner labor disputes bill; to the Committee on Labor.

7299. By Mr. McLAUGHLIN: Petition of the Congress of the United States to enact the legislation now pending providing for the issuance on July 9, 1935, of a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American Revolutionary Forces and for the proclamation of Barry Memorial Day; to the Committee on the Judiciary.

7300. By Mr. MILLARD: Petition signed by residents of Lanao Province, Island of Mindanao, P. I., who are opposed to Philippine independence; to the Committee on Insular Affairs.

7301. Also, petition signed by members of the Larchmont (N. Y.) Post Road Businessman's Association, urging the purchase by the Government of the building belonging to a closed bank located at Larchmont Avenue and the Boston Post Road, Larchmont, N. Y.; to the Committee on Public Buildings and Grounds.

7302. By Mr. PFEIFER: Petition of the New York Women's Trade Union League, of New York, urging passage of the social-security bill; to the Committee on Ways and Means.

7303. Also, petition of National Seal Co., Inc., Brooklyn, N. Y., concerning the Wagner labor-disputes bill (S. 1958); to the Committee on Labor.

7304. Also, petition of the Standard Textile Products Co., of New York, concerning House bill 3657; to the Committee on Labor.

7305. Also, telegram from Irwin S. Chanin, president Northampton Brewery Corporation, of New York, concerning the McNary bill (S. 7626), hop processing tax; to the Committee on Agriculture.

7306. Also, telegram from R. B. Raymond, of Brooklyn, N. Y., urging retention of the present Ice Code; to the Committee on Appropriations.

7307. Also, telegrams from G. Bellisari, William Rubin, H. Kaminsky, E. Erick, S. Willner, Tony Licure, J. Moskowitz, M. Scharff, Max Williams, I. Safosky, and C. Sigmarelli, urging continuation of the Ice Code in the National

Recovery Administration; to the Committee on Appropriations.

7308. Also, petition of Abraham & Strauss, Inc., Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

7309. By Mr. RABAUT: Petition of the Old Hickory Club of Detroit, the largest, oldest, and most militant Democratic club in the State of Michigan, and signed by J. Henry Denning, George J. Martin, Grover Taylor, Ruben J. White, Dr. H. E. McCorkle, Samuel Bastien, Ivan Merritt, Albert Fruske, George B. White, and Senator James A. Murphy; to the Committee on Ways and Means.

7310. By Mr. RUDD: Petition of Orrin S. Good and 25 other citizens of Brooklyn and Queens, concerning the extension of the National Industrial Recovery Act and National Recovery Administration; to the Committee on Appropriations.

7311. Also, petition of the Legislature of the State of New York, concerning the Fulmer bill (H. R. 6914), for Federal acquisition of land for State forests; to the Committee on the Public Lands.

7312. Also, petition of William Gibson, M. Herman, G. Delmonico, W. Parsons, M. Sakofsky, E. Erick, P. Lafatro, J. Moskowitz, F. Goldman, and P. Sizrilnick, citizens of Brooklyn, N. Y., concerning the extension of the National Recovery Administration provisions in Ice Code; to the Committee on Appropriations.

7313. By Mr. SHANLEY: Petition of the General Assembly, State of Connecticut, regarding damage to oyster beds in New Haven Harbor; to the Committee on Merchant Marine and Fisheries.

7314. By Mr. TRUAX: Petition of the organized machinists of Lucas County, Toledo, Ohio, numbering approximately 1,500, by their secretary, Clarence E. Martin, urging support of the Wagner-Connery bill, the Guffey bill on mining codes, the amended National Recovery Administration bill, and the Black-Connery 30-hour bill; to the Committee on Labor.

7315. Also, petition of 125 active farmers of Elyria, Lorain County, Ohio, by their secretary, Attorney A. H. West, approving House bills 2066 and 4298, as these bills are beneficial to the interest of the farmers; to the Committee on Agriculture.

7316. Also, petition of Local Union No. 1431, United Mine Workers of America, Crooksville, Ohio, by their president, James A. White, requesting and urging support of Guffey coal-stabilization bill, Wagner labor-disputes bill, 30-hour week bill, and social-securities legislation; to the Committee on Labor.

7317. Also, petition of Local No. 170, N. F. P. O. C., Toledo, Ohio, by their secretary, Bernard W. Heinl, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

7318. Also, petition of the Toledo Mailers Union, No. 35, Toledo, Ohio, by their secretary, Oscar Saffron, urging support of the Wagner labor-disputes bill and the Connery 30-hour week bill; to the Committee on Labor.

7319. By the SPEAKER: Petition of the Civic Leaders' Club, Los Angeles, Calif.; to the Committee on Ways and Means.

SENATE

TUESDAY, APRIL 23, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 22, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths;

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award;

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; and

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia.

The message also announced that the House had passed the bill (S. 2035) entitled "An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes", with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.; and

H. R. 6192. An act to authorize the issue of certain automobile tags to certain employees of the House of Representatives.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Reynolds
Ashurst	Coolidge	Keyes	Robinson
Austin	Copeland	King	Russell
Bachman	Costigan	La Follette	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Lonergan	Sheppard
Barbour	Dickinson	McGill	Shipstead
Bilbo	Dieterich	McKellar	Smith
Black	Donahey	McNary	Stelwer
Bone	Duffy	Metcalf	Thomas, Okla.
Borah	Fletcher	Minton	Townsend
Brown	Frazier	Moore	Trammell
Bulkley	Gerry	Murphy	Truman
Bulow	Gibson	Murray	Tydings
Burke	Glass	Neely	Vandenberg
Byrd	Gore	Norris	Van Nuys
Byrnes	Guffey	Nye	Wagner
Capper	Hale	Overton	Walsh
Caraway	Harrison	Pittman	Wheeler
Carey	Hatch	Pope	White
Clark	Hayden	Radcliffe	

Mr. AUSTIN. I announce that the Senator from Delaware [Mr. HASTINGS] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

Mr. ROBINSON. I announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from Georgia [Mr. GEORGE], the Senator from California [Mr. MCADOO], the Senator from Utah [Mr. THOMAS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. MCCARRAN], the Senator from Illinois [Mr. LEWIS], and the Senator from Louisiana [Mr. LONG] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, reporting, pursuant to law, that

there is in the files of the Philadelphia, Pa., depot of the Quartermaster Department an accumulation of documents and papers which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SHEPPARD and Mr. CUTTING members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of Dougles Dunmare, of Parkdale, Ark., praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

Mr. COPELAND presented a resolution adopted by Branch No. 278, Workmen's Sick and Death Benefit Fund, of New Rochelle, N. Y., favoring the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented resolutions adopted by the Salt Producers' Association at Chicago, Ill., and the executive board of the New York Clothing Manufacturers' Exchange, New York City, N. Y., favoring the extension of the National Industrial Recovery Act, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Central Civic Association, of Hollis, N. Y., favoring the enactment of the bill (H. R. 6514) to amend section 1001 (a) of the Revenue Act of 1932, relative to the postage rate on first-class mail matter, which was referred to the Committee on Finance.

He also presented resolutions adopted by Colonial Council, No. 25, of Woodmere; Garfield Council, No. 19, of Syracuse; and Salt City Council, No. 114, all of the Sons and Daughters of Liberty in the State of New York, favoring the enactment of House bill 5921, to strengthen the existing law pertaining to the deportation of aliens, which were referred to the Committee on Immigration.

He also presented resolutions adopted by Mill Rock Post, No. 716, of New York City, and Howard Lathrop Post, No. 2307, of Lynbrook, both of the Veterans of Foreign Wars of the United States, in the State of New York, favoring the enactment of the bill (H. R. 2897) to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence, and for other purposes, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by Division No. 1, Ancient Order of Hibernians, of Niagara Falls, N. Y., favoring the enactment of legislation providing for the issuance of a special postage stamp commemorative of the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Canastota (N. Y.) Chamber of Commerce, protesting against the enactment of legislation providing for a 30-hour work week in industry, which was ordered to lie on the table.

He also presented a resolution adopted by the Canastota (N. Y.) Chamber of Commerce, protesting against the enactment of the so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

Mr. LONERGAN presented the following resolution of the General Assembly of the State of Connecticut, which was referred to the Committee on Agriculture and Forestry:

Resolution concerning the textile industry

Whereas the cotton processing tax, proclaimed by the Secretary of Agriculture as of August 1, 1933, under authority of Public, No. 10, Seventy-third Congress, is unsound and oppressive and detrimental to labor and industry in the State of Connecticut; and

Whereas the geographical wage differential prescribed in code of fair competition for the cotton textile industry operates to the disadvantage of labor and industry in this State as compared with Southern States; and

Whereas the cotton industry of the United States is suffering seriously from foreign competition: Now, therefore, be it

Resolved, That the general assembly respectfully request the Congress of the United States, either by statutory amendment to the pertinent enabling acts or by appropriate direction to the executive branch, to terminate the application of the cotton processing tax and the North-South wage differential in the cotton textile industry; and be it

Resolved, That the Congress of the United States be urged to pass an act which will restrict the importation into this country of any textile article from any country in a greater volume than the average annual volume of importation of that article from such country during the years 1930–34, inclusive; and be it further

Resolved, That the secretary of state is directed to send a certified copy of this resolution to each Senator and Representative in Congress from Connecticut.

THE TEXTILE INDUSTRY

Mr. KEYES presented a resolution adopted by the Board of Mayor and Aldermen of the City of Manchester, N. H., which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Resolution requesting national legislation to correct present destructive conditions affecting the textile industry of New England

Resolved by the Board of Mayor and Aldermen of the City of Manchester, as follows:

Whereas the increased cost of manufactured products due to the cotton processing tax falls most heavily upon the laboring people, who can least afford to pay it, and the importation of Japanese textiles seriously affects the industry in which thousands of our residents are employed; and

Whereas the wage differential in favor of the southern textile mills is causing many of our northern textile mills to curtail production or liquidate, and even now has resulted in the demolition of several mills of the Amoskeag Manufacturing Co., throwing many out of employment: Be it

Resolved, That the Board of Mayor and Aldermen, in regular meeting, urges the President of the United States and the Congress of the United States to adopt remedial measures to save the textile industry for Manchester and the State of New Hampshire; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States and to the New Hampshire Senators and Representatives in Congress.

REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 1861) to incorporate the National Association of State Libraries, reported it without amendment.

Mr. LOGAN, from the Committee on the Judiciary, to which was referred the bill (S. 1626) for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia, reported it without amendment.

Mr. MINTON, from the Committee on Military Affairs, to which was referred the bill (S. 1497) to authorize the appointment of First Lt. Claude W. Shelton, retired, to the grade of captain, retired, in the United States Army, reported it with an amendment and submited a report (No. 545) thereon.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 5914) to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936, reported it without amendment and submitted a report (No. 546) thereon.

Mr. PITTMAN, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2131) to provide for the establishment of the Big Bend National Park in the State of Texas, and for other purposes, reported it without amendment and submitted a report (No. 547) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 22d instant that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 97) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia, June 8, 1935, to June 17, 1935, both inclusive.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 2650) to establish a new judicial circuit of the United States, with a circuit court of appeals, hereafter to be called the "eleventh circuit"; to the Committee on the Judiciary.

By Mr. JOHNSON:

A bill (S. 2651) to grant to the State of California a retrocession of jurisdiction over certain rights-of-way granted to the State of California over certain roads about to be constructed in the Presidio of San Francisco Military Reservation and Fort Baker Military Reservation; to the Committee on Military Affairs.

By Mr. SMITH:

A bill (S. 2652) to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes; to the Committe on Agriculture and Forestry.

By Mr. BYRD:

A bill (S. 2653) for the relief of Samuel Irick; to the Committee on Finance.

By Mr. COPELAND:

A bill (S. 2654) to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc. (with accompanying papers); to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 2655) to define the election procedure under the act of June 18, 1934, and for other purposes; and

(By request.) A bill (S. 2656) to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes; to the Committee on Indian Affairs.

By Mr. SHIPSTEAD:

A joint resolution (S. J. Res. 104) to provide for the determination and payment of claims for damage sustained by the fluctuation of the water levels of the Lake of the Woods in certain cases, and for other purposes; to the Committee on Foreign Relations.

By Mr. DUFFY:

A joint resolution (S. J. Res. 105) making an additional appropriation for the Federal Trade Commission; to the Committee on Appropriations.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.; and

H. R. 6192. An act to authorize the issue of certain automobile tags to certain employees of the House of Representatives.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

CLAIM OF W. K. RICHARDSON

Mr. CAPPER submitted the following resolution (S. Res. 119), which was referred to the Committee on Military Affairs:

Resolved, That the case of W. K. Richardson against the United States, No. A-200, be, and hereby is, remanded to the United States Court of Claims, with complete authority, the Statute of Limitations or Rules of Procedure to the contrary notwithstanding, to hear and consider questions of law and fact complained of in the motion for a new trial, made January 28, 1931. Said hearing to be upon the report and finding of facts of the Commissioner and the testimony taken at the former trial of the case, with and under the stipulation that the amount for which suit was originally brought be reduced to 3 percent of the amount claimed in said suit. Such suit shall be advanced on the docket of the Court of Claims and promptly placed on the trial calendar. This reference is made under section 151 of the Judicial Code.

PRODUCTION COST OF CERTAIN CITRUS-FRUIT PEEL

Mr. COPELAND submitted the following resolution (S. Res. 120), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission is directed under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the cost of production of the following domestic articles and of any like or similar foreign articles dutiable under paragraph 739 of said act:

Orange, grapefruit, lemon, and other fruit peel, candied, crystallized, glace, or otherwise prepared or preserved; citron or citron peel, candied, crystallized, glace, or otherwise prepared or preserved.

P. W. A. LOANS FOR MUNICIPAL CONSTRUCTION IN THE DISTRICT

Mr. KING. I ask the Chair to lay before the Senate the message from the House of Representatives relating to Senate bill 2035.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes, which were, on page 1, line 9, after "Works", to insert "or such other agency", and on page 2, line 15, after "determine", to insert "; and to advance to the Children's Hospital of the District of Columbia in compensation for clinical examination of tubercular children the sum of $100,000, or so much thereof as may be necessary, for alterations and enlargement of building, equipment, and accessories."

Mr. KING. I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. KING, Mr. GLASS, and Mr. CAPPER conferees on the part of the Senate.

THE COLONY OF CONNECTICUT (S. DOC. 53)

Mr. LONERGAN. Mr. President, in connection with the tercentenary celebration of the settlement of the State of Connecticut I ask unanimous consent to have printed, with an illustration, as a Senate document for use in schools some material of historic interest and importance. The material consists of a manuscript on the subject of the Colony of Connecticut, its beginning, growth, and characteristics up to the time of the observance of its tercentenary celebration in 1935.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

FREE SPEECH—ADDRESS BY SENATOR BORAH

Mr. TOWNSEND. Mr. President, on Saturday evening, April 20, the senior Senator from Idaho [Mr. BORAH] appeared before the American Society of Newspaper Editors and delivered a notable address, in which he said:

Mr. Chairman, the press in this country has been vigilant and persistent at all times in the protection of its freedom. No national emergency has been permitted to curtail in any respects its liberty. It has stood steadfastly for its own freedom, and, in so doing, it has made more secure the personal rights and privileges of the citizen. * * *

At no time in the history of free institutions has the obligation of the press to the citizen been more vital and more exacting than at the present time.

Mr. President, I ask that the address in its entirety be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FREE SPEECH

ADDRESS BY SENATOR WILLIAM E. BORAH BEFORE THE AMERICAN SOCIETY OF NEWSPAPER EDITORS, APRIL 20, 1935

Mr. Chairman, the press in this country has been vigilant and persistent at all times in the protection of its freedom. No na-

tional emergency has been permitted to curtail in any respect its liberty. It has stood steadfastly for its own freedom, and, in so doing, it has made more secure the personal rights and privileges of the citizen.

I could pass the evening with you reciting the story of how and at what cost the freedom of the press was established and against what sinister forces it has been maintained. It is in many respects the most interesting phase of the history of modern civilization. It is in a large part the story of personal liberty and free government. But it is my purpose to lead you into a wider field and invite your consideration to a theme more imminent. I want to speak tonight of the rights and privileges of the citizen—freedom of thought, freedom of belief, freedom of political opinions, freedom of faith—and the right of the citizen to give expression to his thoughts. At no time in the history of free institutions has the obligation of the press to the citizen been more vital and more exacting than at the present time. It has been said that you may chain down all other rights and leave the press free and it will in time unchain all the rest. That does not exaggerate your responsibility nor overstate your power. Arbitrary government and a free press cannot long exist under the same flag.

If I am not mistaken, you have resting upon you a duty calling for no less vigilance, no less courage, and no less ability than have so many times been displayed by great editors and great newspapers who in the past have won the eternal gratitude of a free people by their unselfish defense of human rights. We boast that this is an age of enlightenment. I shall not assume, of course, to challenge that fact. But I cannot refrain from remarking that in this age of enlightenment only a very small percentage of the people of the world enjoy the blessings of free speech and of a free press. It is equally true that in the world at large civil and religious liberty are everywhere under challenge.

Hidden away in one of the volumes of Tacitus, given little prominence, almost casual in presentation, are the lines now familiar to all: "So for the quieting of this rumor (that is, the setting fire to Rome), Nero judicially charged with the crime, and punished with most studied severities, that class, hated for their general wickedness, whom the vulgar called "Christians." The originator of that name was one Christ, who, in the reign of Tiberius, suffered death by the sentence of the procurator, Pontius Pilate. The baneful superstition, thereby repressed for the time, again broke out not only over Judea, the native soil of that mischief, but in the city also, where from every side all atrocious and abominable things collect and flourish." From Nero until now, from the reign of that despot until the days of his modern imitators, men have thus dealt with "baneful superstitions", repressed them for a time through force, employing the prison, the fagot, and the wheel, to see these so-called "baneful superstitions" break out again. During all these centuries there have been those who acted upon the vain and vicious theory that you can change beliefs by the employment of "most studied severities." It is no exaggeration to say that most of the misery of this world has been caused by men acting upon this theory.

One is sometimes made to feel that the most universal, the most tenacious, and certainly the most deadly passion which stirs the human heart is that of intolerance. It is peculiar to no race; it is the curse of all. It has bathed nations in blood; it has sent millions to the block, to exile, and to the dungeon, degraded humanity and profaned the name of religion. The war against intolerance is an eternal war.

Mr. Chairman, in periods of distress, when the Nation's spirit is troubled and confused, it may be expected that this trouble and confusion will find expression in many laws spread upon the statute books in an honest effort to solve pressing problems. We need not take too seriously many of these statutes. With better days and a clearer sky they will be repealed or lapse into that oblivion which often gently covers the record of well-intentioned error. But there are great principles, vital principles, an indispensable part of free government from which we should at no time and under no circumstances permit ourselves as a people to depart. Precedents established in contravention to these principles may at any time thereafter be invoked and used to the disadvantage or serious injury of the people. These principles relate to opinions and the right to express opinions; they relate to the utmost freedom of discussion so long as peaceably conducted. Here lies the fountain source from which all truth, all righteousness, all justice, and all freedom of the citizen flow. It should never suffer pollution from intolerance or arbitrary power. No emergency can justify or condone withholding from the citizen the full enjoyment of these principles. It is the highest and most sacred obligation of the press to see that the people suffer no abatement of their rights in this respect. Liberty of the press, unsupported by the liberty of the citizen, would seem impossible; but, if possible, it would constitute a cruel and cowardly betrayal of the people upon the part of the press, and the press would merit, and in due time would receive, the full penalty of retribution.

During recent months a deluge of bills have been introduced in the different State legislatures and some in Congress, all founded in the exploded theory apparently that you can control opinions and beliefs by law. Some of these measures are sound in principle and are justified in that they seek to punish acts, acts of violence or appeals to force. Others properly provide punishment for those who defy officers of the law or who seek to incite riots and disorder. But others enter the domain of opinions and beliefs, and would seek to restrain or control such opinions and beliefs by punitive measures. They constitute a dangerous experiment. They are at war with the first principles of democracy. They repudiate the very principles which brought this Republic into existence and which has maintained it. The test of truth in politics or religion is not a law or a jail; the test is whether through appeal to the minds and hearts of men and women you can get your views accepted by the public opinion of the world. In some of these measures loose and vague definitions joined to a discretionary power, supported by spies and provocators, give us a glimpse of a system foreign to every conception of American freedom. In spirit, if not in exact terms, the old alien and sedition laws, to which the mild spoken Madison referred as "a monster that must forever disgrace its parents", are revived and that first great national mistake in the matter of arbitrary legislation would again be reenacted. I doubt not with the same futile and humiliating result.

Morley, in his biography of Voltaire, recalls how Voltaire often became enraged by the repeated recurrence of horrors which he had supposed dead. It stirs one's wrath and challenges one's faith in human advancement to find men in responsible positions and writers of conceded standing bringing forward again the shameless betrayal of free speech found in the old alien and sedition laws, digging down in the debris of things which the enlightened judgment of a century has sealed with its disapproval and its scorn, and presenting them anew for our consideration and approval. It discloses how utterly sterile and reactionary are these professed defenders of American principles when they propose to satisfy the aspirations of the American people from the intellectual garbage cans of the last century. If these and similar laws were enacted, and should they be held valid, it would be impossible for men and women with the most patriotic motives to assail many social or political wrongs now made respectable by law or custom. It would only be one step further when no man could run for office except upon the platform or ticket of those already in power. It is one of the strange freaks of human nature and one of the tragedies of government that many men who, through the accidents of politics, secure office immediately become possessed with the idea that they are the sole custodians of American principles, the sole guardians of American institutions, and the exclusive possessors of American ideals. Hence, they immediately begin to enact laws upon the theory that the people generally are weak, susceptible, dangerous, prone to think for themselves, and sure if they do to think unwisely. The fact is that the real guardians of American democracy and American ideals are these same people whom the lawmakers seem constantly to distrust.

When we are engaged in the delicate and hazardous task of legislating in regard to the personal liberty of the citizen, it is a wise rule to resolve all doubts not only in favor of his rights but, furthermore, we can well accept as a guide in the task the fact that he will neither willingly surrender nor willfully abuse them. Whatever may be said in favor of men trained by experience and expert in knowledge in framing and administering the more involved matters of legislation and government, nevertheless, as to the great underlying principles upon which constitutional government rests, there is no safer, sounder judgment to be had than the judgment of the people after free and full discussion. If this were not true, our whole theory of government would be grounded in a delusive and fatal error.

When objections are made to these laws and proposed measures, we are heatedly informed that they are the means and methods by which we are to crush out communism, fascism, and nazi-ism, and all other isms which many sincerely, no doubt, believe now threaten our institutions. Then follows the devastating interrogatory which is supposed to annihilate the objections and the objector: Are you a Communist, are you a Fascist, are you loyal to the flag? For myself, I am not a Communist. I abhor its teachings and its practices alike. They would sink beneath the confused theories of a material existence family, religion, personal liberty, free speech, and a free press—a sodden existence, from which all spiritual life is excluded. I hate no less fascism, with its cold, brutal absorption of the average man and woman in the remorseless schemes and ambitions of a soulless state. But I reject, I utterly reject, I denounce, as subversive of everything which we Americans hold sacred, the theory that in fighting communism and fascism you must surrender Americanism. It is my contention that to oppose communism and fascism by surrendering the very things, as free speech, the right of assemblage, which distinguish Americanism from fascism and communism, is blundering leadership and unworthy of the support of true Americans. It is one thing, and a very laudable thing, to expose the fallacies and dangers of communism and fascism and bring these matters home to our own people, but it is another thing, and, in my opinion, an unnecessary thing, in doing so to undermine and perhaps ultimately sacrifice essential rights of our own people.

Is it proposed that we shall fight communism and fascism by adopting the methods of communism and fascism? A singular remedy indeed! Do not the advocates of these restrictive and repressive and un-American measures and methods overlook the fact that while they are spreading upon the statute book laws which purport to deal with a few Communists and a few Fascists they are at the same time chiseling away the rights and privileges of 130,000,000 loyal Americans? When you deny even for a time the right of assemblage, the right of full discussion, the right of debate, you have taken the first step which the Communists and the Fascists always take in their efforts to establish arbitrary power.

Neither the communist nor the fascist regime could exist for a fortnight in the atmosphere of intellectual freedom—give the people of those countries permission to assemble, to speak freely, and the reign of the Communists and the Fascists would speedily end. Yet people in this country are advocating measures which

would fit into no other program in the world save the program of sheer arbitrary power.

I fully understand that both communism and fascism are at war with every teaching and tenet of this Republic. I perfectly understand there can be no compromise between communism or fascism and democracy. Both systems boast they are reared upon the ruins of democracy. But while there can be no compromise, neither can there be any imitation. One is quite as fatal as the other. Let communism or fascism accept the fundamental principles of democracy, such as free speech and the right of assemblage, and they will disappear. Let democracy accept the principles of communism and fascism, the denial of free speech and right to assemble, and it disappears. I freely admit also that democracy is under challenge. Indeed, all systems of government are under challenge at this time. But I dare to prophesy that when this war of systems and doctrines and schemes of government is over, that form of government which faithfully respects and preserves the rights and privileges of the citizen, that form of government which holds steadfastly to the tenets of civil and religious liberty, will in the end triumph over all others. The average man and woman in government have come to stay. They will have a voice and they will have a say. They may be beaten down by brute forces for a time, but only for a time.

Recurring again to the period of the sedition laws, from which precedents are now sought to be drawn, we find that the declared purpose in the beginning was to rid the country of radicals and radical schemes and prevent the overthrow of our young Republic. The people were aroused to believe that the doctrines of the French Revolution were seeking recognition upon the western continent and that certain great leaders were involved. But while this was the ostensible and probably the sincere purpose in the beginning, before the laws were repealed, men were sent to jail for urging in ordinary modern political parlance, the election to the presidency the author of religious liberty in Virginia, author of the Declaration of Independence, and the leading advocate of the Bill of Rights to the Constitution of the United States. Jefferson was denounced as a radical, a revolutionist, and preparing to change our whole system of government. Those who are advocating these oppressive measures may think they are simply dealing with Communists, but tomorrow under the same precedents men and women will be charged with sedition for proposing the correction of abuses which time has made both respectable and profitable. Intolerance, once it taints the blood of a body politic, like the "juice of the cursed hebenon coursing through the natural gates and allies of the body" soon "lazarlike" cover the whole body politic with "vile and loathsome crust."

This experience with alien and sedition laws was one of the instances in which it was claimed that they were suspending free speech just for a time, suspending free speech to save free speech, denying democracy in order to save democracy. Such were the arguments and such are the arguments we hear in these days. What miserable fallacies men have the presumption to advance as a justification for stealing away the rights and liberty of a people! What saved free speech in that instance? What saved democracy? It was the willingness of men to face prison rather than give up their rights. What saved free speech and democracy was the election of a man who tore the laws from the statute books, threw open the prison doors, and restored the right to full and free discussion among a free people.

We read in the news reports and in special articles from time to time that the people of this country are ready for fascism or that communism has saturated the whole national thought with its remedies. Immediately another bill is introduced somewhere to stop this disintegration by law and another bureau created to take over further management of the business of a supposedly decaying nation. In a notable speech a short time ago it was estimated there were 80,000,000 people in this country ready to accept theories and schemes wholly un-American in their import. I give it as my opinion that the figures were fully 80 times too large. I venture the further opinion that if some angel of the Lord, as was the ancient custom, should come to the United States bent upon retribution because over half of the people were ready to betray the freest of governments, that some patriarchal Abraham could easily stay divine wrath by convincing the messenger that out of 130,000,000 people not a million could be found disloyal to the Government of Washington and Lincoln.

We should not make the mistake of branding as Communists or Fascists the great number of people in this country who believe that changes are now due in our social, economic, and financial systems. These are the people whom I am particularly interested in protecting in the matter of free speech. These people are not asking or urging theories of government which would destroy home, family, personal liberty, and religious freedom. On the other hand, they are aroused to preserve the very things which such systems would take from them. They believe that these things can be preserved by just and wise application of perfectly sound American principles to present conditions.

While there are not 80,000,000 people dissatisfied with American ideals, there may be, and likely are, 80,000,000 people who believe that our economic and financial systems should be reexamined, not with a view of destroying American principles and American ideals but of preserving them; not with a view of adopting systems which have destroyed family, uprooted religion, and murdered liberty, but with a view of making these things eternally secure. That this fight for readjustment under American principles will be a fierce one we need not doubt. Whatever else we do, therefore, let's keep the forum open and untrammeled. We need not be disturbed that measures are proposed which to some seem unsound; we need not take to shelter when someone cries "Radical!" If the measures are unsound, debate will reveal this fact better than anything else that has yet been discovered in the affairs of government. But if these measures are sound and in the interest of humanity, we want them under whatever name they may come to us as a people. All theories, all principles, all schemes, should be tested in the open and under the fierce light of public debate.

Let the legislator keep his hands off the forum so long as its participants refrain from the use of force or appeals to force. "It is time enough", said Thomas Jefferson, "for the rightful purposes of civil government for its officers to interfere when principles break out into overt acts against peace and good order." The safety of our form of government, the safety of democracy, rest upon that orderly program which comes from the clash of conflicting opinions. Repression is not only the enemy of free government but it is the breeder of revolutions. It is the enemy of progress and human happiness. And, above all, it is neither a test of error nor of truth.

There is a growing belief, with constantly increasing facts to support it, that this depression is something more than an ordinary economic debacle superinduced in the first instance by war and mad speculation—that it is also a warning that a period of readjustment is at hand. To what extent and in what respect this readjustment is to take place no man or group of men are wise enough to know. That it will result in great changes can hardly be doubted. The world has learned many times at great cost of life not to despise the counsels nor to pass unheeded the demands of those who have known the pangs of hunger and the lashes of economic injustice. At any rate, let them be heard. And because they demand a hearing, do not proceed to brand them as Communists or Fascists, or disloyal. They should be heard without fear and without restraint. If this movement for readjustment is to proceed in an orderly, American way and is to be settled according to American standards, then it should—it must—proceed under the auspices and according to the rules of true American principles.

This is an old, very old, question. It has been discussed for 2,000 years and will continue to be discussed as long as men hate oppression and love liberty, as long as men claim the right to approach their God in their own way. But while it is an old question, it is a vital question. It seems to me of peculiar importance just now. The years since 1917 have been years of great trial and great sacrifice. To say nothing of the sacrifices of the war, men and women everywhere and in all walks of life have lost their fortunes. Age has been deprived of the savings of a lifetime. Youth has come upon the scene with no chance even to earn a livelihood, much less to realize their ambitions. They have been years of deep adversity. It is little wonder that there seems to be a break-down of faith in many of the things which we have heretofore greatly valued. But the great and vital things of life ought not to be sacrificed. To sacrifice such things does not help to end the depression, it does not speed recovery. To kill initiative, to undermine self-reliance, to discourage self-help, to destroy liberty, to lose confidence in the judgment and stability and patriotism of our own people, do not help recovery. They not only retard recovery, but they make it less valuable when it arrives. Whatever, therefore, we may do in this distressing situation, we can all afford to agree upon the preservation of the great vital things which distinguish American life. Humanity is, after all, a controlling factor in political economy; in fact, there is no sound political economy without the predominance of humanity. The things which nourish and cultivate and preserve the intellectual and spiritual forces of a people are the things which make for permanent recovery and for the advancement and stability of national power.

Tested by the principles upon which our Government and our civilization rest, communism, fascism, and nazi-ism are one and the same. There may be differences between these systems but between them and the principles of our Government they may be regarded as one. In the name of humanity they crucify humanity. In the name of the people, they rob the people of their liberty. In the name of progress, they resurrect and reemploy the reactionary and repressive measures of the dead centuries. But the distinguishing, crowning infamy in their brutal creeds common to all is their utter distrust and their remorseless oppression of the average man and woman. In the economy of these systems, those whom Lincoln was fond to call the common people, are the mudsills of the social structure. There is but one reason for existence, and that is, to breed and slave and fight and die for the corporate State. I have, therefore, only commendation for those who oppose and expose these ancient tyrannies parading in modern garb. Let the exposure be unceasing and ruthless. But with the American people we have only to expose them. We need not fear the judgment of the American people after the exposure has taken place. There is no man, or set of men, in public life more capable or more vigilant to reject these systems of government than the great body of the people. I am not in the least doubtful of the verdict.

Mr. Chairman, it is highly proper to place guards in the watchtower, it is always the part of wisdom to locate the enemy as he approaches the "walls of the city." But the great problem of representative government, as I see it, is not alone that of coping with those who openly advocate the destruction of representative government, but rather how to deal with the forces—economical and political—which grow restless and sometimes defiant under the restraint of law. It is not the things threatened by the open enemies of constitutional government but the things done by the friends, or supposed friends, of constitutional government which are the more difficult to counteract and control. The tendency at home and among ourselves, the trend in public affairs—marked and unmistakable for more than a quarter of a century—presents the

most difficult and the most dangerous problem. The Communist on the street corner brawling his wares to passersby may secure some scattering support, but is not to be compared as a problem in government to the impatient lawmakers, or administrators, who feel justified in disregarding constitutional principles in the interest of efficiency and, of course, always in the name of the people.

The Constitution is the rule which the people themselves have established as a guide for their agents in the discharge of their trusteeship. There is ample power within its provisions to enable the servants of the people to meet all emergencies in war or in peace. Within its terms may be found full authority to resist communism, or fascism, or to deal with all emergencies without in any respect disregarding its limitations and without surrendering the liberty or forfeiting the rights of the citizen. This trend away from constitutional methods can never be arrested in any other way than by aroused and well-sustained public opinion. In other words, it is distinctly the peoples' fight. There is little to be expected from political parties. They are prone to subordinate everything to party success or to party expediency. The history of the two leading political parties during the last 30 years gives little evidence of any serious differences as to the most pronounced tendencies in matters of government.

I do not regard this as the time or occasion to go into detail. But to indicate what I have in mind, I give a single illustration. The practice which has grown up of authorizing departments to make rules and regulations, the violation of which constitutes a crime, is one of the most objectionable practices with which the citizen has to contend. This practice has been denounced by both parties when out of power and adopted and extended by both parties when in power. There is scarcely any scheme imaginable more calculated to instill fear and confusion in the mind of the ordinary person and to finally undermine all freedom of action than to subject him to countless rules and regulations by numberless departments, or bureaus, the violation of which burdens his property or restrains him of his liberty. It is a species of tyranny that is foreign to every concept of constitutional government.

There are other illustrations ready at hand, but I refer to only one to indicate what seems to me the real problem with which modern government has to deal, and that is, how to protect the citizen against the encroachment upon his rights and liberty by his own government, how to save him from the repressive schemes born of the egotism of public office.

No political party for a moment would take the responsibility of proposing a constitutional amendment which would authorize the doing of these things. No political party would consider for a moment submitting to the people themselves the question of the right to exercise this power. It is this slow chiseling away of the rights and privileges of the citizen which presents the real problem in constitutional government. There are two powerful agencies which may always be used to counteract this trend, this tendency—they are a free press and a free speech, open, untrammeled debate. So long as these rights remain unimpaired, there is always hope that wrongs may be righted. So long as the press is free and courageous, so long as the people are alert and free to speak, these tendencies are not likely to pass beyond the point where remedies are available.

I am not to be understood as contending that the Constitution of the United States is a sacred document—never to be amended, never to undergo modification or change. It has been amended and doubtless will be amended again and again in the course of time. No human document can be wholly exempt from change, superinduced through time and the forces of progress. But with whom rests the right to amend? That is the supreme question. With the people, and the people alone. That right, that power, is sacred, if anything in government can be so termed. Upon that right depends the whole question of a people's government and the preservation of personal liberty. Upon that right rests the whole vast structure of a government "of the people, by the people, and for the people." This exclusive right to amend is as sacred as human liberty itself. It is this right which distinguishes our Constitution from all constitutions or forms of government which preceded it and which made possible the first and only real republic that has ever existed upon this earth. When the people consent to, or connive at, changes in the Constitution by any other agency than the people themselves, they consent to, and connive at, their own overthrow. When they allow their agents, Congress or the Executive, or the courts, to enjoy this power, through usurpation or strained and unnatural practices or construction, they make their agents their masters.

In saying this, I do not withhold in any degree my assent in full to the declaration of Thomas Jefferson that this Constitution is for the living and not the dead. I agree also with the language of its greatest expounder that the Constitution was intended to endure for ages to come and consequently to be adapted to the various crises of human affairs. It is a living instrument. It is to be adapted to the various crises of human affairs. To that all must agree. But the power to do these things, to adapt it to the demands of progress, rests with those whose charter it is—the collective judgment and discretion of the people. Whatever unbeaten paths we, as a people, may choose to enter, the people should hold fast to that proposition. That keeps the Government the people's government.

The people have the right to establish any form of government they desire. They may so amend the Constitution as to wipe out State lines, give the department the power to make laws; they may establish a socialist state—the wisdom of such a course is another question. But if the essential provisions and characteristics of our Government as we have known and enjoyed them are to be changed, or destroyed, the work should be done in the open, deliberately, and avowedly, with the people of the United States standing by.

Mr. Chairman, it is a mistake at any time, it is a fearful mistake at a time when the cooperation of the whole Nation is essential in the rebuilding of our economic structure, to proceed upon the theory that the American people, or any considerable number of the American people, are infected, or susceptible of infection, with those strange isms which now torment so large a portion of the human family. To proceed upon any such theory is to greatly hinder progress in this stupendous task before us. When the story is finally written from 1914 to 1935, and on until these days of difficulty and danger are over, when the final verdict is rendered, it will be said that the outstanding feature of the period through which we are passing was the patience and patriotism of the people of this country. Drafted to fight in a foreign war, exploited by profiteers while they fought, the victims of promoters in a saturnalia of speculation, impoverished by an economic cataclysm for which whoever else was responsible the people were not, driven almost to madness by floods and drought and dust storms, and who has heard coming from these devoted men and women the voice of sedition, of disloyalty to the Government? What is the test of devotion to country if this is not? Who could have the hardihood in the face of this story to propose that one jot or tittle be subtracted from their rights, from those rights, privileges, and guaranties which are the birthright of American citizens? Measures to that end are simply crude libels upon the manhood and womanhood of the land.

We have heard enough about the American people being ready for communism or fascism. They are ready for Americanism, for that social and economic justice which is an inseparable part of Americanism. This job which fate and circumstances have cut out for the American people and for our Government calls for a united nation, and that means loyalty of the Government to the people just as much as it means loyalty of the people to the Government.

THE NATIONAL LABOR-RELATIONS BILL—ADDRESS BY SENATOR WAGNER

Mr. COSTIGAN. Mr. President, last Sunday evening, April 21, 1935, the junior Senator from New York [Mr. WAGNER] made over the radio a characteristic address, rich with feeling and strong with conviction, on the national labor-relations bill. On that subject the Senator from New York, the author of the bill, is an acknowledged expert. All Members of the Senate will undoubtedly wish to read his brief discussion, and I ask unanimous consent that the address may be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The depression fell with equal fury upon industry and labor. It robbed the business man of the hard-won earnings of a lifetime and it deprived the worker of the sacred right to earn his daily bread. This universal calamity impressed upon most thinking people the truth that employer and employee in the United States have mutual interests in the present and mutual aspirations for the future. Thus the program of leadership inaugurated 2 years ago was based upon the ideal of teamwork between an awakened industry and an enheartened labor.

This program saw from its beginning that disorganization had provided the nourishment for hard times. We realized that business had plunged into a wilderness of difficulties because of a blind and unchecked form of individualism, with each enterprise working at cross purposes, and with many of them cutting prices, slashing wages, and indulging in other unfair methods of competition. We realized also that employees, without any unifying influences to direct their efforts, were demoralizing standards by assenting to sweatshop conditions, thus knocking the props of purchasing power from beneath the structure of business. We came to the sound conclusion that everyone would profit by subordinating narrow and selfishly conceived interests to a Nation-wide plan for general revival. Cooperation was thus made the keynote of the recovery drive.

Insofar as business was concerned, the new strategy consisted largely in removing some of the outworn restrictions of the anti-trust laws. Employers have been allowed to cooperate among themselves to stabilize business operations by exchanging information and prohibiting unfair competitive methods. None can deny the benefits that have flowed as a result of these changes. Mounting profits and a more hopeful outlook are the major characteristics of the past 2 years generally and of the past 6 months in particular. Business has commenced to thrive under the new deal.

The second part of our program took note of the need for a broader and more sympathetic understanding between employers and employees, for if employers did not cooperate with their workers, as well as among themselves, they would be rewarded with strife rather than with peace and they would not receive the willing support and confidence upon which smooth industrial operations depend. In addition, the exile of labor from the councils of business would perpetuate the lag of wages behind profits, and

in the end would drag the whole economic system back into the mire.

Now, it was perfectly obvious to every observer of modern large-scale enterprise that it would be impossible for employees individually to deal directly with their employers. One cannot imagine an isolated worker cooperating with the United States Steel Corporation. Nor can one imagine a single huge employer cooperating separately with each of 10,000 to 50,000 workers. Cooperation depends upon the free and untrammeled right of workers to organize for that purpose.

Thus the American battle for industrial liberty has been waged upon the issue whether workers shall be free to associate together if that is their desire. The first great victory was won when, after 7 years of frustration, Congress passed the Norris-LaGuardia Act. This act denied the help of the Federal courts for the enforcement of the "yellow dog" contract, that instrument of bondage which required as a condition of employment that a man promise not to affiliate with others of his kind.

But the elation of the friends of freedom was short-lived. Devious devices were used to defeat the objectives of the Norris-LaGuardia Act. Even without the "yellow dog" contract the unfair employer could discharge and discriminate against workers if they violated any dictate of his will. As a remedy the famous section 7 (a) was passed, forbidding any interference with the right of workers to organize for purposes of mutual advancement. No one who believes that the "yellow dog" contract is wrong could logically oppose section 7 (a).

The virtual collapse of section 7 (a) is a matter of common knowledge. The cause for this has been that a relatively small number of unfair employers have discriminated against and discharged employees who exercised their fundamental rights; have set up a masquerade type of union which is really the creature of the employer rather than the representative of the employee, and have taken advantage of the lack of adequate enforcement power behind section 7 (a) to defy the Government with brazen impudence.

The immediate result of shutting out employees from full participation in the recovery program has been to deny them their full share of the fruits of recovery. While profits have risen with gratifying regularity, reemployment has slowed down to a snail's pace, and we are still confronted by the horrible spectacle of eight to ten million people who search earnestly and hopelessly for some form of work. While minimum wage rates have been raised under the codes, a substantial part of this gain has been charged to wage earners in the upper brackets and to the vast consuming public in the form of inordinately high prices. If these conditions persist, it is only a question of time until the burden will be borne by business itself. The upswing of business cannot be maintained indefinitely unless there is a tremendous reduction in unemployment, a sustained rise in purchasing power, and a removal of the present industrial discontent based so largely upon a denial of legal as well as ethical rights.

It is to these ends that my national labor-relations bill is directed. From the date of its introduction this bill has been misconstrued and misrepresented by the opponents, both secret and avowed, of the principle of freedom for the man who works. The malicious falsehood has been widely circulated that the measure was designed to force men into unions, although the text provides in simple English prose that workers shall be absolutely free to belong or to refrain from belonging to any organization. Practically everyone has heard the charge that the bill imposes a closed shop and a union monopoly upon the whole United States, when in fact it does absolutely nothing to change in any State the existing law in regard to the closed shop. Millions of printed pamphlets, emanating from a few sources of prejudice or reaction, contain the concoction that the bill enlists the Government in favor of some particular kind of union. In truth the bill permits any worker not only to stay out of all unions if he so desires, but also to select any kind of organization that he prefers, either national or local, either craft or industrial, either federated or confined to the limits of one company. It does not subject him, however, to the menace of a pretended union that is dominated and bought by the employer. It makes the worker a free man. To cap the climax of deliberate misstatements, it has been asserted that my bill invests the National Labor Relations Board with arbitrary and dictatorial powers greater than those possessed by any court in the land. But when the hearings were held this month I publicly challenged everyone who made this criticism to show one substantial respect in which the bill went beyond the powers conferred upon similar administrative agencies, such as the Federal Trade Commission, the Interstate Commerce Commission, and a multitude of others. In no instance was my challenge answered, because there was no answer.

When rescued from the smoke of false issues that have been raised around it, the provisions and purposes of my bill are extremely clear and simple. It incorporates the principles of section 7 (a). It illegalizes the dummy union which is dominated by the employer. It provides for secret elections, supervised and conducted by the Government, where employees may choose representatives for collective bargaining under the American principle of majority rule. At the same time, even after the majority has acted in accord with democratic procedure, the right of minorities or individuals to confer and discuss grievances with their employer is preserved. Finally, the bill creates a permanent board of three members, appointed by the President by and with the advice and consent of the Senate. The power of this board to issue orders is strictly limited to the preservation of the industrial freedom guaranteed specifically by the bill. Moreover, every single order is reviewable in full by the Federal courts.

The passage of the national labor-relations bill will help every industry that wants peace and harmony. It will help every industry that believes that contented and decently treated workers are the richest materials any country can possess. It will help every industry that prefers a steady flow of temperate prosperity, rather than the hectic flush of fictitious prosperity followed by the deep gloom of returning depressions.

And in helping industry let us not forget that we shall help the worker also. Forty thousand American workers have borne the depression with heroic patience and fortitude. Those who did not actually lose their jobs were tormented, nevertheless, by the constant fear of insecurity and by the added burden of helpless relatives and friends. Even those at work have seen their children denied the elementary needs of food, clothing, and schooling. They have gone through the valley of despair for the future of their families. In trials of peace as in trials of war, the American workers have never broken faith with this country or its Government. They have been the backbone and the strength of the Nation. The time has come when our Government must recognize the deep extent of their devotion. We must not now repudiate the pledge that has been given them of emancipation from economic slavery and of an opportunity to walk the streets free men in fact as well as in name.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Carolina [Mr. BAILEY].

Mr. NORRIS. Mr. President, the other day in discussing this bill I referred to experiments along similar lines made by the Government of Australia and the State of California. I have not read my remarks, but, as I remember, I did not undertake to cite those instances as showing the success of the plan; in fact, I did not know whether or not the experiments had been successful, my only purpose being to show that experimentation along this line was not entirely new. I have a letter this morning written by Mr. N. Reesor, of Silver Spring, Md., in which he says:

> It is quite evident that you have been misinformed concerning this plan and its results. It was a complete failure and was abandoned by direction of the legislature some years ago. This is well known in California, and is conclusively shown by the official reports of administrative officers, by court decisions and by legislative records.

He says further:

> I think you will find upon investigation also that the Australia plan was far from successful.

He sends me a copy of the legislative report, which I have not had time to read.

I only mention this, Mr. President, because I do not want to be placed in the attitude of trying to deceive any Member of the Senate as to his vote. I do not believe, however, these criticisms made by Mr. Ressor afford a sufficient reason why we should defeat the pending legislation, even if those experiments were not successful. When I think of the condition in connection with agriculture, namely, that farm tenancy has been increasing in the United States at an alarming rate during the last 50 years, I feel as though we ought to do something about it.

The bill, if enacted into law, will, of course, be an experiment, as I said the other day. It will fail completely if its administration shall be faulty or corrupt or wrong. It will be, in my judgment, a very great success and will mark a milestone in our history if its administration shall be honest and fair and efficient.

I merely mentioned the other day the experiment in Australia, but the information in regard to it, which I think would be very reliable, could be given by Dr. Mead, head of the Bureau of Reclamation, from whom I gathered my information quite a number of years ago. I have not since talked with Dr. Mead about it. He was in charge, as I remember, of that experiment in Australia, and he thought, as expressed in the conversation I had with him at that time, it

had been a very great success. It only demonstrates what Mr. Reesor said in the letter, it seems to me, that care must be taken in the administration of the law. I assume that care will be taken and that it will be honestly administered. If it shall be, I shall expect to see a very great improvement in farming conditions. It seems to me anything that will result in the number of tenants being decreased and the number of home owners being increased must result in a very great improvement to our country and to our civilization.

I have read these extracts from Mr. Reesor's letter in order that no Senator may have any doubt in regard to what I was attempting to do. His criticisms are very constructive, and, although I do not know him, I desire to thank him for the letter.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Carolina [Mr. BAILEY], on which the yeas and nays have been ordered.

Mr. BAILEY. Mr. President, I understand I have 30 minutes on the bill.

The VICE PRESIDENT. Only 15 minutes. Since 3 o'clock yesterday, the time for debate on the bill has been limited to 15 minutes.

Mr. BAILEY. Mr. President, I read in a newspaper yesterday the report of a speech by Mr. Secretary Ickes, in which he used these words:

> The spring of 1933 was like the sinking of a great liner in a hurricane. A nervy skipper in a rescue cutter stood by. There was no partisanship then; no criticism of him for the cold and the wet and the danger.
>
> Everybody took that skipper's orders because no one else knew what to do or dared to take the responsibility for doing it.
>
> Not a single rugged individualist even peeped about letting nature take its course, or about the survival of the fittest.
>
> They grabbed at the lifeline extended to them without asking where they were being taken, and that line held in the hour of need.
>
> But now, temporarily safe in a calmer sea, they are quarreling over what port it shall be.

I am quarreling over what port it shall be. When we shall have concluded our duties here and our struggle with the depression, it is the deepest hope of my heart that this shall still be a representative free republic, a union of autonomous States, and not a Federal socialism. I have taken oath to see to it that that shall ever be our port.

Mr. President, with all conservatism and carefulness of statement, I think we have reached the point in the stage of our legislation here where we must determine whether the National Government shall proceed in a course which may hopelessly involve us in a character of Federal socialism or whether we shall, notwithstanding the exigencies of the severe situation which abides with us, pursue a course which will bring us through at last not only with recovery but also with a republic, not only with the restoration of a reasonable prosperity but also with the preservation of the character of the autonomous States which constitute the American Union.

I had this morning in the Finance Committee, as other members of the committee had, a message from the Secretary of the Treasury, delivered in person. I am going to read a few words from that message.

Moreover—

He said—

> the credit of the United States Government depends very largely, in my opinion, upon scrupulous adherence to the President's program. I don't think we can continue to enjoy the present favorable rates and favorable market for the sale of Government securities——

Mr. BANKHEAD. To what bill was he referring?

Mr. BAILEY. The Bankhead bill; it is not in the President's program. His language referred to all money bills not in the President's program.

> I don't think we can continue to enjoy the present favorable rates and favorable market for the sale of Government securities if new expenditures are incurred which go far beyond the limits of those which have already been outlined. A material decline in the market price of Government securities, which would be very likely to result from large expenditures outside the Budget, would work a grave injustice upon all purchases of Government securities and would tend to slow up the whole recovery program.

There is a message from the financial head of the Government. While he was before us I inquired of him whether the pending legislation had been submitted to him. He stated that he knew nothing about it, that he had not seen it, and had never passed upon it. I asked him if he would like to pass upon it. He said that would be for the will of the Congress.

Let us see what is now our situation with respect to the national debt. Senators will find in the New York Times of this morning on the editorial page a statement that the present national debt, in terms of bonds and notes outstanding, is $28,043,000,000. In addition to that we have provided recently for $4,880,000,000. In addition to that we have pending the soldiers' adjusted-compensation legislation, the bill having passed the House and being not unlikely to pass here, which will call for at least $2,000,000,000 more. We have before us the Bankhead bill, which calls for $1,000,000,000 in contingent liabilities. The total is $35,800,000,000 of debts either already incurred or about to be incurred.

In addition to that we have back of the situation in unexpended appropriations heretofore authorized, according to the statement of the President, $1,500,000,000. The total indebtedness on direct liability of the Government as it stands, with this bill in view and the other bills which I have mentioned, will aggregate $37,380,000,000, taking no note of $5,000,000,000 or $6,000,000,000 of contingent liabilities.

Mr. President, there is the situation. I do not think any Senator here will disagree with me that these are the terms of one of the gravest situations imaginable. During the Hoover administration and the Roosevelt administration we have increased or are about to increase our national debt from a low of $16,000,000,000 to a high of $38,000,000,000. There is an increase of $22,000,000,000 added to the obligations of the American Government and the American people in the space of 5 years; and still we go on; and still it is proposed to pile Pelion upon Ossa in the way of bond issues. I do not think there is a Senator here but believes that when the present session of Congress shall adjourn the actual and the contingent liabilities of the Republic, of which we are the servants and the responsible guardians, will be very close to the figure of $40,000,000,000.

This morning the Secretary of the Treasury warns us not to increase that debt.

If this proposed legislation shall be passed, we shall have opened the last door. One billion dollars for the tenant farmers of America means ultimately not less than $6,000,000,000 for them. Any Senator can make the computation for himself. There are 3,000,000 tenant farmers. Two millions of them, say, will want to buy farms with Government money, and the statement is made that the cost will be $3,000 each. Three thousand dollars each for 2,000,000 people is $6,000,000,000; and we cannot deny them. This is a government—I hope it is—of equal rights to all and special privileges to none; and if we take one man out of tenancy, buy him 40 acres of land and a mule, in the old language of reconstruction days, give him a $3,000 house and a farm, as one Senator, I shall not be able to look in the face any other man who has not had that benefit and refuse him the same right and the same privilege. If I am correct about that, we shall move out from that class into another class, and on and on until every man in America who is in need of a house and a home, a farm and a mule, or who is renting a property and wishes to become hopefully a landowner, can make the same demand in the same terms, and with the same justice, and with the same irresistible force, that we respond and do for him what we have done for his fellow citizens.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from North Carolina yield to the Senator from Florida?

Mr. BAILEY. I wish to yield, but I have only 15 minutes. I yield to the Senator.

Mr. FLETCHER. In estimating the public debt, and considering the appropriations for the Reconstruction Finance Corporation and the Public Works Administration, has the Senator considered that those appropriations have been used with which to make loans?

Mr. BAILEY. I mentioned the fact that there were some contingent liabilities, and I will agree about that. There are some recoverable assets. I do not know how much they will be; but I will assume that there are about $4,000,000,000, perhaps, of recoverable assets. We may deduct that amount and still we shall have $36,000,000,000 of national debt. I am perfectly willing to make that allowance.

In conclusion, Mr. President, let me say that we already have authorizations of $500,000,000 for precisely the purpose contemplated by the pending bill. Why should we increase that amount by a billion dollars? The Senator from Nebraska [Mr. NORRIS] has just said that this sort of thing has been a failure in other countries, and he has also said that this sort of thing is necessarily an experiment. Why not confine ourselves to the $500,000,000 already appropriated, create in this bill the mechanics for the execution of the plans under the $500,000,000 appropriation already available, carry out that experiment, and see it through? If it shall succeed, if this scheme of things shall turn out to be satisfactory, then in the light of the financial situation we can make our final decision whether the Federal Government is going to take the place of the landowners and the landlords in the tenant system of the United States, become their guardian, their lessor, and their creditor—whether the Government will take their place and let them go their way.

The pending amendment strikes out the provision for the $1,000,000,000 bond issue. It leaves the mechanics where they are. It leaves the $500,000,000 available. I have offered it in the hope that we may at least limit our activities in this experiment to a cost of half a billion dollars.

Mr. VANDENBERG. Mr. President, before a vote is taken upon the pending amendment, I desire to submit to the Senate another motion, and I wish to state my reasons for so doing.

The adoption of the pending amendment manifestly would defeat the purpose of the bill as contemplated by its authorship. I dislike very much to legislate in this fashion. I prefer the alternative of adequate committee consideration and decision. I realize that my present opposition to the bill as a whole in its present unsatisfactory form invites the assumption that any motion I might make serving to return the bill to a committee perhaps might be interpreted as a strategic purpose to defeat the proposed legislation; but I feel so deeply on the subject that I am going to risk that misconstruction for the purpose of making a motion and a statement in connection with the motion.

The motion I shall make is to recommit the bill to the Committee on Agriculture and Forestry with instructions to hold further hearings and report back at the present session of the Congress. Thus there will be warrant for subsequent decision before this Congress adjourns. I make the parliamentary inquiry of the Chair whether that motion would be in order.

The PRESIDING OFFICER. The Chair is of the opinion that the motion would be in order.

Mr. VANDENBERG. Very well, Mr. President, I enter that motion, and I wish to speak briefly upon it.

It seems to me that, even from the viewpoint of those who have enthusiastic faith in this amazing new adventure, there ought to be a willingness to provide the Senate with an adequacy of information, which perfectly clearly is lacking at the present time. What information is lacking? What is the information which ought to be available to the Senate before it is asked to establish another billion-dollar credit on top of all the other gigantic expenditures already launched?

Here are some of the things which it seems to me any Senator ought to want to know——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. VANDENBERG. Very briefly. I have only 10 minutes, but I yield to the Senator.

Mr. CONNALLY. As I understand, the Senator wishes to recommit the bill, with instructions. What are the instructions?

Mr. VANDENBERG. To hold further hearings and report back during the present session.

Mr. CONNALLY. I congratulate the Senator on his statement that he does not believe in doing things indirectly; he believes in the direct course; he wishes to come out in the open. What does the Senator desire the committee to do with the bill? How does he wish to have it treat the bill?

Mr. VANDENBERG. I am about to tell the Senator.

First, I think any committee which is proposing to ask the Senate to embark upon a $1,000,000,000 adventure, with added implications of unknown size, should have the testimony of the Treasury Department of the United States respecting the effect of another billion-dollar extension of the already straining public credit. Exhibit A: I should want the committee, and I think the Senate should want the committee, to have, as at least one witness, a spokesman officially for the Treasury Department of the United States in respect to the fiscal phase of the bill; and I call attention to the fact that not a single witness who was heard by the committee represented the Treasury Department, or gave a moment's testimony or consideration regarding the effect of this thing upon the public credit.

Second. I call attention to the fact that in the hearings even the Secretary of Agriculture, speaking at page 5 of the hearings, specifically stated as follows:

> This legislation has not yet been passed upon or cleared by the Bureau of the Budget as required by Budget Circular No. 49, so that I do not know what the relationship of the expenditures contemplated will be to the financial program of the President.

I submit, in all good faith, that another billion-dollar proposal should have the benefit of a completed report in the aspect to which the Secretary of Agriculture himself referred before the Senate is asked to approve it. Surely we are not so numb to mathematics and to our fiscal responsibilities that a billion dollars no longer gives us pause.

Third. I submit that there should be testimony respecting the uses which may be contemplated by the President and his lieutenants under the previous commitment of $500,000,000 in the $5,000,000,000 work-relief bill, specifically earmarked for rural rehabilitation. I submit that there should be testimony which will advise the Senate officially what may be already contemplated by way of an experiment in making the tenant into a proprietor farmer.

I submit that this is rationally required before the Senate can be asked to render a completely intelligent answer to a proposal to build upon that base with another billion-dollar dedication to precisely the same purpose. We have not a word of testimony upon this phase of the necessity.

I submit furthermore, Mr. President, that when the Senator from Nebraska [Mr. NORRIS] reads to us this morning a letter indicating a failure of plans of this tenancy nature when attempted in other countries—and certainly that Senator has demonstrated himself to be completely friendly to the pending bill—and when he asserts that Dr. Mead, an official of our own Government, is available as a witness to advise us and to illuminate us in respect to the thing contemplated, the very least information which the Senate ought to have, before it launches a great new undertaking of this character, involving a minimum of a billion dollars, the very minimum of information that ought to come to the Senate officially through its committee, is testimony from sources of that character. Let us look before we leap. Let us consult at least the minimums of prudence.

I call attention, furthermore, to the frank and revealing statement of the Chairman of the Committee on Agriculture and Forestry himself, uttered upon the floor of the Senate yesterday, and I quote him from page 6126 of the CON-

GRESSIONAL RECORD. The Senator from South Carolina [Mr. SMITH] said:

I frankly admit that I have not had an opportunity to study this bill textually and understand thoroughly the purport of its different terms and provisions.

I quote him further, as he was about to vote for the previous motion to recommit:

Mr. President, let me say, in conclusion, that I am going to vote to recommit this bill, not for the purpose of killing it, but for the purpose of affording every member of the Committee on Agriculture and Forestry an opportunity to study the bill and to bring back something which will be helpful to the agricultural interests and not be a gift to a certain class.

I emphasize the fact that we have the testimony of the chairman of the committee from which this bill came to us, the testimony of the chairman of the committee, frankly admitting that he had not had an opportunity adequately to study the bill textually and to understand it. Can it be argued that the Senate has laid an adequate foundation for such novel and far-reaching and expensive legislation in the absence of so much essential information and an opportunity to probe all the consequences and implications? Is this the way to serve our stewardship?

Mr. President, in consideration of what seems to me to be elementary prudence, if the Senate is to have the information upon which it may be justified in establishing such a new billion-dollar adventure, I care not how nobly meditated, I submit that a recommittal, with instructions to report during the present session, is the proper procedure. It may produce a bill which will have written into it, among other things, the protection which it is now universally conceded is necessary if the bill is to be administered without discrimination, and with minimum regard for the rights of the Treasury.

We are told that we can perfect it by amendment on the floor. I have asked several Senators this morning if they do not approach this legislation and its final approval with some trepidation, and almost invariably they have replied "Yes; we are hopeful, however, that it can be perfected and protected on the floor." I fear they lean on a broken reed.

I do not think it is fair to the legislation itself to attempt to perfect it and protect it on the floor. Far be it from me to attempt to speak in that attitude, because I would want no one to misunderstand my own relationship to the bill as it now impends, but for the sake of the bill itself, as well as for the sake of a defensible verdict by the Senate, I think the motion to recommit as made ought to be passed. Let there be a record which discloses some Senate diligence ahead of Senate judgments. Let this not be wholly a blind adventure.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. CONNALLY. I rise to ask the Senator from Michigan a question.

The PRESIDING OFFICER. The time of the Senator from Michigan on his motion has expired. Does the Senator from Texas take the floor in his own time?

Mr. CONNALLY. I take the floor in my own right.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CONNALLY. Mr. President, I understood the Senator at the beginning of his remarks to say that he opposed the bill.

Mr. VANDENBERG. That is correct.

Mr. CONNALLY. So he would not be for it even if the Budget should recommend in favor of it.

Mr. VANDENBERG. I am unable to answer the Senator's question as to whether I will be for a bill which is not as yet reported to the Senate.

Mr. CONNALLY. But there is one now before the Senate.

Mr. VANDENBERG. And I am opposed to it.

Mr. CONNALLY. Why not go on and vote it down and kill it, if the Senator is against it?

Mr. VANDENBERG. I shall, if that is the only recourse.

Mr. CONNALLY. The Senator aroused my utmost admiration by his statement at the beginning of his remarks that he did not believe in indirect methods; he meets issues courageously; he meets them at the threshold and determines them. He is opposed to the bill; it is before us; soon we shall come to a vote. So why indirectly assassinate it by sending it back to the committee?

Mr. VANDENBERG. That is the Senator's construction of the motion, and he may make the most of it. The motion speaks for itself, and I think I have given ample reasons why the motion should be sustained.

Mr. CONNALLY. Mr. President, that is what I wish to discuss. The Senator from Michigan is against the bill, and he believes in meeting that issue. He wants the bill sent back to the committee. For what reason? So that they can get a report from the Budget Bureau. He wants to know what the Budget Bureau thinks about it.

Mr. President, I do not care anything about what the Budget Bureau thinks about matters of legislation. If the Budget Bureau wants to send us messages about the finances, that is its business; but the Senate and House of Representatives are perfectly capable of legislating without telephoning the Budget Director as to whether we can pass this bill or that bill. But when the Budget Bureau telephones back here that it is for the bill, the Senator from Michigan will still be against it.

I submit, Mr. President and Senators, that this is an indirect way of attempting to kill the bill. Instead of meeting the enemy at the gate and hitting him on the nose, the Senator from Michigan wants to toll him off down the alley and hit him with a blackjack while he is hidden behind a corner in the dark.

We voted on one motion to recommit. What is the sense of having another motion to recommit? If I were against the bill, I would say "no" when the roll is called.

The Senator from Michigan is not going to pay any attention to the Budget. He is going to vote for the payment of the soldiers' bonus immediately, in full, and everybody knows that the Budget Bureau is against that.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. The Senator has entirely misstated my position, as usual. [Laughter.]

Mr. CONNALLY. The Senator can enlighten us by telling us whether he is for it or not.

Mr. VANDENBERG. The Senator from Michigan has always opposed the immediate payment of the bonus, and will continue to oppose either the Patman or the Vinson bill.

Mr. CONNALLY. I am very glad to have the Senator's statement on that subject.

Mr. VANDENBERG. The Senator's statements are equally plain on most of the other matters, as the Senator from Texas would find if in good faith he would undertake their interpretation.

Mr. CONNALLY. I beg the Senator's pardon. I try to keep up with the actions of all the eminent men of the country, but at the present time there are so many eminent men from the Senate speaking on the radio, and in the forum here in Washington, who are addressing the country rather than the Senate, that it is a little difficult to keep up with their attitude on every question.

I earnestly and sincerely apologize to the Senator, however, for even intimating that he would probably vote for the bonus. I was misinformed, and I make public acknowledgement of my error. The Senator from Texas makes many errors; I am glad the Senator from Michigan makes none.

Mr. President, why can we not go ahead and vote on the pending bill and the amendments, and dispose of the measure? I do not think it ought to go back to the Committee on Agriculture and Forestry. We ought to meet these issues as they come forward, and dispose of them.

I cannot resist the temptation to state that, notwithstanding the solemn asseverations of the Senator from Michigan, his purpose is to kill the bill, in sending it back to the Committee on Agriculture and Forestry.

Mr. ROBINSON. Mr. President, I make the point of order that the Senate having voted on a motion to recommit this bill it is not now in order to make a second motion to recommit with instructions to report during the present session or before the end of the present session. I should like to be heard for just a moment on the point of order.

If any other rule were adopted than that which is implied in my point of order, it would mean that an unlimited number of motions to recommit a single bill might be made. In illustration, if the Senate voted down the pending motion to recommit, as it did vote down a motion to recommit yesterday, it would then clearly be in order, if it is in order now to move to recommit, to make another motion to recommit with a definite instruction to report incorporating a certain amendment. Then if the Senate should vote down that motion to recommit with instructions, a still further motion to recommit with instructions to incorporate another amendment could be made, and so on, to the end that an infinite number of motions to recommit might be made.

I have not had an opportunity for examining the precedents. It is my recollection, however, that the rule prevails in the body at the other end of the Capitol that only a single motion to recommit may be made. If that rule exists in the body at the other end of the Capitol—and it is in accord with the general rule of parliamentary law—it follows that the same rule should apply here unless there is something in the Senate rules which makes a different principle applicable. It is my judgment that there is nothing in the Senate rules which would warrant the submission to the Senate when a point of order is made of an indefinite number of motions to recommit.

The object of a motion to recommit is, of course, to give the Senate the advantage of further consideration by the committee.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield?

Mr. ROBINSON. I yield.

Mr. HARRISON. I rise merely to make the observation to the Senator from Arkansas that since the motion to recommit was voted on in the Senate there has been no change at all in the bill, as I understand. No amendment to it has been adopted.

Mr. ROBINSON. The motion to recommit does not, in my judgment, conform to the principle which underlies the rule relating to the subject.

Reference has been made by the Senator from Michigan [Mr. VANDENBERG], in support of his motion, to a statement made by the Chairman of the Committee on Agriculture and Forestry. The attitude of the chairman has been defined in his remarks made on the subject on the floor of the Senate. It is to be pointed out that the bill comes from the committee presided over by the Senator from South Carolina [Mr. SMITH]. There is nothing to indicate that the committee did not have ample and unlimited opportunity to consider this legislation. If we are to recommit measures pending in the Senate every time some Senator is opposed to the legislation, it is manifest that we will reach no conclusion concerning legislation. It is fair and it is just that the Senate have the opportunity to pass upon the question as to whether it wishes a Senate committee further to consider the proposal for legislation, but when it is once done it is not fair, and it is not just, in my opinion, to permit the submission of an indefinite number of motions to recommit, all of them coming from the opponents of the legislation.

Mr. McNARY. Mr. President, I do not think there is sufficient doubt concerning this matter to cause any considerable discussion. The statement made by the Senator from Arkansas is largely academic and applies to a condition wholly different from the one which obtains at this time.

Of course, it would be improper, Mr. President, to renew a motion to recommit a bill to a committee if there had been no change in the situation between the time the first motion was disposed of and the time the second motion was made. But there has been a change in the condition and character of the parliamentary situation. When the motion to recommit was made yesterday there were no instructions appended to that motion. It was simply a motion to recommit to the committee having jurisdiction, namely, the Committee on Agriculture and Forestry. The motion now pending and made by the able Senator from Michigan is to recommit with instructions to report the bill at this session of the Congress; which is a wholly different motion, which involves a change in the parliamentary situation, and is not in conflict with nor is it prohibited by reason of the disposition of the first motion to recommit which was made.

Mr. President, no one is going to argue that one Member after another can follow with a motion exactly the same in its nature. That is the position of the Senator from Arkansas.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. McNARY. Certainly; I yield.

Mr. ROBINSON. Is it the Senator's position that, if the Senate should now vote down the motion of the Senator from Michigan to recommit with instructions to report before the end of the session, the same Senator or some other Senator could then make a motion to recommit with instructions to strike out section (d) on page 4 or some other section in the bill?

Mr. ROBINSON. Why "Certainly not"?

Mr. McNARY. Such a motion would be wholly different from the proposal now made. It is not necessary to discuss a moot proposition of that kind. I should say offhand that such a motion probably would not be in order. The motion referred to by the Senator from Arkansas is to recommit with instructions to modify a particular provision of the bill. That is not the point involved at all. Yesterday the question parliamentarily was, Shall the bill be recommitted to the committee having jurisdiction? That motion failed by a few votes. The motion at this time is to recommit to that committee for the purpose of study and a new report at the present session of Congress. There is a clear distinction between the two motions. The first one made would place the bill with the committee. The committee then could do as it pleased. The pending motion contemplates action by the committee if the bill should be recommitted, and again to report it to the Senate. In the present status, that is one proposition which, in my opinion, clearly entitles this motion to be addressed to and to be considered by the Senate.

Another exception to the rule is that when a bill has been modified by amendment or motion of some kind it is then in a new garb and the same motion will apply.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. McNARY. I yield.

Mr. ROBINSON. The logic of the Senator's statement, as I now understand it, is that if the Senate should vote down the motion to recommit and an amendment should subsequently be offered and agreed to, it would then be in order to make another motion to recommit.

Mr. McNARY. That is my position.

Mr. ROBINSON. And so on. So if 100 amendments were offered to this bill and agreed to, after each amendment had been incorporated in the bill by a vote of the Senate, a motion to recommit would lie?

Mr. McNARY. Certainly.

Mr. ROBINSON. Mr. President, if the Senator——

Mr. McNARY. Mr. President, I have the floor, and I will not yield for an argument.

Mr. ROBINSON. Very well, Mr. President. I thank the Senator for having yielded. I thought the Senator had yielded.

Mr. McNARY. I had yielded for a question, and always do so courteously, but not for the Senator to make a speech in my time. The reason is very obvious.

Mr. ROBINSON. I have no feeling about the matter. I thank the Senator for yielding.

Mr. McNARY. I have no feeling other than the one of being very positive in my assertion.

Mr. President, there are two positions, I maintain, which I specify as follows: When a motion is made to recommit, enlarged over the original motion by including the direction to the committee that it shall report back to the Senate during the present session, that enlargement of the motion makes it fit and pertinent at this time. The other parliamentary proposition is that whenever a bill is modified by an amendment of any kind it then has changed its complexion, its nature, and its garb, and is then subject to a motion to recommit. Those two reasons sustain the proposition advanced by the Senator from Michigan.

The PRESIDING OFFICER (Mr. CLARK in the chair). May the Chair inquire of the Senator whether it is his contention that the status of the pending bill has been changed since the motion to recommit was voted down?

Mr. McNARY. I now am stating a proposition which I believe is well bottomed on parliamentary law, but I have not inquired of the Parliamentarian or the Chair whether the status has changed. That is a question which can be determined by the Chair by a question of the Secretary.

The PRESIDING OFFICER. The Chair is unable to find anything in the rules of the Senate which forbids the repetition of a motion to recommit. The Chair is personally in entire agreement with the Senator from Arkansas [Mr. ROBINSON] on the question of what the rules should be, but rule XV of the Senate provides that—

> It shall be in order at any time before the passage of any bill or resolution to move its commitment.

The rule of the Senate is essentially different from that of the House of Representatives referred to by the Senator from Arkansas. In that case it is provided specifically in the rule that—

> After the previous question shall have been ordered on a bill for final passage, one motion to recommit shall be in order.

Which is in derogation of the general parliamentary rule as to the previous question. However, in view of the explicit statement in Senate rule XV that—

> It shall be in order at any time before the passage of any bill or resolution to move its commitment—

the Chair is constrained to overrule the point of order.

Mr. ROBINSON. Mr. President, permit me one brief statement. I concede that the motion to recommit may be made at any time. My point is that only a single motion can be made, and that the language of the Senate rule does not change the general rule of parliamentary law that a single motion, and only a single motion, to recommit may be made.

Mr. VANDENBERG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been previously ordered.

Mr. BANKHEAD. Mr. President, I understand the question is on the pending motion of the Senator from Michigan [Mr. VANDENBERG].

The PRESIDING OFFICER. That is correct, the Chair will state to the Senator from Alabama.

Mr. BANKHEAD. I wish to make a few remarks on the pending motion.

A few days ago we discussed the question of recommital, and we have voted on it, and now from the enemies of the bill comes the same effort indirectly to defeat the bill.

The Senator from North Carolina [Mr. BAILEY] called the attention of the Senate to the testimony of the Secretary of the Treasury before the Finance Committee this morning. I am informed that the Secretary of the Treasury was discussing and opposing the bonus bill, but that he declined to give any expression upon the pending bill.

Mr. KING. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. KING. I think the Senator is not quite accurate—he was not present—in stating the position of the Secretary of the Treasury. The Secretary was there to present the views of the Treasury with respect to the effect of issuing bonds, but he did suggest that in the event that one of the bills which was before the committee——

Mr. BANKHEAD. The bonus bill?

Mr. KING. Yes; the bonus bill—was passed, then he had a suggestion to make with respect to the sources of revenue by which the obligation might be met. He did not state, as I understood him, that he was opposed to the bonus, but he gave his views with respect to the effect which the issuing of bonds would have upon the credit of the Government.

Mr. BANKHEAD. What I am developing is that his statement was not made in opposition to the pending bill.

Mr. KING. With respect to the pending bill, he stated that he did not know anything about it; that it had not been referred to the Treasury, and he made no comment in respect to it.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. BANKHEAD. I yield.

Mr. LA FOLLETTE. My recollection is that the Secretary of the Treasury referred to the measure under consideration as a contingent liability and not a part of the Budget to which he was referring when he said that any additional appropriations or expenditures not estimated for in the Budget ought, in the opinion of the Treasury, to be accompanied by suitable increases in taxation to take care of them.

Mr. BANKHEAD. Mr. President, I have pointed out heretofore, and will undertake to do so again, that the proposed bond issue provided for by the pending bill against which the assault is being made contemplates that the bonds shall be issued not all at once, as is required under the bonus bill, and as is required, probably, in order to obtain money under the Work Relief Act, but shall be issued over a period of years.

The bill also provides that the bonds may be issued only with the approval of the Secretary of the Treasury; so that, whether his judgment is taken in advance or is taken from time to time, when it is proposed to issue the bonds, is entirely immaterial. The provision as to bonds as the bill stands is merely an authorization, the power being left in the administration, both in the President through the board, which is to be set up to control the proposed corporation, and in the hands of the Secretary of the Treasury, not to approve the bonds as they may be called for. So it is an entirely different situation from that which it has been sought to emphasize upon the Members of the Senate as an absolute present liability for a new billion-dollar bond issue. The Treasury must at all times, when it is sought to issue bonds under the bill, be consulted and must approve the issue from time to time.

It has been insisted on both sides of the Chamber that the $500,000,000 allocation of the Work Relief Appropriation Act is sufficient, and the impression has been created or sought to be created that the $500,000,000 appropriation is confined to rural rehabilitation. Any Senator who will examine the Work Relief Act will promptly find that that is a wrong impression. Five hundred million dollars is not appropriated solely for rural rehabilitation. The language is—

> (b) rural rehabilitation and relief in stricken agricultural areas—

Such as those affected by drought, dust storms, and other conditions which bring about distress in agricultural sections—

> and water conservation, transmountain water diversion, and irrigation and reclamation.

Thus we find a broad field not merely of temporary plans for rural rehabilitation, but along other lines.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BANKHEAD. I yield.

Mr. BAILEY. The Senator from North Carolina, having read something in the nature of a title or introduction, will he read the text of the so-called "Russell amendment"?

Mr. BANKHEAD. I have read the rural rehabilitation provision which has been commented on by the Senator from North Carolina in his insistence that $500,000,000 was already provided for rural rehabilitation.

Mr. BAILEY. But will the Senator read the text of the Russell amendment?

Mr. BANKHEAD. No; the Senator knows what it is.

Mr. BAILEY. I myself read it into the RECORD yesterday.

Mr. BANKHEAD. Very well; then, why does the Senator want it read again? That is a different subject entirely.

Mr. BAILEY. With all due respect to the Senator from Alabama——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from North Carolina?

Mr. BANKHEAD. I do not yield. My time is too short for controversy over matters which we all understand.

Mr. BAILEY. Very well.

Mr. BANKHEAD. So there is no general provision in the Work Relief Act for $500,000,000 limited to rural rehabilitation.

We know from published accounts, we know from general information, that various plans for drought-stricken areas, for water conservation in the West, for transmountain water diversion and irrigation and reclamation are all contemplated, and plans are being prepared for these various items, which will take the larger part of the $500,000,000 appropriation.

I asserted here once before, and I again assert upon my responsibility as a Member of the Senate, that no more than the $50,000,000 specified in the pending bill will be used for the purposes of the bill and under the bill. So we may disregard all insinuations or suggestions in regard to greater sums. I make that statement with authority.

Therefore, Mr. President, it is a question whether we leave in this bill the real heart of it, the bond-issue provision, which may be utilized, as I have stated from time to time, in the administration of the bill but at no time without the approval of the administration.

So I submit, Mr. President, that we ought to go forward with this bill, conclude the debate on it, and then either vote it up or vote it down.

Mr. ADAMS. Mr. President, the Senator from Alabama is in error as to the position of some of us as to the pending bill. I am among those who think that the $500,000,000 appropriation in the Work Relief Act, if available, even if there were added to it the billion dollars proposed to be provided by the pending bill, would be utterly and wholly inadequate to accomplish the purpose contemplated.

If we are going to relieve the condition of tenancy in the United States it will require $15,000,000,000. It will not be possible to perform such a work with $500,000,000; it will not be possible to do it with $1,000,000,000. There are nearly 3,000,000 tenants in this country, and if only $3,000 were spent on each tenant, $9,000,000,000 would be required. However, $5,000, or even $10,000, might be spent on each tenant, for there is no specification in that regard contained in the bill. The bill simply starts with a billion dollars, which will reach less than 10 percent of the tenants.

My objection primarily is that we are starting on a course which will lead us not into a billion dollars of expenditure but which will lead us into $10,000,000,000 or $15,000,000,000 of expenditure.

The Senator from North Carolina [Mr. BAILEY] discussed this morning the indebtedness of this country. With his characteristic caution, he understated the obligations of the Nation. The obligations of the Government, roughly, are as follows:

Twenty-eight and a half billion dollars of conceded Federal obligations, which are direct.

We have just authorized $5,000,000,000 to be expended for relief purposes and work relief, an amount which can only be raised by added indebtedness; it is a potential indebtedness.

We have, roughly—and I am only dealing with rough figures—$5,000,000,000 of unexpended appropriations, which can only be provided and used by increasing our indebtedness.

We have a direct obligation of bonus certificates, due in 1945, but, notwithstanding, a direct obligation, of not less than $2,000,000,000.

So, we are confronted with direct obligations of over $40,000,000,000, and, in addition to that, we have indirect and contingent obligations amounting at least to $5,000,000,000.

Yet we propose to start upon a course which will involve a total expenditure of not less than $10,000,000,000. We cannot begin this program, Mr. President, and go into the State of the Senator from Alabama and take care of 5 or 10 percent of the tenants and then deny to the other 90 or 95 percent the same relief. Once we start on this program, we must go on with it.

The indirect obligations have a direct bearing. We are interested—or, at least, some of us are interested—in the credit of the United States. Some of us believe that if the credit of the United States shall be impaired it will destroy the landlords and the tenants, the merchants and the bankers, the professional men and the workingmen. Our first obligation is to protect the national credit.

The national credit is indicated by what? By the ability of the Government to market its bonds. It matters not when a beginning is made to market a bond whether it is a direct or a contingent obligation. It consumes that much of the available investable money of the United States. In other words, $40,000,000,000 of direct obligations consume $40,000,000,000 of investable capital. If we issue $1,000,000,000, $5,000,000,000, $10,000,000,000, or any other sum of indirect obligations, we take out of the market for Government bonds that much more money. This proposed issue of $1,000,000,000, even assuming that every dollar of it shall be repaid in due course, will take out of the present market that much money.

Our banks today, as has been stated repeatedly, have over $15,000,000,000 in their vaults and treasuries. We are imposing upon them relief bonds; we are imposing upon them other Government bonds. There is a limit. We have reached the point where the Federal indebtedness is nearly equal to the total deposits in all the banks.

There is another feature which disturbs me. When I came into the Senate I stood on the rostrum and took an oath to support the Constitution of the United States. That obligation I have regarded as sacred. My honest, deliberate judgment is that the pending bill is unconstitutional. There is a fundamental in the levying of taxes that they must be for a public purpose. The purpose of this bill is to appropriate money to buy farms for private individuals. That is not a public purpose and cannot be sustained under the Constitution of these United States. It is no answer to that question to say that the Congress has passed other unconstitutional measures.

Personally, I think we are starting upon a policy which, if pursued without some modifications, will lead us into national bankruptcy, national calamity, national catastrophe.

We speak of farm tenancy. Yes; it has been growing. Where has farm tenancy been growing most rapidly? In the finest agricultural areas of the land. If Senators will glance at the map upon their desks, they will find the highest percentage of tenancy in the finest agricultural areas of the United States. In my State the tenant is on the best land, not upon the poor land. I make no invidious comparison; but, if Senators will examine the map, they will find the lowest percentage of tenancy in the States which agriculturally are the least fertile. The States of Iowa and Illinois, for instance, among the finest of our agricultural States, have the highest rate of tenancy. That means something.

In my State, where sugar beets are raised, the tenant has a freedom of action. He may be called migratory, but he goes to the choice land and not to the poor land. The poor land cannot be rented.

We have roughly two classes of tenants, those who are not smart enough to maintain themselves on a farm, and

those who are too smart to undertake the burden of taxes and maintenance of the farm. In the beet areas in Colorado many of the best farms are operated by tenants. They are expert beet farmers. They know how to raise beets. They know that beets are raised upon a tract of land only 1 year in 3 or 1 year in 5. They rent a farm and raise beets this year on it, and next year they move on to another farm. They let the landlord pay the taxes and stand the depreciation while they move on. They are experts. The situation of every tenant is unfortunate. Colorado does have, as has every other State, unfortunates in the ranks of the tenants, but they are not all unfortunate.

I am concerned with the outcome. I think the bill should be recommitted. I think it is drawn in a way which is inconsistent within itself. It lacks detail. It lacks specifications as to its operation. To show the lack of care with which it was drafted, the author himself concedes that by one provision the land belonging to the corporation shall be taxed, while by another provision the land belonging to the Corporation shall not be taxed.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Alabama?

Mr. ADAMS. I yield.

Mr. BANKHEAD. May I say to the Senator that the provision that lands of the corporation shall not be taxed is the same provision as is contained in the Home Owners' Loan Act? The author had an amendment ready to submit when the bill came to the Senate making the purchased lands taxable.

Mr. ADAMS. The Senator concedes there are inconsistent provisions as to taxes as the bill came from the committee.

Mr. BANKHEAD. Yes; there was a conflict. The amendment was ready to be offered when the bill came before the Senate for consideration.

Mr. ADAMS. I have touched just a few of the points which have occurred to me. As the bill came first before the Senate I was very much impressed. I was distressed over the tenancy situation.

Mr. BAILEY. Mr. President——

Mr. ADAMS. I yield to the Senator from North Carolina.

Mr. BAILEY. Just a moment ago I asked leave to interrupt the Senator from Alabama [Mr. BANKHEAD] to read the existing law as contained in the Public Relief Act. The Senator from Alabama denied me that opportunity. I requested him to read it. He did not read it. I propose now to read it:

> Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be repaid in equal annual installments, or in such other manner as the President may determine.

That is very clear. That gives the President power under existing legislation to appropriate from $500,000,000 to $1,000,000,000 for the precise purposes contemplated by the pending bill.

The PRESIDING OFFICER. The time of the Senator from Colorado on the amendment has expired.

Mr. ADAMS. I have some time on the bill?

The PRESIDING OFFICER. The Senator has 15 minutes on the bill.

Mr. ADAMS. Mr. President, those who sponsor the bill have indicated a lack of confidence in their own bill. They say it is a permissive bill. They are unwilling to put behind the bill the declaration of Congress that the corporation shall be created, that its capital shall be paid in. They merely say the President "may" do it. If I were sponsoring a bill which I believed would solve the great tenancy problem of the country, I should put the positive obligation in the measure to create and to operate the corporation. The bill, according to the statements which have been made by its author and sponsors here, may or may not go into effect.

I am curious about one feature of the measure. The President may decide, if the bill passes, not to provide the $50,000,000 to constitute its capital; but another section authorizes the corporation to issue bonds in the aggregate of not to exceed $1,000,000,000. I am wondering if they could issue the $1,000,000,000 of bonds even though they did not have the capital?

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Massachusetts?

Mr. ADAMS. Certainly.

Mr. WALSH. I invite the Senator's attention to subsection (3) on page 8 which reads, in part:

> To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

Can the Senator define what is embraced by the words loans for "supplies and facilities"? Could not the $1,000,000,000 be expended alone for supplies and facilities for tenant farmers?

Mr. ADAMS. I think there is no question about it. The language of the grant of power to the corporation contemplated under subsection (3) which the Senator mentions and subsection (4) authorizes not only the purchase of supplies, furnishings, and equipment, which may include victrolas, pianos, and automobiles clear up to the limit, but it authorizes the corporation to buy farms, to improve them, to develop them, and to maintain them. In other words, it proposes to put the Government in the farming business.

Mr. WALSH. "Facility" is defined in the dictionary as being "the quality of being easily performed, freedom from difficulty, ease"; so it is proposed to appropriate money to make it easy for people to live on the farm. I had supposed the greatness of our country, its wealth, and the progress which has been made had been accomplished through hard labor by the pioneers of the country who went out and by toil, by sacrifice, by surmounting extreme difficulties, built up the farming sections, and contributed materially to our prosperity, but not through "ease" or "facility" or being supplied with "furnishings, supplies, and facilities."

Mr. ADAMS. I will say to the Senator from Massachusetts that principle has been dominant, I venture to say, in the lives of the Members of this body. The men who have acquired the standing they were compelled to have in order to secure the assent of their people to come here reached it through hardships and through struggles. Those who have never had hardships, those who have never had opposition seldom, if ever, reach any high goal.

I have a couple of boys to whom I have been trying to teach that doctrine. I am trying to restrain myself, at times when I am able to do so, from making things easy for them. I am glad when they meet obstacles, glad when they meet difficulties. I have said to them, "You will never get anywhere along a smooth trail that somebody else has prepared for you"; and that is true of the farm situation.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Alabama?

Mr. ADAMS. Certainly.

Mr. BLACK. Do I understand that the Senator is in accord with the philosophy expounded by the Senator from Massachusetts, which, if I understand it, is that it is wrong to remove unnecessary hardships in this country of progress?

Mr. ADAMS. Not at all. As a matter of fact, I will say to the senior Senator from Alabama that the problem with which we are confronted today, in the richest land upon the globe, is that we are at the same instant curtailing the production of food and feeding hungry people. In other words, we have demonstrated the failure, or at least the inefficiency, of our political and economic system. I think this measure, however, is not a remedial measure. I think we have failed in reaching the remedy. I say to the Senator from Alabama that I wish every man could own his farm,

but I am unable to see that it is the obligation of the Government of the United States to provide him with a farm.

Mr. BLACK rose.

Mr. ADAMS. Let me proceed.

I heard over the radio a few nights ago a gentleman who is said to be campaigning for the office of President of the United States. He was promising every man in the land a $5,000 home; he was promising every man a $2,500 income—a fine thing—he was promising every man an automobile and a radio. He was going to divide the wealth. We are following that gentleman's plan. We are starting out to provide every man with a farm, with equipment, with supplies, with facilities. We have already, in a preceding bill at this session, guaranteed every man a job.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. BLACK. I call the Senator's attention to the fact that the Home Owners' Loan Corporation Act, which was intended to benefit people in the cities all over the Nation, and which, as I recall, passed by practically a unanimous vote, provided not only for making easier the life of the city man in his home and providing him additional facilities, but, as operated, it has actually done so. It has operated in such a way as to enable him to have his home painted, to provide better heating facilities, to provide other facilities to add to the comfort and happiness of the man in the city. I believe the Senator agrees that that was a good law, does he not?

Mr. ADAMS. I will say to the Senator from Alabama that the Home Owners' Loan Corporation Act has done more to put this land on its feet than any other enactment or any other process of the Government save those which put the banking system on its feet.

Mr. BLACK. Then, may I ask the Senator a further question? He represents a State which contains some wonderful agricultural sections.

Mr. ADAMS. I really come from an agricultural State.

Mr. BLACK. I have been over much of that State, and have been impressed by the beauties of the farming sections, by the vast irrigation streams I saw, very frequently financed by the Federal Government.

Mr. ADAMS. No; the Senator has not seen much of that.

Mr. BLACK. Who financed them?

Mr. ADAMS. The farmers under the ditches.

Mr. BLACK. Yes; they financed them under plans providing Government money throughout the West.

Mr. ADAMS. No; not in my State—two very small areas only.

Mr. BLACK. The Senator says he believes the Home Owners' Loan Corporation has done a great work, and has added to the home facilities of the man who lives in the city. Is there any reason why the humblest, poorest class of American farmers should be held up to ridicule by reason of the fact that we desire to supply them some of the same facilities we have given to those who dwell in the cities?

Mr. ADAMS. In the first instance, I may say to the Senator from Alabama that no man I have heard on this floor or elsewhere has sought to hold anyone up to ridicule because of his financial situation.

Mr. BLACK rose.

Mr. ADAMS. I will not yield further at this point.

Mr. BLACK. Very well.

The PRESIDING OFFICER. The Senator from Colorado declines to yield further.

Mr. ADAMS. There is no one who has more sympathy than have I for the tenant who is in distress; but it is sought to assimilate the Home Owners' Loan Corporation Act with this bill. If Senators wish to reach a parallel, let them pass a bill providing that the Government shall finance the purchase or the building of a home for every man who does not have a home. The operations of the Home Owners' Loan Corporation run parallel to the operations of the Federal land bank, which provides loans to farmers to relieve them from economic distress due to indebtedness. This bill does not do that. This is intended as a plan to purchase farms for those who are now farmless, or, at least, who are tenants upon farms. The Home Owners' Loan Corporation does not attempt to provide a home for every man who does not own a home, but merely to take care of those in financial distress and who have an equity in a home through the investment of earnings or savings.

Mr. BLACK. By providing facilities; does it not?

Mr. ADAMS. It does not even take care of those who are able to carry their mortgages, but has exacted of applicants that they must show a distressed condition in order to take advantage of it. That corporation has been limited to that field. There is practically no limit to this bill, I will say to the Senator from Alabama. Under this bill we are not only taking care of the tenants of whom the Senator speaks, but we are bringing within it some millions of farm laborers who are just as much entitled to help. Once we start upon the program of providing a farm at Government expense for every man who wants a farm, there is no limit to the obligations the Government will incur. In my judgment, by such a course, we shall destroy the financial credit of our country, and if we do that we shall destroy the tenant, we shall destroy the farm owner, we shall destroy the home owner and our country.

Mr. BANKHEAD. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Alabama?

Mr. ADAMS. Yes, sir.

Mr. BANKHEAD. I assume the Senator realizes that there are about $20,000,000,000 of mortgages on urban homes.

Mr. ADAMS. Slightly more than that.

Mr. BANKHEAD. More than that. When the Home Owners' Loan Corporation bill was before the Senate, did the Senator make that argument? When we proposed to appropriate the original $2,000,000,000, did he argue that it was leading to a $20,000,000,000 appropriation, and therefore did he vote against the original proposition?

Mr. ADAMS. I did not.

Mr. BANKHEAD. Why does not the Senator apply that rule here?

Mr. ADAMS. The reason was that it was not an applicable argument. As a matter of fact, we were seeking to relieve the home owner who was in distress by reason of economic conditions, and who could not carry his mortgage; and with the addition of the bill which the Senator from Ohio [Mr. BULKLEY] has had passed, and for which I voted, we are going to take care practically of the remainder of those who need help.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Massachusetts?

Mr. ADAMS. Gladly.

Mr. WALSH. Is it not a fact that when a man owns a home, and is in distress, he can borrow only 80 percent of the value of the home?

Mr. ADAMS. That is correct.

Mr. WALSH. While under this bill, where a person has nothing in the way of security, he gets everything—land, building, equipment, supplies, everything—and is expected to pay back ultimately to the Government the value of the entire investment. It is an entirely different proposition from loaning a man 80 percent of what he is worth.

Mr. ADAMS. I think the statement of the Senator is entirely correct.

Now, just one other statement of fact with reference to farm tenancy: The Senator from Iowa [Mr. MURPHY] had a pamphlet yesterday as to tenancy in Iowa. It showed, for what it may be worth, that there had been a decline in foreclosures in Iowa since 1932 to 1933 and 1934; but of the foreclosures in 1934, 67 percent of them were by insurance companies, 20 percent by Government agencies, and I think 16 percent by banks.

Arguments have been made here about grasping landlords and those who are seeking to make all farmers tenants. I think the Senate is quite familiar with the attitude of insurance companies. They are becoming unwilling land-

lords. They are involuntary landowners; and if any tenant, or anybody who is a competent farmer can give any assurance of repayment, nothing will so much delight the life-insurance companies as to make a sale to him of some of the foreclosed properties.

Mr. GLASS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. The time of the Senator from Colorado has expired. The question is on the motion of the Senator from Michigan [Mr. VANDENBERG] to recommit the bill with instructions.

Mr. VANDENBERG. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the junior Senator from Wyoming [Mr. O'MAHONEY]), and vote "nay."

The roll call was concluded.

Mr. DIETERICH. I desire to announce the unavoidable absence of my colleague [Mr. LEWIS]. I understand he is paired on this question with the Senator from Delaware [Mr. HASTINGS]. If my colleague [Mr. LEWIS] were present and voting, he would vote "nay." If the Senator from Delaware [Mr. HASTINGS] were present and voting, he would vote "yea."

Mr. RUSSELL. My colleague, the senior Senator from Georgia [Mr. GEORGE], is unavoidably absent. On this question he is paired with the senior Senator from Nevada [Mr. PITTMAN]. If my colleague [Mr. GEORGE] were present, he would vote "nay", and I understand that if the Senator from Nevada [Mr. PITTMAN] were present he would vote "yea."

Mr. AUSTIN. I desire to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent.

Mr. ROBINSON. I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

I also wish to announce that there are necessarily detained from the Senate the Senator from Kentucky [Mr. BARKLEY], the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the junior Senator from Nevada [Mr. MCCARRAN], the senior Senator from Nevada [Mr. PITTMAN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Idaho [Mr. POPE], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS].

The result was announced—yeas 38, nays 42, as follows:

YEAS—38

Adams	Clark	Hale	Smith
Austin	Coolidge	Johnson	Steiwer
Bailey	Copeland	Keyes	Townsend
Barbour	Couzens	King	Truman
Borah	Dickinson	Lonergan	Tydings
Bulkley	Duffy	McNary	Vandenberg
Burke	Gerry	Metcalf	Walsh
Byrd	Gibson	Moore	White
Capper	Glass	Radcliffe	
Carey	Gore	Schwellenbach	

NAYS—42

Ashurst	Costigan	Logan	Robinson
Bachman	Cutting	McGill	Russell
Bankhead	Dieterich	McKellar	Schall
Bilbo	Donahey	Minton	Sheppard
Black	Fletcher	Murphy	Shipstead
Bone	Frazier	Murray	Trammell
Brown	Guffey	Neely	Van Nuys
Bulow	Harrison	Norris	Wagner
Byrnes	Hatch	Nye	Wheeler
Caraway	Hayden	Overton	
Connally	La Follette	Reynolds	

NOT VOTING—15

Barkley	Lewis	McCarran	Pope
Davis	Long	Norbeck	Thomas, Okla.
George	Maloney	O'Mahoney	Thomas, Utah
Hastings	McAdoo	Pittman	

So Mr. VANDENBERG's motion to recommit the bill was rejected.

The PRESIDING OFFICER (Mr. MCGILL in the chair). The question is on agreeing to the amendment proposed by the senior Senator from North Carolina [Mr. BAILEY], which will be stated.

The CHIEF CLERK. On page 4, after line 6, it is proposed to strike out the following:

> The Corporation is authorized to issue bonds in an aggregate amount not to exceed $1,000,000,000, which may be sold by the Corporation to obtain funds for carrying out the purposes of this act. Such bonds shall be in such forms and denominations, shall mature within such periods from the date of their issue, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds of the Corporation issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes), now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the Senator from New Mexico [Mr. CUTTING]. I transfer that pair to the junior Senator from Connecticut [Mr. MALONEY], and will vote. I vote "yea."

Mr. DIETERICH (when Mr. LEWIS' name was called). I wish to announce that my colleague [Mr. LEWIS] is necessarily detained from the Senate. I further wish to announce that he has a general pair with the Senator from Delaware [Mr. HASTINGS]; that if present, the Senator from Delaware would vote "yea" and the Senator from Illinois would vote "nay" on this question.

Mr. LOGAN (when his name was called). Making the same announcement as on the previous roll call, I feel free to vote. I vote "nay."

The roll call was concluded.

Mr. ROBINSON. I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

The Senator from Kentucky [Mr. BARKLEY], the Senator from Washington [Mr. BONE], the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. MCCARRAN], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are necessarily detained from the Senate.

Mr. AUSTIN. I desire to announce that the Senator from Delaware [Mr. HASTINGS] is unavoidably absent.

Mr. RUSSELL. I desire to announce that my colleague the senior Senator from Georgia [Mr. GEORGE] is paired with the Senator from Nevada [Mr. PITTMAN]. If present, my colleague would vote "nay", and the Senator from Nevada would vote "yea."

The result was announced—yeas 29, nays 45, as follows:

YEAS—29

Adams	Coolidge	King	Townsend
Austin	Dickinson	Lonergan	Tydings
Bailey	Gerry	McNary	Vandenberg
Barbour	Gibson	Metcalf	Walsh
Bulkley	Glass	Minton	White
Byrd	Gore	Radcliffe	
Carey	Hale	Smith	
Clark	Keyes	Steiwer	

NAYS—45

Ashurst	Copeland	Logan	Schall
Bachman	Costigan	McGill	Schwellenbach
Bankhead	Dieterich	McKellar	Sheppard
Bilbo	Donahey	Moore	Shipstead
Black	Duffy	Murphy	Trammell
Brown	Fletcher	Neely	Truman
Bulow	Frazier	Norris	Van Nuys
Burke	Guffey	Nye	Wagner
Byrnes	Harrison	Overton	Wheeler
Capper	Hatch	Reynolds	
Caraway	Hayden	Robinson	
Connally	La Follette	Russell	

NOT VOTING—21

Barkley	George	McAdoo	Pope
Bone	Hastings	McCarran	Thomas, Okla.
Borah	Johnson	Murray	Thomas, Utah
Couzens	Lewis	Norbeck	
Cutting	Long	O'Mahoney	
Davis	Maloney	Pittman	

So Mr. BAILEY's amendment was rejected.

Mr. LOGAN. Mr. President, yesterday I sent to the desk an amendment which I proposed to offer. I now call up the amendment and ask that it be disposed of at this time.

I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 11, after line 2, it is proposed to add the following:

No land purchased from the Corporation herein created up to the value of $2,500 shall ever be encumbered with any lien or obligation, either statutory or contractual. Such land shall not be subject to any debt, or debts, of the owner, or obligation of any kind, and every conveyance, lease, or contract executed by the Corporation herein created shall contain a provision that the land shall forever remain free of all liens or encumbrances of whatever kind, and such provision shall be a covenant running with the land as long as it shall be used as a farm homestead. This provision shall not affect the lien of the Corporation for the money loaned for the purchase of the land, or equipment for the land.

Mr. LOGAN. Mr. President, I had hoped that the author of the pending bill, who has it in charge, would accept this amendment.

Mr. BANKHEAD. The amendment is entirely acceptable to me.

Mr. LOGAN. Then, unless some other Senator desires to discuss the amendment, I see no occasion to take up the time of the Senate in explaining it. The purpose of the amendment is to make sure that no land up to the value of $2,500 shall ever have a lien placed upon it.

I will not further discuss the amendment at this time.

Mr. BAILEY. Mr. President, I should like to obtain some information on this amendment. Does the Senator intend that there shall be an exemption altogether from State and county taxes?

Mr. LOGAN. No; not at all. The property will be subject to taxation just the same as any other property, but in case of default the taxes will have to be collected out of the other property which the farmer owns. That is now the law in most of the States, as I understand. The amendment does not exempt the property from taxation; but taxes are a lien against all the property a man has, and the amendment provides that no statutory lien shall affect the title to the land. The purpose is to relieve a man from the fear which he has of being homeless in his old age. It is to protect him against his own improvidence. It is the same provision which is often put in trust deeds where some man conveys property to his son and is afraid the son will let it get away from him. The purpose of the amendment is, up to the extent of $2,500, to insure the man who works out the necessary money to pay for the land that he will have a home, that he cannot be persuaded to encumber it, and that it shall not be sold for any purpose.

This is not an unusual provision. Several States have such provisions now, as I understand. We do not have such a provision in my State. The property will be subject to taxation, but it cannot be sold to satisfy a lien, even for taxes, under the language which is used in the amendment.

Mr. BAILEY. I desire to ask the Senator from Kentucky whether the land could be sold under the execution of a judgment?

Mr. LOGAN. It could not.

Mr. BAILEY. The amendment, then, would be in the nature of an exemption in bankruptcy?

Mr. LOGAN. The amendment simply provides that the land shall remain a haven of refuge, as it were. The amendment will add very materially to the value of the property. It will offer an incentive to a man to work to pay for his farm, because when he once has it paid for he cannot be inveigled into placing encumbrances upon it for any purpose. He may have a family, he may be bringing up boys and girls, and his children may reach the conclusion that he ought to buy an automobile for them, and he may not be able to withstand that temptation. Other people may come around, seeking to have him incur indebtedness and to mortgage his farm. This amendment simply prohibits his placing a mortgage upon the property at all, for any purpose.

Mr. BAILEY. Mr. President, I should like to ask the Senator if he really contemplates having the Government of the United States set up a system of land tenure in this country.

Mr. LOGAN. Not at all.

Mr. BAILEY. I have always thought that was a matter for the States.

Mr. LOGAN. The Government acquires the land, and it has the right to prescribe the terms upon which the land shall be sold. It has the power to put in the conveyance or in the contract a provision that "We will sell this land to you, but a part of the consideration, a part of the covenant, is that you shall never encumber the land." That is quite frequently done, as the Senator from North Carolina must be aware, in private business. I imagine the Senator has prepared many deeds and wills where real estate was transferred to someone with the condition that he could not encumber it.

Mr. BAILEY. I will say to the Senator that I would not do that in North Carolina, because I know that the first court I came into would set the deed aside. However, what I am now interested in is the proposition to have the Government of the United States, which never had any title to land in North Carolina except what it bought, set up a form of land tenure. The Government did have title in the territorial States. The proposition now seems to me to be one to enable the United States Government, by the purchase of land through a corporation, to set up a very peculiar form of land tenure. I should like the Senator to explain that feature.

Mr. LOGAN. I have no desire to take up the time of the Senate in explaining that which is so simple that anyone can understand it. If the Government owns the land, it has the power to prescribe the terms upon which it shall sell it. This amendment is for the protection of the poor and of the down-trodden. It is for the protection of those who are unable to protect themselves. Then, after they have purchased it, they ought to have the incentive that after they pay for the land it cannot be taken away from them. They ought not to go on fearing that in their old age they will have no place where they can stay.

There is not much occasion to try to help people unless we go the full limit in our efforts to help them. This is a simple matter. It merely gives a man a little home which cannot be taken away from him. We have homestead laws in all the States, but unfortunately some of the States allow the owners to place mortgages upon homesteads, and they are swept away.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Minnesota?

Mr. LOGAN. I yield.

Mr. SHIPSTEAD. Does the Senator believe that his amendment would bar the execution of a judgment rendered in a State court for debt?

Mr. LOGAN. Oh, yes; there is no question about that. We have a right to prescribe the terms upon which the land shall be sold; and if the owner prescribes the terms when land is sold, the buyer takes it with certain restrictions upon the title, with a certain covenant in the deed that it cannot be encumbered, and it cannot be subjected to his debts. If that can be done, then I say in my judgment that it is a valid restriction, and has always been held so.

Homesteads are exempt from execution in all the States, so far as I know. A man's homestead cannot be sold for his debts. However, since the Senator from Alabama [Mr. BANKHEAD] is satisfied to accept the amendment, I shall offer no further suggestions at this time.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

Mr. DICKINSON. Mr. President, I wish to offer an amendment. On page 2, line 11, following the word "Senate", I move to strike out the period, insert a comma, and the words "and not more than two of said three members shall be members of the same political party."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Iowa.

Mr. BANKHEAD. Mr. President, I could not understand the amendment as read by the Senator from Iowa, and should like to have it stated at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 11, after the word "Senate", it is proposed to strike out the period and insert a comma and the following words:

And not more than two of said three members shall be members of the same political party.

Mr. DICKINSON. Mr. President, I think, in all fairness, there should be such a political division in the composition of the Board.

Mr. BANKHEAD. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield.

Mr. BANKHEAD. I wish to say that I have no objection to the amendment.

Mr. DICKINSON. Very well. Then, I will not discuss it further.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Iowa.

The amendment was agreed to.

Mr. BYRNES. Mr. President, I move to strike out, on page 9, lines 19, 20, and 21. The language of subdivision (b) as it appears in the bill provides that—

(b) Preference shall be given applicants who are married or who have dependent families, have good moral character, and are experienced in farming and familiar with farm operations, or who are or recently were farmers, farm tenants, share-croppers, or farm laborers.

I submit to the Senate that that reads more like a statement of eligibility than a statement of preference. If it be true that preference is to be given to applicants who have good moral character, then it follows that when those of good moral character shall have been given preference, those of bad moral character shall then be given consideration. I do not believe it was ever intended that persons of bad moral character should participate in the benefits under the bill.

All the arguments in favor of the bill have been directed to the situation in regard to farm tenants and to the desire on the part of those of us who have voted to support the bill to promote the interest of those who are farm tenants, share-croppers, or farm laborers. I believe that if the expressions on the floor of the Senate are any indication of the purpose of those who are favorable to the pending bill, then my amendment should be adopted. If adopted, the provision would then read:

Preference shall be given applicants who are farm tenants, share-croppers, or farm laborers.

There is an additional reason for such an amendment. The senior Senator from Alabama made a statement yesterday in closing the argument before the vote on the motion to recommit—an excellent statement—in which he set forth the plight of the little fellow. The only way in which the little fellow can be helped is to give him preference under this bill. If we do not do that, if we say preference shall be given to all the other classes mentioned and to those experienced in farming and familiar with farming operations, no matter what kind of person the particular individual may be, and we then say "farm tenants, share-croppers, or farm laborers", we relegate to the last position in the list those whom we all want to help under the provisions of the bill. I believe the real intention of the friends of the bill would be served if the language should be changed so as to give preference to "farm tenants, share-croppers, or farm laborers", and all others who, under the language of the bill, are entitled to consideration would then receive consideration.

Mr. LA FOLLETTE. Mr. President——

Mr. BYRNES. I yield.

Mr. LA FOLLETTE. May I suggest to the Senator that he include the words "or recently were", for the simple reason that if the Senator's amendment as it is now drawn should be adopted it would preclude any assistance from the Farmers' Home Corporation to those who have been foreclosed and have lost their farms through misfortune.

Mr. BYRNES. Mr. President, as I understand the Senator, he would have the provision read "farm tenants, share-croppers, or farm laborers or those who have been farm tenants."

Mr. LA FOLLETTE. No; I suggest to the Senator that he modify his amendment so as to provide for striking out lines 19, 20, and 21 down to and including the word "are" in line 21, so that it would provide that "preference shall be given" at all times to those "who are or recently were farmers, farm tenants, share-croppers, or farm laborers."

Mr. BYRNES. Mr. President, my thought is that they would not be denied consideration. There is no question of eligibility. If subdivision (b) were entirely stricken out, they would all be entitled to consideration, and we would come back to the position several times urged by the Senator from Nebraska [Mr. NORRIS] that it would depend upon the administration of the proposed act. However, this section seeks to give preference; in doing so it enumerates farmers of all kinds, and then says, "farm tenants, share-croppers, or farm laborers."

The Senator's suggestion, if adopted, would mean that preference would be given to applicants who are farmers.

Therefore, no matter what kind of farmer he is, or how big a farmer he may have been, he is given first preference. My thought is that included as eligibles shall be farmers and those who have been farmers; put in such eligibility provision as the Senate may deem wise; but when it comes to giving preference, I think preference should be given to "farm tenants, share-croppers, or farm laborers", those who are most in need of help.

Mr. LA FOLLETTE. Mr. President, it seems to me that it is perfectly obvious that this bill cannot take care of all the farmers, farm tenants, share-croppers, or farm laborers in this country; and if the Senator's amendment should prevail, then it would result, in my judgment, in the exclusion of those who have lost their farms or who have been recently tenant farmers and who have been forced to leave the land due to economic conditions. It would be unjust to exclude them from consideration, because it seems to me in some instances their cause should appeal more to us than the cause of those who may as tenants perhaps today be successfully operating farms.

Mr. BAILEY. Mr. President, does the Senator think it would exclude all those who have been forced to forego farming by reason of control policies?

Mr. LA FOLLETTE. I believe that it would, Mr. President, because, as I said a moment ago, while the Senator from South Carolina contends that this is only a preference, we must recognize that the bill is not sufficient in its scope, so far as the appropriation is concerned, to include all the farm tenants or share-croppers or farm laborers, and therefore they are given preference. Thus those who have lost their farms due to any cause, the depression or otherwise, will be excluded, because the entire facilities of the bill, in my opinion, will be absorbed by those to whom the Senator's amendment would give preference, namely, "farm tenants, share-croppers, or farm laborers."

Mr. BYRNES. Mr. President, I do not agree with the statement of the Senator from Wisconsin that that would result by giving them preference, but if his statement be correct and that merely by providing that preference be given to "farm tenants, share-croppers, or farm laborers", the entire billion dollars would be consumed, then certainly there is all the more reason for modifying the language of the bill, because by the language as it now stands, in the clause referred to, preference is given, first, to those who are experienced in farming, who are familiar with farm operations, than to those who are farmers or recently were farmers; and consigned to the third position in the preference list are the farm tenants for whom we have been expressing our sympathy upon this floor.

I should like to ask the Senator from Alabama, who is in charge of the bill and who is its author, whether he would agree to the amendment if I should modify it so that it would read?—

Farm tenants, share-croppers, farm laborers, or those who are or recently were farmers.

Mr. BANKHEAD. I inquire of the Senator from Wisconsin [Mr. LA FOLLETTE] if that would meet his suggestion?

Mr. BYRNES. I think that we ought to legislate to help the farm tenants and share-croppers and farm laborers and that they should be placed first in the list of those who are given preference.

Mr. BANKHEAD. I have no objection to the amendment.

Mr. BYRNES. Then, I ask to modify my amendment as I have indicated.

Mr. BORAH. Mr. President, I inquire if the Senator from South Carolina proposes to strike out the words "married or who have dependent families"?

Mr. BYRNES. I propose to strike out lines 19, 20, and 21, on page 9, and the word "or" on line 22, and after the word "laborers" in line 22 to add the following: "or those who are or recently were farmers."

Mr. BORAH. The Senator desires to strike out the words "married or who have dependent families"?

Mr. BYRNES. Yes; to strike out those words from the statement of preference.

Mr. BORAH. I do not see why the Senator should wish to do that. Why should preference not be given to those who are married or who have dependent families and who have the other qualifications which are provided?

Mr. BYRNES. Mr. President, while I have no particular reason, I still do not believe that the purpose of this bill is actually to influence those who have been considering entering into wedlock and to insist that they must marry. I have thought it was really a bill to help farm tenants and share croppers and farm laborers, whether they were married or unmarried. I think it important that we should try to relieve them, but I do not believe it so important to enter into another field of legislation.

Mr. BORAH. It is not designed, of course, to encourage matrimony, but in the case of two tenants, one of whom is married and has a dependent family, and the other is unmarried, I think the one who is married ought to be given preference over the one who is single and has no dependent family. I shall insist that that language be left in the bill. Really all we need to take out of the phraseology is "have good moral character", because that is a thing which really is not susceptible of demonstration in a matter of this kind. We do not know anything about it until it is too late.

If we say that "preference shall be given applicants who are married or who have dependent families, and are experienced in farming and familiar with farm operations", and so forth, it seems to me a wise provision. I cannot understand why we should not give preference to those who have dependent families. They ought to be considered and taken care of in preference to those who have not dependent families.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. BORAH. Mr. President, I insist that we have a vote on the question whether the words "married or who have dependent families" shall be stricken out.

Mr. BYRNES. If I should modify the amendment so as to strike out the words "have good moral character, and are experienced in farming", would the Senator object to it? He does not want to say, does he, how much of a family a man must have in order to have a dependent family?

Mr. BORAH. No; I am not undertaking to go that far.

Mr. BYRNES. Shall preference be given a man with five children over the man with only four children?

Mr. BORAH. No; but preference should be given him if he has a family over the man who has no family.

Mr. BYRNES. I wondered why the Senator had entered into the consideration of that question at all.

Mr. BORAH. So far as I am concerned it is not a subject of humor. I think where we find two good persons, either of whom may come within the law, and the one has a dependent family and the other has not, that fact ought to be taken into consideration if we are going to give any preference.

Mr. BYRNES. The Senator would have me modify the amendment to provide that preference shall be given farmers who are married or who have dependent families?

Mr. BORAH. Yes; I shall be satisfied with that.

Mr. BYRNES. Then, I desire to modify my amendment so as to cover the suggestion of the Senator from Idaho, by striking out the words "have good moral character, and are experienced in farming and familiar with farm operations, or who are or recently were farmers" and inserting the words I have heretofore indicated, "or those who are or recently were farmers", after the word "laborers", in line 22.

The PRESIDING OFFICER. The amendment of the Senator from South Carolina, as modified, will be stated.

The LEGISLATIVE CLERK. On page 9, line 18, in subparagraph (b), it is proposed to strike out the words "have good moral character, and are experienced in farming and familiar with farm operations, or who are or recently were farmers"; in line 22, after the word "share-croppers", to strike out the word "or"; and in line 22, after the word "laborers", to insert the words "or those who are or recently were farmers", so as to make the paragraph read:

(b) Preference shall be given applicants who are married or have dependent families, farm tenants, share-croppers, farm laborers, or who are or recently were farmers.

The amendment, as modified, was agreed to.

Mr. DICKINSON. Mr. President, I desire to offer an amendment and I should like to have the attention of the author of the bill as I state it. I have discussed it with the

author of the bill. On page 8, line 19, after the word "contracts", I move to strike out the period and insert a comma and the following words:

but no sale shall be made to one purchaser in excess of $15,000.

Mr. BANKHEAD. Mr. President, I have talked but briefly with the Senator from Iowa about the amendment. There is more or less a difference of opinion about it. I am willing that it shall be put to a vote.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. DICKINSON. I yield.

Mr. KING. I do not know that I understand the implication of the amendment. Is it relative to the sale of land by the Government in order to inaugurate any particular project, or is it a limitation upon the amount which may be expended in behalf of any one individual?

Mr. DICKINSON. It is a limitation on the amount which any one man can purchase from the Government under the terms of the bill. The purpose is to prevent one man buying several hundred thousand dollars worth of land purely as a matter of speculation. We want the land to be sold to farmers and to tenant farmers for homes. Therefore, we ought to limit the amount which the Government may sell to any one individual. In my judgment, $15,000 should be the maximum price of a farm one purchaser could buy.

Mr. KING. I think that is entirely too generous. I do not favor any proposal which would permit the expenditure of $15,000 in behalf of any one tenant farmer, or, for that matter, any one farmer. If we are spending as much as $15,000 or $10,000 in behalf of a tenant, who is to be advantaged by the measure, we are going to limit the number of tenants who may receive the benefits of the measure. When we consider that there are millions of persons who are tenants, and then propose permitting the expenditure of $15,000 in behalf of one tenant, it is obvious the $1,000,000,000 fund will soon be exhausted.

Mr. DICKINSON. Would it not be better to limit it to $15,000 than to have the sky the limit?

Mr. KING. Oh, assuredly.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Alabama?

Mr. DICKINSON. I yield.

Mr. BLACK. I do not agree it would be better to limit it to $15,000 rather than to have no limitation at all. I am in thorough sympathy with the objective which the Senator seems to have. I do not favor the Government providing $15,000 farms. That is all contrary to my conception of the purposes of the measure. I fear if we place a limitation of $15,000 it might be expected and might be hoped that there would be loans made of $15,000. I hope, if the Senate adopts any limitation, it shall certainly be smaller than $15,000.

Mr. DICKINSON. Let me suggest that in certain sections of the country a farm unit, with any type of equipment whatever, is worth more than $15,000. There are certain sections of the country where a farm unit may be worth only $4,000 or $5,000, but the average farm in the Mississippi Valley embraces from 120 to 160 acres of land. If that land is based on the usual price of approximately $75 to $100 an acre, the tenant farmers in that area ought to have a right to enjoy the same privileges from the Corporation as are to be given to the tenant in Alabama, who may buy a farm for only $3,000.

Mr. BLACK. I am very glad to see the Senator has changed his mind since yesterday. As I recall, although I have not looked at the RECORD, he stated then it was all right for us to provide loans for tenant farmers down in Alabama. I understood he objected to such loans being supplied to the State of Iowa.

Mr. DICKINSON. I am opposed to the national socialization of land. I stated yesterday that I wished we could make this a one-State experiment; that I did not want to see the experiment tried in Iowa; that I would rather see it tried in some other State. I am opposed to this type of land financing. I am opposed to the bill. I am going to vote against the passage of the bill. However, if the bill is going to be enacted into law, I believe nobody ought to be permitted to go into land speculation on Government money under the terms of the bill, which can be done under the bill as it is now drawn.

Mr. BLACK. I agree with the Senator, but I think the bill now provides a greater limitation than would be provided by the limitation of $15,000. It provides a limitation on small farms. Am I to understand that the Senator favors having the bill provide for loans of as much as $15,000 to a tenant or share-cropper to buy land?

Mr. DICKINSON. If we are not going to do that, it is not going to be of any benefit in what we know are the high-priced land areas of the country. It would be limited then to what may be called the "cheaper priced" lands.

Mr. BLACK. I understand the Senator wants the bill to provide for loans as great as $15,000?

Mr. DICKINSON. No; I said not in excess of $15,000.

Mr. MURPHY. Mr. President, I should like to ask the Senator from Alabama a question.

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Iowa yield to his colleague for that purpose?

Mr. DICKINSON. I yield for that purpose.

Mr. MURPHY. Is the Senator from Alabama under the impression that the bill will not reach areas where the price of land is high, as in Illinois, Indiana, Iowa, and eastern Nebraska?

Mr. BLACK. I am of the opinion that it will reach any section so as to provide a small farm for any individual tenant farmer or share-cropper or for the others who come within the scope of the bill. I do not know the exact value of lands in the various sections nor the type of farm which would be called a "small" farm. I certainly do not want the bill to provide a special limitation which would indicate that in sections where land can be purchased cheaply $15,000 may be spent and more land acquired than a farmer actually needs. The objection I have is to placing in the bill a limitation which in effect is a permission to reach that amount, and which to that extent would counteract the provision in the bill which is intended to benefit small farmers.

That is the objection I have. I prefer to have the bill as it is, leaving it up to the administrators of the measure to determine what is a small farm in each particular locality rather than to invite the purchase of a large farm in a locality where land is cheap.

Mr. MURPHY. Mr. President, will the Senator permit a further question?

Mr. BLACK. I have not the floor, but I shall be glad to answer the question, with the permission of the Senator from Iowa [Mr. DICKINSON].

Mr. MURPHY. Is it the Senator's idea that a tenant farmer, under this bill should operate a commercially profitable farm, or is it merely the idea to provide a homestead for him and a small patch of ground where he can raise stuff for his table?

Mr. BLACK. Certainly I should want the farm to be a commercially profitable farm, but I should not want it to be so large that the farmer could transform himself from a tenant into an employer of 50 tenant farmers on land he had bought from the Government. That is my position. I have no objection to the farm being commercially profitable, and if it were not commercially profitable it would be a failure.

Mr. MURPHY. I desire to say to the Senator that the representation put forth in support of this bill by its proponents is that it will relieve tenancy. The percentage of tenancy in my State, as an approximation for the present year is 53 percent. In order to operate a farm commercially on a profitable basis, one would need a very minimum of 160 acres if he had a family. That land today is selling on the market for from $75 to $225 an acre. If this bill is going to relieve the tenantry situation in my State, it will involve a large expenditure of money for each individual tenant. If it is not going to reach him, it will reach only those who can buy farms in areas where farm lands are cheap.

I should like to know whether the objective here is to relieve the greatest number of tenants in the particular sections of the country where farm lands are cheap, or to reach out and relieve tenantry in States where farm lands are expensive.

Mr. BLACK. My idea is that the bill is intended to reach tenantry in every State in the Union but the objection I have to placing in the bill a limitation of $15,000 is that to buy a small farm it might be necessary, as the Senator says, to pay $10,000 or $12,000 or some similar amount in one section of the country; but if we place in the bill a limitation in dollars such as this, it would seem to be a permissive invitation to spend $15,000 on a farm where $15,000 is not needed.

The bill as it is written has the flexibility which is necessary, in my judgment, properly to administer it so that it may fit every section of the country. If in one section, at the prevailing rate for farm land, a small farm would cost $10,000, and if in another section a small farm would cost $3,000, the administrators would go on that basis; but I do not want a standing invitation in the bill, by reason of the limitation of the amount, to go into a section where land may be cheap and purchase a great deal more land than the individual may need for a farm.

Mr. MURPHY. The Senator has covered my question.

Mr. WHEELER. Mr. President, if the Senator from Iowa will yield, my view about the matter is that a limitation of $15,000 is too high. If we are going to buy a farm for a tenant, whether in Illinois or not, we ought not to loan Government money to the extent of $15,000. A smaller farm, one on which a man, if he could get it on the right terms, could make a living in Illinois or Iowa, could be obtained for less than that.

I think the amount should be limited in the bill. I do not agree with the Senator from Alabama that we should leave it unlimited, and leave it entirely up to the discretion of some person in the Department to specify just what shall be done in different parts of a State or the country. There ought to be some top limit. I hope there will be some limitation; I think it will be very disastrous if we do not so provide, because we may have a good administrator today, but we may have a foolish administrator tomorrow or the next day.

Mr. BAILEY. Mr. President, I will say to the Senator that I have an amendment providing a limit of $3,000.

Mr. WHEELER. I think a $3,000 limit in many places would be all right; but in many other sections of the country, particularly in Illinois and Iowa, of which the Senator speaks, I think a $3,000 limit would be too low.

Mr. BAILEY. Suppose we give the tenant $3,000 for his land and $2,000 for working capital: How would that work? Should he not have some working capital?

Mr. WHEELER. Yes; he should have some working capital.

Mr. BAILEY. Otherwise, how would a tenant start out?

Mr. WHEELER. I am not at all sure that in the high-priced areas of Iowa and Illinois land and substantial equipment could be purchased for $3,000. I would rather have the opinions of the Senators from Iowa and Illinois with reference to that matter; but I am in favor of putting a top limitation in the bill.

Mr. BAILEY. But the Senator does favor an amendment that would give the farmers working capital?

Mr. WHEELER. Absolutely. I think they should have it.

Mr. BANKHEAD. Mr. President, I should like to have the view of the Senator from Montana on that subject, because I have no opposition to the proposal. I should like to have his ideas about what would be a reasonable limit that would be flexible.

Mr. WHEELER. My own view about the matter is that we should not go above $10,000. I think that is plenty high enough. If a tenant farmer can have $10,000 spent for him in the best sections of the country, he is a pretty lucky man to be started out in that way. As a matter of fact, if it could be worked out in Iowa and Illinois and those sections, I think even if he were limited to a lower amount than that, even to $7,500, I think we would be doing a great deal for that class of people, and I think they would be immensely pleased. I do not want to see the matter left to someone in the Department, and have some man go out and buy a big ranch in my State for fifteen or twenty thousand dollars and say that that is necessary in order to make a living on it; and I do not want to see some speculator in Illinois or Iowa go out and purchase big tracts of land for some of these people. Some limitation should be placed upon the amount. If that is not done, in my judgment, we shall have a scandal in connection with the matter in one of the departments. In order to safeguard this bill for the benefit of the people, I think it is extremely important that some reasonable limitation shall be placed in it.

Mr. GORE. Mr. President, I agree entirely with the Senator from Montana, that some limit or roof ought to be placed on this provision. I doubt if a tenant farmer, distressed as he is in these times, could ever hope to pay for a $10,000 farm. It seems to me to lie beyond the range of possibility, no matter where the land is situated. That hope is fatuous. I should like to know if the Senator from Montana does not share that view.

Mr. KING. Mr. President, the Senator from Montana has stepped out of the Chamber.

Mr. GORE. I addressed my question to him. I did not know he had left the Chamber.

Mr. DICKINSON. Mr. President, when emphasis is put upon the limitation on the small individual farm, I call attention to the fact that subsection (3) on page 8 is not a limitation on the authority of subsection (5) on the same page.

The PRESIDING OFFICER (Mr. MOORE in the chair). The Senator from Iowa has spoken on this amendment. The question is on the amendment of the Senator from Iowa [Mr. DICKINSON].

Mr. KING. Mr. President, I inquire whether that amendment is subject to an amendment, or would that be an amendment in the third degree?

The PRESIDING OFFICER. No; an amendment to the amendment would be in order.

Mr. KING. I move to strike out the figures "$15,000" and insert in lieu thereof "$5,000." I have not the amendment before me, and I do not know the context, but I desire to amend it so that it will read "$5,000." I ask to have the amendment to the amendment stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 8, line 19, after the word "contracts" and before the period, the pending amendment proposes to insert a comma and the words:

but no sale shall be made to one purchaser in excess of $15,000.

It is now proposed to strike out "$15,000" and to insert in lieu thereof "$5,000."

Mr. DICKINSON. Mr. President, will the Senator from Utah yield?

Mr. KING. I yield for a question.

Mr. DICKINSON. The amendment offered by the Senator from Utah would limit the bill to what might be called "the cheap-land area." It would confer no benefits in what are known as the "highly cultivated areas." It could not possibly benefit those who deal with what may be called "high-priced vegetable lands" that are in small areas.

I have gone through the bill in an effort to find a way by which it could be limited according to acreage. That is not possible because of the different types of land in the various sections of the country.

Mr. GORE. Mr. President——

Mr. KING. I have the floor. I do not desire to yield for a speech by the Senator from Iowa. I yield to the Senator from Oklahoma.

Mr. GORE. I should like to ask the Senator from Iowa if he does not think that problem can be solved in this way:

I hold in my hand a census bulletin which indicates the average size of the farms in each State in the Union; and I have prepared an amendment which provides that no land sold to an individual tenant in pursuance of this measure

shall exceed the average acreage of farms in the State in which the farm is located. That is adapted to what has been worked out as an actual result of experience, necessity, and effort to make a living. It is, in a way, an automatic limitation, and certainly is the result of experience, better than any guess we might make. I should like to have the Senator's view on that subject.

Mr. KING. Mr. President, I am opposed to the amendment offered by the Senator from Iowa which authorizes the purchase of land for each beneficiary under the act up to $15,000. Under the terms of the bill the amount paid for the land is not the entire amount which is to be advanced to the so-called "tenant purchaser." Several thousand dollars will be made available as working capital from which farming equipment and animals will be purchased. It is manifest, therefore, that at least $20,000 will be the amount authorized to be expended in behalf of each person taking advantage of the provisions of this measure. Obviously a billion dollars will be wholly inadequate to meet the demand of the tenant farmers in the United States; indeed, billions of dollars will be required.

Mr. President, I doubt whether Senators appreciate the consequences of this bill, if it shall be enacted into law. They do not, in my opinion, understand its implications and the results which will follow, and perhaps the unsavory scandals which will arise in its administration. Under the bill a new bureau is created, and we already have scores of powerful bureaus, largely controlling the Government, as well as many of the activities of the people. The cost of Government is mounting, and the creation of new bureaus, with their enlarged personnel, will make additional demands upon the Treasury of the United States to be met ultimately by increasing the burdens of taxation resting upon the people.

Mr. President, measures similar to this have been attempted in various countries, but they have not met with success. It has been contended by some that the area devoted to agriculture has been too large, the number of farms too many and, of course, the number of persons engaged in farming in excess of all legitimate demands. During the past few years I have visited a number of States, among them New York, and learned that many tracts of land, which had been devoted to agricultural purposes, could be purchased from seven to ten and fifteen dollars per acre. Undoubtedly many farmers have attempted to cultivate more lands than they could efficiently control, and portions of their holdings were in many cases permitted to lie idle.

The present Secretary of Agriculture has attempted to restrict production for the purpose of increasing agricultural prices. It is not my purpose to examine the policy which he has pursued or which he is now advocating. I am of the opinion, however, that this policy has worked to the disadvantage of our country and injury to the farmers.

But recurring to the amendment under consideration. As I stated, I believe that it is unwise to provide for the expenditure of so large a sum as that contemplated by the amendment, and, for that reason, I am suggesting that the limit for the price of lands for individuals shall not exceed $5,000. Even with that limitation, plus the amount which the bill provides may be expended for ancillary purposes, will total a sum greatly in excess of that anticipated by some and, indeed, so great as to arouse concern as to its effects upon the Treasury and its effects upon those who may insist upon availing themselves of the terms of the bill before us.

Mr. REYNOLDS. Mr. President, I have voted against every amendment that has been offered to the pending bill which is sponsored by the Senator from Alabama [Mr. BANKHEAD]. As a matter of fact, I expect to support the bill; I am going to vote for it; but I am thoroughly in accord with the remarks which have just been made by my distinguished friend from Utah [Mr. KING], for the reasons which I shall attempt to set forth.

The amount that is to be appropriated if the bill shall pass, and I believe it will pass, is going to be sufficient to take care only of a certain number of people. It is our idea at this time, to provide by the bill for as many of the unfortunate people in the United States as we possibly can. Perhaps it will help and perhaps it will not, but nevertheless, I am going to vote for it because, in my opinion, in many instances, it will be helpful. But I believe with the Senator from Utah, that we shall unquestionably make a mistake if we permit those who administer the act, the corporation which will have charge of its funds, to make loans to the extent of $15,000 per individual.

We are so thoroughly accustomed to speaking in terms of millions and billions that we have lost track of a mere pittance of a thousand dollars; but we must remember that even at this hour and during these times $15,000 is a large sum of money, and that $15,000 will buy much land.

I desire to give Senators an idea as to what could be bought with a small amount of money. I was over in the State of Maryland the other day, the home of my distinguished colleagues, Senator TYDINGS and Senator RADCLIFFE. Twenty-five miles from the place upon which I now stand, and along a modern concrete highway, in a splendid section of the State of Maryland, I was offered 1,800 acres of land at $7 an acre. Think of that, 30 minutes from the Capital of the world, land for $7 an acre?

Is it swamp land? Can it be cultivated? If it is cultivated, will it produce anything material? It will. I went out there to look at the land, because a friend of mine had expressed a desire to buy a place near Washington, and he wrote me about this place. I went over and looked at the land, and I found there a gentleman in the field, and not far distant there was an old tobacco barn. I drove over there with this man. He had been raising tobacco. He had a nice garden. It is land on which crops can be produced, and it is offered at $7 an acre.

I say that I think this bill is good; at least, I am willing to have it tried. Shortly after the war, as Senators will remember, and as a matter of fact before the war, in my State, and particularly at the time when we were having what might be called a "textile boom" throughout the South, at a time when many of the plants were moving from the New England States to my State of North Carolina, to our sister State of South Carolina, and to our sister State of Georgia, thousands upon thousands of people who were working on farms as day laborers, thousands upon thousands who were tenant farmers, and many who had little farms, left their farms and went to Greenville, S. C., to Spartanburg, S. C., to Charlotte, N. C., to Newton, N. C., to Greensboro, N. C., and to Gastonia, N. C., which latter city, incidentally, is today the seat of the world's textile industry, I believe, since the Japanese have taken the business away from the Manchester mills of England. I am personally familiar with many instances where people went from their farms and took their children to work in the cotton mills, where the farmers themselves and their wives worked in the mills. That has been many years ago, and those living on farms have continued to leave the farms and go to the industrial centers.

There are in this country today in the industrial centers thousands upon thousands of single men, and married men with families, who are suffering because they have to pay house rent, which requires cash money every month; they have to pay for their heat, in the form of cash for coal and for wood when it is delivered at the door; they have to pay for their light, electric light or gas, or else they have no electric or gas light; they have to pay the water rent, or the water will be cut off; and every single particle of food they buy they have to pay cash for, because in this country, unfortunately, there is no longer the independent merchant who extends credit to those living within his trade confines.

So, Mr. President, many of those who now live in the industrial center, whether it be in New York, New Orleans, or Gastonia, N. C., are unfortunate because they have to pay cash for everything, and they have not the cash. They have to pay cash for the roof that keeps the rain from their heads; they have to pay cash for the fuel which they use to

cook their food; they have to pay cash for the water they drink; they have to pay cash for the food they buy.

I think one of the finest things about the proposed legislation is that it would provide the opportunity being sought by those thousands upon thousands of people who during the years past have gone from the farms into the industrial centers. Such individuals are found everywhere in the State of every Senator who now sits on this floor.

What is that opportunity, Mr. President? It is an opportunity to live, and to live fairly comfortably—at least to exist. Give a man an opportunity to buy some land, $5,000 worth, and he will have an opportunity to live.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield to my colleague.

Mr. BAILEY. The Senator is making a very moving appeal, and I believe he is telling the truth about the industrial workers of the country. I suggest that he present an amendment providing that we build homes for them.

Mr. REYNOLDS. This bill provides for the acquisition of homes by people, even though living in industrial centers, who have had experience in farming. That experience is required by the bill sponsored by the Senator from Alabama.

Mr. BAILEY. That is a provision of the bill; but why does not the Senator from North Carolina offer an amendment providing for building homes for industrial workers?

Mr. REYNOLDS. I say again, in answer to my colleague's inquiry, that the bill provides that loans may be made to people who have worked on the farm and who are now working on the farm whenever opportunity is presented. If I correctly recall the language of the bill, it provides that loans may be made only to those who have had experience in farming, and I believe the word "recently" is employed. I ask my colleague the Senator from Alabama [Mr. BANKHEAD], the author of this bill, if that is not correct? I have only skimmed through the bill. I have not had time to read it thoroughly.

Mr. BANKHEAD. I will ask the Senator to repeat his question.

Mr. REYNOLDS. It is my recollection of the bill that before an applicant will be considered for a loan it is necessary, of course, that he shall have had farming experience.

Mr. BANKHEAD. That is true.

Mr. REYNOLDS. And I went on to say——

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired. The question is on the amendment of the Senator from Utah [Mr. KING] to the amendment of the Senator from Iowa [Mr. DICKINSON].

Mr. REYNOLDS. Mr. President, I have 15 minutes on the bill.

The PRESIDING OFFICER. That is correct.

Mr. REYNOLDS. Why do I say that the bill applies to farmers, Mr. President? In answer to the inquiry directed to me by my colleague, I will say that those who have been going to industrial centers for years have been seeking an opportunity to get away from the industrial centers. They are wise in seeking to do that, for this reason: We have today about 15,000,000 unemployed persons; and this country, above all others in the world, will ever be faced with the problem of some unemployment. Why? Because we have machinized America. We can today put in one machine which will take the place of fifty or a hundred men. As a result of the inventions that are being perfected from day to day and year to year, we are eliminating the workers of the land and bringing about increased unemployment; and you may take it from me, if I may be permitted to use the every-day street parlance, that from now on we are always going to be faced in greater or less degree with unemployment.

Let us take the position of the man now living in an industrial center who has been a farmer. If we lend him $5,000, and that $5,000 is invested wisely, he buys himself land. He can build himself a little 2- or 3-room house. A man who is hard up and hungry and ragged is satisfied with anything to keep the cold from his body and the rain from his head, and his stomach filled with some good old greens and fat meat. What can he do? Why, with $5,000 he can buy as much land as any one man himself can till.

It is not the intent of this bill to buy property sufficient in area to permit the owner thereof to tenant-farm it out. That is what we are now endeavoring to get rid of. We are trying to get rid of the tenant farmer by giving an opportunity to a man to take care of himself, whether he be a present tenant farmer or whether he formerly tilled the land as a tenant farmer or as a farmer owner and went to an industrial center. Such a man is going to be in good shape to farm. With $5,000 he can buy himself 40 or 50 acres of land. He can build a little three-room house. That is all he needs. He can use one room to cook in, another for sleeping quarters. He has a spring outside. He goes out there and takes with him the old gourd and fills it from the spring. He does not have to pay any water rent. He has his own house, and does not have to pay any house rent. He puts the axe on his shoulder, and steps over there to his little patch of wood and cuts down his fuel. He does not have to pay for any coal, or wood, or gas heat. He buys himself a good, old, kind-faced cow, and he milks her, or his wife milks her. He gets the milk, and makes therefrom his butter, and he gets cream, and skim milk; and with that skim milk he can feed some little pigs. He raises his pork, and buys no bacon. So he has bacon, his butter, his cream, his milk, his buttermilk; and there is nothing on earth better for a man to line his stomach with than greens from his garden and buttermilk from a good cow. [Laughter.]

Mr. President, in this bill we are not trying to take care of anybody who wants to spend $15,000. Give any man $5,000, and buy him therewith land, with a stream or a spring on it, and a little pasture and a patch of woods, and build him a cabin, and he has no expense. He has the advantage of the white-collar fellow who is living in the city. Why? Because the white-collar fellow who is living in the city has to spend all the money he can get to keep a clean collar and a clean shirt on himself and keep looking half-way decent. If he does not, he cannot get a job. Otherwise he will look like a failure. The fellow out in the country does not have to dress up. He has a good, clean place to sleep. He has good things to eat.

Any Senator who has ever done any gardening or farming, as has my friend the junior Senator from South Carolina [Mr. BYRNES], who is a neighbor of mine, knows that from 1 acre of land, intensively cultivated, a man can raise enough produce to feed a family of five. He can raise good fresh vegetables, spring onions, radishes, turnips, everything in the springtime, and then come along the nice, tender ears of corn; and there is nothing that anybody likes any better to stick his teeth into than that. That is living.

Mr. ROBINSON. Do not forget watermelon.

Mr. REYNOLDS. I forgot the watermelon, Mr. President. I am glad my friend the senior Senator from Arkansas suggested watermelon. I like watermelon. We all like watermelon, and cantaloups.

Mr. President, give those people that opportunity, and any man who has a family of children and a wife, and who wants to take care of them, if he will put his muscles to the wheel, can do it, because, as I started to say, a man can raise enough on 1 acre, if he intensively cultivates that acre, to keep his family with fresh vegetables in the spring and raise enough to live on.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. REYNOLDS. I yield.

Mr. BORAH. The Senator's argument is altogether the most interesting argument made in favor of the bill. However, I wonder what would happen if, when such a man as he describes went out to feed his little pig, he found that the pig had been killed under the authority of the Secretary of Agriculture.

Mr. REYNOLDS. I will say in answer to the Senator from Idaho that I am sure that the owner of that property,

if he had a home at the time the order was given to kill 6,000,000 little pigs—was it not 6,000,000 that were slaughtered?—would have been heart-broken. I think little pigs are the cutest things on earth. [Laughter.] I remember that when I was a small boy I learned something about "one little pig went to market", and I have seen pictures of them from time to time. I know that man would have been heart-broken. I believe the time of the destruction of the pig is past, because pork has gone so high, as the Senator from Idaho knows, that the poor man cannot eat pork any more; so, therefore, we are proposing to give the poor man an opportunity to eat only that which the rich man now can afford to eat. We are proposing to give him $5,000 with part of which he can buy 2 little pigs, and from those 2 little pigs—well, "pigs is pigs"! [Laughter.]

Mr. President, that is the opportunity presented to these people. The trouble with the farmers of this country, if I may be permitted to venture this statement, is that they have tried to cultivate too much land. It would have been better had they concentrated upon less land. We helped farmers on 500 acres in South Carolina, some on a thousand acres, and on ranches in the Western States, beyond the Mississippi River, and plantations with thousands upon thousands of acres.

Many Senators have visited Japan. Many have toured China and the countries of continental Europe. A big farm in Japan is no more than a couple of acres. A 5-acre farm is a rarity. It is a question of concentrating upon that, and giving people an opportunity to raise their greens, their beets, their milk.

By the way, Mr. President, I forgot the chickens. [Laughter.] With half a dozen hens and a rooster or two, a man can have plenty of eggs, fried chicken, and all that sort of thing. We are aiding those people who are seeking an opportunity to take care of themselves, Mr. President, and to make a living for their families. We are not seeking in this bill an opportunity to take care of those who want to spend a lot of the Government's money. The interest upon $15,000 is a great deal of money. They will have to pay that interest. If they do not pay it they will lose the farm. So why entice a man to borrow $15,000? Six percent interest on $5,000 is $300 a year, which is $25 a month. He can surely make $25 a month by producing commodities or seeking work in the neighborhood and in adjoining sections.

I want to thank the Senator from Utah for his remarks, which inspired that which I have had to say, and it will be a pleasure for me to vote for his amendment, which proposes to limit the amount which may be expended in any one case to $5,000.

Mr. BANKHEAD. Mr. President, as I understand, the pending question is the amendment of the Senator from Utah [Mr. KING] to the amendment of the Senator from Iowa [Mr. DICKINSON].

The PRESIDING OFFICER. That is the pending question.

Mr. BANKHEAD. Before the Senate shall vote on that amendment I should like to say that I think it would be unfortunate to develop a controversy among the friends of the bill as to the limitations to be provided by the bill. It is conceded that in some sections one limit may be entirely adequate, while such a limit would not be adequate in certain States in the Middle West.

I have a formula here which I hope will be acceptable to all Senators. It seems to cover this question in a fair and reasonable way and to avoid, so far as possible, any abuses in connection with the price to be paid for a farm or the size of the farm. I think we all recognize that no absolute formula may be set out in the statute either as a limit on the exact amount to be loaned or as to the exact size of the farm, for the very simple reason that farming conditions vary in different sections of the country and the value of farm lands likewise varies. It is my ardent hope, as I have frequently stated, that this bill, if it shall become a law, shall have national application.

Mr. KING. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. KING. If $15,000 shall be the maximum to be fixed as a limit for the purchase of land, then, as I understand the terms of the bill, homes are also to be constructed, and, furthermore, the Government must furnish the borrower with necessary capital, horses, cattle, and all the paraphernalia incident to the development of a farm, the result of which would be that a man might find himself in a position where his operations would cost $15,000, $20,000, or $25,000 before he would be in a position to go forward with the development of the farm. Obviously, if we are fixing a limit so great as that——

Mr. BANKHEAD. I hope the Senator will not take my time while I am endeavoring to make a statement.

Mr. KING. Very well, I will not interrupt the Senator further.

Mr. BANKHEAD. Of course, I recognize that a very great number of farms could not be purchased at such a price, but I am going to read the formula which I have prepared, with a view of asking the Senate to vote down the amendment of the Senator from Utah, and then to accept what I shall propose as a substitute for the amendment offered by the Senator from Iowa.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. DICKINSON. I suggest that the Senator send the amendment to the desk and have it read.

Mr. BANKHEAD. Very well; I have no objection to that. I am simply trying to make an adjustment that will be reasonable and at the same time will afford protection so far as this phase of the program is concerned.

The PRESIDING OFFICER. The clerk will read the proposed amendment of the Senator from Alabama.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

> The Corporation shall limit the loan made to any purchaser to an amount that will provide a family-size farm in the section or area where the farm is located, not to exceed in cost the price of property of similar size and value in the same section or area.

Mr. BANKHEAD. I showed the amendment to the Senator from Iowa, but I do not know that he has had time to analyze it. However, it will be noted that this amendment limits the farm which may be purchased to a family-size farm, which means one sufficient in area to be operated by the immediate family without employing tenants or laborers.

Mr. JOHNSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from California?

Mr. BANKHEAD. I do.

Mr. JOHNSON. I hope the Senator will pardon my ignorance, but I do not quite grasp the significance of the words "a family-size farm." How large is such a farm?

Mr. BANKHEAD. It depends upon what is being planted, whether wheat or vegetables. It is a farm that is properly adjusted to the work of the immediate members of the family, whatever they may be producing.

Mr. JOHNSON. Does it depend upon the size of the family?

Mr. BANKHEAD. Of course, the size of the farm would naturally depend upon the size of the family for whom the farm is being bought or who are being given credit. The proposal would limit the size so as to avoid any excessive acreage or the purchase of large farms for the purpose of employing laborers or tenants or others in order to work it.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BANKHEAD. I do not care to yield, Mr. President. I will yield later. The amendment would confine the program to an area that fits the family and is also adapted to the type of farming in which the family may be engaged, so that there will be some latitude in adjusting matters, for instance, to the wheat-producing sections as compared to the cotton-producing regions or vegetable-growing areas or trucking or fruit sections. The amendment is suggested in the hope that there may be some degree of flexibility and at the same time that reasonable restrictions and limita-

tions may be imposed on the size of the farm and the amount to be paid for it.

Mr. GORE. Mr. President, I should like to ask the Senator a question.

Mr. BANKHEAD. I yield.

Mr. GORE. I do not think a "family size" farm really proposes a proper standard. I think by the Senator's own admission a flexibility that would vary the size of the farm with the size of the family and the needs of the family would afford almost no standard at all. Would the Senator object to striking out the words "family-size farm" and inserting "It shall be limited to the average-sized farm in the States where the land purchased is located as determined by the Federal Census of 1930"?

Mr. BANKHEAD. I would have no objection to that, because I think the Senator sees what I am trying to accomplish.

Mr. GORE. That would fix a standard which has been worked out by actual experience.

Mr. BANKHEAD. Very well. Has the Senator the exact language of the amendment?

Mr. GORE. I will prepare that. It is not the pending question.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah [Mr. KING] to the amendment of the Senator from Iowa [Mr. DICKINSON].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Iowa, as amended.

Mr. GORE. Mr. President, I have an amendment which will probably to some extent be dispensed with by the amendment to the amendment which was just adopted. As I understand, the last vote was on the amendment of the Senator from Utah to the pending amendment?

The PRESIDING OFFICER. The amendment of the Senator from Utah [Mr. KING] to the amendment of the Senator from Iowa [Mr. DICKINSON] was adopted.

Mr. GORE. I will offer my amendment as a substitute for the pending amendment.

The PRESIDING OFFICER. The Senator from Oklahoma offers an amendment in the nature of a substitute for the amendment of the Senator from Iowa, as amended. The proposed amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

> Loans and advances made hereunder to any one person seeking to avail himself of the provisions of this act shall in no case exceed in the aggregate $3,200; nor shall the land sold to any person in pursuance of this act exceed in acreage the average farm in the State where such land is located, as determined by the Federal census taken in 1930; nor shall the purchase price of such land when so sold be in any case in excess of $160 per acre, nor in excess of twice the assessed value of such land for the purposes of taxation in the year 1934, if then assessed for taxation, nor in excess of 50 percent above the price at which such land was sold, if sold at private sale since 1929, or the value at which it was mortgaged if mortgaged since said year.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oklahoma in the nature of a substitute for the amendment of the Senator from Iowa [Mr. DICKINSON] as amended.

Mr. MCNARY. Mr. President, the interpretation of the amendment may be clear to the Senator from Oklahoma, but I confess inability to understand the situation. I suggest that the Senator explain his amendment. Particularly I should want to be informed with reference to the amount of money which may be loaned in order to purchase a farm and the size of the farm.

Mr. GORE. Mr. President, there are several points involved in this standard. The first relates to the amount which may be advanced by the Corporation for all purposes, including lands, buildings, equipment, supplies, and all other items which may be supplied under the pending bill.

In view of the action of the Senate a moment ago in adopting the amendment of the Senator from Utah making the amount $5,000, I may modify my amendment; but I will proceed to explain it.

The first provision is that the aggregate amount of the loans and advances shall not exceed $3,200. That limitation may be too small.

The second provision is that the acreage in any one case shall not exceed the size of an average farm in the State where the land is located, as determined by the Federal census of 1930. The Census Bureau in a bulletin which I have here reports the average-size farm in each and every State in the Union. That is the result of actual economic conditions, the struggle for existence; and I think it provides the most suitable standard for the limitation of the size. The Senator from Alabama indicated a moment ago that this standard with respect to this particular point would not be objectionable to him.

Mr. BANKHEAD. I did not say the amendment "would not be objectionable"; I referred to the Senator's description of it.

Mr. GORE. The amendment had not then been offered; I was not trying to commit the Senator on that point.

The next provision is that the price of the land shall not exceed $160 an acre. It occurred to me that there might be localities in the vicinity of cities or large markets where the land would be more valuable than in remoter sections. Of course, that would be true; but there ought to be a limitation even as to that. Where we, as a government, are undertaking to set people up in business, it ought to be on some sort of rational standard, and there should be some sort of rational limitation. It occurred to me that a limitation of $160 an acre would not be out of alinement. I do not want the gate left wide open so that scandal may creep in. We ought to safeguard the administration of the act against that possibility.

One or two other standards are fixed. It is provided that no higher price shall be paid in any one case for land than twice the amount for which it was assessed for taxation purposes last year. That would be a protection to the administrative officers, those who shall be charged with the purchase of the land. They will be subjected to all sorts of pressure. Some of them might yield to pressure. I should like to fix a limit, if not to the pressure at least a boundary to the extent to which they can yield to such pressure. The owners of farms and lands who have rendered them for taxation in their own States under the laws of their States have made the rendition under oath, and when they receive twice that amount or if we allow the corporation to pay twice the assessed valuation, it seems to me that is latitude enough. It would provide an essential safeguard.

There is another limitation that no price shall be paid in excess of 50 percent over and above the price at which the land has sold since the depression came upon us. If the land has sold since the panic of 1929 for $100 an acre, this would allow it to sell for $150 an acre. It provides an outer boundary which would safeguard the administrative office and the Treasury of the United States against abuse.

There is another limitation that if the property, instead of having been sold, has been mortgaged since the depression of 1929, then the same limitation shall apply, that the purchase price shall not exceed 50 percent over and above the value of the mortgage on the land.

I believe these would provide not unreasonable safeguards, although the different points are subject to discussion, and, for that matter, correction. My paramount point is to fix limits and standards for the guidance of administrative officers which shall protect them and shall protect the good name of the Congress.

I was anxious for the bill to be recommitted, because I had in mind one or two instances which I thought ought to be investigated before we took a final vote. The transactions may be entirely innocent. I refer to a project down in Mississippi County, Ark., where 23,000 acres have been bought by the State rehabilitation administrator, I believe, from two or three owners. My information is that the State administrator was at one time in the employ of one of the landowners from whom some of these purchases were made. The plan is to erect 700 houses on this land. They already have a store and post office on it. I believe the average

acreage is about 40 acres. It is cotton land, suitable for the raising of long-staple cotton, and that may be one reason for the limitation on the acreage.

I know of an instance in Texas where 1,700 acres were purchased from one owner. I have heard suggestions about that transaction which I thought it would be wise to investigate now. The investigation, I thought, might enable us to erect additional safeguards in this legislation.

Of course, I think this legislation will change—perhaps I would not be justified in saying destroy and break down the entire social and economic structure of the South. If human society was a mechanism instead of an organism, if human society was mechanical, if human beings were automatons instead of being creatures possessed of instincts and passions, then a provision of this sort might be made to work. It may turn out to be a nightmare.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired. The question is on the amendment of the Senator from Oklahoma in the nature of a substitute for the amendment of the Senator from Iowa as amended.

Mr. BANKHEAD. Mr. President, I think it is very doubtful whether we should adopt the amendment of the Senator from Oklahoma. It has not been printed and has not been fully considered. He has proposed various standards for fixing values, such as tax assessment, private sales of property, and many other handicaps and limitations which ought not to cover the proper appraisement and valuation of the property which is to be bought. It makes a change also in the amount which the Senate just fixed as a limitation. For these and other reasons I hope the amendment will not be adopted.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma [Mr. GORE] in the nature of a substitute for the amendment of the Senator from Iowa [Mr. DICKINSON], as amended.

The amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa [Mr. DICKINSON], as amended.

Mr. AUSTIN. Mr. President, because of the absence of the author of the amendment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Reynolds
Ashurst	Coolidge	Keyes	Robinson
Austin	Copeland	King	Russell
Bachman	Costigan	La Follette	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Lonergan	Sheppard
Barbour	Dickinson	McGill	Shipstead
Bilbo	Dieterich	McKellar	Smith
Black	Donahey	McNary	Steiwer
Bone	Duffy	Metcalf	Thomas, Okla.
Borah	Fletcher	Minton	Townsend
Brown	Frazier	Moore	Trammell
Bulkley	Gerry	Murphy	Truman
Bulow	Gibson	Murray	Tydings
Burke	Glass	Neely	Vandenberg
Byrd	Gore	Norris	Van Nuys
Byrnes	Guffey	Nye	Wagner
Capper	Hale	Overton	Walsh
Caraway	Harrison	Pittman	Wheeler
Carey	Hatch	Pope	White
Clark	Hayden	Radcliffe	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present. The question is upon the amendment of the Senator from Iowa [Mr. DICKINSON], as amended.

Mr. DICKINSON. On that I call for the yeas and nays.

Mr. GORE. Mr. President, the Senator from Alabama [Mr. BANKHEAD] intends to present his amendment a little later. Will it be in order then?

Mr. BANKHEAD. That depends on what happens to the other amendments.

Mr. GORE. The amendment of the Senator from Utah [Mr. KING] relates to value. The Senator from Alabama has offered an amendment which relates to the size of the farm, which, I think, ought to be in the amendment as well as the limitation on value.

Mr. BANKHEAD. I have an amendment ready to offer if the amendment of the Senator from Oklahoma is not offered.

Mr. GORE. Mine has been rejected.

Mr. BANKHEAD. Very well; I offer that amendment.

Mr. DICKINSON. Mr. President, a parliamentary inquiry. Is the Senator from Alabama offering this amendment as a substitute for my amendment as amended?

Mr. BANKHEAD. No; I am offering it as an addition to the Senator's amendment.

The PRESIDING OFFICER. It becomes, then, an amendment to the amendment.

Mr. GORE. If the clerk may read the phrase relating to family-size farms, I shall try to state my amendment. I have not had a chance to reduce it to writing.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. As an amendment to the amendment offered by Mr. DICKINSON, Mr. BANKHEAD offers the following amendment:

> The Corporation shall limit the loan made to any purchaser to an amount that will provide a family-size farm in the section or area where the farm is located, not to exceed in cost the price of property of similar size and value in the same section or area.

Mr. GORE. Now I wish to offer this amendment to that amendment:

> To be limited in area to the size of an average farm in the State where the land is located, as determined by the Federal census of 1930.

I offer that as a substitute for the phrase "family-size farm."

Mr. BANKHEAD. I will accept that in place of the phrase "family-size farm."

The PRESIDING OFFICER. The Senator from Alabama accepts the proposal of the Senator from Oklahoma as a modification of his amendment.

Mr. BANKHEAD. Yes; making it the average-size farm as shown by the census of 1930.

Mr. ROBINSON. Let us have the amendment read as modified.

The PRESIDING OFFICER. The modification of the Senator from Alabama has not been reduced to writing. It will be read by the Official Reporter.

The Official Reporter read as follows:

> To be limited in area to the size of an average farm in the State where the land is located, as determined by the Federal census of 1930.

Mr. BANKHEAD. I offer that as a substitute for the pending amendment.

Mr. KING. Mr. President, does that carry with it the limitation as to cost?

Mr. BANKHEAD. That is in the amendment; not in dollars and cents.

Mr. KING. There is no limitation, then, in dollars and cents.

The PRESIDING OFFICER. The question is upon the modified amendment offered by the Senator from Alabama [Mr. BANKHEAD] as a substitute for the amendment of the Senator from Iowa [Mr. DICKINSON], as amended.

Mr. BLACK. Mr. President, a parliamentary inquiry. As I understand, the amendment of the Senator from Iowa is that loans shall be limited to $5,000. Am I correct as to that?

The PRESIDING OFFICER. The Senator is correct. The amendment was so amended.

Mr. BLACK. That is the amendment offered by the Senator from Iowa, as amended by the amendment of the Senator from Utah?

The PRESIDING OFFICER. Yes.

Mr. BLACK. And we are now to choose between a limitation of $5,000 and the amendment offered by my colleague from Alabama [Mr. BANKHEAD]?

The PRESIDING OFFICER. That is correct. The Senate is now voting on the substitute amendment of the Senator from Alabama [Mr. BANKHEAD], as modified.

Mr. BLACK. He has offered a substitute amendment which, if adopted, would do away with the limitation of $5,000 in the original amendment.

Mr. LA FOLLETTE. Mr. President, I rise to support the substitute amendment offered by the Senator from Alabama [Mr. BANKHEAD].

If this measure is to be drawn in such terms that its benefits can be extended to all sections of the country, with varying types of agricultural pursuits, and with varying situations so far as the value of land is concerned, it seems to me the substitute amendment is very much preferable to the amendment offered by the Senator from Iowa [Mr. DICKINSON], especially since the amendment of the Senator from Utah [Mr. KING] reducing the amount from $15,000 to $5,000 has been agreed to.

It is very plausible to urge that limitations should be placed upon either the size of the farms which are to be provided or the amount of money which is to be expended upon them; but Senators will readily realize that the difference in the various kinds of agricultural pursuits which are carried on in the respective States creates very different situations, both insofar as the size of an economic farm unit is concerned, and also insofar as the value of the land which may be purchased is concerned.

The amendment offered by the Senator from Utah would prevent the establishment of any successful farms for those who are designed to be benefited under the terms of this measure so far as my own State is concerned. I am sure this situation does not prevail in my own State alone, but relates to many other States in the Mississippi Valley and in the West where larger-sized farms are required if they are to be successful farm units.

The substitute amendment offered by the Senator from Alabama, it seems to me, is a clear direction to the Corporation and its directors to confine the operation of the Corporation to the establishment of farms no larger than the average size of the farms in the respective States where these farms are to be provided. I therefore believe that the substitute amendment, with the suggestion of the Senator from Oklahoma [Mr. GORE], meets the desires of those Senators who wish to be certain that the farms set up under this act shall be of an average size no larger than those prevailing in the several States, and it also makes certain that the bill will not be confined to any particular section. The amendment will assure that the measure will be national in scope, which the Senator from Alabama [Mr. BANKHEAD], the author of the bill, and others who have supported it, have emphasized again and again was their primary objective.

I sincerely hope that the amendment offered by the Senator from Alabama will prevail.

The PRESIDING OFFICER. The question is on the modified amendment, in the nature of a substitute, offered by the Senator from Alabama [Mr. BANKHEAD] for the amendment of the Senator from Iowa [Mr. DICKINSON], as amended.

The modified amendment, in the nature of a substitute, to the amendment as amended, was agreed to.

The amendment, as amended, was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended, and it was signed by the Vice President.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

Mr. McGILL. Mr. President, I ask that the amendment I sent to the desk a few minutes ago may be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, between lines 18 and 19, it is proposed to insert the following new subsection:

(f) Nothing in this act shall be construed to authorize the corporation to make a loan to any corporation for the purpose of purchasing real property, to sell or otherwise dispose of any real property or interest therein owned or held by the corporation to any other corporation, or to enter into any contract or agreement with any other corporation with respect to the acquisition by it of any real property or interest therein.

Mr. McGILL. Mr. President, having talked with the Senator from Alabama [Mr. BANKHEAD], in charge of the bill, I understand that he is willing to accept the proposed amendment.

Mr. BANKHEAD. Yes; I think it is a proper interpretation of the bill. I am entirely willing to have the amendment inserted in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McGILL. Mr. President, I offer a further amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 9, line 22, before the period, it is proposed to insert a semicolon and the following: "but the Corporation shall not approve any application for the benefits of this act if it finds that the income of the applicant derived from farm property owned by him is sufficient to support his family and to pay the expenses of operating such property and the fixed charges on his indebtedness in connection with such property."

Mr. McGILL. Mr. President, this amendment is not intended to apply where there are farmers who have small acreage, not sufficient to maintain themselves and their families and to pay their fixed charges, and by reason of that fact are required to rent additional land. The object of the amendment is merely to provide that loans shall not be made to anyone who is operating a farm owned by him that is sufficiently large and is producing enough to maintain himself and his family and to pay his fixed charges. I do not know whether or not the Senator from Alabama is willing to accept the amendment.

Mr. BANKHEAD. Mr. President, I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. KING. Mr. President, I offer an amendment, on page 3, line 8, after the word "board", to add the words "with the approval of the President", so that as amended it would read:

The Corporation shall have capital stock in the amount of $50,000,000, and the board, with the approval of the President, is authorized to increase such capital stock from time to time in such amounts as may be necessary to carry out the functions of the Corporation.

Mr. BANKHEAD. Mr. President, I am perfectly willing to have the amendment incorporated in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. REYNOLDS. Mr. President, I wish to offer an amendment, to insert at the proper place the following provision:

The privileges of this act relative to the purchase of farm lands and equipment for farming shall be given equally to all applicants for said privileges who do not own homes or farms.

Mr. President, I can state the intent of the amendment in a word. There are today a great many people in the metropolitan districts of the country, and particularly in industrial centers, who, prior to moving to the cities, had experience in farming, and who are now desirous of embracing an oppor-

tunity to return to the land. As I understand, the applications under the pending measure will have to be passed upon by those selected by the Corporation, and there is nothing in the pending measure to force them to make a loan or to reject an application.

If those applying have not had experience sufficient to enable them to conduct a farm, by way of tilling the soil and raising produce, of course their applications should be turned down, because those who would have charge of approving the applications certainly would not make a loan to a man who had lived in a city all his life, and who knew nothing about tilling the soil or cultivating land.

Mr. BANKHEAD. Mr. President, this amendment conflicts with the sections on this subject contained in the original measure. The amendment would make any person, regardless of previous occupation or employment, eligible for the purchase of one of the homes contemplated to be furnished, and that is fundamentally inconsistent with the purpose of the bill, which is to help secure small farm homes for farmers.

Mr. ROBINSON. Mr. President, will the Senator from Alabama yield to me?

Mr. BANKHEAD. I yield.

Mr. ROBINSON. It is also in conflict with the provision found in paragraph (b), on page 9, which gives preference to persons who are married, who have dependent families, and who are of good moral character, as well as to those who are experienced in farming, and so forth.

Mr. BANKHEAD. It furthermore broadens and enlarges the eligibility, covering everybody in the cities. I do not think the amendment should be agreed to.

Mr. REYNOLDS. Mr. President, I should like to make an inquiry of the author of the bill, and also of our leader the Senator from Arkansas [Mr. ROBINSON], as to whether or not, under their interpretation of the bill, individuals who have had farming experience, but who a number of years ago went to industrial centers, would have the opportunity of getting loans.

Mr. ROBINSON. I think so; but they would not necessarily be on a plane of equality with others, and under the Senator's amendment they would be placed on an equality. The Corporation or its agents would be denied the right to give preference to persons who are married, persons who have dependent families, and persons who are of good moral character.

It is perfectly clear to me that it is not every person who might seek to procure these homes who would be able to do so. There are some persons who may have had in times gone by experience in farming who could not make a success of any farm homestead they might receive.

The PRESIDING OFFICER. For the information of the Senator from Arkansas, the Chair will state that the provision as to good moral character has been stricken out.

Mr. ROBINSON. Yes; but there is still in the bill provision for giving preference to persons who are married and who have dependent families. I doubt whether there is wisdom in the elimination that was made in that paragraph.

The Senator's amendment, as I heard it when it was read—as I understand—would require that equal opportunity be given to every person who had had any experience in farming.

Mr. REYNOLDS. Mr. President, I was merely seeking opportunity for those who formerly had had experience in farming, and who had gone to industrial centers.

I am perfectly satisfied with the explanation which has been given by the Senator from Arkansas when he says that his interpretation of the measure would be that if a man had had experience sufficient to enable him to cultivate successfully a piece of land, he would be entitled to a loan, and no doubt those taking the applications would take into consideration his qualifications. That being the case, I am perfectly satisfied with the explanation given by the Senator from Arkansas and the Senator from Alabama, the author of the bill, and I shall therefore withdraw my amendment.

Mr. WALSH. Mr. President, I should like to ask the author of the bill a few questions. First, I should like to ask whether the bill provides for a permanent governmental activity and bureau, in contradistinction to an emergency activity.

Mr. BANKHEAD. It is not essentially an emergency program.

Mr. WALSH. Then I should like to know why the usual laws relating to Civil Service and the classification of employees are not made to apply to the corporation to be set up, the same as they apply to every other permanent governmental agency of the Federal Government?

Mr. BANKHEAD. Mr. President, I do not know what the Senator would call permanent agencies. The Home Owners' Loan Corporation may be just as permanent as the corporation proposed to be set up under the pending measure. The text of the pending bill is copied from the Home Owners' Loan Corporation Act.

Mr. WALSH. The Home Owners' Loan Corporation was to have a limited period of existence, and was about to expire, until we continued it for another limited period.

Mr. BANKHEAD. We all know it will continue for a long, long time. Besides, most of the work to be done in connection with the pending bill is of a different type from the usual work of a clerical and accounting nature.

Mr. WALSH. One of the difficulties that has grown up as a result of the emergency bureaus which have been established is that we find officials receiving higher salaries than are paid officials in the regular permanent departments of the Government doing exactly the same work. Attorneys receive thousands of dollars in some of these emergency departments in excess of attorneys in the permanent organizations.

Mr. BANKHEAD. There are limitations in the pending bill.

Mr. WALSH. Yes; the limit is $10,000, which is the salary of the directors of the corporation. No salary can be in excess of that sum.

Mr. BANKHEAD. Yes.

Mr. WALSH. But it seems to me that in a department such as that to be set up we ought to make applicable at least the Classification Act, which requires that the same salaries shall be paid for the same classes of work being performed. I know stenographers in some emergency bureaus who are paid much larger salaries than those under the Classification Act.

For these reasons, I offer the following amendment: On page 6, line 20, to strike out the words "without regard to the provisions of other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States" and to insert the following words: "within the provisions of the civil-service laws and the Classification Act of 1923, as amended", so that, as amended, the section would read:

> The Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this act within the provisions of the civil-service laws and the Classification Act of 1923, as amended.

Mr. BLACK. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield to the Senator from Alabama.

Mr. BLACK. I understood the Senator to state that it was his intention to offer an amendment which would simply protect the rate of wages. Unless I misunderstood that amendment it would go farther.

Mr. WALSH. Yes, I do. I intended to offer both.

Mr. BLACK. This amendment, then, would even require the employment of attorneys under Civil Service.

Mr. WALSH. Yes. Mr. President, can there be any objection to putting the employees in this branch of the Federal Government on the same salary basis and under the same civil-service laws that employees of every other department of the Government are under, including the employees in the Post Office Department and other departments?

Mr. BLACK. Mr. President, will the Senator further yield?

Mr. WALSH. I yield.

Mr. BLACK. I do not understand that attorneys, for instance, in the Federal land bank are under civil service. It seems to me the Senator has proposed an all-embracing amendment which goes further than a great many people believe that civil service has satisfactorily worked.

Mr. WALSH. I will say to the Senator that a similar provision was incorporated in the Securities Exchange Act, though certain "experts and attorneys" were exempted. I believe some such a term was used in the act. It has been ruled that even attorneys and experts must take civil-service examinations, and they have been given civil-service examinations and they have been selected under those examinations. Not all examinations have been competitive. Some have been noncompetitive. But as a matter of fact practically every person being employed in the Securities Exchange Commission is under civil service, and we incorporated that in the law of last year. I hope the Senator will accept the amendment, and if it is necessary in conference to remove attorneys, or a certain class of attorneys from the provisions of the measure, that can be done. I do not care to make the provision any different from any other statute dealing with a permanent commission operating in the Federal Government. I simply desire the same principle and the same theories to be applied to this as to all other permanent departments of the Government.

Mr. BLACK. I may say to the Senator that I have always supported the civil service. I supported the amendment of the Senator from Nebraska to the Home Owners' Loan Corporation Act, which, in my judgment, provided a better method, perhaps, than provided by the civil service. I do not believe that selection of attorneys through the civil service brings the best attorneys to the service of the Government. I do not believe it has been successful. I think it has been unsuccessful. I do not think the same reasoning applies to the selection of attorneys and experts of that type which would apply to people working in a clerical capacity.

Mr. WALSH. Would the Senator agree to this amendment if I except attorneys?

Mr. BLACK. May I state to the Senator that my colleague has charge of this bill. I was expressing my individual opinion with reference to that part of the civil service.

Mr. WALSH. I ask the same question of the junior Senator from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. The point in my mind is whether the type of service to be performed in the field requires that type of employees which should come under civil service. I do not object to civil-service examinations in the case of those employed in the offices in Washington. However, people such as the Extension Service agents are not under civil service. Employees of that kind, who will contribute in large measure to the aid and health of the people, as well as appraisers of the land, are not under civil service.

Mr. WALSH. Under the bill as drafted, not a single clerk, not a stenographer, not a single employee needs to take a civil-service examination or meet the requirements of the civil service or the Classification Act. I venture to say this Department will be the only, or one of the very few, departments of the Federal Government where that situation exists.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. NORRIS. My attention was distracted for a moment, and I did not hear the Senator's amendment.

Mr. WALSH. I wish the Senator to know why I am presenting the amendment. As the bill reads there is no obligation for civil-service examination in the case of a single employee.

Mr. NORRIS. Has the Senator offered an amendment?

Mr. WALSH. I have offered an amendment.

Mr. NORRIS. Has it been read?

Mr. WALSH. Yes.

Mr. NORRIS. Mr. President, I have not read the amendment, but I concede that an amendment relating to the civil service ought to be adopted and put into this bill. I am in entire sympathy with the Senator in his effort. I am not familiar with the form of the amendment. I have not read it. It seems to me an amendment could be presented which would be superior to what is ordinarily known as a "civil-service amendment."

Mr. BANKHEAD. The amendment of the Senator from Massachusetts is, I take it, all-embracing.

Mr. NORRIS. I heard the Senator talking about an examination which would have to be had. The civil service gives two kinds of examinations. There is a competitive examination and a noncompetitive. I agree in the main with what the Senator from Alabama has said, that the ordinary civil-service examination will not reach a class of people such as attorneys, but a noncompetitive examination will. And that could be very well applied to attorneys—to everybody. I cannot conceive of the case of anyone where it would not be well to have a noncompetitive examination, an investigation. It would mean an investigation as to a man's character, his honesty, and his ability.

Mr. WALSH. As a matter of fact, that is just what is being done in connection with the employees of the Securities Exchange Commission.

Mr. NORRIS. And that is what ought to be done.

Mr. WALSH. Of course, that ought to be done.

Mr. NORRIS. Yes.

Mr. WALSH. The Senator will remember that last session we were attempting to create two labor boards, one dealing with railroads and one for industry in general. In one case there was no provision in the bill for civil service and in the other there was, and yet they were dealing with practically the same subject. The Senator will recall that the Senator from Wyoming [Mr. O'MAHONEY] rose in his seat and called attention to the fact that there were assistants to the cabinet officers who were getting much less salaries than assistants doing comparable work in other departments of the Government, because they were not under the same classification provisions, which should apply to all Government employees.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. FLETCHER. The Civil Service has held that a man 45 years of age cannot qualify in some cases. There is some regulation about age; but as a matter of fact, some of the best lawyers I know are over 50 years.

Mr. NORRIS. I do not think in a noncompetitive examination that question would be considered. If there is any doubt about it, let us put an exception in the bill.

Mr. FLETCHER. There is some rule about age, I believe. Some people are better equipped after they have reached 45.

Mr. NORRIS. The Senator from Florida and myself are both young men, and this measure does not, of course, apply to us, but we are pointing out what ought to be considered by older Senators.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts.

Mr. WALSH. Will the Senator from Alabama [Mr. BANKHEAD] accept my amendment?

Mr. BANKHEAD. No, Mr. President.

Mr. WALSH. I ask for the yeas and nays.

Mr. COUZENS. I suggest the absence of a quorum.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Reynolds
Ashurst	Coolidge	Keyes	Robinson
Austin	Copeland	King	Russell
Bachman	Costigan	La Follette	Schall
Bailey	Couzens	Logan	Schwellenbach
Bankhead	Cutting	Lonergan	Sheppard
Barbour	Dickinson	McGill	Shipstead
Bilbo	Dieterich	McKellar	Smith
Black	Donahey	McNary	Steiwer
Bone	Duffy	Metcalf	Thomas, Okla.
Borah	Fletcher	Minton	Townsend
Brown	Frazier	Moore	Trammell
Bulkley	Gerry	Murphy	Truman
Bulow	Gibson	Murray	Tydings
Burke	Glass	Neely	Vandenberg
Byrd	Gore	Norris	Van Nuys
Byrnes	Guffey	Nye	Wagner
Capper	Hale	Overton	Walsh
Caraway	Harrison	Pittman	Wheeler
Carey	Hatch	Pope	White
Clark	Hayden	Radcliffe	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Massachusetts [Mr. WALSH].

Mr. BANKHEAD. Mr. President, I have discussed the matter with the Senator from Massachusetts. I am willing to have the amendment go into the bill, with the clear understanding with the Senator and others interested that in the event the bill shall pass the House and reach the conference stage, the amendment will be worked over so as to try to meet the real objections to it.

Mr. NORRIS. Mr. President, I do not want to have any understanding on the amendment. If we are not going to have the amendment adopted, let us say so.

Mr. BANKHEAD. I do not propose to reject the amendment.

Mr. NORRIS. I have not even read it. I did not hear it read, as I said. It relates to a very important subject.

Mr. BANKHEAD. I am trying to reconcile the matter to meet the views of the Senator from Nebraska.

Mr. WALSH. Mr. President, I understand the question is on the adoption of the amendment.

The VICE PRESIDENT. The question is on the adoption of the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. WALSH. Mr. President, I wish to make another inquiry. It is only for the purpose of perfecting the bill. I should like to inquire what, if any, provision there is in the bill giving any information to anyone, the President or Congress, in reference to the amount of money spent, to whom the money is paid, the number of employees, or other record of the proceedings of the Corporation.

Mr. BANKHEAD. There is no such provision in the bill. I do not know of any other measure which has ever contained any such provision.

Mr. WALSH. Then I desire to offer the following amendment: On page 7, after line 14, insert the following:

The Corporation shall at the close of each fiscal year make a report in writing to Congress stating in detail its activities, the names, salaries, and duties of all employees and officers in the employ of or under the supervision of the Corporation, and an account of all moneys it has disbursed.

Mr. BANKHEAD. I have no objection to the amendment.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BANKHEAD. Mr. President, there are one or two clarifying amendments which I wish to offer. I send the first one to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, line 14, after the word "relief", insert the word "appropriation", so as to make the sentence read:

Such original capital stock may be subscribed for by the President on behalf of the United States, and payments for such subscriptions may be made from any sums appropriated by the Emergency Relief Appropriation Act of 1935—

And so forth.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BANKHEAD. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 8, line 19, after the word "contracts", insert the following:

The Corporation may lease any farm which has been repossessed by it, pending a resale of said farm.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. On page 12, line 2, it is proposed to strike out the words "acquired and held by the Corporation, or", and in line 3, after the word "Corporation", insert the words "notwithstanding the legal title remains in the Corporation", so as to make the subparagraph read:

Nothing in this act shall be construed to exempt any real property held by any purchasers from the Corporation, notwithstanding the legal title remains in the Corporation, from taxation by any State or political subdivision thereof to the same extent, according to its value, as other real property is taxed.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. LA FOLLETTE. Mr. President, I desire to offer an amendment on page 8, line 5, to strike out the word "and" before the word "facilities", and after the word "facilities" to insert the words, "and to assist the beneficiaries of this act in the organization of cooperatives."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. SCHWELLENBACH. Mr. President, I send forward three amendments to which the Senator from Alabama has informed me he has no objection.

The VICE PRESIDENT. The amendments will be stated.

The CHIEF CLERK. On page 8, line 2, it is proposed to strike out the words "small individual", so as to make the sentence read:

To establish, make loans for, and to assist in the establishment of farms and farm homes"—

And so forth.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment offered by the Senator from Washington will be stated.

The CHIEF CLERK. On page 8, line 5, it is proposed to change the period to a comma and to insert the following proviso:

Provided, That any such individual farm shall be of such size and fertility and so stocked and equipped as to reasonably indicate returns which will permit the occupants thereof to repay any obligations incurred by them for the purchase thereof, and to maintain a decent standard of living.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment offered by the Senator from Washington will be stated.

The CHIEF CLERK. On page 11, line 8, after the word "Corporation", it is proposed to insert:

Provided, That if he shall have first given the Corporation 60 days' notice of his intention to sell and convey said property, and unless the corporation, within such 60-day period, does not purchase such property at a price equal to the appraised value thereof, as established by an independent appraisal, such sale shall not be prohibited hereby.

And in lines 9 and 10, to strike out the words "such written consent" and insert the words "complying with the foregoing requirements", so as to make the section read:

SEC. 6. No purchasers of property from the Corporation shall, so long as the purchase price is not paid in full, without the written consent of the Corporation, sell, lease, transfer, assign, or convey any such property included in a contract of sale by the Corporation or in a mortgage to the Corporation: *Provided*, That if he shall have first given the corporation 60 days' notice of his intention to sell and convey said property, and unless the Corporation, within such 60-day period, does not purchase such property at a price equal to the appraised value thereof, as established by an independent appraisal, such sale shall not be prohibited hereby.

If any sale, lease, transfer, assignment, or conveyance of any such property is made without complying with the foregoing requirements, or if any property is abandoned, the Corporation may declare all unpaid installments of principal and interest (accrued or to accrue) to be immediately due and payable.

The VICE PRESIDENT. Without objection, the amendments are agreed to.

Mr. GLASS. Mr. President, due to occupation on committee work and conference work, I have been unable to hear a great deal of the debate on the pending bill, but from such of the discussion as that I have heard I derive the impression that the Government may in some event become the owner of these farms. I should like to ask if that is so.

Mr. BAILEY. Mr. President, I may say to the Senator that the bill provides for the creation of a Government corporation to buy the farms, and then provides for foreclosure, in which event the Government's corporation again becomes the owner. That the farms are to be purchased by a Gov-

ernment corporation does not alter the fact that the Government takes them as owner.

Mr. GLASS. If that be so—and I hear no protest against that interpretation of the bill—it seems to me the bill is clearly in conflict with the express provision of section 8 of article I of the Constitution, which prohibits the Government of the United States from acquiring by purchase any property in any State without the specific consent of the legislature of the State. If in fact this is a Government corporation—and I assume it is, because the Government subscribes its capital, and the Government is made responsible for its indebtedness, both principal and interest—how are we to get around that provision of the Constitution, I should like to know?

I am not a lawyer; but I know perfectly well that the Government of the United States is not authorized to acquire, even by the exercise of eminent domain, a foot of ground in any State except by consent of the legislature of the State.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. BLACK. I call the Senator's attention to the fact that the Federal land bank is a corporation which, while originally created in the nature of a private corporation, is more or less in the nature of a governmental corporation. It owns a great deal of land. The Home Owners' Loan Corporation is a corporation for which the money was supplied by the Government, and it will necessarily acquire in the process of its business a great amount of land.

I do not mention that as bearing on the question of constitutionality of this measure, except to state that in my judgment the same rule would apply to the Home Owners' Loan Corporation.

Mr. GLASS. The same rule may apply to the Home Owners' Loan Corporation, but the Home Owners' Loan Corporation Act may be unconstitutional; and the fact that we have passed one unconstitutional act does not justify the passage of another.

As to land banks, the land banks are not owned by the Government. The Government is in no way or degree responsible for either the principal or the interest of the bonds of the land banks, so that is an entirely different matter.

I do not profess to know either the Constitution or the law; but, if I have any sense at all, it seems to me the bill is in plain violation of the provision of the Constitution to which I have referred.

I have been asked by several Senators about the section to which I refer. It is section 8 of article I of the Constitution. The Government could not even acquire the site of this Capitol except by cession from the States. The reason why I seem to have some knowledge about this matter is that more than 40 years ago, before the State of Virginia, by general statute, had authorized the Federal Government to exercise the right of eminent domain in that commonwealth, in the matter of buildings for public purposes, there had to be a special act of the legislature to authorize the Government to buy a plot of ground in my town on which to build a post office.

Mr. BANKHEAD. Mr. President, I take it that the section to which the Senator from Virginia refers—part of article I, section 8—is as follows:

> The Congress shall have power * * *
> To exercise exclusive legislation in all cases whatsoever, over such district (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority—

That is, legislation—

> over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings; and
> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers. * * *

Mr. GLASS. Mr. President, what has the Senator to say in explanation of that? He merely read the section.

Mr. BANKHEAD. I think the section explains itself.

Mr. GLASS. I think so, too.

Mr. ROBINSON. Mr. President, the section does not require the consent of the legislature for the Federal Government to acquire title to lands in a State. The provision authorizes exclusive legislative jurisdiction in the Federal Government in territory that may be ceded by the States for the purpose of a National Capital. That is a very different thing from the mere acquisition of title to land. The Federal Government purchases land almost every day as sites for public buildings and for other purposes, and usually there is no requirement that the consent of the States be granted for the acquisition of title in such cases.

That is point no. 1.

The section of the Constitution to which the Senator refers does not, except as to the exercise of exclusive legislative power, require cessions by a State of areas within the State, and it is a distinctly different case from where the Federal Government, or someone for the Federal Government, merely acquires title. It is not proposed that the Federal Government shall exercise exclusive or other legislative jurisdiction over the lands that may be bought by this Corporation. On the contrary, there is an express provision of the bill that it shall not do so. The legislative jurisdiction remains in the State.

So the question resolves itself into a very simple one—whether the Federal Government, or a corporation created by the Federal Government, may buy land within a State without the consent of the State legislature. There is nothing in the Federal Constitution which expressly requires the consent of the State legislatures except in the case where it is proposed that the Federal Government shall exercise exclusive legislative jurisdiction.

Mr. GLASS. Mr. President, as to the Senator's first point, I am quite confident that if he will make due inquiry he will find that the Federal Government cannot acquire a foot of ground in any State, even by the right of eminent domain, without the consent of the State. If he will make inquiry of the Supervising Architect's office, he will find that no post-office site is ever acquired without the express consent of the legislature of the State in which it is proposed to erect the post office.

As to the second suggestion of the Senator from Arkansas, as stated in the beginning of my brief remarks, I have not read the bill closely or followed the discussion closely; but it seems to me we are proposing to exercise exclusive Federal jurisdiction over these farm lands, so that in default the Federal Government through its corporation, which is the Federal Government, may go in and foreclose and take possession of the farm lands.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. GLASS. Certainly.

Mr. ROBINSON. If I am in order, I will take just a moment to reply to what the Senator from Virginia says.

Section 7, subdivision (a), on page 11, expressly provides:

> The jurisdiction, both civil and criminal, over lands acquired under the provisions of this act shall not be changed by reason of such acquisition: *Provided, however,* That this section shall not be deemed to affect the jurisdiction of the United States to punish offenses against the United States—

And so forth.

I merely point that out as indicative of the fact that the bill does not violate the spirit or language of that section of the Constitution referred to by the Senator from Virginia.

Mr. GLASS. Is not that very section in contravention of this section of the Constitution, which provides that the Government shall have exclusive jurisdiction over lands purchased with the consent of the legislature?

Mr. ROBINSON. No, Mr. President; it is not in contravention of it. I thought I made clear before that the requirement that the legislatures of the States shall cede the territory or give consent to the acquisition of title to lands is dependent upon the provision that the Federal Government designs to exercise exclusive legislative jurisdiction over the lands.

There is a plain reason for it. If that were not required, we would have the Federal Government exercising legislative jurisdiction over lands within a State without the con-

sent of the State, violating the sovereignty of the State; but when the Federal Government acts as a mere proprietor and acquires lands for its purposes, unless there is permission or consent from the legislature, the Federal Government cannot exercise legislative jurisdiction.

Mr. GLASS. Mr. President, at this very time there is an issue in Virginia. The State, through its legislature, authorized the Federal Government to acquire what is known as the "Shenandoah Valley Park" by gift from the State and the individual subscribers to the fund, and some of the tenants in the Shenandoah Valley district have evinced an unwillingness to have their lands condemned, and the matter is being contested in the courts now as to the right of the Federal Government to condemn these particular tracts, except for public purposes. I think the case has no standing; but I have certainly been under the impression for forty-odd years that the Federal Government is prohibited from acquiring a foot of territory in any State without the consent of the State.

If, as has been repeatedly asserted on the floor of the Senate, the Federal Government may, under the terms of the pending bill, become a great owner of farm lands, it seems to me it is in contravention of the provision of the Constitution which I have stated.

Of course, it is not expected that a simple layman can follow the abstruse definitions of the law as lawyers may do, but, notwithstanding the great legal accomplishments of the Senator from Arkansas, I am still of the opinion that the United States Government has no right to own farms.

Mr. AUSTIN. Mr. President, I am thoroughly in accord with the conclusion of the distinguished Senator from Virginia [Mr. GLASS] that this proposed legislation is in conflict with any right the people of this country vested in Congress.

It is not necessary to point out any particular provision of the Constitution of the United States to which a proposed act runs counter, in order to know definitely that it is without our authority to enact it. So it is with this particular measure pending, if it should become a law. It seems to me that the whole effect of the Constitution is against the theory of the Federal Government reaching over the boundary of any State and undertaking to become a proprietor, in a business sense, of any of the lands of that sovereign State.

The power to enact legislation is not equal in greatness to the power to become the sole proprietor of the soil of the State. It is extremely obnoxious to me to think of the Congress of the United States enabling the Federal Government to go into any State which is a part of this Union and acquire by purchase a greater power than the people of this country vested in the Congress by the Constitution.

Of course, one can point out the only part of the Federal Constitution which deals with this subject at all and see at once that the sole place in the Federal Constitution wherein authority was given to the Federal Congress is that part of article 4 which has been heretofore referred to by the Senator from Iowa. That is the only place where will be found any power given to the Federal Congress by the people of the United States of America with respect to the land, the territory of the United States, and that is strictly limited to land held by virtue of the cessions by the several States to the Federal Government, and no construction that is reasonable can extend that power to the acquisition of new land from private individuals by purchase and the subsequent dealing in that land as a landlord engaged in agriculture.

It has been said that perhaps this is not the Federal Government doing this thing, because we are creating a corporation, and that we have had the example of the Federal land bank doing something similar. The two instances are not at all parallel, and they are not at all alike. The Federal land bank is a private corporation; it is not an instrumentality of government.

The proposed corporation is intended and expected to be an instrumentality of government, an instrumentality by which the United States steps within the boundary of every State and undertakes to become a landlord, a farmer, a tiller of the soil.

If we shall pass this bill, we will have taken the greatest step yet taken—and we have taken several of them—toward the Russianization of the United States of America. We are now, as we have been several times before, confronted with the choice between adhering to the American theory of government and adopting the Russian theory of government. The form need not be exactly the same, but it is the principle of collectivism, the principle of putting the great central government, with all its powers, into competition with the individual, the gradual exclusion and crowding out of the individual from private enterprise, and now the intrusion of the Federal Government into ownership of the land, actual management of the land; for this bill provides that the Federal Government may manage that land.

Here we have a step which goes to the very root of our social and economic system. I insist that it is entirely in conflict with the spirit of the Constitution and that there is no authority in the Constitution for the Federal Congress to take the step. If there is no authority given by the Constitution to take it, it is unconstitutional, because the Federal Government has only those powers which are delegated to it. They are supposed to be limited to the government of affairs which are national in scope, and the Government should keep away from the government of affairs which are local.

For this reason, and for others, I shall vote against the bill.

Mr. GORE. Mr. President, the sovereign may own land in two or three different characters or capacities. The sovereign may own land as a sovereign and may own land as a proprietor; and it may also own land both as sovereign and as proprietor.

The United States owns the site upon which this building is constructed both as sovereign and as proprietor. I think I may illustrate further. In Oklahoma, prior to our admission into the Union, the public domain was, of course, owned by the United States. The public domain in the Territory of Oklahoma was owned by the United States both as sovereign and as proprietor; but the moment Oklahoma was admitted into the Union the United States no longer owned the public domain in its character as sovereign. It owned that land only in the character of proprietor.

A State may own land in still a different capacity or character. It owns the bed of navigable streams, it holds the land in trust as a sovereign, but it does not own the land in fee.

The United States can acquire land in its character as a sovereign only by and with the consent of the State in which the land is located. The United States can also acquire land by condemnation, in which instance, as I understand, it owns the land as a proprietor and not as a sovereign. It can acquire land by condemnation only for public use, not for private use. I am not at all certain that the United States has any right or power to acquire land for private use—to buy and sell land for private use. In what section of the Constitution does that power reside? If the United States can buy and sell land for private use and private purposes, are there any restraints upon its powers, upon its omnipotence, other than the express prohibition set forth in the Constitution, and the conservatism, the conscience, or the caprice of Congress?

Mr. President, as I remember, Pharaoh, under the guidance of his prime minister Joseph—who seemed to be a sole corporation in that instance—acquired all the land in Egypt, and in acquiring the land acquired the sovereignty not only of the soil but of the souls of the people. The people were enslaved. They bartered land and liberty alike for bread. I doubt if the United States can acquire land for any other than public purposes. When the United States acquires land by condemnation it must be for public use. I doubt seriously whether the United States can be a mere land trafficker or peddler, and buy or sell land for one purpose or another unconnected with its character and functions as a sovereign. Some States go so far, and, I think, wisely, as

to prohibit corporations from owning land except what is necessary to the conduct of the business for which they were chartered, and to which they are restricted.

I was interested a moment ago in the allusion to the Constitution of the United States. I myself have some respect and, I might say, some reverence for antiques. Not long ago I had a request for a souvenir of Washington, and I sent my inquiring friend a copy of the Constitution of the United States of America.

I now wish to have read into the RECORD several extracts from a speech or two made by Hon. John T. Morgan, of Alabama, once a leading and distinguished Member of this body:

How are the mighty fallen and the weapons of war perished!

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

[From p. 2597 of the CONGRESSIONAL RECORD of Apr. 4, 1884]

Mr. MORGAN. * * * Mr. President, when I was elected a Senator from Alabama it never occurred to me or to any member of the legislature who did me the honor to vote for me or to the people of that State, or, I suppose, to anybody, that one part of my mission here was to raise school funds to educate the people of my State, no more than that I was to come here and get supplies for the insane hospital, for the institution for the deaf, dumb, and blind, or for the poorhouses of the respective counties, or for the improvement of the common roads of the country, or any other subject that might relate to the general welfare of my people. We have got a constitution in my State and a legislature elected under it, and in that legislature may be found men of equal ability with any who are here or have been here from my State upon the floor of either of these Houses. Limited powers are prescribed to them in the constitution, but ample power is given on the subject of public education; plenary power is given to them almost on that subject. Encouragement is expressed in the constitution itself for this great purpose, and those legislators are designated as persons who by law must measure out the proper quantum of relief and assistance to public schools there. It never occurred to me that I had come here for the purpose of raising funds by begging or by legislating for the purpose of building up schools in my State. I have not come here as a mendicant apostle of a propaganda in Alabama that requires money to be begged out of gentlemen of the North to sustain and support us in those industries and enterprises and duties which we ought to perform for ourselves.

[From p. 2598 of the CONGRESSIONAL RECORD of Apr. 4, 1884]

Sir, you may search with all the anxiety possible, and you will find no word in the Constitution that relates to public charity, to public benevolence, to public education, to insane asylums, or deaf-and-dumb institutions, or to public roads, except post roads—no hint of it. If it had been the intention of our fathers, who then had written constitutions in their respective States, to have placed within the jurisdiction of Congress power to touch questions of this kind, either by the appropriation of money or by the taxation of the people or by legislative expedients, would there not have been some man found who in the Convention would at least have made such a suggestion?

Sir, there was not a man who ever arose on the floor of that Convention and hinted at the idea that the subject of public education was one of the subjects that they intended or expected to entrust to Congress; and in the absence of all expression on this subject, and while the State governments had made in their constitutions express and ample provision for the exercise of these particular powers by those State governments, are we to infer that our fathers were so blind and so indifferent in respect to the powers to be conferred upon this new and limited Government as that they should never refer to it by a word in the Constitution to indicate the thought or by the expression of a single suggestion in the Convention which framed the Constitution that the general welfare for which Congress was to provide by taxation included the support of common schools in the States?

[From p. 2633 of the CONGRESSIONAL RECORD of Apr. 5, 1884]

In May 1874 there was an overflow that occurred in my State on the Tombigbee or the Black Warrior River, a small, narrow stream whose bottom lands were not very extensive; and as soon as it was understood that some plantations had been inundated and some stock swept off, the Members of Congress then represented or claiming to represent that State brought in a bill to appropriate, I believe it was $400,000, for the relief of the people who had been overflowed by the Tombigbee and the Warrior Rivers, and the bill was passed. The general welfare of the whole State of Alabama and of the United States was a sufficient plea in apology for giving $400,000 at that time for the overflowed people in that portion of my State. The money was authorized to be expended in bacon and in flour and other food for human consumption. It was so expended. The overflow had passed away before the bill passed Congress and new crops were growing upon the land that Congress was providing for before the bill was signed by the President. Nevertheless the $400,000 went into public distribution in the State of Alabama; and it was distributed in the next October and November elections upon the highest points of the Sand Mountains throughout a large region of country where the people wanted what was called in that country "overflow bacon."

I cannot get that picture out of my mind. There was the general welfare of the people invoked and with success to justify this political fraud; the money was voted, and the bacon was bought, and the politicians went around with their greasy hands and distributed it to the men who cast greasier ballots that they could not read, and in that way the general welfare was promoted. Men got rations of bacon to cast ballots that they could not read through the broad benevolence and the wonderful healing power of our acts of usurpation under what we call the general-welfare clause, and which has been aptly termed here "the blanket clause" of the Constitution; the clause that, in the name of the general welfare, is a safe cover for inequities, as charity is a convenient mantle for other sins.

Mr. GORE. Mr. President, I ask to have published in the RECORD at this point the statement of Mr. Madison, which appears on page 2632 of the RECORD from which the clerk has been reading.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. MADISON. It is proposed by some gentlemen that Congress have authority not only to grant bounties in the sense here used, merely as a commutation for drawback, but even to grant them under a power by virtue of which they may do anything which they may think conducive to the general welfare. This, sir, in my mind raises the important and fundamental question whether the general terms which have been cited are to be considered as a sort of caption or general description of the specified powers, and as having no further meaning and giving no further powers than what is found in that specification, or as an abstract and indefinite delegation of power extending to all cases whatever; to all such at least as will admit the application of money, which is giving as much latitude as any government could well desire.

I, sir, have always conceived—I believed those who proposed the Constitution conceived—it is still more fully known and more material to observe that those who ratified the Constitution conceived that this is not an indefinite government, deriving its powers from the general terms prefixed to the specified powers, but a limited government, tied down to the specified powers, which explain and define the general terms.

It is to be recollected that the terms "common defense and general welfare" as here used are not novel terms first introduced into this Constitution. They are terms familiar in their construction and well known to the people of America. They are repeatedly found in the old Articles of Confederation, where, although they are susceptible of as great a latitude as can be given them by the context here, it was never supposed or pretended that they conveyed any such powers as are now assigned to them. On the contrary, it was always considered clear and certain that the old Congress was limited to the enumerated powers, and that the enumeration limited and explained the general terms. I ask the gentlemen themselves, whether it was ever supposed or suspected that the old Congress could give away the money of the States in bounties to encourage agriculture, or for any other purpose they pleased. If such a power had been possessed by anybody, it would have been much less impotent, or have borne a very different character from that universally ascribed to it.

The novel idea now annexed to those terms and never before entertained by the friends or enemies of the Government will have a further consequence, which cannot have been taken into the view of the gentleman. Their construction would not only give Congress the complete legislative power I have stated; it would do more, it would supersede all the restrictions understood at present to lie in their power with respect to a judiciary. It would put it in the power of Congress to establish courts throughout the United States, with cognizance of suits between citizen and citizen, and in all cases whatsoever.

This, sir, seems to be demonstrable, for if the clause in question really authorizes Congress to do whatever they think fit, provided it be for the general welfare, of which they are to judge, and money can be applied to it, Congress must have power to create and support a judiciary establishment without a jurisdiction extending to all cases, favorable in their opinion to the general welfare, in the same manner as they have power to pass laws and apply money providing in any other way for the general welfare. I shall be reminded, perhaps, that according to the terms of the Constitution the judicial power is to extend to certain cases only, not to all cases. But this circumstance can have no effect in the argument, it being presupposed by the gentlemen that the specification of certain objects does not limit the import of the general terms. Taking these terms as an abstract and indefinite grant of power, they comprise all the objects of legislative regulations, as well such as fall under the judiciary article in the Constitution as those falling immediately under the legislative article, and if the partial enumeration of objects in the legislative article does not, as these gentlemen contend, limit the general power, neither will it be limited by the partial enumeration of objects in the judiciary article.

There are consequences, sir, still more extensive which, as they follow clearly from the doctrine combated, must either be admitted or the doctrine must be given up. If Congress can employ money indefinitely to the general welfare, and are the sole and supreme

judges of the general welfare, they may take the care of religion into their own hands; they may appoint teachers in every State, county, and parish and pay them out of their Public Treasury; they may take into their own hands the education of children, establishing in like manner schools throughout the Union; they may assume the provision for the poor; they may undertake the regulation of all roads other than post roads; in short, everything from the highest object of State legislation down to the most minute object of police would be thrown under the power of Congress; for every object I have mentioned would admit of the application of money and might be called, if Congress pleased, provisions for the general welfare.

The language held in various discussions of this House is a proof that the doctrine in question was never entertained by this body. Arguments wherever the subject would permit have constantly been drawn from the peculiar nature of this Government as limited to certain enumerated powers instead of extending, like other governments, to all cases not particularly excepted. In a very late instance—I mean the debate on the representation bill—it must be remembered that an argument much used, particularly by gentlemen from Massachusetts, against the ratio of 1 for 30,000, was that this Government was unlike the State governments, which had an indefinite variety of objects within their power; that it had a small number of objects only to attend to, and, therefore, that a smaller number of Representatives would be sufficient to administer it.

Arguments have been advanced to show that because, in the regulation of trade, indirect and eventual encouragement is given to manufacturers, therefore Congress have power to give money in direct bounties, or to grant it in any other way that would answer the same purpose. But surely, sir, there is a great and obvious difference, which it cannot be necessary to enlarge upon. A duty laid on imported implements of husbandry would, in its operation, be an indirect tax on exported produce; but will anyone say that by virtue of a mere power to lay duties on imports, Congress might go directly to the produce or implements of agriculture or to the articles exported? It is true duties on exports are expressly prohibited; but if there were no article forbidding them, a power directly to tax exports could never be deduced from a power to tax imports, although such a power might indirectly and incidentally affect exports.

In short, sir, without going further into the subject, which I should not have here touched at all but for the reasons already mentioned, I venture to declare it as my opinion that were the power of Congress to be established in the latitude contended for, it would subvert the very foundations and transmute the very nature of the limited government established by the people of America, and what inferences might be drawn or what consequences ensue from such a step it is incumbent on us all to consider.

Mr. STEIWER. Mr. President, the bill came to the Senate containing a provision the effect of which would be to make taxable the lands held by the corporation. As I understand the bill, it contemplates acquisition of title to a considerable area of land and subsequently the sale, under contract by the corporation, of tracts of such land to the persons in whom the title finally would vest.

By an amendment adopted a little while ago on page 12, line 2, the words "acquired and held by the corporation or" were stricken from the bill so that the provision now is in effect that the land held by the purchasers from the corporation shall not be exempt from taxation. A further effect would be that the land held by the corporation would be exempted from taxation.

It occurs to me this is an improvident amendment and that the bill might better have been left as it came to the Senate so that the lands held by the corporation would be subject to taxation.

Mr. BYRD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. STEIWER. I yield.

Mr. BYRD. If the Senator will look at the top of page 6, he will see that the real and personal property held by the corporation is exempt from taxation. I have prepared an amendment to strike that out so the lands and real property of the corporation shall be taxable. In other words, the two provisions were contradictory as contained in the original text.

Mr. STEIWER. I think that is true. I am thoroughly in sympathy with the amendment of the Senator from Virginia. I wanted to make the point that the land ought not to be exempt from taxation.

Mr. BANKHEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Alabama?

Mr. STEIWER. I yield.

Mr. BANKHEAD. I think the Senator referred to an amendment which makes subject to taxation the farms which are sold, notwithstanding the title remains in the Government.

Mr. STEIWER. Does the Senator contend that because of the other amendment making the property of the corporation subject to taxation the elimination of the language in line 2, page 12, does not disturb that status of the land, and that it still remains subject to taxation?

Mr. BANKHEAD. It is the purpose of the amendment in the latter section to make it subject to taxation where it is held by the purchaser, but not the property of the corporation, such as its headquarters. Where the purchaser holds the property, it is made subject to taxation.

Mr. STEIWER. I had understood that perfectly, but I had been of the impression that if the land were held by the corporation it would not be subject to taxation. Does the Senator from Alabama agree to that statement?

Mr. BANKHEAD. It would but for the amendment to which the Senator referred. The amendment provides that it shall be subject to taxation notwithstanding the title still remains in the corporation.

Mr. STEIWER. Does the Senator refer to the amendment of the junior Senator from Virginia [Mr. BYRD]?

Mr. BANKHEAD. No; to the amendment which I offered today.

Mr. STEIWER. It is that to which I am inviting attention. As I understood the amendment of the Senator from Alabama, it resulted in striking out, on page 12, line 2, the words "acquired and held by the corporation, or." Is there any other amendment which has been offered during the day which would affect the status of the land so far as its being subject to taxation is concerned?

Mr. BANKHEAD. That is not all of the amendment. The language further is that—

> Nothing in this act shall be construed to exempt from taxation any real property bought by any purchaser from the corporation, notwithstanding the title still remains in the corporation.

That is about the way it reads now; that nothing in the bill shall be construed to exempt such property from taxation.

Mr. STEIWER. Does the Senator contend that property which is held by title in the corporation is subject to taxation?

Mr. BANKHEAD. If a purchaser has bought the farm, the purchaser is then liable to taxation, nothwithstanding title has not passed out of the corporation.

Mr. STEIWER. I think I am in agreement with the Senator. If the purchaser has not bought the farm, then the land would not be subject to taxation.

Mr. BANKHEAD. No; it would not be. The provision in the Home Owners' Loan Corporation Act is identical with this provision. I see no reason for the Government paying taxes on its own land. It is not contemplated that it is going to hold much land. Certainly the purchasers are subject to taxation.

Mr. STEIWER. I wish to suggest to the Senate that when the United States goes into the landlord business, when it acquires property to be held for the purpose of resale to the ultimate owner, it may have a result which is not contemplated by those who are furthering the legislation.

Within the last year and a half, I believe, the United States has acquired title to something like 15,000,000 acres of land under the guise of acquiring the land for subsistence homesteads. Through the agency of the Federal emergency-relief organization, through the Department of Agriculture, and certain other activities of the Government, the United States has acquired and taken off the tax rolls an area which is said to exceed one-third the size of the State of Maine. The process of acquisition is still going on. Now it is proposed to implement a Federal agency with authority to acquire title to further land and to provide $1,000,000,000 with which the United States may acquire title to this land and remove it from the tax rolls so long as that title shall be vested in the corporation.

I do not know that any great harm will come to the States, because in the area within the boundary of any one State the amount of the land acquired might be relatively small; but if we regard the situation in a particular county or a particular school district, it is easy to understand that the acquisition by the Federal Government will remove from the tax roll and take away from the tax base possibly 25 or 50 or 75 percent of all the land in that particular school district; and that result will be had without regard to the commitments of that district, the bond obligations outstanding in that district, or in the county which is being affected in the way I have pointed out. Therefore, the effort of the United States in acquiring this land and making itself a landlord will result in the destruction of these subordinate governmental agencies.

I do not see who would want that kind of result to be accomplished. In my State more than 50 percent of all the area is presently federally controlled and off the tax roll. In the State of Nevada, I think, something like 80 percent of all the area is off the tax roll. There are counties in the State of Oregon where 60 to 80 percent of the entire area is off the tax roll. The Government now is acquiring land at a rather rapid pace, and, as I said a little while ago, has acquired an area equivalent to one-third of the State of Maine and taken that off the tax roll. Now it is proposed to extend that effect still further by authorizing an agency in a time of distressed ownership to take a billion dollars and acquire a great body of land and take it off the tax roll, to the utter destruction of school districts and of counties in this country.

It seems to me that the amendment to which I have referred was improper, and that we ought to have permitted the language to stand as the bill came to the floor of the Senate.

Mr. BYRD. Mr. President, I have great confidence in the judgment of the Senator from Oregon. Would it not be necessary also to amend the provision at the top of page 6, because that specifically exempts from taxation property held by the corporation? In other words, we cannot leave the bill as it is, because there is a conflict between these two provisions.

Mr. STEIWER. Yes; I think the Senator from Virginia is quite right; but in order to get a test of the question I was about to move, first, the reconsideration of the vote by which the amendment on page 12 was adopted. If that should develop a sentiment in favor of the taxation of this land, then the further amendment could be offered with respect to page 6.

Mr. BANKHEAD. Mr. President, I do not understand the idea. Does the Senator from Oregon object to making the purchaser pay taxes on the land?

Mr. STEIWER. Oh, no; there is no objection to making the purchaser pay taxes on the land.

Mr. BANKHEAD. That is the object of the amendment which the Senator is moving to reconsider.

Mr. STEIWER. The effect of the amendment in line 2, page 12, unless I am wholly mistaken in my understanding of it, is to relieve the land from taxation while this title is in the corporation.

Mr. BANKHEAD. No; that is where the Senator is in error. The title may remain in the corporation for many years. The effect of the amendment is, not withstanding the title is in the corporation, that the purchaser is liable for the taxes.

Mr. STEIWER. Does not the first part of subsection (b), as written in the bill, read that—

> Nothing in this act shall be construed to exempt any real property——

Mr. BANKHEAD. Yes; as it was originally, it read "any real property * * * held by the corporation." Now, as amended, it reads "any real property * * * held by any purchaser from the corporation." In other words, any land bought from the corporation is not exempt from taxes. Therefore, it is subject to taxes. The purchaser of each farm is liable for taxes whether the title passes to the purchaser or whether, under the amortization plan, it remains in the corporation.

Mr. STEIWER. There is no difference between the Senator from Alabama and myself as to the construction of that language.

Mr. BANKHEAD. I understood there was.

Mr. STEIWER. The effect of it is to make land subject to taxation after it has been sold to the purchaser.

Mr. BANKHEAD. That is correct.

Mr. STEIWER. I am suggesting that it ought to be subject to taxation at all times, even though the title rests in the corporation.

Mr. BYRD. Mr. President, would not the Senator accomplish his purpose by amending the provision at the top of page 6? That is where the specific exemption occurs for real and personal property held by the corporation. I have an amendment to that effect pending on the desk.

Mr. STEIWER. Is the Senator now prepared to offer that amendment?

Mr. BYRD. It is on the desk. It has been pending for some time.

Mr. STEIWER. If the Senator is prepared to offer that amendment, I ask that he do so first, and let me give further consideration to the necessity of reconsideration of the language on page 12. I will yield to the Senator for that purpose.

The PRESIDENT pro tempore. The committee amendment on page 10, in paragraph (d), has not been acted upon. Without objection, the amendment is agreed to.

Mr. BYRD. I now ask to have my amendment stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Virginia will be stated.

The CHIEF CLERK. On page 6, lines 1, 2, and 3, it is proposed to strike out:

> The corporation, including its franchise, its capital, reserves, and surplus, its loans and income, and its real and personal property shall likewise be exempt from such taxation.

The amendment was agreed to.

Mr. KING. Mr. President, as I understand, the Senate is soon to vote upon the measure under consideration. I have been in attendance upon other committees during most of the consideration of the bill and am not familiar with all the arguments which have been adduced in its favor and the basis of opposition to the same. However, an examination of the bill has convinced me that it is not only unconstitutional, but that it is unsound as an economic or political measure and will bring great disappointment and, indeed, serious consequences. I think it is a most unfortunate and, indeed, a dangerous measure—unfortunate in the expectations which will be aroused and the disappointments which will ensue. It will be exploited by the great bureaucratic forces that will be called upon to administer it and will introduce a disturbing element into our agricultural and economic life. Undoubtedly there will be a Nation-wide propaganda carried forward by those directly and indirectly employed in its administration for the purpose of popularizing it. As a result, as I have indicated, a large number of individuals will expect to avail themselves of its promised advantages and will sooner or later have their hopes and expectations shattered by the stern realities which they will have encountered.

In my opinion, this measure may not be defended upon constitutional grounds, and it is saturated with socialistic, or at least paternalistic, qualities foreign to democratic ideals and the concepts of the founders of this Republic.

The Senator from Oklahoma [Mr. GORE] has just caused to be read excerpts from addresses delivered by one of the great Democratic statesmen of the South, Senator Morgan. May I add that as a boy I learned, in part at least, Democracy from Morgan and Vest and George, and other great statesmen from the South. They carried the Democratic standard and maintained Democratic ideals and traditions. They maintained, against the assaults of reactionaries and those who attempted to concentrate power and authority in the Federal Government not granted to it by the Constitution,

the principles annunciated by Jefferson and expounded by Madison and others whose names will live as long as this Republic endures.

Undoubtedly there have been powerful centralizing forces operating throughout the land, and the Democratic Party has not been free from their dangerous and destructive influence. As I interpret some of the policies of the Democratic Party, I cannot help but believe Democratic institutions are being subjected to a severe test and the Constitution of the United States to a menacing danger.

It is contended by some that we are now tending toward socialism, or a totalitarian form of government, in which the powers of the States will be lost. But yesterday I read the statement of a professor that this Republic was headed toward a powerful centralized authority which might lead to corporative state or to a modified Nazi form of government. Undoubtedly socialistic forces are finding support in some parts of our country. No one can deny that there are strong elements seeking to undermine the States and to transfer authority which under the Constitution is theirs, to a powerful Federal Government. In my opinion, the fathers of the Republic never contemplated that the National Government would exercise the authority which it has asserted, nor that the States would be weakened, if not devitalized, to the extent which we now witness.

I cannot help but believe that there are influences at work at variance with the principles of the Democratic Party, which if unrestrained will modify the form of Government established by the fathers and jeopardize Democratic institutions. Senators know that great historians have expressed the view that Democratic institutions could not long survive; that centripetal forces would become so powerful as to undermine and destroy democratic forms of government.

It was my purpose, in rising, only to express my profound regret that we should have a measure of this character and to announce that because of its infirmities and its unsound and dangerous tendencies, I would feel constrained to vote against it.

May I add, before taking my seat, that in my opinion the seeds of this measure were, in part at least, provided and sown by the Department of Agriculture under the administration of the present Secretary of that Department. In my opinion the policy pursued with respect to cotton, and for that matter wheat and hogs, was not founded upon any sound or rational policy. Some persons urged the adoption of a policy with respect to cotton, which resulted in reducing production, pegging prices and which, in its operations, has contributed to the creation of tenant farmers, or at least to the unsatisfactory agricultural condition in the cotton States.

It seems to me that no one can defend a policy that destroys property when millions throughout the world are hungry and lacking in clothing and the necessities of life. The destruction of crops and livestock was the destruction of capital, and capital is essential to progress and prosperity. Some of the policies which have been adopted have restricted our exports, and limit not only internal but external trade. What is needed today is greater production, the creation of additional capital, and the opening of domestic and foreign markets.

This is not an auspicious time for increasing bureaus and procuring greater regimentation, and interposing obstacles to legitimate trade and commerce.

Mr. President, the Democratic Party is on trial. It is the repository of the great principles of justice and liberty bequeathed to us by the fathers. It is to be hoped that nothing shall be done to imperil democratic principles or the triumph of the Democratic Party.

The PRESIDENT pro tempore. If there are no further amendments to be offered——

Mr. BAILEY. Mr. President, there are some further amendments to be offered. I wish first to call up the amendment by which I undertake to substitute one hundred million for one thousand million dollars.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 4, line 8, it is proposed to strike out "$1,000,000,000" and to insert in lieu thereof "$100,000,000."

Mr. BAILEY. Mr. President, I do not desire to take the time of the Senate to discuss the constitutionality of the measure, but I shall merely make a short statement for the RECORD.

I agree with the Senator from Virginia [Mr. GLASS] and the Senator from Vermont [Mr. AUSTIN]. I thought it was well known that in the enumeration of powers under which Congress operates and the Government lives there was no power to purchase real estate. If anyone has ever found anything in the Constitution authorizing the Government to buy real estate, I should be glad to have him show it to me.

On the particular point at issue, the Government is authorized to purchase not to exceed 10 square miles to be placed under the exclusive jurisdiction of the Congress, and even in that purchase the land must be acquired by the cession of the particular States. It is further authorized to purchase places for the erection of magazines, arsenals, dockyards, and other needful buildings, but even then with the consent of the States.

The clear implication is that if it is necessary to obtain the consent of the States in order to buy needful sites for Government buildings, it certainly would be necessary to have the consent of the States to purchase sites for unnecessary buildings or for the purchase of unnecessary sites. But that is not the real meaning. The real meaning is that the Government cannot buy land except for the necessary purposes of the Government. The implication would be that if it should buy land for necessary or unnecessary purposes it would have to get the consent of the States.

Mr. President, that is all I care to say about that. I was a little bit surprised that the constitutional question was brought up, as I had thought we had unanimous consent sometime ago never again to mention the Constitution.

I shall be glad when we can have a vote on my amendment to substitute one hundred million for a thousand million dollars.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY]. [Putting the question.] The noes seem to have it.

Mr. BAILEY. I ask for the yeas and nays.

Mr. ROBINSON. Mr. President, I understand there are a number of amendments undisposed of and that probably a final vote on the bill cannot be taken this afternoon. Unless there is some objection, I shall move that the Senate proceed to the consideration of executive business.

Mr. BAILEY. With the understanding that I shall have a vote on my amendment? Is that the understanding?

The PRESIDENT pro tempore. The amendment of the Senator from North Carolina will be pending on the convening of the Senate tomorrow.

Mr. ROBINSON. The question will be on the request of the Senator from North Carolina for the yeas and nays?

The PRESIDENT pro tempore. The Senator from North Carolina has asked for the yeas and nays. Is the request seconded?

The yeas and nays were ordered.

The PRESIDENT pro tempore. When the Senate convenes tomorrow, the question will be on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY], on which question the yeas and nays have been ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of Marriner S.

Eccles, of Utah, to be member of the Federal Reserve Board, for the unexpired portion of the term of 10 years from August 10, 1928, vice Eugene R. Black, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. TYDINGS. Mr. President, one of our recent colleagues, former Senator Goldsborough, of Maryland, who sat in this body until a few months ago, has been nominated by the President as the minority member of the board of directors of the Federal Deposit Insurance Corporation. I have conferred with both the Democratic leader and the Republican leader in regard to the nomination, and I ask unanimous consent that the nomination be taken from the table and acted upon immediately.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will read the nomination.

The legislative clerk read the nomination of Phillips Lee Goldsborough, of Maryland, to be a member of the board of directors of the Federal Deposit Insurance Corporation for the unexpired term of 6 years from September 6, 1933, vice Elbert G. Bennett, resigned.

Mr. FLETCHER. Mr. President, ordinarily the nomination would go to the Committee on Banking and Currency. Senator Goldsborough was a member of that committee for some time, however, and I feel very much disposed to join in the request for unanimous consent for his confirmation without reference of the nomination to the committee.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. TYDINGS. I further ask unanimous consent that the President may be notified that the nomination has been confirmed by the Senate.

The PRESIDENT pro tempore. Without objection, the President will be notified.

The calendar is now in order.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Dr. Harry C. Knight to be assistant surgeon.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 7 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, April 24, 1935, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 23 (legislative day of Apr. 15), 1935

FEDERAL DEPOSIT INSURANCE CORPORATION

Phillips Lee Goldsborough, of Maryland, to be a member of the board of directors of the Federal Deposit Insurance Corporation for the unexpired term of 6 years from September 6, 1933, vice Elbert G. Bennett, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 23 (legislative day of Apr. 15), 1935

FEDERAL DEPOSIT INSURANCE CORPORATION

Phillips Lee Goldsborough to be a member of the board of directors of the Federal Deposit Insurance Corporation.

PUBLIC HEALTH SERVICE

Dr. Harry C. Knight to be assistant surgeon.

POSTMASTERS

ARIZONA

Harriet C. Dean, Duncan.

ARKANSAS

Harvey H. Fuller, Eureka Springs.

KENTUCKY

J. Roy Cox, Livermore.
Laura B. Blackburn, Versailles.

MICHIGAN

John L. Swartout, Addison.
Ozro K. Hess, Akron.
Helen M. Mitchell, Algonac.
Abbie J. Mackley, Armada.
Charles W. Holt, Athens.
Grace S. Shearer, Auburn Heights.
George P. Siagkris, Base Line.
Bernie C. McLeish, Bay Port.
Benjamin J. Beasley, Britton.
LaVern D. Cash, Brooklyn.
William H. Cronin, Brown City.
Henry Miltner, Cadillac.
Cornelius Oosta, Caledonia.
Kay Rice, Camden.
Leo A. Jonas, Capac.
Harzey J. Fisher, Crystal.
Sarah G. Howard, Custer.
Frederick M. Cunningham, Dexter.
Fred W. Schroeder, East Detroit.
Joseph F. Roberts, Elkton.
George B. McIntyre, Fairgrove.
Norman C. Lee, Farmington.
Harry T. McKerring, Flushing.
Roscius G. Southworth, Galesburg.
James L. Heslop, Gladwin.
Samuel J. Leach, Hersey.
Peter P. Quinlan, Keego Harbor.
Leo G. Burns, Kingston.
Leon T. Gilson, Lake Odessa.
Stuart J. Haddrill, Lake Orion.
Frank E. Moore, Lakeview.
Emmett E. Scofield, Leslie.
Royal L. Beckwith, Luther.
Elizabeth M. Lynch, Mayville.
Lloyd M. Kohn, Mesick.
Clare E. Bishop, Millington.
James F. Jackson, Mohawk.
Emily E. Derr, Montgomery.
Edna L. Mitchell, Morley.
Anna S. Warner, Mount Pleasant.
Albert A. LeFevre, New Baltimore.
Claude J. Tessman, New Haven.
William E. Frederick, North Adams.
Earl H. Snow, Otsego.
James J. Harrington, Painesdale.
Jessie M. Stackhouse, Rochester.
Glenn Davis, Rockford.
Victoria S. Nye, Rose City.
Gilbert H. Davis, Royal Oak.
Joseph W. Zinger, Ruth.
Glenn Cline, Sherwood.
Jacob E. Whitcomb, Spring Lake.
Charles E. Weaver, Standish.
Archie M. Stinchcomb, Sunfield.
Willard A. Beuerle, Suttons Bay.
Albert M. Lewis, Swartz Creek.
Bert Shedd, Tekonsha.
Florence G. Street, Wheeler.
Hazel A. Graham, Whittemore.
Matthew Max, Ypsilanti.

TENNESSEE

Emmie A. Williams, Green Brier.
James E. Burke, Morristown.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 23, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father and our Lord, let us be silent that we may hear Thy whisper. O breath of God, let a spiritual tide flow into our souls, as in humility and reverence we lift them up to Thee. Thou hast called us to high and holy living, which gives rewards beyond our finest dreams. Be with us in the service with which we have been so signally honored. In all circumstances keep us brave and strong to seek the truth and do the right. O divine Presence, be with us like the sunbeams that break from the golden window of the east, a joy-giving, illuminating, and a transforming power. And Thine shall be the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1572. An act to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.

The message also announced that the Vice President had appointed Mr. GLASS and Mr. HALE members of the Joint Select Committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the office of the Comptroller General.

THE JUDICIARY COMMITTEE

Mr. DUFFEY of Ohio. Mr. Speaker, I ask unanimous consent that the Judiciary Committee may be permitted to sit during the sessions of the House for today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MEMORIAL EXERCISES

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAMLIN. Mr. Speaker, I send the following resolution to the desk and ask for its immediate consideration:

House Resolution 201

Resolved, That on Tuesday, May 21, 1935, immediately after the approval of the Journal, the House shall stand at recess for the purpose of holding the memorial services as arranged by the Committee on Memorials under the provisions of clause 40a of rule XI. The order of exercises and proceedings of the service shall be printed in the CONGRESSIONAL RECORD, and all Members shall be given the privilege of extending their remarks in the CONGRESSIONAL RECORD. At the conclusion of the proceedings the Speaker shall call the House to order and then, as a further mark of respect to the memories of the deceased, he shall declare the House adjourned.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE TEXTILE INDUSTRY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the lady from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I want to call the attention of the House again to the very serious plight of the textile industry; and when I say the textile industry I mean the 9,000,000 people who earn their livelihood in the raw-cotton industry as well as the textile manufacturers—456,000 people who nominally and ordinarily earn their livelihood in the cotton mills.

Yesterday I urged the President of the United States to appoint on the Cabinet committee a member of the cotton-textile industry, a manufacturer, and also a representative of textile labor. Mr. Speaker, I hope very much that the southern Members of Congress will join me in a request that a cotton farmer be placed on that board and also a man or woman who earns his or her livelihood from raw cotton.

This is not a sectional matter, Mr. Speaker; it is a national matter. The people in the Speaker's State of Tennessee, and Georgia, Alabama, North and South Carolina, all of the Southern States that I have visited, are just as much interested in this problem as I am. I believe that the Cabinet needs the advice of the manufacturer, the worker in the mills, the cotton farmer, and the cotton worker.

Mr. FULMER rose.

Mrs. ROGERS of Massachusetts. I cannot yield. I have only 5 minutes. This is not a matter that concerns me alone. It concerns the entire Nation.

Upon that Cabinet board is the Secretary of State, Mr. Hull. I know Mr. Hull to be perfectly sincere in his belief about reciprocal trade relations. He has not believed in a tariff in the past, and we Members who have worked with him know that. I have the highest regard for his integrity and his sincerity, but I do not agree with him. I shall not discuss Secretary Wallace at length. He said that New England "whined." I find that New England does not whine, but that it roars its disapproval of his methods, and when he spoke of the textile industry of New England not being successful, he forgot that 51 textile industries have been closed or partially closed since the beginning of the year and that a majority of those industries are in the South. So if his arraignment applied to New England, it also applies to the South.

Mr. Speaker, there is something radically wrong when our mills are closing, not one by one but by several in a week. We must do something immediately, and I earnestly ask the Members to help me relieve the situation. I know that the Southern Members are just as much interested as I am, they are just as anxious for action, and I wish they could all speak out loud on the floor of the House and say what they think. They may be embarrassed to do so, but in the long run they would help not only their constituents but, according to my belief, they would help the President of the United States in inducing him to act before it is altogether too late.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

THE PROCESSING TAX ON COTTON

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein a letter from Clarence Poe, the editor of the Progressive Farmer and Southern Ruralist, dated April 20, 1935, enclosing a resolution adopted by the North Carolina State Council Cotton Committee.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. COOLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from Clarence Poe, editor of the Progressive Farmer and Southern Ruralist, dated April 20, 1935, enclosing a resolution adopted by the North Carolina State Council Cotton Committee:

PROGRESSIVE FARMER AND SOUTHERN RURALIST,
Raleigh, N. C., April 20, 1935.

Senator J. W. BAILEY,
Senator ROBERT R. REYNOLDS,
Hon. HAROLD D. COOLEY,
Hon. LINDSAY C. WARREN,
Washington, D. C.

DEAR FRIENDS: The enclosed resolutions explain themselves.

You have no doubt heard that the North Carolina House of Representatives has already passed by a vote of 52 to 18 a resolu-

tion rescinding its action in asking for the repeal of the processing tax, and the senate will probably act on this Monday.

You will see from resolution no. 7 that the North Carolina Senators are asked to present this resolution to President Roosevelt and Secretary Wallace and that as the North Carolina member of the House Agricultural Committee Mr. COOLEY is asked to present the resolution to his committee and have it published in the CONGRESSIONAL RECORD in which the resolution of the general assembly has already been published.

I am also sending a copy of this resolution to Congressman WARREN, who, I am sure, will be interested in it in view of the announcement that he is preparing an address defending the A. A. A.

Earnestly hoping each of you will carefully consider the facts set out in this statement, I am with best wishes,

Yours sincerely,

CLARENCE POE.

AN APPEAL TO THE NORTH CAROLINA LEGISLATURE AND TO NORTH CAROLINA SENATORS AND REPRESENTATIVES IN CONGRESS IN BEHALF OF MAINTAINING THE PROCESSING TAX ON COTTON

To the Members of the North Carolina General Assembly and to the North Carolina Senators and Representatives in Congress:

GENTLEMEN: On behalf of the cotton growers of North Carolina, whose interests we have been commissioned to defend, the North Carolina State Council Cotton Committee, representing 190,000 cotton producers in 79 counties and the legislative representatives of the Grange representing 53 counties, hereby offers the following statement and appeal:

1. We earnestly urge the General Assembly of North Carolina to rescind its hurriedly passed and inadequately considered resolution demanding the repeal of the processing tax, and we would remind our Congressmen that the resolution was passed without any opportunity for a hearing from the agricultural interests of our State and in direct violation of their wishes.

2. A Nation-wide campaign is now on to break down the present A. A. A. program, which has brought incalculable benefits to North Carolina cotton growers and tobacco growers, with the result that North Carolina is the only State whose crop values last year were 150 percent more than in 1932. That the law-making body of the State which has benefited so greatly should make haste to give aid and comfort to the enemies of the program, seems to us a matter for profound regret and amazement.

3. In contrast to the wild and misleading statements that have been made about the processing tax we would remind our lawmakers and the public that this processing tax plus the market price of cotton combine to give the cotton farmer only the same parity price or purchasing power (now about 16 cents per pound) that he received in pre-war years 1909–14. Everyone with any knowledge of farm conditions knows that even this price is too low to maintain modern American living standards for the bulk of cotton growers.

4. We give it as our emphatic opinion that the difficulties of the textile industry are not primarily due to the processing tax, but to other causes, as should be made evident by the fact that the processing tax adds only 3 cents to the cost of a work shirt, only 8 cents to the cost of a pair of overalls, and similarly for other cotton products. Even these small costs, in our opinion, are borne by the consumer. We are sympathetic with all fair and reasonable proposals for helping the textile industry, but would reiterate that if they should succeed in destroying the processing tax, the most far-reaching result would be the destruction of the purchasing power among millions of their own patrons on the cotton farms of the South.

5. We also resent any effort to have the equivalent of the processing tax paid out of relief funds and the impression thereby given that cotton farmers are recipients of charity instead of being entitled as a matter of justice to pre-war parity prices through the processing tax—and also making the receipt of parity prices a temporary expedient instead of a permanent objective of government.

6. We note with regret the statement of some New England mills that they may be forced to close down temporarily unless the processing tax is repealed. We would remind our lawmakers and the public that during the past 50 years the failure of Government to give agriculture equal benefits with industry has resulted in permanently bankrupting tens of thousands of North Carolina cotton farmers, as is proved by the fact that tenancy has increased in this State from 33 percent to 49 percent. We insist that whatever help is given the textile industry must not be through the bankruptcy of agriculture.

7. We hereby request Hon. HAROLD D. COOLEY, the North Carolina member of the House Agricultural Committee, to present this matter to the House committee and have this resolution published in the CONGRESSIONAL RECORD which carried the resolution of our general assembly, and that our Senators present it to President Roosevelt and Secretary Wallace.

Signed on behalf of the North Carolina State Council Cotton Committee:

G. T. Scott, Selma, N. C.; C. A. Johnson, Tarboro, N. C.; T. J. Purdie, Fayetteville, N. C.; W. V. Williams, Wingate, N. C.; L. O. Moseley, Kinston, N. C.; Tom Cornwell, route 1, Shelby, N. C.; W. L. Powell, Windsor, N. C.; J. C. Byrd, route 1, Erwin, N. C.

Signed on behalf of North Carolina State Grange:

Clarence Poe, Past Master and Legislative Representative; B. W. Kilgore, Legislative Representative.

NEW DEAL FAILS TO RECOGNIZE BASIC CAUSES OF UNEMPLOYMENT

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain references furnished me by Dr. R. Dielmann, of the Library of Congress.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, what does the document deal with?

Mr. HOEPPEL. Mr. Speaker, this report deals with labor displacement by machinery. In one instance it shows where one machine put 175 men out of work. There are certain excerpts from the report which I wish to include.

Mr. RICH. Mr. Speaker, I may say to this enlightened gentleman of the Democratic Party that he is doing a real service if he can do something to eliminate mass production, which we must do, if we are going to put people back to work. I shall not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, according to today's press, there are more unemployed now than there were a year ago. Notwithstanding the fact that we have appropriated billions of dollars for the purpose of creating employment, we continue to flounder in the bog of unemployment with little, if any, promise of solving this most important problem. I do not wish to be unduly critical of the new-deal objectives, but the fact remains—at least, it is my opinion—that our efforts thus far have been of little or no avail. We have dealt too much with the effects and not enough with the cause.

During and following the World War the development of labor-saving devices took on added impetus. Not only did we develop the machine to the utmost of efficiency, primarily with the objective of economy in production costs, but we also went to the extreme of selling these labor-saving devices abroad to our competitors, establishing American factories abroad, and equipping them with labor-saving machinery. Like a double-bladed ax, the machine has increased unemployment here at home through its displacement of human labor, and at the same time it has in many instances practically closed foreign markets to our manufacturers, because foreigners, with American-manufactured, mass-production machinery, are now equipped to produce the things they require at less cost than they can be manufactured in America and transported abroad.

Organized labor recognizes that mass-production machinery has contributed more than any other agency to our present problem of unemployment. Organized labor proposes to correct this situation by a reduction in hours of employment and is now advocating the 30-hour week. This was also the indirect objective of the N. R. A.

The technotax, which I propose, is a tax to be placed on machines or the products of machines, on a basis of the number of workers displaced. We did not hesitate to suppress, through a tax suggestion, the Maxim silencer as a public menace to life. The use of poisonous gases and other unnecessarily destructive discoveries and inventions, and even narcotics, is limited, controlled, and even prohibited through taxation and otherwise. The modern mass-production machine is likewise a menace to the general welfare of our people. It is not proposed to eliminate or abolish the machine, as we all recognize its efficacy, but it is my opinion that the profits derived from the machine should be more equitably distributed.

Dr. Dielmann, a member of the Legislative Reference Service of the Library of Congress, has made a study of the displacement of human labor by modern machinery and her statement of fact, dated March 26, 1935, in my estimation, proves conclusively that the machine, with its resultant displacement of human labor, must be held largely responsible for unemployment as we know it today. I shall not include her entire report herewith, which is somewhat lengthy, but the following facts which she has presented are so significant that I feel they merit the consideration of every thinking person:

The Austin Motor works employed 55 men per car manufactured in 1922, and 8 men per car manufactured in 1934.

A survey of the meat-packing industry by the Bureau of Labor Statistics showed three large plants were producing as large an output with 2,072 men in 1931 as they could with 2,585 men in 1914. The survey of three medium-sized plants showed that the 1921 rate of output by 2,020 men could be accomplished in 1931 by 1,264 men.

In 1911 cotton yarn was produced at the rate of 10.08 pounds per man-hour; in 1916, 10.57 pounds; in 1925, 11.59 pounds. Cotton cloth was produced at the rate of 7.95 pounds per man-hour in 1911, 8.26 pounds in 1916, and 10.31 pounds per man-hour in 1925. The number of looms tended by a single worker in the cotton mills was increased from 12 to 60 within a few years.

The invention of labor-saving machinery in printing and publishing business has displaced 3 or 4 workers out of 5.

In 1896 it required 40 compositors 10 hours to compose a 4-page newspaper. In 1916 the same work could be accomplished by 26 workers in 8 hours, and in 1926 by 21 workers in 7 hours.

It required 51 men to produce the amount of coke in the beehive ovens that is now produced by 10 men with mechanized ovens.

In 1921 the average annual output per wage earner in the rubber-tire industry was 449.1 tires; in 1927 it was 822.5 tires; in 1929, 843 tires; and in 1931, 1,015.5 tires.

The man-hour productivity in leather-tanning industries increased 52 percent from 1899 to 1927. Between 1923 and 1931 it is estimated that about 16,277 workers were displaced in 5 branches of the industry surveyed by the Department of Labor.

The Owens automatic machine for glass blowing increased productivity of labor 3,806 percent over the hand process in the manufacture of 2-ounce prescription bottles, 4,009 percent in the manufacture of 4-ounce prescription bottles, 1,349 percent in the manufacture of 1-quart milk bottles, and 3,026 percent in the manufacture of 25-watt electric-light bulbs. From 1899 to 1925 the productivity of labor was increased 318 percent in the manufacture of pressed glassware, 271 percent in the manufacture of window glass, and 201 percent in the manufacture of plate glass. (On this basis the number of glass blowers declined over 300 percent.)

Considerable gains have been made in man-hour productivity in the brick industry owing to improving machinery, mechanical handling, improved quality of the clay, and improved process of burning.

Productivity of labor in blast furnaces measured by the year 1889 as an index had reached 154 in 1899, 298 in 1919, and 711 in 1928. In rolling mills and steel works, taking the same index (1889 equals 100), productivity of labor had reached 153 in 1899, 180 in 1919, and 257 in 1929.

Between 1850 and 1925 the number of workers in the pig-iron industry increased 44 percent, while the production per man increased 4,928 percent and output increased 7,178 percent. In 1919 it required 6.9 man-hours to produce a gross ton of pig iron. In 1927 a ton could be produced in 3.3 man-hours.

One automobile plant required an average of 4,664 man-hours to produce an automobile in 1912, and 813 man-hours in 1923. A new type of metal-heating furnace has increased production per man two and two-thirds times. Machine forging doubled production per man. A special machine for the manufacture of pressed-steel frames operated by 1 man displaced the labor of 175 men.

A company introduced an improved type of drop hammer and increased output 30 to 40 percent while employing 280 men to do the work formerly accomplished by 480 men. It formerly required 3 or 4 days for an open wrench to go from the forging hammers to the stock room. Improved machinery and handling reduced the time to 6 hours.

Employment in the manufacture of textile machinery and parts was 88.1 in 1929, 71.2 in 1930, 61.3 in 1931, 48.7 in 1932, and 61.7 in 1933. It is estimated that 1,620,000 workers in machine and tool manufactories have been unemployed since 1929.

In addition to the foregoing—

We have machinery to milk cows.

We have machinery to pick cotton, throwing thousands of Southern laborers out of work, forcing the Government to maintain them and their families.

We hitch 24 plows behind one tractor and plow thousands of acres of land in one operation. What about the man who formerly followed the plow?

We have teletype machines, supplanting thousands of telegraph operators.

We have the dial system which displaces hundreds of thousands of telephone operators.

We have the ditch digger, with a small crew of 3 or 5 men, who can do more work in 1 day than 100 men did before the advent of road machinery.

These are only a few of the hundreds of labor-saving machines which create unemployment, the use of which, in the majority of instances, results in little or no saving to the consumer.

The machine which takes the place of man does not, however, take over the burden of taxation nor does it consume the products of man as does the laborer. The individual, employed and unemployed, is still called upon to carry the burden of taxation, while at the same time we fail to place a reasonable share of the load upon the profiteers of mechanical progress who continue to take to themselves the economic advantages resulting from mass production.

We should further bear in mind that the mechanical man or machine does no buying; it is merely an inanimate object which adds to the profit of the owner. It does not spread purchasing power, but rather, instead, concentrates wealth.

The motor vehicle, represented in the automobile, the truck, and the tractor, is about the only known labor-saving machine which is taxed—it is taxed through the medium of gasoline—notwithstanding that it serves a dispersed humanity, and from this standpoint should bear the least taxation.

The mechanical man, in the hands of entrenched wealth, has enslaved the population even in greater measure than the white race enslaved the black, which is now history. The modern labor-saving machine, which, as I have just related, has enslaved modern man, is not the only contributing factor to our present business stagnation, but it is at least a major one. In my opinion, the technotax and the control and extension of credit by the Government to industry and to the citizen afford the two basic methods of approach to a solution of our problems and the attainment of actual and permanent recovery.

Our present difficulties are not due to overproduction. This is self-evident to anyone who will consider the present lowered standard of living of the majority of workers, many of whom are virtually in rags as a result of prolonged unemployment and lack of purchasing power. Even the regularly employed and the partially employed have cut their buying to a minimum, due to the uncertainty of recovery. This is proof conclusive that overproduction is not the cause of our unemployment.

The technotax—that is, a graduated or fluctuating tax on the machine—and the control of credit by the Government, however, will permit production to the fullest possible extent consistent with a decent standard of living and, at the same time, applied as a stabilizing influence they will forever prevent ruinous overproduction and the constantly recurring economic ups and downs, more popularly termed "booms and depressions."

Sir William Beveridge stated:

> The cause of a man's being unemployed is not that which led him to lose his last job but that which prevents him from getting another job now.

The above statement epitomizes our present problem, for the unfortunate unemployed today faces the juggernaut of the machine which, in one instance, forces him into unemployment, and, in the next instance, prevents him from obtaining another job.

Stuart Chase said:

> Machinery did not inaugurate the phenomenon of unemployment but promoted it from a minor irritation to one of the chief plagues of mankind.

The statements of these distinguished economists evidence without doubt that technological development has been one of the basic contributing factors to our present unemployment situation. With these pertinent positive facts before us, the question at issue is, Shall we permit the machine to further enslave and hold the unemployed in the bondage of despair, or shall we exercise intelligence and initiate a real new deal by taxing the owners of the juggernauts of mass production and utilizing these funds, the profits of mechanical progress, for the benefit of the people?

We are taught, in the wisdom of the Bible, that man was made to enjoy the fruits of this earth, but if we may judge from the situation in which we now find ourselves, it would, on the contrary, appear to be true that the earth, and even man himself, was created to be the docile servant of entrenched wealth and the modern machine. We must break the chains of our economic serfdom, outlaw forever the exploitation of human life, labor, and inventive genius in the interests of a privileged few, and restore to our people their God-given heritage of freedom and equality, vouchsafed to them in our Constitution.

LEAVE TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

Mr. TAYLOR of Colorado. Mr. Speaker, I reserve the right to object. I feel that the Naval Affairs Subcommittee of the Committee on Appropriations has a right to have their bill taken up now. There will be ample time in general debate for Members who wish to address the House. The gentleman from Kentucky [Mr. CARY], the chairman, is ready to take up that bill and is trying to obtain recognition for that purpose. These speeches can just as well wait a few minutes until we get into the Committee of the Whole.

Mr. CONNERY. This is information that I want to give the House in reference to the address just made by the gentlewoman from Massachusetts [Mrs. ROGERS].

Mr. TAYLOR of Colorado. Will not that keep for a few minutes?

The SPEAKER. Is there objection?

Mr. TAYLOR of Colorado. Mr. Speaker, I feel I must object to any further speeches until the House gets into the Committee of the Whole.

Mr. DUNN of Mississippi. Mr. Speaker, I dislike very much to submit any sort of request that may discomfort this important bill which this committee has labored on so long, but I ask unanimous consent that tomorrow, after the reading of the Journal and the disposition of business on the Speaker's table, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. On what subject?

Mr. DUNN of Mississippi. It has to do with national tubercular sanitariums.

Mr. MARTIN of Massachusetts. Why could not the gentleman speak about that under general debate?

Mr. DUNN of Mississippi. I would rather have this permission to speak in open house if the gentleman would be so kind.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object for the present.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that tomorrow, after the reading of the Journal and the disposition of matters on the Speaker's table, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Could not the gentleman speak under general debate on the Navy appropriation bill?

Mr. WOODRUM. Mr. Speaker, I have always felt that debate on appropriation bills, or on any bill, for that matter, should have some resemblance to the matter under consideration just as a matter of orderly procedure.

I would very much prefer to make the speech in the House. It does not consume any more time. Thirty minutes one place is the same as 30 minutes at another place.

Mr. MARTIN of Massachusetts. But it requires every other Member of the House to stay here until we do go into the Committee of the Whole.

Mr. WOODRUM. I do not require the gentleman to stay here.

Mr. MARTIN of Massachusetts. In general debate the time is divided equally, and in that way the gentleman's side would get 30 minutes more than our side.

Mr. WOODRUM. Well, it is the gentleman's privilege to object if he desires to do so.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

SALE OF PROPERTY UNDER ORDERS AND DECREES OF UNITED STATES COURTS

Mr. CHANDLER. Mr. Chairman, I ask unanimous consent for the present consideration of the bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain the bill?

Mr. CHANDLER. The purpose of the bill is to amend the present law with reference to the sale of land in United States courts. The emergency arises because of the necessity for the entry of an order in the United States court at Los Angeles, Calif., tomorrow, if possible, to enable the collection of a judgment which the United States has, growing out of the Fall and Doheny oil lease transactions. It is to expedite the sale of these lands which are situated in several different Federal court districts, and the present law is not considered sufficiently broad to accomplish this.

Mr. MARTIN of Massachusetts. Has the gentleman consulted the minority members of the committee with reference to his action?

Mr. CHANDLER. Yes. The gentleman from New Jersey [Mr. PERKINS], who is ranking member on the subcommittee which considered this particular bill, has expressed his approval of it, and it has the unanimous report of the House Committee on the Judiciary.

Mr. MICHENER. Reserving the right to object, I think the bill is all right, but I do not like this practice. I do not think any committee should call up important legislation like this under these circumstances, without at least conferring with the minority members of the committee. I am for the bill, but I do not like the practice, and in the future I shall object, even though it comes from my own committee.

Mr. CHRISTIANSON. Reserving the right to object, is this bill general, or does it only have particular application to this case?

Mr. CHANDLER. It is of general application, although its particular purpose in being brought up now is to expedite the sale of these particular lands in several districts of the Federal court.

Mr. CHRISTIANSON. Does not the gentleman think he ought to explain to the House what the bill provides?

Mr. CHANDLER. I will do my best to explain it.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893 (ch. 225, 27 Stat. 751, as amended; U. S. C., title 28, secs. 847, 848, and 849), be, and it is hereby, amended to read as follows:

"SECTION 1. All real estate or any interest in land sold under any order or decree of any United States court shall be sold at public sale at the courthouse of the county, parish, or city in which the property, or the greater part thereof, is located, or upon the premises or some parcel thereof located therein, as the court rendering such order or decree of sale may direct, said sale to be

upon such terms and conditions as said court shall approve: *Provided, however,* That if said property shall be situated in more than one county, State, judicial district of the United States, or judicial circuit of the United States, whether in one or more parcels, said property shall be sold as a whole or in separate parcels at public sale at the courthouse of the county, parish, or city in which the greater part thereof is located or upon the premises or some parcel thereof as the court rendering such order or decree of sale may direct: *And provided further,* That if at the time said property is offered for sale it is in the possession of a receiver or receivers, or ancillary receiver or ancillary receivers, appointed by one or more district courts of the United States, said property wherever situated shall be sold at public sale in the district of primary jurisdiction at the courthouse of the county, parish, or city situated therein in which the greater part of said property in said district is located or on the premises or some parcel thereof located in such county, parish, or city therein as the court having primary jurisdiction by such order or decree of sale may direct, unless said court shall order the sale of the properties or one or more parcels thereof in one or more ancillary districts. The United States court having primary jurisdiction shall be deemed to be the court first appointing any such receiver.

"After a hearing of which notice to all interested parties shall be given by publication or otherwise as the court may direct, the court may order and decree the sale of such real estate or interest in land or any part thereof at private sale for cash or other considerations and upon such terms and conditions as the court directing the sale may approve, if it finds that the best interests of the estate will be conserved thereby: *Provided,* That before confirmation of any private sale, the court shall appoint three disinterested persons to appraise said property or, if the court deems advisable, different groups of three appraisers each to appraise properties of different classes or situate in different localities, and no private sale shall be confirmed at a price less than two-thirds of the appraised value: *Provided further,* That before confirmation of any private sale, the terms of such sale shall first be published in such newspaper or newspapers of general circulation as the court having jurisdiction may direct at least 10 days before confirmation; and such private sale shall not then be confirmed by said court where a bona fide offer has been made, under such conditions as said court may prescribe, which offer shall guarantee at least a 10-percent increase over the offered price specified in such private sale. The provisions of this section shall apply to sales and proceedings now pending in the courts of the United States as well as those commenced hereafter. The provisions of this section shall not apply to sales and proceedings under the Bankruptcy Act.

"SEC. 2. All personal property sold under any order or decree of any court of the United States shall be sold as provided in section 1 of this act, unless in the opinion of the court rendering such order or decree, it would be best to sell it in some other manner. The provisions of this section shall apply to sales and proceedings now pending in the courts of the United States as well as those commenced hereafter. The provisions of this section shall not apply to sales and proceedings under the Bankruptcy Act.

"SEC. 3. No sale of real estate ordered pursuant to the provisions of this act by any order, judgment, or decree of any United States court, other than a private sale, shall be had without previous publication of notices of such proposed sale being ordered and had once a week for at least 4 weeks prior to such sale in at least one newspaper printed, regularly issued, and having a general circulation in the county, State, judicial district of the United States, or judicial circuit of the United States where the real estate proposed to be sold is situated, if such there be. If said property shall be situated in more than one county, State, judicial district of the United States, or judicial circuit of the United States, such notice shall be published in one or more of the counties, States, judicial districts of the United States, or judicial circuits of the United States where said property is situated, as the court may direct. Said notice shall be substantially in such form and contain such description of the property by reference or otherwise as the court ordering the sale shall approve. The court may, in its discretion, direct that the publication of the notice of sale herein provided for be made in such other newspapers as may seem proper. The provisions of this section shall apply to sales and proceedings now pending in the courts of the United States as well as those commenced hereafter in said courts. The provisions of this section shall not apply to sales and proceedings under the Bankruptcy Act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE COTTON PROGRAM CARRIES ON

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an address delivered by Hon. Henry A. Wallace, Secretary of Agriculture, at Atlanta, Ga., on April 13, 1935, on the subject The Cotton Program Carries On.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Reserving the right to object, this address comes from Henry A. Wallace, a gentleman who is doing more to damage and injure the farmers of this country than any other man.

The regular order was demanded.

Mr. RICH. I think we ought to give consideration to these speeches.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I include the address delivered by the Secretary of Agriculture, Hon. Henry A. Wallace, at a meeting of the cotton growers of the South, at Atlanta, Ga., on Saturday, April 13, 1935, as follows:

I welcome the opportunity to return to Georgia and discuss with this group some of the elements in the cotton situation.

Two years ago this month the Agricultural Adjustment Act was nearing the final stages of enactment in Congress.

One of the principal reasons for adoption of the act was the crisis in cotton. The cotton situation in 1932 and early 1933 was briefly this:

The average farm price stood at 4.6 cents a pound at the low point in June 1932. While the things farmers bought in 1931–32 averaged 14 percent above the pre-war level, the prices they received for cotton averaged 54 percent below the pre-war level. Gross farm income from cotton and cottonseed had fallen from $1,470,000,000 in 1928–29 to $464,000,000 in 1932–33. This meant a decline in the average gross income per farm family from cotton and seed from $735 to $232. This collapse in cotton prices and income, which was calamitous, not only to the South but to the entire country, was caused by the combined influence of increasing production and declining demand. Together these resulted in mountainous cotton supplies which clogged the market and crushed the price.

What is the picture in 1935? The average farm price of cotton as of March 15, 1935, was 11.5 cents a pound. The things farmers bought averaged 28 percent above the pre-war level, while the prices they received for cotton averaged 7 percent below the pre-war level. This discrepancy was made up in part by benefit payments to farmers cooperating in the adjustment program. The farm value of cotton and cottonseed, including rental and benefit payments, had risen from $464,000,000 in 1932–33 to around $862,000,000 in 1933–34, and will be maintained at near that figure in 1934–35. This striking improvement has resulted from the three great component parts of the present cotton program—the cotton-adjustment and benefit-payment plan, the cotton loan, and the Bankhead Act. Devaluation of the dollar, of course, also was a factor. The increase in cotton price and income rests upon a foundation of improved supply. For while still far above normal, the world carry-over of American cotton has been reduced from 12,960,000 bales in August 1932 to 10,634,000 bales in August 1934. Prospects are that the carry-over next August will be about 8,500,000 bales.

But in spite of the improvement in farm prices and in farm income of the cotton growers of the South, arguments have recently been advanced in some quarters that this country should discard the cotton program or, what might easily amount to the same thing, emasculate it of features so vital that their loss would invite its early termination.

The agitation against the present cotton program has taken several forms. The effort of certain textile manufacturers to get rid of the processing tax is the spearhead of the movement. They should realize that the cotton program could not long be maintained without a continuing source of revenue which would not run up the public debt. The cotton program also has been threatened by the demand of American exporters to end production adjustment without waiting for scale-down of the carry-over to anywhere near normal. From these quarters has come pressure for discontinuance of the cotton loans. They also opposed the Bankhead Act in the referendum which resulted in a 9-to-1 vote of farmers in favor of continuance.

The situation developed to a point where it became important for the cotton farmers of the South and the business and industrial groups of the South and North to recognize these attacks, taken altogether, as meaning a push to end the cotton program. Of course, many sincere individuals objecting to phases of the program do not at all intend their opposition to extend to the rest of the cotton plan. Once the cotton-processing tax is removed, the end would be in sight for the cotton plan and other farm programs. The benefit and rental-payment part of the farm program would be destroyed by loss of its continuing source of revenue. Farmers everywhere in the United States, who look upon the Agricultural Adjustment Act as an instrument of equality and of farm recovery in general, had to face the fact that the drives of the different opponents if merged into a successful movement would undermine the act. The responsible officials of this administration also had to face it.

Within the past few days the time came to weigh the advantages of the cotton program against various proposals to end or emasculate it and to make a decision. The overwhelming vote

for the Bankhead Act seemed to be a clear mandate from the cotton farmers to continue. So, at least for 1935, the cotton program will go on.

In view of the decision to go forward, announced Wednesday by the administration, I feel it is important for the country, and especially for the cotton and textile industry, to understand the reasoning that lies behind the decision.

From both a national and a regional point of view the best cotton program would be the one which, without exploiting domestic consumers, would bring the largest continuous income to the cotton industry. This is the objective of the present cotton plan.

Therefore, as proposals to alter our course have been made, it has been necessary to weight the arguments for each one of them against the loss of cotton income which would result from termination or drastic change of the program. The test is not whether an about face offers any advantages, but the more vital question of whether these advantages would offset the sacrifices of cotton farmers which would be involved.

To make the situation absolutely clear, the advantages claimed for abandoning or revamping the program will be described one at a time.

The first claim against the cotton program is that it is depriving this country of export markets. This claim is the basis for a contention that abandonment of the program would restore to us the foreign markets assumed to have been lost. Let us scrutinize this contention to see whether its purported advantages are sufficient to justify a return to lower-price cotton, and to offset a big decrease in the purchasing power of cotton farmers.

The often-repeated charge that our cotton program has resulted in the loss of our export markets really consists of two separate arguments. One is that encouraged by our program of cotton-acreage adjustment, foreign cotton-producing countries have increased their cotton acreage. The other is that foreign cotton-consuming countries, unwilling to pay the price for our cotton, have turned to our competitors for their supply.

Foreign cotton acreage did increase 9 percent in 1933. These increased foreign plantings did not follow but preceded our cotton program launched in that same year. For the 1934–35 season, present reports indicate that the foreign crop is about 12,966,000 bales as compared with 13,053,000 bales in 1933–34. In other words, foreign cotton production shows, not an increase, but a slight decrease. Foreign cotton production in 1934–35 is larger in China, Russia, Brazil, and minor producing countries, but these increases are more than offset by decreases in Egypt, India, and Mexico.

Much publicity has been given to the increase in cotton production in Brazil. The production this season is now estimated at 1,591,000 bales, as compared with 969,000 bales in 1933–34 and 448,000 bales in 1932–33. Expansion, which had already gained much headway before our program was launched, has continued. The increase of 622,000 bales since our program was launched represents more than 64 percent increase of Brazilian production, but it amounts to about 6 percent of the United States production in 1934.

The expansion in Brazil had been seized upon and magnified by interests in this country in an attempt to stampede the American cotton growers into abandoning the program which has lifted them out of the mire of a 4-year depression.

The contention that the cotton program has caused our customers abroad to turn elsewhere for their cotton arises primarily from the decrease in American cotton exports since last August 1.

Total exports of American cotton during the period from August 1, 1934, to April 1, 1935, were 3,565,000 bales, as compared with 6,098,000 bales in a like period 1 year earlier, and 6,085,000 bales 2 years earlier.

It is easy, especially for those who wish to do so, to jump from these figures to sweeping conclusions. But when we analyze the reasons for this decrease in exports we discover that much of it is due to the fact that foreign users of cotton, instead of buying new American supplies, have been using up the stocks of American cotton already on hand. Whereas foreign nations since August 1 of last year through February 1935 have cut their imports of American cotton by 41 percent they have reduced their consumption of American cotton by only 26 percent.

We must face the fact that there have been shifts in consumption abroad from American to foreign growths during the first half of the 1934–35 season. Foreign consumption of American cotton during this period was estimated at 3,629,000 bales, whereas the consumption of foreign growths was 8,101,000 bales. This represented a decrease of 1,276,000 bales in consumption of American cotton from a like period 1 year earlier and an increase of 1,521,000 bales in consumption of foreign growths.

These figures reveal a serious decline in foreign imports and consumption of American cotton. It is important to determine how far the cause of this decline is the cotton program and how far it lies outside. Studies made by representatives of the Department of Agriculture and others show that one reason for this shift is the unwillingness of this country to accept goods or services in adequate amount in return for exports of our cotton. This has made it extremely difficult for some countries, especially Germany, to get the American dollars they need with which to buy cotton from us. Germany, for example, was able to sell to us in 1934 only one-third as much in value as in 1929, and therefore has made only about one-fourth her usual purchases of American cotton. There is no way to evade the truth that trade is a two-way affair, and that to have exports we must accept imports.

Economic trends set in motion by the World War have aggravated our difficulties in relation to cotton exports. A review of some of the events since the war reveal clearly the fundamental causes of the decline of our cotton exports.

For a hundred years cotton has linked the United States with the rest of the world. Several times before the war England became uneasy about the high price of American cotton and attempted to increase her production in the Egyptian Sudan, in India, and elsewhere. These foreign efforts at expansion, aimed at our exports, for the most part failed. Limitations on labor, transportation, and the requirements of soil and climate to cotton culture made it difficult for other countries to increase their competition with our exports. But these limitations did not constitute the only factor that permitted America to remain dominant in the world cotton market. The real cause of our preeminence, in addition to our natural advantages in producing cotton, was the fact that the United States was a debtor nation. We owed many millions of dollars to bondholders in England, Germany, Holland, Belgium, and France. American tourists spent money in England and on the Continent. Foreigners who had come to America to win fortune sent hundreds of millions of dollars back each year to the old folks. To make it possible to send all of this money abroad each year it was necessary for us to export much more than we imported.

Cotton was our biggest single export. Before the war it was a sad thing for the United States when the cotton crop was short, because it might mean that we would have to export some of our gold instead of cotton—and in those days when we exported gold it undermined the base of our credit structure and hard times were likely to follow soon thereafter. It is a small wonder, therefore, that not only the people of the South but also the bankers of New York City and the manufacturers of the rest of the Nation came to have profound interest in cotton as one of the leading barometers of American business.

Today, 17 years after the World War, this picture has changed. Today we are a creditor nation to a greater extent than we were a debtor nation before the World War. The foreigners within our borders send less than half as much to the old folks across the water as they did before the war. Our tourists since the depression have spent very little in Europe. Our tariffs, in spite of the foreign trade agreements, are still higher than they were before the war. All of this means that it is becoming increasingly difficult for foreign nations to obtain dollars with which to purchase American cotton.

The price differential in favor of foreign as against American cotton in the first half of the current season was a factor in causing the shift to the cheaper foreign growths. If our price were consistently above its normal relationship with the world price there is no doubt that this shift would continue. But to a considerable extent this price differential already has been corrected and some observers hold that foreign spinners will soon be seeking increased American supplies. Failure of the return to a normal relationship between American and foreign prices thus far to bring a wave of foreign buying may be due to tendency of foreign buyers to withhold orders in the hope that the current drive for an export a subsidy may give them cotton at lower prices.

There is still plenty of American cotton available for export—in fact, considerably more than was available during the decade of the twenties. The controlling factor in our exports is not supply. Price is not the main factor, except where an abnormal differential develops between our prices and prices of competitive growths. Prices might have gone to 3 cents a pound gold in 1933 if there had been no control program. And while such prices would have brought a temporary flush volume of exports, they would also have ruined the cotton farmer and the South. Over a long period, and assuming our prices are in line with foreign growths, the controlling factor in our cotton export trade is the amount of American dollars in the hands of foreign nations wanting our cotton. This situation will get worse instead of better unless and until the American people are willing to accept greatly increased quantities of imports. There is no other way that I know of, short of giving our cotton away through ruinous prices or insecure loans, to regain our former volume of cotton exports.

But with cotton prices at present levels, there is no evidence that further marked expansion of foreign cotton acreage will result from efforts of the American Government to maintain some stability in the price and production of American cotton. American cotton farmers probably can continue efforts to work the carry-over of American cotton down to more normal proportions for a period of 2 or 3 years longer without causing any important change in the world cotton-production picture. Eventually, however, if we continue to bar imports, it is obvious that foreign cotton consumers will look for their cotton to other countries, namely, to those with which they have trading opportunities. This would ultimately result in foreign expansion of cotton production at our expense.

Proposals that this country should do anything and everything, aside from accepting foreign goods in exchange, to preserve its cotton exports do not offer the South any advantages comparable to the loss that would result in dismantling the cotton program. That such proposals would mean discarding the program is almost openly admitted by their sponsors.

Summing up the export discussion, I think it is clear that proposals for increasing exports through low prices would not compensate the cotton-growing industry for the loss in income that would result to them from discarding or transforming the present program. Of course, revision will be made in the future, but proposals for modification must be scrutinized and accepted only if and when they offer decisive advantages over the present approach.

After the argument about exports, a second main contention commonly made against our cotton program is that adjustments in production are forcing tenants and share-croppers off the land.

I have seen this claim published several times in forms so extreme as to be ridiculous, showing on their face that they originated with people who know nothing about the South, its people, or the cotton industry. I have read that our cotton-adjustment program was making millions of farmers homeless.

What are the facts? One is that the number of people on farms in the South increased 1,250,000 from 1930 to 1934. In Texas, Oklahoma, Arkansas, and Louisiana, the increase in that time was 440,000. While employment in the manufacturing industries fell 40 percent from 1929 to 1933 farm labor in the country, including the South, increased over 100 percent. As industrial employment revived in 1933 farm-labor supply declined, but on January 1, 1934, it was still 60 percent above 1929, while industrial employment was more than 20 percent below.

The shock of unemployment in the cities has been thrust on to the farms. It is ironic to hear some of the very people who plowed their employees out into the streets, letting them drift back into the country, tell what a hardship the cotton program is for the farmer.

I know that the lot of the share-cropper is hard. I know it is a great unsolved human problem. I have watched with foreboding the increases in tenantry which in both the South and the West accompanied ruinous farm prices. I have whole-heartedly endorsed the statesmanlike proposal of Senator BANKHEAD, now pending in Congress, for Government leadership in encouraging a transition from tenantry back to landownership. I do not know a better way to approach the problem, and I am not leaving out of account the possibilities for improving the effectiveness of provisions in our own programs designed to minimize labor disturbance.

But I would like to ask what help any farmers, tenants, or owners would expect to get out of a relapse back to 5- or 6-cent cotton. The fact is that as the cotton income of the South went down, up went the numbers of people living on the land to share in that income.

Solution of the problems of tenantry and share-cropping is not to be found in discarding a program which has meant substantially larger cotton income to divide among the farmers, but rather in agricultural and industrial recovery, restoration of two-way foreign trade, and in such measures as the pending Bankhead bill.

The third major argument against the program has come from domestic textile interests. They are proposing to eliminate the processing tax and find some other source of revenue for making benefit payments. Actually, as I pointed out a few minutes ago, this proposal implies sweeping revision and probably ultimate abandonment of the cotton program as it now exists.

This proposal is based on the argument that the processing tax increases manufacturing costs, decreases consumption, and is the main reason for the shut-down of textile mills.

Before discussing these points, I wish to acknowledge that the textile industry does have difficult problems. The industry is highly competitive and like agriculture suffers from a productive capacity which can quickly outrun demand and oversupply its market.

But I cannot agree that the removal of the cotton-processing tax would make any material contribution to the solution of difficulties which seem to be entirely apart from the cotton program.

We have had a group of technical people at work studying the effect of the cotton-processing tax on cotton consumption. In these studies they have not found that the tax has had any material effect on cotton consumption. While it is paid by the consumer, not by the mill, the increase in the retail price due to the tax is so small as to be a minor burden on the consumer. On the average, the cotton-processing tax adds 1.3 cents to the cost of cotton required to manufacture a yard of muslin; approximately 3 cents for a work shirt and about 8 cents for a pair of overalls.

The level of industrial production and the level of cotton consumption rise and fall together. Since about 40 percent of the cotton domestically consumed is processed for industrial uses, total domestic cotton consumption is closely related to the level of industrial production. For the rest of the domestic market the general level of consumer purchasing power is the important factor. So it seems logical to conclude that the best way to help the textile industry would be to increase general industrial production and labor pay rolls rather than to eliminate the processing tax. This is the objective of the administration's general recovery program, of which the adjustment plan is the farmers' part.

As a matter of fact, the cotton-textile industry has maintained a high level of activity as compared with other industries. The index of cotton-mill consumption has averaged 94 percent of the 1923–25 average from October 1, 1934, through February this year. For the 1934–35 season through January the index averaged 87 percent in comparison with an average of 57 percent for all nonagricultural industrial production. This high level of activity has been maintained with the processing tax in effect. While the price of cotton has been doubled and the processing tax has been added since 1932, cotton-mill consumption in 1934 was 400,000 bales greater than in 1932.

Because of accumulated inventories, the textile industry has just obtained an order which will permit it to curtail operations by 25 percent for a period of 12 weeks. The purpose of this order is to protect prices and margins and to regulate production to a demand that can be filled at a profit. Cotton farmers have been attempting to utilize the same principle during the past two seasons. In 1933, when stocks of raw cotton had accumulated and prices had fallen, cotton farmers organized under the Government, borrowed the technique developed by industry and applied it with far more justification to their own business. The textile industry is currently urging that the tariff be increased or a quota be fixed on Japanese textile imports. The argument is made that the present tariffs are inadequate to protect the textile industry and its workers. To maintain their price levels the textile industry is using the powers of government both through the N. R. A. and through high tariffs. Cotton farmers, through the Agricultural Adjustment Administration and processing tax, are making a similar effort to maintain prices and income.

The processing tax and benefit payments are the only effective tariff the cotton farmer has ever had. The farmer has not been making any drive that I know of to knock out the textile tariff. Why should the textile industry be attacking the cotton farmer's tariff? If the textile people are opposed to tariffs, why do they not come forward with a proposal to discard their own tariff, instead of the farmer's. But actually they are asking not the decrease or removal of their tariff but to increase that while knocking out the financial basis of the farmer's benefit payments. In its demand for removal of the processing tax, which is analogous to the farmer's tariff, the textile industry is in effect saying that farmers should sell cotton on a price level lower than the industry expects its customers to pay for finished goods.

Actually it is doubtful that a processing tax is as burdensome generally as an equal rise in price. Although the tax requires the keeping of certain records and the making of reports to revenue collectors that would not be required if there were no processing tax, yet the tax does not require as much capital to finance the commodity from the producer to the processor as would be required if prices were higher by the amount of the tax. Moreover, the payment of the tax does not occur until after processing has taken place. The truth is that processors have received a certain amount of financial assistance because in some cases the processed articles have been sold and payment received, with tax included, before the processor paid the Government. In addition, it might be noted that the Secretary of the Treasury is authorized to permit a postponement of the payment of the tax for a period of 180 days.

The real basic objection to the tax probably is the fact that some domestic processors feel they are losing the advantage of low prices to the farmers.

Although the administration has decided that there is no intention of substituting work-relief funds for processing taxes, the campaign to remove the cotton tax has continued. Those who are urging that the tax be removed are in many instances deliberately misleading the public about the nature and effect of the tax. All the difficulties of the textile industry are being blamed on the processing tax. Even a New England mill making rayon, which is not subject to any processing tax whatever, was recently closed "because of the tax" according to the papers, and apparently some workers unthinkingly accepted that excuse.

In a radio speech the other night a Member of Congress discussed the distressed condition of New England mills and advocated removal of the tax and an embargo on textile imports as the remedy. It was inferred from this address that the processing tax was giving foreign spinners an advantage in the domestic market. Such is not the case, as a compensatory import tax is levied on all textiles coming into this country. In other words, the processing tax maintains the status quo as far as imports or exports are concerned. The equivalent of the tax is collected on imports and a refund is made on exports.

New Orleans cotton merchants, in a recent assault upon the cotton program, fell into the same error. "The way is open", their brief read, "for other cotton-manufacturing countries (not having the disadvantage of a processing tax of 4.2 cents per pound) to bring their manufactured goods into this country over the tariff and sell to our domestic customers." Those who make such statements as this either have never read the Agricultural Adjustment Act or are deliberately seeking to deceive the public. The equivalent of the processing tax is collected on all imports of cotton goods.

It is apparent that the agitation against the cotton-processing tax will continue. Efforts are being made to turn cotton farmers against the tax—a device which contributes $100,000,000 a year to their purchasing power and to which they are entitled as a matter of economic justice. Efforts are being made to arouse textile workers against the tax on the pretext that it is the cause of difficulties which they have endured for many years, and which were most intense in 1932. It will be necessary for textile workers and farmers as well to examine carefully the basis for the attack that is continuing, and seek to appraise the real cause of distress.

No one more than I would like to see the textile mills of the South and New England prosper, and their employees steadily at work for good wages. Improved incomes for the textile workers are important not only for them but for general recovery. Improved incomes for other workers, including the farmers, are important to the textile industry.

The textile industry would have nothing to gain but a great deal to lose if it contributed to dismantling the cotton farmers' program. If poverty prices of cotton were a basis for prosperity in the textile mills, then why weren't they rolling in wealth in 1931 and 1932? The true basis for the textile industry recovery is the spreading of purchasing power through the population, including the city workers and the farmers. Sixteen cents a pound for cotton.

which is about the present cost to the mills in price plus tax, has not in the past been regarded as an unfairly high price. It has been not a symptom of distress in the textile industry, but of prosperous business conditions in the country as a whole.

Evidence of the effect of the increased purchasing power in the South is found in the 38-percent increase in 1 year in industrial commodities shipped by rail from 16 industrial States of the North and East and delivered in 10 agricultural States of the Southeast. Waybills for four southeastern railroads were examined for the year ending June 30, 1933—before the cotton program started—and for the year ending June 30, 1934, after its effects began to be felt. Many of these increased shipments came to Atlanta, railroad center of this area.

The country got into grave crises in 1932 and 1933, when the bottom dropped out of farm prices.

I have found that all through history during recovery periods there are two classes who do not go along with their government on broad national policy. In the first class are those who are impatient of the rate of progress of recovery, or who want recovery to develop into a crazy boom. Such impatient groups are those who go through the South trying to excite unthinking citizens by screaming about the iniquities of 12-cent cotton and that it is criminal that cotton has not risen from 5 to 20 cents a pound.

The other class is made up of those who are thinking in terms of a minority engaged in an industry, rather than the 2,000,000 cotton farmers comprising the great majority.

The cotton program, and the other farm programs, are to be maintained, not for the good of agriculture alone but in the general public interest.

The form of the cotton program is not fixed but flexible, so that modifications to fit changing needs and conditions are continually possible. For example, the cotton-loan program may be adapted to the ever-normal granary idea of which Senator SMITH'S cotton-option plan was a forerunner. Similarly, there will always be need to give consideration to proposals offered by men like your Senator GEORGE and Senator RUSSELL, who are interested in agriculture.

The problems facing the cotton growers don't stay put, neither do they affect the South alone. They are related to the problems facing farmers in other parts of the country, and to the problems confronting the large industrial groups. We must strive for a greater readiness to adapt measures to changing situations for a greater sense of unity and a greater degree of cooperation if we are to make progress.

For 13 long years agriculture has striven for a recognition of equality with other groups. Certain expedients were offered during the decades of the twenties which sought no fundamental solution, but merely attempted to quiet the noisy clamor of us "wild men from the West", and to continue the patient forbearance of stolid southern planters, for years victims of high-tariff policies for industry. We would not maintain that the Agricultural Adjustment Act is the final answer to these years of effort, but certainly it represents a definite achievement for agriculture. When the act was passed the Federal Congress recognized that no enduring prosperity could be had with the purchasing power of the Nation's farmers driven to starvation levels.

Now that the plan has been developed to meet a crisis, those groups who fancied prosperity accompanied a depressed agriculture have organized to protest against an agricultural program which has borrowed a little of their historic technique. During the 2 years of operation of the cotton program these protests have come from many different groups. From the efforts on behalf of cotton have arisen the clamor from the exporters who claim that the Government's operations are destroying their business. The textile manufacturers blame the processing tax for all their long-standing difficulties. Organizations have been developed to turn public sentiment against these programs.

The current resistance to the pending amendments to the Agricultural Adjustment Act is really an attack upon the entire program. The forces that have been set in motion could become so intense and so powerful as to destroy the whole broad program of agricultural adjustment. My own feeling is that the very groups who are fighting the Agricultural Adjustment Act are short-sighted and, perhaps, unwittingly might force upon this Nation fantastic measures which would do much injury and accomplish no good. For the sake of temporary gain the processors and handlers of farm commodities might find themselves faced with something extreme if they succeeded in overthrowing the Agricultural Adjustment Act.

I would sound a solemn warning to these groups and in the national interest appeal to them to take the longer view. While this Nation is deciding whether it will take the leadership in an effort to restore an international economic order, it is essential to permit these adjustments in this difficult period of transition. Farmers are poorly organized, and it is difficult for them to make their protests articulate. For that reason, the Government has a special duty to see that farmers get a fair break. But I sometimes think that the pressure of these special pleaders can be made to appear so powerful that the real interest of agriculture which is, of course, the general public interest, may be sacrificed.

Farmers everywhere need to do some hard thinking and to express their point of view as to whether they want the mechanism of the Agricultural Adjustment Administration to be thrown overboard because certain special groups believe it to be in conflict with their immediate self-interest. For that reason, I repeat my appeal for an understanding and an alliance between the great agricultural sections of the South and the Middle West. If the cotton program goes by the board, the corn, wheat, tobacco, and other programs will follow. The unity of the farmers will be broken.

As farmers and as citizens, it is your duty not only to appraise the value of past and current activities but to determine what course the agricultural program shall take in the future. We believe it is your desire that we shall continue with the cotton program. It is therefore our purpose to carry on.

INVESTIGATION OF PLUMBING AND SANITARY SYSTEMS IN FEDERAL GOVERNMENT BUILDINGS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 254) providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the consideration of the House joint resolution?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, do I understand this resolution has not been before any committee of the House?

Mr. DINGELL. This has not been before any committee of the House. This resolution was drafted yesterday morning. However, I did consult with the House leadership, and this resolution has no provision in it that encroaches or infringes upon any committee. It is simply a question of authorizing the United States Public Health Service to make a survey and to report to the Congress, without any appropriation, without any cost whatsoever to the Federal Government.

I might say to the gentleman from Massachusetts that the United States Public Health Service has sanitary engineers who are prepared and ready to go ahead if the House will direct them to do so.

I might further state to the gentleman from Massachusetts that it is a very serious matter and it is immediately pressing.

Mr. MARTIN of Massachusetts. Why is it any more urgent now than it was last year?

Mr. DINGELL. It was 10 years behind time a year ago. Today might mean the illness or possibly the death of a Member or visitors in this building.

Mr. MARTIN of Massachusetts. Mr. Speaker, I believe it is wrong practice to bring up bills that have not been considered by committees. I do not see any particular urgency about this resolution, and, therefore, I am going to object.

The SPEAKER. Objection is heard.

Mr. DINGELL. Well, Mr. Speaker, it was generally agreed between the gentlemen on the opposite side that they would not object.

Mr. MARTIN of Massachusetts. Oh, the gentleman is entirely mistaken. There was no agreement on my part. I have objected, Mr. Speaker.

PROTECTION OF LAND AGAINST SOIL EROSION

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H. R. 7054, an act to provide for the protection of land resources against soil erosion, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, after "provide", insert "permanently."

Page 1, line 10, after "protect", insert "public health."

Page 3, line 8, after "and", insert "reasonable safeguards for the."

Page 3, line 8, after "of", insert "State and."

Page 3, line 23, strike out all after "except" down to and including "enactment", in line 5, page 4, and insert "for a period not to exceed 8 months from the date of this enactment, the Secretary of Agriculture may make appointments and may continue employees of the organization heretofore established for the purpose of administering those provisions of the National Industrial Recovery Act which relate to the prevention of soil erosion, without regard to the civil-service laws or regulations and the Classification Act, as amended."

Page 4, line 5, strike out "and expert" and insert "or practical."

Page 4, lines 6 and 7, strike out ", connected with any educational or research institution."

Page 4, line 7, strike out "jointly."

Page 4, line 8, strike out "and by such institution."

Page 4, line 16, strike out all after "act" down to and including "$100", in line 17.

Page 4, line 19, after "agency", insert "to be known as the 'Soil Conservation Service.'"

The SPEAKER. Is there objection?

Mr. HOPE. Reserving the right to object, Mr. Speaker, will the gentleman from Texas explain the purport of these amendments?

Mr. JONES. Most of the amendments are simply changes of language. The first one inserts the word "permanently", which I do not think changes the meaning of the sentence at all. The words "public health" are included in line 11 among the purposes for which soil-erosion prevention is necessary, but this does not affect the real purpose of the legislation.

The only change of consequence is on page 3, line 23, changing from 4 months to 8 months the period within which appointments may be made in the emergency service without regard to the civil service; and this is to give them a little additional time to work out the program. This is a very important matter, that is pressing in its nature, as the gentleman knows, he having taken an interest in this legislation from the beginning. We do not want the officials to be handicapped in getting the program started.

A further change was that made in relation to the joint employment of those working for other institutions. This change will make it unnecessary for two separate agencies to join in the actual employment. They still have the privilege of employing and compensating on such basis as may seem fair to the employees of other institutions. I do not think it changes the material effect of the section, but it does make easier the matter of employment.

The change made in line 26 simply gives the name to the service, which is not important one way or the other. This covers it.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, I merely want to call to the attention of the House, in answer to my colleague the gentlewoman from Massachusetts [Mrs. ROGERS], the fact that, as a result of a conference between the entire Democratic delegation in the House of Representatives from New England with the Secretary of Commerce, Mr. Roper, that President Roosevelt has appointed a Cabinet commission, consisting of Secretary of Commerce Roper, Secretary of Agriculture Wallace, Secretary of Labor Perkins, and Secretary of State Hull, to take up the entire matter, both from an emergency standpoint and with the idea of planning for the future of the textile industry in both the North and the South.

Secretary Roper informed me today that hearings will begin on Thursday morning of this week and will continue for some time. The Cabinet committee is going into the matter thoroughly to study the textile situation in reference to Japanese imports, the A. A. A. processing tax, and all phases of the textile situation, with a view of helping the textile mills during the present emergency and with a long-time plan for the future.

Mr. Speaker, I have taken this time merely to show that the President of the United States has shown by his appointment of this Cabinet committee that he realizes the importance of this matter, is on the job, and, I believe, will do everything in his power to aid the textile industry. [Applause.]

NEW-DEAL SOCIALISM—AND MR. HEARST'S SPLEEN

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, "Sane Government or New Deal Socialism—Which? America Must Choose", is the heading of a half-page editorial on the back page of the Washington Herald of April 22. Presumably the same editorial appeared in the other dailies owned by William Randolph Hearst on the same day in different cities.

If there has ever been a more venomous campaign in favor of reaction and against every form of social justice than that now being conducted by William Randolph Hearst in his newspapers, I am not aware of it. Even the most moderate reforms tending to alleviate the suffering of American citizens under our cruel and rapacious industrial system are the targets for bitter abuse in editorials signed or inspired by Hearst. All the way from the tamest progressivism to democratic socialism and Marxian communism, Hearst pours his editorial poison on advocates of any proposal that involves benefit to the producing class. This journalistic and political mountebank seems to have developed a definite monomania on the subject of socialism. This is the most charitable characterization of his furious and frantic fulminations. Either we must assume that the explanation is pathological or accuse him of the most brazen and deliberate misrepresentation and insincerity.

Typical of the false statements with which the Hearst editorial is reeking is the reference to "these two great Soviet Republics", meaning the United States and Russia. Nobody outside of an insane asylum should have any illusions about the program of the new deal being similar to the policies of Soviet Russia. Russia is attempting to carry out a completely collectivized society. The United States, under the new deal, is simply attempting to regulate private industry more strictly without abolishing private capitalism. The best economists of our time, instead of finding fault because of the regulatory features of the new deal and favoring a return to the "leave-things-alone" plan, believe that the real mistake is in not carrying regulation out to its ultimate, which must, in my judgment, mean public ownership of basic public utilities.

Hearst refers to "our socialistic administration in Washington", knowing full well that the administration is not socialistic, and that some of its most energetic opposition comes from those who are convinced that socialization of these basic public utilities is the only path out of the economic wilderness.

"Confidence!" The editorial is saturated with appeals to the Government to "restore confidence!" In Hearst's judgment, it is all-important for the profiteer, the exploiter, the man who has squeezed millions and billions out of the common people through high prices, inferior goods, and watered stock to "retain confidence." What matters the empty stomach of the jobless man or woman? What matters the plight of the citizen with ragged coat or tattered dress? What matters the misery of the unfortunate who has no home? All these things are of no consequence. But, for God's sake—and, the sake of the legalized robber in Wall Street—let us make sure that big business does not lose "confidence"!

Could anything be more hypocritical, more asinine, more disgusting?

It is as if we were to go to a man who has been robbed of his money, had most of his clothes torn off, had his house burned down, and been beaten to a pulp in the bargain and tell him that he must stop his complaining, make no effort to bring the guilty to justice, and cooperate in restoring "confidence" to the thug and roughneck who subjected him to such indignities.

Hearst knows as well as you and I know that radicalism is as American as the Declaration of Independence and the Constitution, instead of being an alien product. Our greatest Americans have always been radical, that

is, they believed in getting at the root of things. That is what radicalism is—seeking root remedies. It is not necessary to quote Marx or Ruskin or Fourier. Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Horace Greeley, Edward Bellam, Wendell Phillips, and other native-born American iconoclasts had drastic things to say regarding the evils of concentration of wealth in the hands of a few.

I commend to the attention of Hearst—knowing, however, the futility of commending anything to him except the ruthless desire of Wall Street to go on exploiting without limit—these words of Andrew Jackson:

> It is to be regretted that the rich and powerful too often bend the axis of government to their selfish purposes. * * * In the full enjoyment of the gifts of heaven and the fruits of superior industry, economy, and virtue, every man is entitled to protection by law; but when the laws undertake to add to these natural and just advantages artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers—who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government.

Abraham Lincoln's immortal words have often been quoted, but they can never be quoted too frequently:

> This country with its institutions belongs to the people who inhabit it. Whenever they shall grow weary of the existing Government, they can exercise their constitutional right of amending it or their revolutionary right to dismember and overthrow it.

NAVY DEPARTMENT APPROPRIATION BILL, 1936

Mr. CARY, from the Committee on Appropriations, reported the bill (H. R. 7672, Rept. No. 746) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, which was read a first and second time, and, with the accompanying papers, was committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. McLEOD reserved all points of order on the bill.

Mr. CARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes; and pending that, I ask unanimous consent that general debate continue throughout the day, to be equally divided and controlled by the gentleman from Michigan [Mr. McLEOD] and myself. I may say that my thought is that tomorrow we will agree to a limitation of the time for general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. BIERMANN. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the subcommittee if this division of time will be so arranged that the opponents of the bill will be able to secure ample time to present their views?

Mr. CARY. Yes; we shall not take up the question of limitation of debate until tomorrow.

Mr. TOBEY. Mr. Speaker, reserving the right to object, I want to say to the Members of the House, and especially to those representing the Appropriations Committee, that I want to go on record as objecting very strenuously to this practice of bringing important bills before us by this method. No Member of the House not a member of the subcommittee has seen the bill or the report; I have asked for it for many days and always been turned down; it has been impossible to even look at a copy; you have kept it all under cover. This is a measure of great national interest. When are we going to have an opportunity to study the bill? Let me ask again, for it is of interest to those of us concerned. Although you state you intend to have general debate, which will continue throughout the present day, when are we going to have time to study the bill before it is read for amendment?

Mr. CARY. We expect to have 2 or 3 days of general debate upon this bill. We shall not begin reading the bill before day after tomorrow, and the gentleman will have ample opportunity to examine it.

Mr. TOBEY. But you have not so stated before. I want to say here and now for the RECORD, and publicly, that I object to, and deprecate very strongly, the practice of bringing major bills before the House, even though they have been carefully considered by the committee, without an opportunity being afforded the Members to study the bills before they are introduced and we are compelled to act upon them. In saying this I know I express the feelings of Members on both sides of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. BLANTON. Mr. Speaker, reserving the right to object, may I say to the gentleman that is a practice that has been indulged in by his party for the last 12 years.

Mr. TOBEY. May I say to the gentleman from Texas——

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none.

There was no objection.

Mr. TOBEY. Mr. Speaker, I object.

The SPEAKER. The gentleman is too late in making his objection. The Chair stated the question several times, and the gentleman did not object when the Chair put the request.

Mr. SISSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SISSON. Is it understood that the opponents of this bill, and I agree with what the gentleman from New Hampshire said, will have an opportunity in general debate, not only today but as long as general debate continues, to discuss this matter? I may say that I may or may not be an opponent.

Mr. CARY. Certainly. I assented to that, and I gave the gentleman assurances to that effect privately a few moments ago.

Mr. SISSON. I want it understood now.

The SPEAKER. The question is on the motion of the gentleman from Kentucky.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7672, with Mr. McCORMACK in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. CARY. Mr. Chairman, I yield to the gentleman from North Carolina [Mr. WARREN] such time as he may desire.

Mr. WARREN. Mr. Chairman, the challenge has just been made by the gentlewoman from Massachusetts [Mrs. ROGERS] for southern Members to discuss the cotton-textile situation. I gladly accept that challenge this morning.

It is not inappropriate while we are considering the national defense in the form of the annual naval appropriation bill that we should also consider another form of national defense—the well-being, the security, and the right to live of the American farmer. In the bill under consideration we seek to protect the Nation from external enemies. I propose to discuss certain sapping and undermining influences now going on that would again seek to bring distress to our largest group—to take from them the well-earned fruits of an age-old battle—and thereby disturb the domestic tranquility and again bring ruin to American agriculture.

During the past few weeks much has been said on the floor of this House and in public prints about the efforts of the Agricultural Adjustment Administration to obtain a measure of economic equality for the farmers of this country. Led by the New England textile interests, the attack on the Administration's agricultural program has become so intense as to warrant a careful appraisal of the nature and purpose of these attacks. I therefore ask the indulgence of this body to analyze briefly the current agitation against the Administration's agricultural programs.

First, permit me to point out that my State is not only at the top from an agricultural point of view, but is also the leading textile State of the Union. In 1934 the State of

North Carolina was among the first nine in cash agricultural income. Twenty percent of the Nation's cotton spindles are located in North Carolina, making it first among the States where the Nation's fiber is processed. Therefore, Mr. Chairman, I feel it particularly appropriate for a Member of Congress, representing a State which is both a great industrial and agricultural area, to express his point of view on the present situation.

When the Agricultural Adjustment Act was up for consideration in the Seventy-second Congress it was claimed the farmers would not cooperate. We were told that the farmer was an individualist and would not fit his operations into a cooperative scheme for the general good. Events have put the skeptics to rout upon this score and "given the lie" to the charge that farmers would not work together. Throughout this country more than half of the Nation's farmers—3,000,000 of them—are today engaged in a great cooperative effort to obtain their fair share of the national income. Perhaps the most amazing demonstration in the history of agriculture's long struggle for economic equality was given in my own State in 1933.

My colleagues from North Carolina and from other States in the flue-cured tobacco area will bear witness to this: You will recall that in the summer of 1933 the Agricultural Adjustment Administration was negotiating a marketing agreement with the buyers of flue-cured tobacco. These buyers were reluctant to enter into this agreement, fearful that the farmers would not agree to control production in the following season. This challenge was made to the 400,000 farmers producing this type of tobacco. And, Mr. Chairman, in about 10 days more than 90 percent of these farmers had signed agreements to adjust the production of their crop during the following season. And now, after two seasons of successful cooperation, efforts are being made to destroy the mechanism which has made it possible for farmers as a group to do what they could not do as individuals. The Congress in enacting the Agricultural Adjustment Act recognized the disparity between agriculture and other groups in our national economy. Now comes a drive to abandon that concept; an effort of nonagricultural groups to delude even the farmer that it is to his own interest to go on the dole and discard the processing tax. It is being urged that we abandon this tax which offers a continuing opportunity for agriculture to obtain a just share of the national income.

I wonder, Mr. Chairman, just how far these special pleaders have succeeded in influencing the point of view of the legislative body concerning the processing tax. To my own mind, the processing tax is a matter of simple justice to agriculture. Those who claim the tax is a burden on the consumer are saying that the consumer cannot pay to farmers prices in line with those charged by manufacturers and other nonagricultural enterprises. I believe that the farmers of my State comprehend the nature and purpose of the processing tax. I think they recognize that the tax is just as much a part of their price as the money they receive from buyers on the warehouse floor or at the cotton gin. Therefore, those who contend that the processing tax should be repealed are in effect saying that the farmer should be returned to starvation prices for his products. Stripped of nonessentials, the drive to eliminate the processing tax on cotton is a drive for cheap cotton. Of course, they add, we can put the farmer on relief, pension him, give him a dole. Mr. Chairman, the farmers of North Carolina do not want a pension or a dole. They do not want to be put on relief. All they ask is that to which they are justly entitled. And I am confident that this is the attitude of the great majority of American farmers.

I repeat that the processing tax is a part of the farmers' price, and those who are genuinely concerned with the farmers' welfare should be vigilant in preventing its removal. For there is no doubt that, once the processing tax is removed on cotton, it will then come off tobacco, corn and hogs, wheat, peanuts, and other products upon which it is levied. This will mean that farmers will be deprived of a continuing source of revenue with which to maintain these programs and that, after 2 years of successful activity on behalf of the farmer, the Agricultural Adjustment Administration will be scrapped.

Those who are lending themselves to the effort to substitute work-relief funds for the processing tax may not realize the certain consequences of their efforts, if successful. To me, it means but one thing—the end of 14 years' effort and struggle to obtain a measure of economic equality for agriculture. I cannot look upon the beneficial results of these programs in the State of North Carolina and subscribe to any such course of action.

A brief glance at the figures on cash farm receipts in North Carolina tells an astounding story of recovery. They reveal the operation of a Government program that has worked. In 1932 the cash income to farmers of North Carolina was only about $86,000,000. That low level of purchasing power brought with it conditions of poverty and heartbreaking misery. Farmers were losing their homes. Low prices were driving them off the land. It was a year of suffering and despair for this vast group. No man can predict what would have been the outcome if things had been left to drift. Cotton was bringing 5 cents a pound; peanuts were hardly worth harvesting; tobacco prices were around 11 cents per pound. I have little patience with the idle talk that efforts which have been made since those dark days are threatening our form of government. If ever this Nation was in danger, ladies and gentlemen, it was in 1932—a people with their morale shattered, hope almost gone, and farmers driven to desperation by long years of struggle to get a decent, fair deal in the national economy.

The transformation that has taken place in North Carolina agriculture in 2 years is almost miraculous. From the low income of about $86,000,000 in 1932, the total cash income to North Carolina farmers has more than doubled for 1934. The total cash income to farmers in 1934 was about $216,000,000, including rental and benefit payments. Rental and benefit payments in 1934 were $12,579,000. Think of it; from $86,000,000 to $216,000,000 in 2 years. And yet, it is being urged that the opportunity to maintain and further this improvement be abandoned.

I do not think that we should be deceived about the campaign that is now under way against the Agricultural Adjustment Administration. A high-pressure lobby, which bitterly resisted the enactment of the Agricultural Adjustment Act, is engaged in an intensive campaign to wreck and destroy it. The New England textile industry, leading the fight for the repeal of the cotton-processing tax, is seeking alliance with southern cotton interests. This strange coalition of interests, fighting for a continuance of monopoly privilege or temporary profits at the expense of the long-exploited farmer, are even seeking to turn the farmer against the program which has brought agriculture undoubted benefits. And we should never forget that the first step toward disintegration of the farmers' program will be the elimination of the processing tax. That is fundamental, and no other construction can be put upon it.

The cotton-processing tax, which is the keystone upon which the cotton program is based, has made possible rental and benefit payments amounting to $112,800,000 for the 1933 cotton program and $115,800,000 for the 1934 program. But the benefit to cotton farmers has not been confined to this addition in income. Because of an improved supply situation, and because of other recovery measures, the gross income from cotton and cottonseed has shown a remarkable advance. The income to cotton farmers rose from $464,000,000 in 1932 to $862,000,000 in 1933. And it is estimated that the income will be at about that level for 1934. And yet it is suggested that we scrap the program which has doubled the income of cotton farmers and greatly improved the economic position of other agricultural groups.

This great agricultural program transcends narrow partisan lines. It is a national effort on behalf of all farmers. I was indeed gratified to note in the RECORD of April 15 the statement from the minority leader of the Senate, Mr. McNARY, who has sponsored an amendment to make hops a basic agricultural commodity. The Senator from Oregon,

in speaking upon that amendment (p. 5646 of the RECORD), said, among other things, "I have been a loyal supporter of the Agricultural Adjustment Administration." The measure introduced by the Senator from Oregon makes it possible to levy a processing tax upon the commodity which was designated as basic. For my own part, I feel that this program should be extended to include other commodities which have not as yet felt its benefits, and I agree with Senator MCNARY that it was generally understood that such right would be given. For some time a group of us in the House have been interested in giving the man who produces potatoes, the second food crop in value in the Nation, the opportunity to organize under the Agricultural Adjustment Act, and under its beneficent operation bring some stability to the production and marketing of this important crop. Maine potato farmers today are on the verge of ruin and chaos because of the fact that potatoes are the only major crop for which there has been no program. I have presented a bill, written by growers, and approved by growers in 32 States, and they are demanding that action be taken at this session of Congress. Therefore, Mr. Chairman, this processing tax fight is not a partisan struggle, and the efforts to disembowel the Agricultural Adjustment Administration should then be stoutly resisted by every member of this body, who has the interest of agriculture at heart, regardless of party.

Now let us examine briefly the claims of the textile industry in its clamour for the elimination of the cotton processing tax. As I stated in the beginning, I come from the leading textile State of the Union. This industry, which has rapidly developed in North Carolina, has made the State one of the leading industrial States of the Nation. This industry is in difficult circumstances. I recognize that fact and am in sympathy with their predicament. But I do not concede, nor will the facts reveal, that the processing tax is the cause of their difficulties.

The truth about the matter is, that like all other business in different periods of our national life, the textile interests have likewise always had their troubles. The Raleigh (N. C.) News & Observer each day gives the headlines of what people were talking about 25 years ago. In its issue of April 17 I find, under the heading "April 17, 1910", the following:

"Financial suicide" is ahead for cotton mills under present conditions, declares a call for a meeting of textile men in Charlotte. Thoughtful mill men advocate stopping all night work as a means of preventing overproduction that is ruining the industry, but some operators refuse to see it that way.

Now, what are the facts? I do not pretend to be technically qualified to analyze the economic crises confronting this industry. Moreover, I doubt if some public officials, who are the spokesmen for the textile interests, are possessed of peculiar knowledge of technical conditions in this highly specialized, intensely competitive industry. But there are certain elemental facts which should be plain to all. These facts provide a clue to the real difficulty in the industry and are entirely unrelated to the cotton processing tax.

We are all familiar with the rapid shift in the textile industry from non-cotton-growing States to the South. The new mills in the cotton-growing States, with new machinery and more advantageous industrial conditions, apparently have enjoyed a competitive advance over the older mills in New England. The result has been a drastic liquidation of mills in the non-cotton-growing States. This trend began long before the processing tax. The number of spindles in place in the United States has been reduced from about 38,000,000 in January 1925, to about 31,000,000 at the end of February 1935. Certainly the substitutes for cotton goods have a place in this picture. In spite of this reduction, however, the industry still has an excess producing capacity. If 27,000,000 of these spindles were operated at 60 hours per week they would consume approximately 6,000,000 bales of cotton annually. If the same number of spindles operated 80 hours per week, annual consumption would be 8,000,000 bales. This total has never been reached in the United States in any one year. During the past year, most of the industry has attempted to operate at a level of 80 hours per week. Is it any wonder that they accumulate heavy inventories and are forced to curtail production? But can this situation be blamed on the processing tax?

What has been the condition of the textile mills during most of the period the processing tax has been in effect? The report of the Federal Trade Commission shows that the level of profits has been high, in fact, the highest in recent years. During the last 6 months of 1933, according to this survey, 206 cotton spinning and weaving mills made a total profit of about $25,000,000 on their sales. This was the equivalent of about 10 percent of the sales value of their products. The cotton-processing tax was in effect then. Was it an unbearable burden then? If so, how did the industry manage to make such substantial profits during that period? It is claimed—and I have no doubt that it is true—that since June 1934, cotton mills have been operating at a loss. But does not the fact that substantial profits were made during most of the first year of the cotton-processing tax demonstrate that the tax is not the real cause of their difficulties? It is hinted—I have not seen the direct allegation—that the cotton tax is drastically reducing consumption. Domestic cotton consumption was 400,000 bales greater in 1934, with 12-cent cotton and the tax, than it was in 1932 with 6-cent cotton and no tax. As a matter of fact, the cost of raw cotton, although a major element for the spinning and weaving mills, constitutes only a minor part of the cost of cotton articles to the ultimate consumer. The average amount of the processing tax paid with respect to some common cotton articles is as follows: Full-sized bed sheet, about 8 cents; pair of pillow cases, about 2 cents; face towel, about 1 cent; pair of overalls, about 8 cents; work shirt, about 3 cents; pair of women's hose, less than 1 cent.

I submit, Mr. Chairman, that this slight addition to the retail cost could have no appreciable effect on cotton consumption. What valid reason, then, can be urged for the removal of the tax? I have heard none, except that cotton mills may feel that they have lost some advantages gained by low prices. Why do not the proponents for repeal of the tax be candid and admit that what they really want is cheap cotton? Cotton growers would then know how to meet that argument. I ask the representatives of the New England textile industry advocating the repeal of the processing tax to submit for the record just what benefits would follow? Would the cost of finished goods to the consumer be reduced? Would production increase? I submit, Mr. Chairman, that as distressing as is the plight of the textile industry, the removal of the tax would make no material contribution to their difficulties.

New England textile interests have fared exceedingly well under the processing tax. Last year cotton-mill consumption in New England was the highest in 4 years. The figures show that during the cotton year 1933–34, mill consumption in New England was 985,000 bales, the highest since 1929. Now, I pretend to no intimate knowledge of the New England textile industry; but I suspect that with the revival of business activity last year many of these mills, which had long been idle, dusted off their obsolescent spindles and commenced operations. Now that competition has thwarted a perfectly natural desire to continue peak operations at a profit, these interests organize in an effort to take it out on the farmer. Why, Mr. Chairman, the processing tax does not guarantee that the New England textile mills will have the opportunity to run full time. And if they cannot pay the farmer a price for his cotton which is in line with what they expect their customers to pay for their goods, they have no business operating. [Applause.] If starvation prices for cotton is the cost of continued operation for the New England textile industry, they ought to close down.

The entire cotton-textile industry awaits a revival of consumer purchasing power and an increase in industrial production. To deprive cotton farmers of $100,000,000 a year would bring about neither, but serve to retard both. I fear that the current agitation against the processing tax is in reality a smoke screen, intended to obscure the more fundamental causes of the industry's difficulties. These difficulties

are entirely apart from the processing tax, and the industry should frankly admit it.

Now, in spite of all of this, the gentlewoman from Massachusetts [Mrs. ROGERS], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from Massachusetts [Mr. ANDREW], the gentleman from Massachusetts [Mr. TREADWAY], and the gentleman from Massachusetts [Mr. GIFFORD], either on the floor of the House or in newspaper interviews, have issued copious fulminations ascribing to the processing tax all the ailments of the textile industry. They have sought to build up a sentiment in New England that this tax is the ogre that is destroying them, and in a sectional appeal they seek to undermine the very bedrock on which hope has at last come to the cotton farmer. Certain industrialists with parrotlike precision have been echoing the same expression, but in the last few days, as the fallacy of their argument has been exposed, they have been forced to broaden and amend their bill of complaint.

On April 18 Mr. Frank W. Dunham, of Fall River, Mass., who is the head of the chamber of commerce committee on industrial conditions in New England, and who at first was obsessed that the processing tax was the cause of all the trouble, said in a statement issued from Boston:

> Our situation is caused by the processing tax, Japanese competition, North-South wage differential, State legislation, and local taxation, as well as overproduction.

Now, let us examine another phase. In the year of 1921 there were 337 mills in operation in the New England States. By 1933 they had progressively dropped until there were only 194. In that period 143 mills were either closed or removed their operations to some other section, and the decline in spindles in that period was 8,003,000. I need not remind the House as to who were the Presidents during that period and what party was in control here in Washington. [Applause.]

This statement of the great migration of cotton mills during that period from New England is most interesting, Mr. Chairman, and I shall include it for the RECORD.

New England textile mills

Year	Mills in operation	Spindles
1921	337	18,702,000
1923	357	18,930,000
1925	332	18,333,000
1927	302	16,871,000
1929	259	14,549,000
1931	225	12,168,000
1933	194	10,810,000

Employees and wages in New England textile mills

Year	Number of employees	Wages
1921	187,071	$173,938,000
1923	195,947	199,374,000
1925	164,954	158,774,000
1927	156,642	154,795,000
1929	127,041	119,053,000
1931	91,127	76,482,000
1933	91,566	63,184,000

This shows that during the period from 1921 to 1933, 95,505 employees were thrown out of work representing wages of $110,754,000.

Where are the 95,505 men and women in New England who earned their bread in the sweat of their face, tending the textile machinery of these States who, during this period, were expelled from their spindles and looms by an economic and social order prevailing under three Republican Presidents, one of whom was New England bred and born. [Applause.] The tragedy of this period constitutes an epoch unequalled in the industrial history of this country.

In the 1924 campaign the slogan of the Republican Party was, "Keep Cool with Coolidge."

During the winters of 1925 and 1926 this slogan was transposed in the homes of the textile workers to mean, "Keep Cold with Coolidge", for at no time before and no time since have the textile workers of this Nation contended with lower wages, idle spindles, empty looms, or a more desperate social and economic condition than then prevailed unless it was the years 1931 and 1932, during the reign of Herbert Hoover.

When all of this was going on where, may I ask, was the charming and gracious lady from Massachusetts [Mrs. ROGERS]? [Applause.] Did she rise to protest? Not one sound or chirp did you hear from her.

Where was my close friend, the then complacent assistant minority leader, the gentleman from Massachusetts [Mr. MARTIN]? Was his composure disturbed? Was he then addressing mass meetings on Sunday at Salem and Fall River? Did he then lead a march on the White House as he proposes to do tomorrow? [Applause.]

Where was the Jeremiah from New England at that time—my delightful friend, the gentleman from Massachusetts [Mr. GIFFORD]? [Applause.] Did we then hear his wails and lamentations? [Laughter and applause.]

Where, at that time, was the high priest of protection, my friend, the gentleman from Massachusetts [Mr. TREADWAY]? [Applause.] Sitting on the verandas of his palatial hotels in the Massachusetts hills, he was thinking only of prohibitory tariffs and embargoes.

> Oh, where was Roderick then!
> One blast upon his bugle horn was worth ten thousand men.

They remind me of a little darkey down in my county who, with the temperature at 105, was chopping cotton. The sun was boiling down on him. The more he chopped, the hotter he would get and the more he would sweat. Finally, admitting defeat, he threw down his hoe, stuck his hands on his hips and looking up at the sun, said, "Sun—where wuz you last winter when I needed you so bad." [Laughter and applause.]

It is passing strange and singular that with all the criticism made by New England Representatives against the Agricultural Adjustment Act that they are silent in a thousand languages when it comes to another act of this administration—the N. R. A.—that any responsible New England cotton manufacturer will today admit is the reason why there is any textile mill now running in that section. Show me any New England Republican who will refuse to vote for the extension of the N. R. A., and I will show you a candidate for admission to the Smithsonian Institution. [Applause.]

Why, they even went down to North Carolina and tried to ensnare us into a cabal that would set at naught all that has been accomplished for the North Carolina farmer. A memorial to Congress was rushed through our State legislature, without committee consideration, in which the processing tax was in effect branded as a monstrosity, and it was suggested that the cotton farmer be provided for from relief funds. That memorial was placed in the RECORD 2 weeks ago. Now, our general assembly in North Carolina is a fine and patriotic body, but they make mistakes just as we do. When the full effect of what they had done was realized, a recalling and rescinding resolution was offered, debated, and fully considered, and on Thursday it was passed by the lower house by a vote of 52 to 18, and by its terms it "repeals, rescinds, and vacates the memorial favoring repeal of the processing tax as though said memorial had never been introduced, passed, or ratified." The information I have is that soon the North Carolina Senate will pass it, and it will be sent here to us.

Newspaper reports of Saturday state that so aroused are the farmers of Texas that hundreds of them will come here in May to demand that their program not be interfered with.

I do not propose, Mr. Chairman, to discuss the agitation concerning Japanese textile imports. The President has directed a group of Cabinet officials and technically qualified experts to make a complete study of this situation. But I do want to say this: The cotton-processing tax has absolutely no effect upon either the volume of textile imports or exports. So confused has the issue become that the charge has been made that the processing tax was responsible for the increase in Japanese imports. No responsible person

would make that statement, except to deliberately deceive. The facts are plain that the Agricultural Adjustment Act levies a compensatory import tax on all cotton goods at a rate equivalent to the processing tax. Therefore, it cannot be sustained that the processing tax is in any way responsible for the volume of imports from Japan which are exceedingly small in comparison with our total domestic consumption.

I have dwelt too long on the difficulties confronting the textile industry; but I want to emphasize the great necessity for all who are interested in agriculture to unite, resist, and overcome this campaign of misrepresentation to destroy the farmers' program. I cannot let this opportunity pass without expressing the complete confidence the farmers of my State have in that able and brilliant Administrator of the Agricultural Adjustment Act, Chester Davis. [Applause.] The valiant efforts of Mr. Davis and his associates have contributed more to the recovery of agriculture than anything that has happened in a generation. They have taken the mandate given them by Congress and, in a magnificent fashion, have made a reality of what was to us only a possibility. It is our duty to uphold them and not lend aid and comfort to those who in the beginning opposed this great effort and have now renewed their attacks. And I would urge my colleagues from the agricultural sections not to be misled by the high-pressure tactics of those who would abruptly abolish a program of proven worth.

The farmer is generally a voiceless individual. It is difficult for those who have his interests at heart to know his attitude and views. But, Mr. Chairman, we of the South have a definite method of ascertaining just how our farm constituents feel about the cotton and tobacco programs. In the referendum on the Bankhead Act, an overwhelming endorsement of 9 to 1 was recorded. In the State of North Carolina 128,000 farmers voted to continue the program and only 9,000 voted against it. In the entire Cotton Belt 1,361,000 farmers registered their approval for continuing the program and only 160,000 dissented. The vote in the tobacco referendum was even more decisive. We have no evidence that this overwhelming approval has changed.

I submit, Mr. Chairman, as far as the farmer is concerned this referendum is a clear mandate to carry on. It has not been demonstrated that the processing tax, the vital part of the Agricultural Adjustment Act, is economically unsound nor is it causing an undue burden either upon the processors or the consumer. Therefore, what reasons have we for joining in the revival by lobbyists and special pleaders of these intensive efforts to abandon the program. These same groups attempted to defeat the passage of the act. Now they are undertaking to sabotage it by ripping out its most vital part. I am confident they cannot succeed. But, if they should, I predict an uprising of farmers without parallel in this Nation's history.

I therefore appeal to all who are interested in a continuous opportunity for the American farmer to receive justice to stand fast against the current assaults. For many years farmers have sought an opportunity. They cried out for both a program and a leader. The American people in 1932 supplied a leader in the person of Franklin D. Roosevelt [applause], and under his inspired and thrilling leadership the American Congress gave the farmers of the Nation a program. Shall we now be deceived into sacrificing that which they have won? [Applause.]

Mr. CARY. Mr. Chairman, I yield myself such time as I may desire to use.

The CHAIRMAN. The gentleman from Kentucky is recognized for 1 hour.

Mr. CARY. Mr. Chairman, it is my privilege at this time to present for your consideration the annual naval appropriation bill. I regret very much that it becomes necessary to present to the Congress a naval appropriation bill of such great magnitude as the one presented today, but in view of world conditions and of the announced policy of this Government as to its Navy-building program, this bill, I think, is proper, and nothing short of it will meet the demands of the day.

It is a duty that falls upon me to present this measure, and I have no wish or desire to evade that duty, holding, as I do, convictions respecting an appropriate measure of naval preparedness. A rich heritage was left to us by Washington through his advice and counsel. Never before in the history of this country has it been more important to heed his warnings than today. They are as sound and applicable to present-day conditions as they were when he delivered them to his people. The subject always nearest to his heart was the safety and security of the United States. His advice to us is "to be prepared for war is one of the most effectual means of preserving peace."

Washington further said to us that "a free people ought not only to be armed, but disciplined, to which end a uniform and well-digested plan is requisite; and their safety and interest require that they should promote such manufactories as tend to render them independent of others for essentials, particularly military supplies."

The bill we present to you today is not with the fear of imminence of war, but it is purely a defensive measure; one that tends to keep us abreast with the great nations of the earth as to national defense. Its objects are purely defensive. I am thoroughly of the opinion that the question of national defense is of paramount issue to the American people today. In view of world conditions with war clouds hanging over Europe, with every important nation of that Continent expanding its military and naval forces, replacing and rebuilding their armaments, spending untold millions for armies and navies and going to the extent of conscripting soldiers, building the greatest war machines that have ever been built, it is necessary for us to take notice and so prepare ourselves that we may be able to defend this fair land of ours in case such an emergency should arise. I think it is the duty of this Congress to take such steps toward national preparedness as will guarantee the safety and perpetuity of our ideals and of our institutions. It is the only safeguard we have for this great Republic.

We thought a few years ago that the bloody conflict—the World War—was a war to end war and bring peace upon this earth. Today, when we realize what is going on among the principal nations of the earth in the way of rearmament, the rebuilding of navies and armies and air forces, it is a fearful indictment against the onward march of a great civilization. It seems as though the nations of the earth have learned nothing from the lessons of the past. America should make no mistake in a program of preparedness that will protect us in the future. One that will absolutely guarantee our safety. I believe a great national defense for this country will not only secure our peace and keep us out of war, but more than likely secure the peace of the nations of the earth. To my mind, there is but one course for us to pursue, and that is maintain an army that is unequaled, a navy that will be the mistress of the Seven Seas, and for each of these a component air corps that will meet all the needs of the present day.

Since the World War we have not been as alert as we should have been with respect to national defense. We have depended upon treaties as a means of preventing war and we have thereby permitted our program of national preparedness to lag far behind. We owe a great debt of gratitude to the American Legion for the persistent efforts this organization has made in trying to bring to the American people the importance of this great question. That organization has done more than any other in America to make us conscious of the fact that we have not been adequately prepared. Our present policy and the program upon which we have embarked has been very much exhilarated by their efforts. [Applause.]

The United States naval policy is an official enunciation of a number of tenets or doctrines, foremost among which stands this declaration, "to create, maintain, and operate a navy second to none and in conformity with treaty provisions." I endorse that principle, unreservedly, 100 percent. [Applause.] I believe its observance will guarantee our peace.

I am thoroughly convinced that this policy meets a responsive cord in the hearts of a great majority of the people throughout this broad land of ours. None of us is willing to take a chance upon the security of this Republic.

I realize that we have another class of citizens whose numbers are legion who hold the contrary view. I have no quarrel with them. Among their number will be found many prominent, patriotic, and learned persons who are entitled to their views, just as you and I. We disagree as to how we should attain peace. That is the fervent desire of all of us, and I agree that if it were possible to induce the nations of the earth to disarm that it would be better for all countries, but our experience in the past with trying to bring about disarmament has been so unsatisfactory that I do not believe we can afford to depend upon it in the future, at least until the other nations of the earth are willing to agree with us upon this subject and then live up to the agreement, which they have not heretofore done.

My friends, I pride myself on not being an alarmist. I do not think we are in immiment danger of war, but I do think that the conditions that now exist throughout the world call for our most serious consideration and that we should take every precaution possible for our own protection and self-preservation. I yield to no man a stronger desire for world-wide accord and amity and lasting peace, but I cannot blind or deafen myself to conditions obtaining throughout the world as we know they do at this time.

Regardless of the noble struggle that has been made during the past decade for world peace, it is indeed a sad picture presented to us today by the leading nations of the earth in this respect. There is occasion for alarm. In every quarter of the globe strife, turmoil, bitterness, and animosity prevail. I think the whole condition is brought about by an insatiate desire for political power and prestige. It is, indeed, a pity that the peace of the world must be disturbed by the selfishness of a few in power in Europe.

One would gather that Europe is a seething maelstrom—Europe—where upon every street, highway, and bypath may be seen literally hosts of human wrecks—grim reminders of that terrible holocaust which ended less than a score of years ago—the World War. It is a sad commentary, indeed, upon the advance of our civilization and it is convincing evidence to me that America must be prepared for any eventuality that may react in ways inimical to our rights, to our national interest, or to the security of the blessings of liberty to ourselves and to our posterity. We must gain experience from the lessons of the past. Have we forgotten that only a few years ago when the great World War broke out in Europe we were not adequately prepared? It was then that Germany undertook to drive us from the seas, stop our commerce, and insult our Navy. Of course, the maintenance of a great navy is an expense and a burden upon our people, but I am thoroughly convinced that had we spent a few million dollars additional for the increase of our Navy back in 1914 and 1915, we never would have been drawn into the World War and thereby would have saved billions of dollars and protected the lives of thousands of our soldiers, who made the supreme sacrifice in that struggle, and saved ourselves from the horrible grief and great expense incident to our participation in the World War.

Germany knew then that we did not have an adequate national defense. She gambled that she could defeat France and England before we could become prepared and enter the struggle—hence the insults she hurled at us. We did get prepared in time to save the Allies but it was a horrible expense in money and property and a great sacrifice in human beings. Proper preparation and defense would have saved us from all this trouble.

I do not know why we should or why we need be involved by these distressing and threatening conditions now prevailing far from our shores; neither do you, but we cannot foresee what may happen and I am unwilling to expose this Nation to the danger of being unprepared. I am happy, indeed, and I know you are, that the present occupant of the White House subscribes to that declaration in our naval policy, which I quoted at the outset of my remarks. He has abandoned the principle of limitation of armament by example and has substituted therefor a program looking to the possession by 1942 of a treaty navy comparable to, if not better than any in all the world. I am sure this Congress will follow him in this policy as it has been following him in all of his great programs since he became the Chief Executive of this Republic. [Applause.]

The expense incident to such a course is great, it is true, and I am not unmindful of that fact and shall discuss it in a moment, but likewise are the budgets of cotreaty powers similarly burdensome. They evidently have no regard for expense and are determined to build vast navies to the treaty strength, because we gave them every opportunity to mark time after the Washington Treaty. We undertook to set the example for the other cotreaty nations by limiting the building program under the treaty and instead of building to the limit that was authorized by that treaty, we did nothing for a number of years, thinking that our course would induce the other nations to do likewise and thereby bring about a real disarmament. But what did they do? Let me give you the figures upon shipbuilding since the Washington Treaty of 1922. It will convince you that we were earnestly leading the way for a real disarmament program but it was not followed by Great Britain, France, Italy, or Japan.

In 1922, which was the year the Washington Treaty was signed, we did not lay down a single ship of any description. Great Britain laid down 4 with a tonnage capacity of 84,140. Japan laid down 34 with a tonnage capacity of 119,441. France laid down 5 with a tonnage capacity of 9,633. Italy laid down 13 with a tonnage capacity of 32,345.

In 1923, we continued our policy and did not build a ship of any description, neither did Great Britain that year, but Japan laid down 11 ships with a tonnage capacity of 14,851. France laid down 29 ships with a tonnage capacity of 49,746. Italy laid down 5 with a tonnage capacity of 19,311.

In 1924, we again did not build any ships of any description. Great Britain that year built 7 with a tonnage capacity of 51,381. Japan laid down 16 vessels with a tonnage capacity of 50,433. France laid down 11 with a tonnage capacity of 26,197. Italy laid down 9 with a tonnage capacity of 7,163.

In 1925, we only laid down 1 ship, that a submarine of a tonnage capacity of 2,710 tons. Great Britain laid down 5 ships with a tonnage capacity of 24,453. Japan laid down 11 with a tonnage capacity of 30,835. France laid down 8 with a tonnage capacity of 19,625; Italy 24 with a tonnage capacity of 41,572.

In 1926 we laid down 7 vessels, 1 a cruiser and the other 6 river gunboats to be used upon the Yangste River in China. These gunboats are exempt from treaty limitation. The seven had a tonnage capacity of only 11,860. That year Great Britain laid down seven ships with a tonnage capacity of 25,444. Japan laid down 13 ships with a tonnage capacity of 21,152; France, 15 ships with a tonnage capacity of 33,187; and Italy, 9 ships with a tonnage capacity of 5,839.

In 1927 we laid down 3 ships with a tonnage capacity of 14,506; England, 13 ships with a capacity of 84,810; Japan, 9 ships with a capacity of 31,450; France, 22 ships with a tonnage capacity of 74,640; and Italy, 17 ships with a tonnage capacity of 34,439.

In 1928 we laid down 6 ships with a tonnage capacity of 54,700; Great Britain, 17 ships with a tonnage capacity of 30,205; Japan, 14 ships with a tonnage capacity of 32,485; France, 18 ships with a tonnage capacity of 46,865; and Italy, 17 ships with a tonnage capacity of 32,821.

In 1929 we did not lay down a single ship. Great Britain laid down 21 with a tonnage capacity of 27,289; Japan, 11 with a tonnage capacity of 22,519; France, 27 with a tonnage capacity of 67,982; and Italy, 13 with a tonnage capacity of 29,241.

In 1930 we laid down 4 ships with a tonnage capacity of 31,240; Great Britain laid down 12 with a tonnage capacity of 19,757; Japan, 6 with a tonnage capacity of 9,635; France, 8 with a tonnage capacity of 31,175; and Italy, 13 with a tonnage capacity of 40,835.

In 1931 we laid down 7 vessels with a tonnage capacity of 56,575; Great Britain, 22 with a tonnage capacity of 43,250; Japan, 11 with a tonnage capacity of 25,952; France, 20 with a tonnage capacity of 59,853; and Italy, 37 with a tonnage capacity of 46,465.

In 1932 we laid down 3 with a tonnage capacity of 4,210; Great Britain, 3 with a tonnage capacity of 3,490; Japan, 2 with a tonnage capacity of 2,427; France, 8 with a tonnage capacity of 39,894; Italy, 16 with a tonnage capacity of 17,406.

In 1933 we laid down 13 ships with a tonnage capacity of 28,600; Great Britain 44, with a tonnage capacity of 95,234; Japan 20, with a tonnage capacity of 38,710; France 5, with a tonnage capacity of 22,714; and Italy that year did not lay down a single ship.

In 1934, up to December 1, we laid down 26 vessels with a tonnage capacity of 94,900; and Great Britain in that year laid down 19, with a tonnage capacity of 36,170; Japan 5, with a tonnage capacity of 12,460; France 1, with a tonnage capacity of 7,500; and Italy 2, with a tonnage capacity of 70,000.

I hope you will take occasion to see for yourselves by consulting the folder in the hearings on this bill inserted between pages 78 and 79. There you will find that from and including the year of the Washington Treaty in 1922 to and including the year of the London Treaty in 1930, the United States laid down only 21 vessels; the British Empire laid down 86 vessels; and Japan laid down 125 vessels. In other words, my colleagues, with seeming utter disregard of the cost, those nations launched upon building programs that left us no alternative but to build ships to catch up and provide ourselves with naval strength such as the treaty permits. We are committed to that policy and our safety demands that we build to it.

Why did we enter into the Washington Treaty and the supplementary and complementary London Treaty if we did not intend to maintain the relative strength therein provided? Of course, we all hoped that it would not be necessary to build the full tonnage allowed in each category, but no one here, I am sure, will contend that it was not the intention of this Government to maintain the treaty-fixed ratio whether at the maximum or some lesser tonnage. Our action for several years clearly demonstrated that we were trying to reduce the tonnage and to induce the other cotreaty nations to do likewise, but in this we failed. They did not take heed of our example. We now find ourselves in the position of having to build, at this time, ships that we failed to build in the years gone by since the treaty was entered into.

I have no thought of condemning the efforts that were made to realize that hope by not building ships with the expectation that the other treaty powers would pursue a similar course. I think it was a laudable thing to do. The world is suffering today because the other powers did not follow our example and do likewise. Possibly we were somewhat slow in discerning the futility of that course, but the aim was reproachless, and I can conceive of no more tangible way for us to have manifested or demonstrated our sincerity of purpose than the modest amount of construction we undertook, as I have indicated, during the years from 1922 to 1930. During the first 3 and in 1 other of those 9 years we did not lay down a single vessel, and in 1 other we started but one submarine.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. CARY. I yield.

Mr. BIERMANN. With respect to the expenditures the distinguished gentleman from Kentucky has just been speaking of, we spent two or three times as much money on our Navy as Japan spent, or France or Italy, and in every year except one we spent much more money than England. What did we do with this money if we did not use it to lay down ships or in some way prepare against this imaginary war?

Mr. CARY. I think the gentleman is entirely mistaken in his statement.

Mr. BIERMANN. No; I am not in error. These are the correct figures, and I think some of the members of the committee will verify them.

Mr. CARY. The point I have been trying to present to this House is that during those years we did not spend any money on a building program. I have presented the facts just as they are. It was during those years that we lagged behind while other countries continued their building programs and that is why we find ourselves where we are today. We realize this now and we must necessarily spend more money next year, as we are doing this year, and will have to do for another year or two, in order to make up for what we failed to do during that period of 9 years.

Mr. BIERMANN. I think we are talking about different things. I am talking about the amount of money spent in dollars and cents. There are very few here who can follow this matter in terms of battleships. Ever since the Washington Treaty we have spent more on our Navy than any other nation, with the exception of 1 year, when Great Britain spent more, and I shall ask any member of the committee here to challenge these figures if they can.

Mr. CARY. I do not intend to dispute the gentleman's figures, but, of course, he must realize that we get less Navy per dollar expended because of higher wages and consequently higher material costs.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CARY. For a question; yes.

Mr. MAY. During the same years we were not only not building ships, but we evidenced our good faith in wanting peace, by sinking and destroying several of our important battleships.

Mr. CARY. That is true. We were trying to set an example, hoping that cotreaty and other nations would follow our example, which they did not do.

Mr. DITTER and Mr. MAVERICK rose.

Mr. CARY. I yield first to my colleague on the committee, the gentleman from Pennsylvania.

Mr. DITTER. The gentleman from Kentucky has requested that Members refrain from interrupting him until he has finished his remarks. I believe the gentleman should have that courtesy extended to him by the Members of the House and after he has finished his remarks, I feel certain he will be pleased to yield to those who wish to ask any questions.

Mr. CARY. I thank my colleague from Pennsylvania. I should be pleased to finish my remarks and then I shall answer any questions that I can.

Now as to the cost. There is no getting away from the fact that the cost of the course we are launched upon is staggering. The very capable officer who now occupies our highest naval office, Admiral Standley, just recently has completed a study of the cost of maintaining a treaty navy. In testifying before our subcommittee he stated that it would cost $555,000,000 per year to maintain the Navy at treaty strength, which we are committed to do. We have gotten so accustomed to speaking in terms of billions that I am afraid the mere statement of that amount will not convey its magnitude. It is a tremendous peace-time burden; a burden our people should not have to bear; but until the time comes when the nations of the earth are willing to enter into a real disarmament agreement and stop the folly of rearming there is but one course we can pursue and that is to prepare and maintain an adequate national defense. The cost of maintaining a treaty-strength navy, as testified to by Admiral Standley, exceeds, my friends, the total of all the ordinary expenditures of our Government for everything, Army, Navy, civil departments, pensions, and interest on the public debt, for any year of our Government prior to 1904, save and except only the year 1899 when there was an expansion owing to the War with Spain.

It is an appalling figure to contemplate, Mr. Chairman, when you and I know that we must soon stop this spending orgy and apply all of our faculties and all of our energies to the process of liquidation. This must be true of the other

nations of the earth. I hope the time is not far distant when all of the peoples of the earth will direct their thoughts and their energies to this end. The burdens of all the peoples of the earth will then be much lighter.

In this naval bill we are considering our committee has done all that was possible to reduce it and has reported no expenditure that we have not considered absolutely necessary. It concerns so largely our national finances that I feel I should be derelict to my duty if I did not pause to give you some figures with respect thereto.

The time has come when Congress must take stock of our financial condition. There must be a halt to spending wherever it is possible. This we owe to the country.

On November 30, 1934, according to figures but recently published, the public debt had reached a total of $27,760,967,705, all interest bearing save roundly $462,000,000. At the close of the fiscal year 1936 the Budget has estimated that the total indebtedness will be $34,239,000,000, which is comparable to $25,488,000,000 in the fiscal year 1919, in which the World War came to a close and the public debt reached its peak.

Here are some figures that I think deserve the most serious consideration of the Congress. Without any provision whatever for a sinking fund or for debt retirement and allowing only a margin of $120,000,000 for deficiencies and unforeseen demands in regular expenses, every penny of our 1936 regular revenues has been earmarked in the Budget for regular expenditures, as follows:

Expenses of regular departments and establishments	$1,622,000,000
Veterans' pensions and benefits	740,000,000
Interest on national debt	875,000,000
Tax refunds	65,000,000
Total	3,302,000,000

My colleagues, as the chosen representatives of the American people, I ask you, what is the answer to be? How much longer can we go on with this financial strain? I am not prepared to say, but I am prepared to say that the expenditures classed as regular, and this bill is in that category, must be checked. They have got to be watched, curbed, and confined to absolute necessities, and that applies to the measure we are now considering. Not only do I believe it applies to the regular expenditures of the Government but I have come to the conclusion that all expenditures of the Government must be curbed.

We find ourselves in this unfortunate position now; and that is, whatever the cost, our charted course is to maintain that sort of a navy that other powers make it necessary for us to maintain. I believe the American people demand that and will accept nothing less. Therefore it is imperative that we confine the appropriations in this and future bills to nothing but essentials, and we must be prepared to resist the urge that comes from hither and yon, possibly backed by a few telegrams and letters much of the same tenor, to add money here and there, not recommended by the Navy Department or the responsible heads of the Navy Department, and, to be perfectly frank about it, usually of a selfish character, and which would mean, if granted, just that much less money for essential Navy purposes.

The Governments of Great Britain and Japan, however strange it may seem, have shaped our naval policy. The course they have pursued is responsible for the size of the bill I bring to you today. Had they gone along with us after the London Treaty and reduced their building programs, I have no doubt but that the other powers of the earth would have followed, and the mad rush that has gone on for the past few years in expanding navies and increasing armies would not have occurred. The course they have pursued is responsible for that ultimate annual cost figure of the Chief of Naval Operations of $555,000,000; and, of course, allowing for differences in personnel and material costs, their action has imposed and will impose a relatively and proportionately large burden upon their own exchequers.

Mr. Chairman, so long as world conditions obtain as they do today, I am in favor of a navy unequaled by any, for a national defense that will insure the safety of this Republic; but I do hope that the time is not far distant when the peoples of the earth will not continue to submit to the burdens of maintaining vast military and naval establishments, sooner or later to be employed in wrecking and destroying human lives and creating human misery, if the past be any criterion. May we hope that an enlightened world will demand that these vast outlays for military and naval purposes must and will be diverted into channels leading to a richer and a happier civilization. [Applause.]

I can conceive of no nobler step than for America to lead the way. We cannot afford, nor can the other naval powers afford, to lose the benefits arising from the Washington and London Naval Treaties. Despite all the criticism of the sacrifices we made at the Washington Conference, the initiation of the principle of limitation was well worth the price, particularly so when viewed in conjunction with the later complementary treaty concluded at London in 1930. All thinking, unselfish, peace-loving people the world over had hoped that the latter treaty was but the forerunner of successively smaller armament limitations. Any nation that would do aught to prevent the consummation of that end would be guilty of the commission of a despicable crime against its own people and against civilization the world over and ought to be treated as an outlaw by other world powers.

But, Mr. Chairman, whatever the results may be in the future as to disarmament, I am confident I voice the predominant sentiment of the American people when I say we shall not permit any difference in existing ratios to obtain, treaty or no treaty. [Applause.]

The bill I am presenting to you today, calling for an appropriation of $457,786,261 is to a very great extent in that large figure because of the determination of our Government that no difference shall be permitted to obtain as to ratio. We have in vessels, built and building today, all of the tonnage to which we are entitled in the several categories. Our program henceforward, or at least until a new treaty becomes operative, or treaty limitations cease to prevail, which God forbid, will consist solely of the replacement of overage tonnage.

The Budget estimate aggregates $485,443,847. That sum exceeds the amount currently available for 1935 by $174,879,498. Fully 85 percent of that increase is responsive either to legislation or to the present policy of expending our Navy to treaty proportions, which is contemplated by existing international agreements and by the terms of legislation in consequence of which funds were placed at the disposal of the Chief Executive for employment in naval building programs and by the terms of the Vinson-Trammell Act of the last Congress, authorizing the provision of funds to build and maintain, in an under-age status, the whole number of our treaty quota of naval vessels and such number of aircraft as may be deemed commensurate with a treaty navy. Not a single penny of the increase may be said to be influenced by any thought of the imminence of war.

I shall analyze that increase for you. That portion which is attributable entirely to the expansion of the Navy afloat and in the air is constituted as follows:

New ships, building and to be built, 54 all told	$95,480,666
Additional aircraft over and above replacement aircraft, number, 273	12,500,000
Ordnance for additional aircraft, over and above replacement aircraft, now in course of procurement under allotment of the appropriation "Emergency relief and public works, 1934 and 1935"	1,200,000
Additional pilots	3,198,461
Additional enlisted men—11,000 total but 5,500 average	5,463,450
Additional midshipmen	531,492
Total	118,374,169

In addition to these we find the following outstanding items contributing to the Budget increase:

For raising salaries to the 100-percent level	$13,133,403
For replacement airplanes (282) and increased maintenance and operating charges	17,380,194
For a special ordnance project	5,000,000
For ordnance implementation of the Marine Corps	800,000
For public works, for which no regular annual appropriation has been made since the fiscal year 1934	4,500,000

That is about as much detail as I see any occasion to burden you with. It accounts for the major items. The remainder is quite widely distributed and is assignable to a larger operating force plan, to work and procurements deferred through lack of funds, in part traceable to the administratively enforced economies in the fiscal year 1934, and to increased costs of materials.

It is not an exorbitant budget; it is not an extravagant budget, considering all the circumstances. On the contrary, it is a budget in nearly all directions composed of essential items and I should pronounce it as very well balanced.

Your committee has effected reductions totaling $27,657,586. To be perfectly frank about it, however, $19,690,000 of that amount is a mere postponement. By that I mean if you adopt our recommendations it will be necessary next year to appropriate $19,690,000 of the amount we have deducted. That bears out what I have just said respecting the naval budget. I seriously doubt if a greater reduction could be made without hurting or without running counter to our treaty-navy aims. I shall come to that deferment of appropriations in a moment.

You will find a table commencing on page 4 of our report in which is stated every money change the committee has made in the Budget estimate, with a brief statement of the reasons for its action. I do not propose to take your time to discuss all of those changes. There are about six major propositions involved in the entire bill, and I shall endeavor to make clear to you the basis of our action with respect thereto. I shall take them up not in the order of their importance but as they first occur in the bill before you.

AVIATION CADETS

The House on March 27, last month, passed H. R. 5577, being a bill to provide for aviation cadets in the Naval Reserve. The bill was reported by the gentleman from New York [Mr. DELANEY], from the Committee on Naval Affairs, and was very ably presented by him and the distinguished Chairman of the Naval Affairs Committee, Mr. VINSON of Georgia. I think it is a splendid measure and that it will get us in a most effective and efficient way aviators that we will sorely need as our air program develops. By the induction of men of the right caliber into this service, in the years to come I can see that they will constitute the leaders of commercial aviation in this country.

As the Budget came to us, it provided for developing 348 enlisted men as pilots and carried the money for so doing. The aviation-cadet arrangement was later determined upon as a better solution and will cost, for the first year, but relatively little more. My judgment is that the advantages of the new arrangement fully warrant the added cost.

For training enlisted men as pilots the Budget carries $2,714,250 under "Aviation, Navy"; and $389,009 under "Pay of the Navy."

The cadet arrangement becomes entirely an expense to the Reserve appropriation, and we have transferred those two amounts to the Reserve appropriation and added $124,573, or a total of $3,288,252, which is the sum estimated necessary to pay the cost. In connection with the amount transferred from "Aviation, Navy", I feel I should call your attention to the fact that the Bureau of Aeronautics does not willingly relinquish $1,468,650, for the reason that the Bureau's original estimates were reduced by the Bureau of the Budget, but the committee does not understand that the Budget cut was intended to disturb the amount allocated in the Bureau's estimate for training enlisted pilots.

As to the transfer from "Pay of the Navy" of $389,009, but $189,776 of that amount was suggested by the Department, the difference of $199,233 represents the amount included in the estimates for the pay, subsistence, clothing, and transportation of 348 enlisted men which it was originally planned to train as aviators. Since they are not to be used for that purpose they would therefore be surplus to the increase in enlisted strength of 11,000 men for which the estimates include provision, so we have used that amount to help pay the cost of the aviation-cadet arrangement.

RESERVE FORCES

From the standpoint of the aviation branch of the Naval Reserve the aviation-cadet plan will supply a long-felt need. There should be some expansion in the number of enlisted men identified with Reserve aviation, and the committee would expect for that deficiency to be taken care of as soon as a plan can be worked out, looking to the day when aviation cadets will begin to pass into an inactive status. For the sea-going branch of the Reserve provision is made for drill pay—48 drills—and training-duty pay for all fleet reservists now enrolled; and there is a new provision in the Budget which the committee has approved for training 122 officers and 250 men of the volunteer branch of the Reserve.

Very plainly, I will say to you, that this budget does not satisfy the Naval Reserve Officers' Association, but we cannot permit our Budget to be written by self-centered interests, and I mean no disrespect when I say that; but such interests are not concerned with nor do they have any responsibility in connection with the fiscal policy of the administration; and if we should permit ourselves to be led by such influences I do not know what the result might be. The committee talked the matter over very frankly with the Chief of Naval Operations. He maintains an appropriation priority list, and he told us that if we contemplated adding money to the Budget he was prepared to suggest many very important uses of much higher priority. There is considerable confusion about the various Reserve forces. They are upon a different status as to pay and clothing, and our committee is trying to work out some uniform system for reservists. What we have done is this: We have asked the admiral, and he has agreed to appoint a board of officers to go into the whole question of the Reserve forces and to give us the benefit of the board's ideas and conclusions and his recommendations thereon at the next session. We think the committee can then act more intelligently upon this subject.

CRITICAL RAW MATERIAL

You will find on page 32 of the bill an entirely new proposition. I am sure it will appeal to every Member of Congress who believes in military and naval preparedness. All of you know how dependent this Nation is upon foreign sources for certain absolutely essential materials used in the production of armor, armament, and ammunition. That dependence is because the demand has not justified proper domestic development. It is believed that we have the resources within the continental limits of the United States and Alaska. The extent, however, is only partially known. The field has not been thoroughly explored. This committee feels we are pursuing a most incongruous course in building up military and naval establishments, whose very ability to function may depend upon the immediate availability of an adequate supply of what are spoken of as "critical raw materials" or certain strategic minerals, the foreign supply of which could be cut off immediately. We are therefore initiating a plan with the view to finding out if we may not establish complete independence as to such materials which we are now looking to foreign markets for.

I will not dwell upon this subject, but merely bring it to your attention, because it had its inception with our distinguished colleague and committee member, Governor SCRUGHAM, of Nevada, who is an authority upon this and many other technical questions. I want to say right here, Mr. Chairman, what a tremendous asset it has been to this committee to have as a member a man of Governor SCRUGHAM's ability and having the technical knowledge and training, both in civil and military life, which he possesses, but I cannot stop there. I have had the most able assistance and the finest cooperation from my other colleagues on the committee—the gentleman from North Carolina [Mr. UMSTEAD], the gentleman from Ohio [Mr. THOM], the gentleman from Michigan [Mr. MCLEOD], and the gentleman from Pennsylvania [Mr. DITTER]. Unfortunately, our esteemed friend and colleague, Mr. JOHNSON of West Virginia, was precluded on account of illness from assisting us with our problems. I owe each of these gentlemen a debt of grati-

tude. There are no finer men anywhere, and it has been a pleasure to work with them.

Getting back to the raw material proposition, I am sure Governor SCRUGHAM will give you all the enlightenment there is to give touching the committee's proposal.

PUBLIC WORKS

With the advent of the Public Works Administration and its appropriative powers Navy public works have been financed very largely out of relief moneys. As of December 1 last, the Bureau of Yards and Docks had received grants from that quarter aggregating $27,832,072. Despite the fact that it now appears that the Navy may participate in additional funds provided for the relief of unemployment, the Budget includes $4,500,000 of specific appropriations for projects, the desirable character of which is not questioned, but which for the most part are so involved with P. W. A. that your committee is unwilling to recommend to you direct appropriations until we may know as to the projects in that category just what the procedure as to their future financing is going to be.

You Members will agree with me, I am sure, that no project should be undertaken with a P. W. A. allotment not adequate for its completion; nor should an inadequate allotment be applied for or granted. We find in these public-work estimates projects started with P. W. A. funds which will not be brought to a close with the direct appropriations we are now asked to appropriate. Two of the projects were started with P. W. A. funds and there is an application pending with P. W. A. right now for funds in addition to those we are asked to appropriate. I am opposed to this manner of providing public funds. It should be stopped.

Because of that state of affairs we have refused to recommend an item of $2,750,000 for dredging and harbor and channel improvement at Pearl Harbor; an item of $225,000 on account of the radio station at Lualualei, Hawaii, and an item of $175,000 on account of the radio station at Summit, Canal Zone.

The dredging and harbor-improvement project is an enlargement of one upon which we expended $6,000,000 about 5 years ago, which was authorized by the Committee on Naval Affairs. The Navy concluded that the completed original project did not answer its requirements and has proceeded to expand it with an initial allotment of $3,000,000 granted by P. W. A. We are now asked for $2,750,000 additional. There is an application pending with P. W. A. for a further allotment of $2,203,000 for providing mooring facilities when the additional dredging shall have been completed, and we are told that even then there will remain work unprovided for estimated to cost $1,900,000. The committee must have more information upon these items of so great expense before recommending approval of same.

There is another phase of this matter that is somewhat disturbing, and that is there is no competition for doing the work. The Hawaiian Dredging Co. is the sole bidder for such part of the work as neither the Army nor the Navy has the facilities to perform. The committee is opposed to any further money being made available for this project until it can assure the House that such portion thereof as may be let to private contract will be at cost plus a reasonable profit, as determined by Army engineers.

The radio-station items to which I have referred are objectionable upon grounds very similar to the dredging item about which I have just spoken.

Three of the public-works projects have no legislative authorization, and, under our rules, the committee is unable to include provision for them. These are the items touching Thatchers Island, Mass.; Folly Island, S. C.; and San Juan, P. R.

We are recommending for your favorable consideration an item without Budget support for equipping the navy yard at Charleston, S. C., to undertake the construction of two destroyers instead of one. The unit cost of the lighter type of the destroyers we are now building is $6,155,000. The committee is advised that the saving that would ensue from building two vessels in the same yard simultaneously would range between 6 percent and 12 percent, which would seem to be ample justification for an expenditure of $300,000 at Charleston, with a saving of such proportions in view.

The CHAIRMAN. The gentleman from Kentucky has consumed 1 hour.

Mr. CARY. Mr. Chairman, I yield myself 20 additional minutes.

The CHAIRMAN. Without objection, the gentleman from Kentucky is recognized for 20 additional minutes.

There was no objection.

AVIATION

Mr. CARY. The aviation estimate came to us this year under two heads. Provision for projected airplane procurements of replacement character was included under the regular aviation appropriation head, and additional procurements, looking to building to the goal of 1,910 planes, exclusive of reserve planes, as contemplated by the Vinson-Trammel Act, were provided for under the head of "Increase of the Navy." Combined, the estimates call for a total of $52,000,000, which is quite a handsome sum of money. Eight million five hundred thousand dollars of that sum, however, will be needed to satisfy prior year contract authorizations, leaving for new obligations $43,500,000, which works out to be about $13,600,000 in excess of the amount available the present year if we take into consideration pay restoration and procurements being made under an allotment of $12,902,772 of the appropriation contained in the Emergency Appropriation Act, fiscal year 1935.

Of the total amount estimated, $26,500,000 is allocated to the procurement of 282 replacement planes and 273 additional planes, or 555 planes all told. The Chief of the Bureau of Aeronautics has indicated to the committee that delivery under this program will extend into the fiscal year 1937 and that for that reason $5,000,000 of the amount estimated will not need to be appropriated at this time. Consequently, the committee has substituted contract authorization for that amount of cash, which shows as a reduction in the estimate and which, of course, it is, but at the same time it is just a deferment.

Besides this deduction the committee has transferred $2,714,250 to the reserve appropriation in connection with the aviation-cadet proposition, about which I have already spoken.

The real reductions are in two projects and total $3,764,400.

The first and larger one has reference to spare engines, spare parts, and spare planes. The estimate includes an amount for the procurement of 25 percent spares. The committee feels that that is too high. The art is developing so rapidly that it is very evident we would be accumulating a lot of spares for planes that will fade out of the picture by reason of obsolescence before they would be needed. We have allowed for spares on a 10-percent basis and have taken off $3,180,000 in consequence of that course.

Lighter-than-air funds yielded the remainder of the actual cut we have made in the aviation estimates. As the estimates came to Congress, $1,262,200 was included therein for naval lighter-than-air activities. The equipment we then had is detailed on page 524 of the hearings. Included, of course, was the ill-fated *Macon*. The complete loss of that ship presented an entirely different situation. The estimates included funds for its operation, care, and maintenance, and for its home base—the newly completed station at Sunnyvale, Calif., where we have an investment of approximately $5,000,000. The estimates, apart from pay and allowances of commissioned and enlisted personnel, included something like $760,100 for and on account of the *Macon*, as follows:

Photographic equipment and supplies	$1,800
Maintenance and operation of Sunnyvale and *Macon*	546,300
Helium and helium containers	85,000
Replacement equipment for *Macon*	100,000
Mooring masts	5,000
Experimentation with airship engines	18,000
Development of instruments	4,000
Total	760,100

The Department is proposing to give up but $275,800 of that amount. The difference of $484,300 it is proposing to use as follows:

It wishes to continue Sunnyvale in operation as a heavier-than-air station to take some of the load off of North Island, at San Diego. That will cost $360,000.

It proposes to concentrate its nonrigid activities at Lakehurst, where it is also continuing to experiment with the *Los Angeles*, secured to a mooring mast. We have three nonrigid left, one being at Sunnyvale. The suggestion is that the original allocation for Lakehurst, $205,700, be increased by $34,400.

It is proposing to increase the original allocation for airship development from $55,000 to $75,000, and besides a new nonrigid, estimated to cost $120,000, for which the original estimates made provision, the modified proposal is to build another at a cost of $70,000.

This well illustrates how difficult it is for the Government to get out once it has entered upon any field of activity.

My friends, I still believe in the potential value of lighter-than-air ships in the commercial field but, frankly, I am not willing to concede that they have any value to us for naval purposes, and I may say that I have support for that view of some mighty good naval judgment. I feel the same way about these little nonrigids, which some die-hards think have value for coastal patrol purposes. I would not give 1 good airplane for 10 of them.

My thought would be for the Navy to step out of the picture, lock, stock, and barrel; and if the Government wishes to continue to aid in developing the commercial possibilities of airships, let us turn it over to the Department of Commerce, the National Advisory Committee for Aeronautics, or some other civil agency, and subtract the expense from the naval budget.

Our proposal in this bill is not as liberal as the Department's suggested modification of the original estimate; but, in my judgment, we have been more than generous, and I am more afraid of criticism on that score than of being charged with parsimony. We have reduced the estimate $584,000, or $308,600 more than proposed by the Department. We have refused the increase of $34,300 for Lakehurst, holding to the original estimate figure of $205,700; we have reduced the revised estimate for Sunnyvale by $154,300, allowing the same amount there as at Lakehurst; and we have allowed $70,000 for building a small nonrigid, instead of one costing $120,000, originally estimated for, and two, costing in all $190,000, as subsequently proposed.

INCREASE OF THE NAVY

I shall turn now to new ship construction, which is responsible for more than half of the increase carried in this bill. The estimates under this head, as modified by a supplemental recommendation, total $136,100,000. That sum divides in this way:

We are building in Government and private yards today 68 vessels of war. Two of that number are small gunboats and are not treaty-controlled ships. Of treaty vessels the number is 66.

Thirty-two of the sixty-eight vessels are being built under an allotment of $238,000,000 of the original National Industrial Recovery appropriation of $3,300,000,000, the act authorizing such appropriation having provided for the application of a portion thereof, at the discretion of the President, for constructing naval vessels "within the terms and/or limits established by the London Naval Treaty of 1930 and of aircraft required therefor." These 32 vessels are not involved in this bill at all, although I may say that our information is that the original allotment for their construction will fall short of doing the job completely by $55,508,000.

Omitting such vessels, which include the 2 gunboats I have mentioned, leaves 36 vessels now under way.

Sixteen of this number have been started under appropriations carried in prior naval appropriation acts, and six of them will be completed during the present fiscal year. On account of the remaining 10 there is included in the Budget $51,542,500. Included in that figure, however, I should say, is a relatively small amount under ordnance for some finishing-up expenses on account of five other vessels now classed as built.

The remaining 20 of the 36 vessels building, to which the estimate applies, were commenced under an allotment of $23,630,000 of the appropriation, "Emergency relief and public works, 1934 and 1935." The Budget includes $55,177,500 for carrying forward work on those vessels.

Therefore, for and on account of existing construction, 30 vessels, the Budget carries $106,720,000, in addition to which we are advised that there will be expended during the next fiscal year $86,830,719 on account of the 32 vessels being built out of the allotment of the first relief appropriation. That makes a total expenditure program of $193,550,000 for the fiscal year 1936.

Then, of course, as I indicated early in my remarks, the Budget includes $29,380,000 for the initiation of work on 24 additional vessels, making a total Budget recommendation for new construction of $136,100,000.

On account of all these programs, in addition to the amount in the 1936 Budget, we are advised that appropriations in excess of $322,000,000 will be needed for their completion.

I have told you of the course we are proposing with respect to the new units the Budget contemplates commencing, and as I then indicated, we have subtracted $16,690,000 because that amount is all that is necessary to begin the construction of the 24 additional vessels and will adequately carry on the building program. In addition to that, we have disallowed $615,000 included in the estimates for charging the pay of certain employees to regular appropriations which is now lodged as a charge against the first allotment of relief money, and where it is rightfully lodged in our judgment. These two changes, plus a transfer of $1,200,000 for aviation ordnance from "Increase of the Navy" to "Ordnance and Ordnance Stores" constitute the only deductions we have made in the shipbuilding estimates.

EDUCATION OF OFFICERS FOR STAFF DUTIES

There is a matter that came to our notice during the consideration of this bill that does not immediately affect naval expenditures, or at least, no more than negligibly so, and I feel that I should comment upon it before concluding.

As you all know, naval officer personnel is divided into two major groups—the line and the staff. The first is a whole but the second subdivides into the Construction Corps, the Supply Corps, the Corps of Civil Engineers, and the Medical Corps. That enumeration will suffice, for what I shall have to say applies to the first three corps, that is, the group that builds our ships, the group that purchases and disburses and accounts for money and stores, and the group charged with naval shore construction and maintenance.

The law provides that—"Midshipmen on graduation shall be commissioned ensigns in the Navy, or may be assigned by the Secretary of the Navy to fill vacancies in the lowest commissioned grades of the Marine Corps or staff corps of the Navy."

Up until about a year ago the practice had been to commission graduates directly into the Supply Corps. Entrants into the Construction Corps and the Corps of Civil Engineers were chosen from Naval Academy graduates who had been at sea following graduation from 18 months to inside of 2 years. Men volunteering and designated were sent to technical schools for postgraduate instruction and were commissioned in their appropriate corps after or just prior to the lapse of 3 years from date of graduation. Such men, and the men going directly into the Supply Corps henceforth were specialists.

Under a new policy the Department has set up, without even consulting anyone connected with the legislative branch of the Government, so far as I know, supply officers will not come directly out of Annapolis. Supply officers, construction officers, and civil-engineer officers of the future will be composed of men who have served in the line up to and including the grade of lieutenant commander and who may volunteer for such postgraduate instruction as will equip them to enter upon the duties of officers of such corps, who, upon the completion of such special instruction elect to become permanently identified with such corps,

They may be men out of Annapolis as much as 10 years or more.

Let me read you a provision in legislation which the Department is now seeking in connection with this new arrangement. Listen—

That the President of the United States is hereby authorized, by and with the advice and consent of the Senate, to transfer and appoint officers of the line of the Navy, not above the grade of lieutenant commander, to the corresponding grade in the Construction Corps, Civil Engineer Corps, or Supply Corps, without regard to the age of the officers so transferred and appointed.

Mr. Chairman, the proposal borders on the ridiculous to me. I have not yet heard one good common-sense reason advanced for it. Every man on this floor knows Admiral Peoples. He is a staff officer and is at the head of the Navy Supply Corps. I maintain that the Navy has the most efficient purchasing and stores accounting system in the Government. That system was initiated by Admiral Peoples at a period in his career when under this new proposal he would just be beginning to learn the rudiments of the duties of a supply officer. Let me read you what the former chairman of this committee, the Honorable William A. Ayres, of Kansas, had to say about this proposition in a letter he wrote to the Navy Department when it was called to his attention after the last appropriation bill had been disposed of. This is what Mr. Ayres said:

I sincerely hope that, aside from requiring that all appointees of the staff corps, save the Medical Corps, be Naval Academy graduates, no action will be taken requiring service in advance of postgraduate instruction necessary to fit candidates for assuming the duties of the corps selected and appointed to upon graduation. I am irrevocably opposed to disturbing the staff corps. I see in the proposal an effort to compromise with those who entertain the amalgamation idea. If all officers, line and staff, be similarly indoctrinated, as they would be if taken from Annapolis, I think that would be about as far as it would be practicable to go without interfering with efficient and economical procedure. This is a day and age of specialists. It is becoming more and more so. The tendency should be to make each specialist a better specialist. I am rather skeptical that the proposed procedure will work otherwise. It is my judgment that the Navy's high standing in the business world today is entirely owing to its efficient staff corps. These corps are efficient, not alone because of the inherent fine qualities of the individuals composing them but to that intangible essential—corps pride, corps spirit. If it be not preserved and fostered, in my judgment, irreparable harm will be done. I am fearful that the proposal is a backward step.

Of course, it is a day and age of specialists, and I do not propose to see, without protesting to the utmost, these splendid, efficient, naval staff corps rendered less efficient or detracted from one iota.

As I said in my report, staff men are purely specialists. They should become specialists just as early in their careers as may be possible and not wait to begin when they should be in the prime of their careers as specialists. The plan ignores efficiency and has no regard for economy, and I hope the House will join with us and support our proposal on page 8 of the bill designed to stop this unwarranted scheme.

Mr. Chairman, that concludes what I have to say at this time. The committee has given a great deal of time to this bill, having in mind at all times the needs of the Navy and a proper safeguard for the Treasury. Some phases of it I might change, if left to me alone. You may feel the same way, but, as a whole, I think it is fair and will meet the approval of the Navy Department and the country. I am sure I may say that it has the endorsement of all my colleagues on the committee who collaborated so diligently in its preparation, both Democrats and Republicans. I want to again express my appreciation to them for their splendid cooperation.

I thank you. [Applause.]

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. CARY. I yield.

Mr. MAVERICK. The questions I want to ask are for the purpose of getting information, and not to criticize the able gentleman from Kentucky, because the gentleman has a job that I am glad I have not. I think it is a horrible thing when we spend this much money for war preparations; and will the gentleman explain to this Committee the difference in use between the submarine, the destroyer, the cruiser, and the battleship, and how much money is going to be spent on submarines? I ask this question for the reason that during the war Germany used submarines very successfully, and I am informed with respect to the use of battleships that battleships can be easily bombed and that we are wasting money in building battleships. I do not know myself, and I am asking this as a conscientious question.

Mr. CARY. The gentleman has propounded a very technical question, and one that would require considerable time to answer. As to the building program, there is set out in the report the number of each kind of war vessel we are going to build and the unit cost of each type. The whole program is one of replacement of over-age tonnage.

Mr. MAVERICK. I think that is a question that ought to come up, and I now want to ask my friend another question.

The gentleman said he thought our Navy should be the mistress of the seas and that it should be unequaled by any other nation. I think we should have a Navy for defense; but why should we be the mistress of the seas? We do not want to have our Navy all over the world getting us into trouble. Why should we be the mistress of the seas?

Mr. CARY. I do not think we ought to have it all over the world. I think the gentleman agrees with me. We know that this is the greatest Nation on earth, and we ought to have the greatest measure of national defense, because we have more to defend. [Applause.]

Mr. MAVERICK. It has more to defend in one place than another.

Mr. CARY. We have a great coast line on the east and also on the west, which makes necessary a great Navy. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. McLEOD. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, it is not my purpose at this time to make a detailed answer to my good and distinguished friend from North Carolina [Mr. WARREN].

Mr. MILLARD. Mr. Chairman, I think we ought to have a quorum present. The gentleman from Massachusetts has a message that ought to be listened to.

The CHAIRMAN. The gentleman from New York makes the point that no quorum is present. The Chair will count. [After counting.] One hundred and two Members present—a quorum. The gentleman from Massachusetts will proceed.

Mr. MARTIN of Massachusetts. Mr. Chairman, I repeat that it is not my purpose to make a detailed reply at this time to my good and distinguished friend from North Carolina [Mr. WARREN]. That will come later. However, I do feel some statements he made must not go unchallenged at this time.

In the last few days it has been apparent there is a studied effort being made to draw across the trail of an honest fight to save a great industry, the red herring of partisanship and sectionalism.

I do not know whether the gentleman who spoke this afternoon speaks for the administration or not, but the applause which was accorded his remarks from the Democratic side of the House might lead me to believe this to be the case.

If that is so I am sorry. I am sorry for the hundreds of thousands of toilers who work in the textile factories. I am sorry for the small-crop cotton grower of the South. I am very sorry for the South, because if the policy the gentleman from North Carolina is advocating continues very long there can be no real future for the South.

We have heard how the cotton-export trade of the South has vanished. Mark my words, if the process tax is continued as it now stands, the South inevitably must return to a civilization built upon a crop of 6,000,000 bales of cotton.

I am sorry if this is to be the policy of the administration. I want to state most emphatically we who have been fighting for the preservation of a great industry; we who have been fighting for two great sections of the country, North and South, are not moved by partisan spirit.

It could not be partisan spirit that moved Senator GEORGE to rise in the other Chamber and request this processing tax be removed from the cotton industry and be taken from the huge relief fund, where it belongs.

There can be only one justification for this tax. The one purpose for which we could raise money is for the relief of the cotton growers of the South. If it is a relief problem, one industry should not bear a pay-roll tax of 50 percent in order to give relief to the distressed farmers of the South. It is too burdensome and cannot bring anything except ruin.

I am neither sectional nor partisan, nor am I opposed to the southern cotton grower. I read now several paragraphs from a speech that I made on March 18 last:

> I am neither sectional nor partisan in my consideration of this problem. The cotton grower and the cotton spinner, whether they be in the North or the South, have a common bond of interest. It is decidedly to the benefit of each that the other shall be prosperous. If the cotton grower obtains a fair price for his cotton, he will be prosperous and he will have the purchasing power that will materially contribute to the activity of the cotton spinner. If the price is too high, beyond the figure which the consumer will pay, there will be a lessened demand and the grower and spinner alike will suffer.
>
> If the cotton spinner is unduly penalized, if he is forced out of business, the grower loses a home customer which he will never replace. If the price is forced beyond a figure which will permit the export trade, there is sure to be an economic crisis in the South, because more than half of the cotton grown has in the past found its way to foreign countries.

Mine surely is not a partisan appeal, and I repeat, Senator GEORGE is not making a partisan appeal; Senator SMITH, of South Carolina, is not making a partisan appeal, when he opposes this tax. The Senator from North Carolina, Senator REYNOLDS, is not acting as a partisan when he opposes the tax on the cotton-spinning industry; nor is the Senator from Massachusetts [Mr. WALSH], nor the Senator from Rhode Island [Mr. GERRY], nor the Senator from Massachusetts [Mr. COOLIDGE]. These are all Democratic Senators. They know this policy is one which is going to bring disaster and destruction to a great industry in this country. The southern Senators know some more equitable solution is available, one which will help the cotton grower and not bring ruin to five times the number aided.

I said in the beginning, it looked as if a studied effort was being made to involve this great fight for an industry in a partisan and sectional strife. I deplore that and denounce it with all my vigor. The effort will not prevail because there is no basis to support it.

A few days ago the Secretary of Agriculture went to Brunswick, Maine, and enunciated a similar appeal to that which was uttered in the House today. Mr. Wallace made a sectional speech. He is trying to arouse sectional hatreds in this country; trying to fan hostility against New England to advance his own unsound policies and unwise experiments. If I were selfish, if I were only concerned about trying to build up the Republican Party, I would rejoice in these utterances. This attitude is certain to aid the Republican Party, but that is not what I am primarily interested in. I want to save an industry.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. TREADWAY. To ask who the gentleman thinks is the better judge of conditions in New England, the gentleman himself and others from his State representing textile districts, or the gentleman from North Carolina [Mr. WARREN], who spoke this morning, and the Secretary of Agriculture, Mr. Wallace, to whom the gentleman is now referring?

Mr. MARTIN of Massachusetts. There is no question about New England. I do not think any Democrat from New England will stand on the floor and say he favors the cotton-processing tax, but I want to emphasize that this is not a New England fight. There are just as many people in North Carolina who are heart and soul in favor of the transfer of this cotton-tax burden from the cotton industry. The North Carolina mills are closing just as well as they are in New England. It is not only the New England mills, but the southern mills as well, that are in jeopardy. That is why there is this alliance which is deplored today in the House. Unity in action has been brought about between the North and the South—between all engaged in the textile industry—all are fighting shoulder to shoulder, because they realize only through unity of action can a great industry be saved.

A committee has been appointed by the President to review the troubles of the textile industry. One can only pray for the textile industry. The committee is to inquire not only into the processing tax, but also into Japanese imports, which is a vital matter. Who is on that committee? There is the little Caesar who heads the Department of Agriculture, Mr. Wallace. He is a member of the committee. Did anyone ever know when he uttered a statement which would give any protectionist a single hope?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. KNUTSON. When Secretary Wallace appeared before the Committee on Ways and Means he stated that in his opinion any American industry or activity that could not stand on its own bottom and meet foreign competition should go out of business and go into something else.

Mr. MARTIN of Massachusetts. The gentleman has made a contribution against Secretary Wallace. You can go through all of the magazines and the newspapers, wherever his quotations are carried, and you will find the same line of thought runs in all of his statements. Then we have Secretary Hull as a member of the committee. No finer or more beloved gentleman lives in this country than Secretary Hull. I served with him in the House and I have great admiration for the man. I know his honesty and sincerity; but I ask anyone here if he would ever expect a ray of hope to a protectionist to emanate from Secretary Hull?

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Not now; I want to continue further. This administration is doing a tremendous injustice to the textile industry. A year ago we had a very profitable trade with the Philippine Islands. Enough textiles were sold in those distant oriental islands to keep the mills in a city like Fall River going full time for 1 year. Lately Japanese products have been pouring into the islands until the American trade has almost vanished. The Filipinos realized they must buy some goods from America if they are to sell to America. They knew it was not a wholesome situation for either them or the United States, and they asked that a ban be placed on Japanese imports. The island government would have enacted the legislation which would have saved this rich market for American goods.

The State Department sent out a message with the result that nothing has ever been done and the outlook is dubious. More American jobs vanish daily and nothing is done about it. As Japanese goods pour into the Philippines, it is going to be difficult, if not almost impossible, to recover the lost trade. The people of that distant island will become accustomed to the cheap Japanese goods and will not want to pay the price the American mills must obtain. We are not whining, as Mr. Wallace said in Brunswick, Maine; we are not complaining; we are fighting for our very existence. I contend every man has a right to fight for the preservation of his own people. It ill becomes any man to try to curb this right; particularly one who champions special privilege.

Mr. CONNERY. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CONNERY. Now that the gentleman from North Carolina is present, I just want to say that the gentleman from North Carolina referred to this not being just a recent affair, but went back some 8 or 10 years. The gentleman from Massachusetts [Mr. MARTIN] knows as well as I do that the reason those mills left New England and went south was the low wages in the South, the long hours of labor down there, and until we got the N. R. A. and the 40-hour week, we did not get any break at all in the North. The ones which stayed there are the ones we are trying to protect today.

Mr. MARTIN of Massachusetts. The gentleman is exactly right. I might add that as the barriers become more equal, all of us have an opportunity to live.

Mr. FIESINGER. Will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes; just for a second.

Mr. FIESINGER. I wanted to ask the gentleman a question that is in no sense a criticism of his argument. The gentleman advocated putting upon the Government the process tax on cotton. Would the gentleman also do that with wheat and hogs and all these other things?

Mr. MARTIN of Massachusetts. I have not gone into that.

Mr. FIESINGER. I simply asked that——

Mr. MARTIN of Massachusetts. Now, I am going to answer the gentleman in my own way. I have not gone into detail concerning those other commodities. There are some commodities which might pass that tax along to the consumer. I do not know as to that. That would be a matter for study. I know as far as the cotton-textile industry is concerned at present it is impossible to pass that burden along to the consumer. Why? Because other commodities that are competing with cotton do not carry a processing tax. The result is there is a greater demand for rayon or some substitute which the purchaser can secure.

Mr. FIESINGER. The reason I ask the question is that I have in my district concerns which process hogs alone. They claim they are being forced out of business because of the processing tax. I have a situation right now that is very disturbing in my district because of the processing tax. I wanted to know, therefore, whether the gentleman advocated putting all processing taxes upon the Government?

Mr. MARTIN of Massachusetts. Well, I do not know about the hog situation.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mrs. ROGERS of Massachusetts. Is it obvious that the administration is not only throwing overboard the New England Governors, Democrats as well as Republicans, but also southern Democrats who are fighting to save their mills and the markets for the raw-cotton workers? Over 10,000,000 people are dependent upon the cotton industry.

Mr. MARTIN of Massachusetts. I will say to the lady that when we go to the White House—if we are ever permitted to go—we will present a petition signed by more than 70 Members of Congress. In that petition will be signatures from more than 19 States, and they include both Democrats and Republicans alike. There is going to be no special group go to the White House. Anyone who is honest and sincere about winning this fight will be privileged to come. If we are thrown overboard, it certainly means a rebuff to a great part of our population and to Democrats and Republicans alike.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CHRISTIANSON. I was going to make a suggestion in connection with the question which the gentleman from Ohio asked the gentleman from Massachusetts. The purpose of the processing tax on wheat, corn, and hogs as compared with and contrasted to the processing tax on cotton, as I understand it, was to secure a reduction of acreage. Acreage reduction is practical in connection with corn and wheat because the total production is not greatly disproportionate to the domestic demand. But there is no intention upon the part of the cotton farmer, by means of the processing tax or otherwise, to curtail his production to such an extent that he would produce only for the domestic market.

The cotton farmer must rely upon the foreign market, else the whole Cotton Belt goes broke. So there is a reasonable justification for the processing tax on corn and wheat which cannot be asserted with respect to the processing tax on cotton.

Mr. MARTIN of Massachusetts. Cotton is dependent primarily upon the export trade.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes; briefly.

Mr. KNUTSON. If the Southern cotton grower is compelled to reduce his acreage to meet local demands it follows naturally that he will be driven into other lines of agriculture in competition with the northern farmer. It is to our interest, therefore, to see that he is protected just as much as the farmer of any other section.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield to the gentleman from Massachusetts, but I must decline to yield further.

Mr. GIFFORD. It was stated earlier in the day that the entire Democratic delegation from New England called on Secretary Roper. I think the Republicans would have been glad to join them, would they not?

Mr. MARTIN of Massachusetts. The Republicans from New England will join in any effort, no matter who sponsors it, that will improve conditions in the textile industry.

Mr. GIFFORD. It was made to appear as a partisan question. The other question I want to ask the gentleman is whether he can recall at any time or place during these debates that any New Englander has said anything to the effect that he did not want the farmers to have the benefit they derive from the processing tax, whether what he said was not simply that he wanted it paid some other way? We would vote for any method that would give them this money in any other way.

Mr. MARTIN of Massachusetts. I have been very careful to say on every occasion that I believed there was genuine distress among the cotton farmers of the South; that these people should be given assistance; but I have said also the present policy of affording relief, the present method of administration by the levying of processing taxes, is not wholesome or constructive. In the end it means disaster. The cotton farmer can get a dole now, but he will find eventually he has sold his birthright for a mere pittance.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I am sorry; I cannot yield.

Mr. PARSONS. I will try to get the gentleman some additional time.

Mr. MARTIN of Massachusetts. Mr. Chairman, I cannot yield.

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 7672, the Navy Department appropriation bill, 1936, had come to no resolution thereon.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 1572. An act to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.

NAVY DEPARTMENT APPROPRIATION BILL, 1936

Mr. CARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7672, with Mr. McCORMACK in the chair.

The Clerk read the title of the bill.

Mr. McLEOD. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Chairman, I rose primarily to speak about the question of Japanese imports.

That was my main purpose until diverted by the address of the gentleman from North Carolina.

The country in the last 6 weeks has been aroused to the serious situation which confronts the textile industry and many other industries because of the heavy importation of goods from Japan. It is astounding, the importations, which deprive the American worker of his chance at a job, should be allowed to continue unchecked. The figures have been given out showing where in 30 days the textile imports this year were in excess of 10,000,000 yards, or 50 percent, more than they were for the entire period of last year.

It would appear as if these startling statistics from the Government's own Bureau would arouse someone in this administration to a sense of the duty owed to the American people.

In a previous speech I pointed out the Japanese invasion was a menace to many other industries as well as to the textile industry. I spoke of the danger to the silverware, jewelry, and allied metal industries. I referred to the heavy imports of tennis rackets, rubber-soled shoes, thermos bottles, toys, paper novelties, gloves, flashlights, incandescent lamps, britannia ware, pencils, rubber goods, and many other articles which come into conflict with American prosperity.

Today I want to go into more detail concerning the silver and silver-plated hollow-ware importations. In 1928 they were a minor factor in American trade. In that year less than 1 percent of the total sales of silver-plated hollow ware in this country represented goods from foreign factories. During the last 5 years, and particularly in the last 2 years, they have jumped sensationally. In 1933 the Government figures showed approximately 15.3 percent of the total sales of silver-plated hollow ware represented goods of foreign manufacture, and, for the most part, representing Japan. In 1934 the foreign manufacturers had acquired nearly 25 percent of the home market, and this year there has been a continued upward move of imports. In August of 1934, the last month for which figures are available to compare both home and foreign industry, 42.4 percent of the goods sold in America were of foreign manufacture.

Is it any wonder, I ask, that the silver factories of Massachusetts, Connecticut, New York, Rhode Island, Maryland, Ohio, New Jersey, and Illinois are operating on short schedules and the skilled workmen are crowding the bread lines begging for an E. R. A. job? These figures may appear small as compared to other American industries, but they are alarming to those engaged in this one. And we must not forget the greatness of American industrial life rests upon the many thousands of small industries, all contributing materially to the upbuilding of the Nation.

It is interesting to note the progress of the Japanese in this highly specialized field. In 1929 they shipped into the United States silver-plated hollow ware to the value of $8,000; the United Kingdom sent $118,000; and all other countries $16,000; making total imports of $142,000. In 1930 the Japanese share of the trade was $28,000; the United Kingdom, $226,000; and other countries, $16,000; total, $270,000.

In 1931 there was a stopping of some of the gaps and a downward trend in imports was noted. That year the Japanese sent in $26,000; the United Kingdom, $188,000; and other countries, $19,000; making a total of $233,000.

There was a continuing decline in 1932 in the total, which was $209,000; but not so with the Japanese imports, which doubled as they began their drive for the American market. That year Japan sent here $47,000 worth; United Kingdom, $149,000; and other countries, $13,000.

In 1933 the Japanese sent here $209,000 worth of goods, an increase of nearly 500 percent. The United Kingdom imports increased to $209,000, and the other countries sent in $18,000, making a total of $436,000, an increase of 100 percent over the previous year.

In 1934 the Japanese sent about $420,000, almost as much as the entire imports of the previous year; the United Kingdom increased their exports to $280,000, and other countries to $24,000. The total of $724,000 is a 75-percent increase over the previous year, despite the remarkable increase that had been recorded that year. The Japanese imports had increased 1,100 percent in 5 years and were steadily growing.

These figures should be of interest to the Representatives of the silver-mining States. The silver used in the factories of America came from the silver mines of America. The more prosperous and the busier the American silver factory the better it is for the silver miner of the West.

To make the situation of the American manufacturer more difficult, it should be known they are forced into competition with clever imitations of an inferior quality. The Japanese silverware article is not a quality product, but, as turned out, it appears to the uninitiated purchaser as a fairly good piece of merchandise selling at what seems to be a bargain price. The buyer does not know that the average silver-plated serving tray, sandwich plate, vegetable dish, relish dish, or platter made in Japan has an antimony and lead base covered with a mere "flash" of silver that will disappear after a short period of service. There are no bargains in Japanese goods; but the public, deceived by low costs, do not realize that fact.

The situation is aggravated by Japanese agents who are constantly on the lookout for new designs and styles. Just as soon as they find an American-made item that is selling well they purchase a sample and rush it to Japan to be copied. In a remarkably short time there is a Japanese reproduction of inferior quality on the American market selling for one-tenth the price the American manufacturer is obliged to ask to meet with the requirements of the N. R. A. and to give his employees an American wage.

A while ago, the Tariff Commission ordered cigar lighters which were alleged to be an imitation of a lighter manufactured by the Art Metal Works, Inc., of Newark, N. J., prohibited from importation because it was considered an infringement upon a patent. Did this disturb the Japanese lighter manufacturers? Not at all. They simply went ahead and copied the product of an Attleboro concern and are now shipping in large quantities of lighters. It is impossible to expect any industry can compete successfully with this type of competition. Surely it must be obvious some type of protection is essential if we are to have any industry left in the United States.

Japan has copied all too well the mass production of the American Nation. It employs the last word in machinery, and this, plus the starvation wage scales and long hours of labor, makes an invincible foe.

Great Britain and the Netherlands have lower wage scales than we do. Yet these countries find it impossible to compete with the Japanese. The great factories of Birmingham feel the pinch of markets lost abroad. They have become alarmed at the threat upon their own home market and are taking steps to save an industry that provides a livelihood for thousands of workers. If these two countries can take steps to protect their industrial enterprises, I ask with all sincerity why cannot the Government playboys of this administration do the same?

We are spending untold millions, arming to resist a possible military attack from the Orient. I hope and pray that conflict will never come. There is no reason in the world why there should be a war in this civilized day between us and the new-born industrial Empire of the East. Destruction and disaster to both would be the result of any such clash.

The sober judgment of the thinking men of both Nations, I believe, will prevent a military war. But we cannot hide the signs that are multiplying everywhere of the cruel and destructive industrial war which is being waged right here within the confines of our own country.

Shall we remain idle and watch the industrial supremacy which was ours be destroyed? Shall we be inactive while the jobs of hundreds and thousands of men and women are lost for all time? Shall we be quiet while closed factories and stilled chimneys are the price we are asked to pay for experiments in foreign trade? Has it come to pass, I wonder, that the American people will not insist upon the preservation of the trade markets that rightfully belong to them?

If we permit one industry after another to be extinguished, as we are doing at the present time, there will be no need to spend millions for national defense. There will be nothing here which will excite the envy of another people.

The best bulwark of defense we can erect is to maintain the industries of America on a solid and prosperous basis. Keep for them the rich home market so they can continue to pay the best wages paid to any people on earth. Give the Americans business which belongs to them, and they will give the employment, which will bring happiness and prosperity to many people. Preserve these industries and we take people off the relief rolls and secure the revenue which will be essential in the years directly ahead.

Surely, there is no greater problem, none more pressing than this one, and I hope it is not too much to ask for immediate and intelligent action, which will send us along the road to recovery, which must continue to be the shining goal toward which we press.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. WOLCOTT. I would like to observe in connection with the gentleman's remarks that it is reported in today's paper that the Cabinet committee appointed by President Roosevelt to study the situation in the textile industry has rendered a tentative finding to the effect that it can expect no relief so far as the raising of tariffs was concerned.

Mr. MARTIN of Massachusetts. If this be true, and if this report is carried out, then I say the administration will rue the day they made this decision. It means poverty, distress, and destitution for hundreds of thousands of the American people. [Applause.] An outraged public opinion will not sustain any such decision.

Mr. CONNERY. Mr. Chairman, if the gentleman will permit, I would add also that the paper says the committee disagreed with the view that the trouble in New England might be because of obsolete machinery for they found that in the South where they have up-to-date machinery the industry is just as badly off as it is in New England.

Mr. MARTIN of Massachusetts. The gentleman understands that it is not a question of machinery that we are contending for; that can be remedied by private effort. What we are contending for is a chance to make a living. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. McLEOD. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, this morning the House listened to a presentation of the Democratic position on the processing tax and other good, sound Democratic doctrines. A very high compliment, in my opinion—unintentional, perhaps—was paid by the speaker, the gentleman from North Carolina [Mr. WARREN], to myself and other members of the Massachusetts delegation in designating us as the "high priests of protection." I thank the gentleman for these kind words in behalf of my colleagues and myself. We acknowledge that protection has cared for the industries of this country since its foundation; and we are glad to be able to testify to the prosperity that followed protection. We are equally sorry that when the Democratic Party comes into power it takes unto itself a wrong method of revising the tariff, an illegal method, an unconstitutional method that, forsooth, of having a bill passed providing for what are known as "reciprocal treaties." Well, if they are treaties, they should be approved by the Senate of the United States in accordance with the Constitution. This has not taken place; and now we are here as suppliants, begging Congress to do something for the industries that the Democratic Party is doing its best to break down. So I thank our friend from North Carolina, so extremely courteous, for referring to us as the advocates and supporters of the policy that has made for prosperity in this country from its foundation.

Mr. Chairman, I am not here this afternoon to answer the arguments made by that gentleman. My colleague the gentleman from Massachusetts [Mr. MARTIN] has touched very effectively on a good deal of that matter. I am more interested at the moment in a very remarkable speech made on March 6 by another gentleman from North Carolina, my esteemed friend, the Chairman of the Ways and Means Committee [Mr. DOUGHTON].

JAPANESE COMPETITION AND THE RECIPROCAL TARIFF ACT

I refer to the speech as being remarkable, not so much for its eloquence or profundity, as for its vituperative expressions and its lack of facts or reason.

We all love the gentleman, and respect his sincerity of purpose, but sometimes his partisanship and his zeal get the best of him and words fall from his lips which come neither from his heart nor his mind. In his speech he was attempting to defend a law which was not at all in accord with his previously expressed principles and precepts, and therefore we may condone many of the things he said, knowing that they were uttered only for effect and not from conviction.

The gentleman opposed the flexible tariff provisions of the 1930 Tariff Act, which made the President the agent of Congress in maintaining duties at such a level as to equalize foreign and domestic production costs. On May 17, 1929, in discussing this section of the bill, he said:

> My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus. It is too much power and authority to lodge in any man who ever has been or ever will be President of the United States.

The gentleman said, "Whoever has been." He was then referring to the past administrations, but when he added "Whoever will be President of the United States" he little thought how that expression would come home to plague him. At that time we were discussing the flexible provision which was proper and within constitutional limitations, but now he comes before this House and advocates something contrary to the Constitution and the statutes and then says we were not stating facts when we criticize him, and the "new method." I prefer to regard the opinion of the gentleman from North Carolina expressed as coming from his heart and mind in 1929 and his present references to the situation as coming from his party loyalty, if you want to call it that. However, it is more. Let us be charitable toward him and say it was party loyalty rather than dictation from either the Post Office Department or the White House.

President Roosevelt today holds the very power which the gentleman opposed, but in addition he holds absolute dictatorial power over the tariff, without the limitations imposed under the provisions of the 1930 law, and the gentleman from North Carolina, as Chairman of the Ways and Means Committee and a good Democrat, was obliged to fight for the enactment of that legislation, namely, the reciprocal tariff act.

I respect the gentleman for being a good private in the rear ranks, but he does not have to come in here and tell us what to do when we have that record of what he actually said on this floor.

Mr. Chairman, I am going to repeat to a certain degree, but in different language, what my colleague the gentleman from Massachusetts [Mr. MARTIN] has just said.

Mr. Chairman, to my mind, the present critical condition of the textile industry illustrates most plainly the danger of continuing the administration's tariff-reduction policy now being carried out under the reciprocal tariff act. Japan has begun flooding the domestic market with bleached and colored cotton cloth at prices which domestic manufacturers are unable to meet, due in a large measure to an inadequate tariff. The principal imports are of bleached cloth, on which there is at present only an ad valorem duty.

Of course, the Members will understand that as the value of an article goes down the ad valorem duty goes down with it.

The following figures, showing the importation of bleached cloth from Japan, picture the competitive situation much better than I can do so in words. Note how the imports have been increasing:

In January 1934 we imported only 3,960 square yards of bleached cloth.

By June 1934 the imports had increased to 179,948 square yards.

In December the imports jumped to 1,994,743 square yards.

In January 1935 they had increased to 2,633,295 square yards.

The latest available figures are for February, which show an importation of 4,347,739 square yards.

At the rate the imports are increasing, it is apparent that the Japanese eventually may displace the entire domestic production of bleached cotton cloth.

The Secretary of State, Mr. Hull, in attempting to minimize the effect of Japanese competition in the textile industry, states that the Japanese imports in 1934 were less than one-tenth of 1 percent of the value of cotton piece goods consumed in this country. The Secretary may be right as to 1934—I do not know—but it is the 1935 importations that are alarming. In the first 2 months of 1935 we have imported more bleached cotton cloth from Japan than was imported in the entire 12 months last year. What has the Secretary to say to that?

Even though the Japanese imports may be a small percentage of the total production, the proportion is increasing by leaps and bounds, and the Japanese price is beating down the domestic price all along the line. How long the domestic mills can continue to compete is questionable. No one is going to buy American cloth if they can secure it from Japan duty paid at a much lower price. That is why importations are increasing in such large proportions. That is why every month the importations from Japan are double what they were the previous month.

Here is some further interesting data regarding the Japanese importations. The average unit value of the bleached cotton cloth imported from Japan in 1934 was 4.2 cents per square yard. The average value of all countable cotton cloth imported from that country was 4.7 cents. How does this compare with the unit value of importations from some of the other countries? Here are the figures:

	Cents (square yard)
Japan	4.7
Switzerland	15.5
United Kingdom	21.2
Belgium	15.3
Netherlands	18.1
Czechoslovakia	15.5
Germany	32.7
France	49.0
Italy	36.5

Of course, some of these countries supply us with a finer grade of cloth than is imported from Japan, but the figures indicate that the Japanese price level is in general far below the average for the other countries. That is why we are troubled at this time only with Japanese competition.

DEMOCRATIC ADMINISTRATION OFFERS LITTLE SOLACE TO DOMESTIC PRODUCERS AND WORKERS

Recently a group of New England governors waited upon the President with a view to seeking his assistance in relieving conditions in the textile industry. What sort of a reception did they receive at his hands? According to an account of the meeting published in the Washington Post for April 13, the President listened to them for three-quarters of an hour, and then, after belittling the effect of Japanese competition, turned them over to a group of his Cabinet officers.

The Post reporter had this to say of the President's press conference following this meeting:

> After he had conferred with the governors, President Roosevelt revealed at his press conference that he had challenged their contentions as to the serious effect of Japanese importations on the industry here. He indicated that he regarded the basis of many of the textile manufacturers' complaints as propaganda.

That is what the President thought of their representations.

PRESIDENT'S CABINET COMMITTEE UNSYMPATHETIC

The press last Saturday carried a story to the effect that the President had finally appointed an official Cabinet committee to look into the textile situation. Apparently, he realized that our New England people were not going to be trifled with in a matter so vital to their welfare.

The appointment of this committee might be commended except for one thing—its make-up. The following Cabinet members compose it: The Secretary of State, Mr. Hull; the Secretary of Agriculture, Mr. Wallace; the Secretary of Commerce, Mr. Roper; and the Secretary of Labor, Miss Perkins.

From the standpoint of sympathy toward the textile industry, the President might just as well have appointed a committee of Japanese textile manufacturers to study the situation. The Secretary of State is the same man who is at present engaged in destroying the existing Republican tariff by reducing rates on every hand without regard to differences in foreign and domestic costs of production. He is the same man who, in a letter to the Chairman of the Ways and Means Committee—printed on page 5855 of the CONGRESSIONAL RECORD for April 17—says:

> In my opinion it is not only unwise as a general policy to yield to the demand for greater restrictions upon imports, but would be particularly unfortunate at this time, since such action could but weaken the leadership of the administration in the effort that it is making to reduce the many restrictions hampering the flow of international trade.
>
> * * * * * * *
>
> I believe that we should resist any effort to stampede this Government into unnecessary and unwise action against Japanese competition, whether in textiles or any other commodity.

In other words, one of the members of the President's committee feels that the dying textile industry of New England must be subrogated in favor of the whimsical and moth-eaten free-trade doctrines which he is trying to put into effect. Our mills must be shut down so as not to weaken the leadership of the Democratic administration in lowering tariffs. The livelihood of New England is to be sacrificed for the impractical and idealistic theories of one man.

SECRETARY WALLACE IS BITTER TOWARD TEXTILE INDUSTRY AND NEW ENGLAND PEOPLE

The Secretary of Agriculture, Mr. Wallace, is the same man who, in a speech at Brunswick, Maine, last Wednesday, insulted the good people of New England by saying that they were whining, flabby, lacking in guts, selfish, and unpatriotic. He is the same dictatorial person who said it was time for New England to give up her textile mills and seek new lines of endeavor, possibly the manufacture of prefabricated houses. He is the same man who, during the hearings on the reciprocal tariff bill, inferred that we should not produce in this country anything that we can buy cheaper elsewhere.

The Secretary of Commerce, delightful gentleman that he is, is the same man who appeared before the Ways and Means Committee in support of the doctrines of Secretaries Hull and Wallace respecting the removal of "trade restrictions."

So far as the Secretary of Labor is concerned, I do not know her views upon the tariff, and therefore will give her the benefit of the doubt, and will at least suppose that she is sympathetic toward the textile workers who have lost their jobs and those who are on the verge of losing them.

In view of this line-up it is apparent that the President's committee is stacked at least 3 to 1 against the domestic textile industry.

The gentleman from Michigan a few minutes ago called attention to what evidently will be the report of such a stacked-up committee as that.

AN ANSWER TO SECRETARY WALLACE

The attitude of New England toward the remarks of Secretary Wallace, to which I have referred, is ably presented in an editorial in the Boston Post, a stanch Democratic newspaper, for April 18. The editorial reads:

[From the Boston (Mass.) Post, Apr. 18, 1935]

THE WALLACE TRADE

> The speech of Secretary Wallace at Brunswick, Maine, is not what should be expected from a responsible statesman. It is the tirade of a sour, resentful man, full of bitterness because his policies have been criticized and questioned in New England.
>
> His answer to protests from this section is a torrent of abuse, some of it coarse and vindictive. He arraigns New England as "flabby", "lacking guts", "selfish", "unpatriotic", "chiselers", and a few more epithetic characterizations.

New England has taken care of her own to a greater extent than any other part of the country. We have borne the burdens of this depression with less complaint; and we have refrained from chiseling on the public funds while other States were wallowing in Federal cash.

We do not need Secretary Wallace to teach us patriotism. Here the American Republic was born. New England sons have defended it on every battlefield of every war; and while some other parts of the country, notably right in Mr. Wallace's backyard, have been howling "revolution", New England has stood firmly behind President Roosevelt and his administration.

Secretary Wallace's speech is more than an insult—it is a disgraceful exhibition of personal spite and spleen.

That is the leading Democratic paper of New England from which I just quoted the editorial.

NEW ENGLAND KNOWS THAT TARIFFS HELP TO KEEP MILLS GOING

A further answer to Secretary Wallace is found in an editorial in the Boston Herald for April 19. After referring to the Secretary's "insulting speeches and offensive remarks", the editorial states:

The Secretary's biting comments on Alexander Hamilton, corporations, and the morally "rotten, despicable" tariff are distinctly Tugwellian. Of course, New England has profited from the tariff. Every section of the country has. The more the South becomes industrialized, the more eager it will be for additional protection against foreign competition. The "rotten, despicable" thing is now a world-wide phenomenon, more impressive than ever before, and New Englanders will wonder why a tariff which helps to keep their mills going should bring down the wrath of a peevish Secretary.

INDUSTRIAL SITUATION IN MASSACHUSETTS IS ACUTE

I can best point to the seriousness of the industrial situation in New England, and particularly in Massachusetts, by quoting from a letter which I received a few days ago from one of the industrial leaders of that section. He said:

I really think the industrial situation in Massachusetts is very bad. Not only have we already lost a very large proportion of our industries but I know of several more that are on the very verge of leaving the State. Yesterday the vice president of one large industry told me that he was having all he could do to persuade his associates to continue the operation of the plant in Massachusetts.

* * * * * * *

Frankly, I do not know what anyone can be thinking of to put any further burdens upon industry. Secretary Wallace either totally misunderstands the situation and is not informed of the facts or else he has let himself get into a frame of mind that is typical of some other members of this administration, whereby he has become mentally stubborn and unwilling to recognize the facts as they exist.

I know it means very little to the Secretary of Agriculture when mills in New England close down, but I will say to him that the people of New England know what it means, and when the next election rolls around they are going to show their resentment toward the Democratic administration for the way in which they have been treated.

HAVE INTRODUCED BILL TO STEM JAPANESE COMPETITION IN TEXTILES

In order to meet in some measure at least, the present destructive Japanese competition in the textile industry, I have introduced a bill which has for its purpose the restoration of the old minimum specific duties on bleached and colored cotton cloths which were dropped in the last tariff act. The great bulk of the Japanese imports of cotton cloth is of these varieties. There is no appreciable importation of unbleached cloth, because it is protected by the same kind of a duty as I propose for the bleached cloth.

Under the terms of my bill, the duty on bleached cloth would in no case be less than three-fifths of 1 cent per average number per pound, regardless of value. Thus, in the case of cloth having a thread count of 50, the minimum duty would be 30 cents per pound. The present duty on this cloth is 30.5 percent ad valorem, but due to the low price of the Japanese imports, the rate is entirely inadequate. With a specific duty in effect, the value would be ignored, unless the ad valorem rate would bring a higher rate of duty than the specific rate.

We do not need a Cabinet committee, a tariff commission, or a congressional investigation of conditions. We need action, and the enactment into law of such a measure as I have introduced. Let the Democrats now show their great nonpartisanship by acknowledging the reason for the situation facing New England today.

ONLY HOPE FOR RELIEF IS IN ELECTION OF A REPUBLICAN ADMINISTRATION

At the present time, the outworn and idealistic free-trade theories of the Secretary of State stand in the way of adequate tariff protection for American industries and for American workers. Not alone is increased protection impossible, but the administration is now engaged in scaling down existing duties which were set up for the express purpose of protecting domestic industries from destructive foreign competition.

The only hope for industry and labor lies in the election of a Republican administration in 1936, in order that the Government of the United States may once more be run for the best interests of our own people. [Applause.]

PROPAGANDA EPITHET HURLED AT POTATO GROWERS BY ADMINISTRATION

I was very much interested in a statement given to the press by Secretary Hull on April 16, in which he said that letters from Maine potato growers relative to the proposed trade agreement with Canada were the result of "organized and directed propaganda."

It appears that the letters inferred that the administration had virtually decided to reduce the duty on Canadian potatoes. Secretary Hull did not say that the duty would not be reduced, but left that avenue open by saying:

The statement being circulated is without foundation. The recommendations with respect to individual items which may be included in the trade agreement have not yet been formulated.

The fears of the Maine potato growers are fully justified in view of the reduction in the duty granted in the case of Cuban potatoes under the trade agreement with that country, and it is proper to assume that the same attitude will be taken by those negotiating the trade treaty with Canada, as potatoes are potatoes whether grown in Canada, Maine, or Cuba. It is therefore unfair for the administration to say that they were guilty of issuing false propaganda when they were only imploring the President not to destroy their local industry.

According to an Associated Press dispatch from Houlton, Maine, under date of April 17, the Aroostook County growers resented the imputations of the Secretary's statement. One spokesman for the growers was reported to have said that they considered it an "affront." The same man went on to say that the letters addressed to the President were "genuine documents coming from the heart of an already oppressed group of farming people seeking to save their future prosperity from further menace."

Mr. PARSONS. Mr. Chairman, I make the point of order that the gentleman is not in order because he is reading into the RECORD newspaper articles that are not his own remarks, contrary to the rules of the House.

The CHAIRMAN. The Chair assumes that the gentleman from Massachusetts is thoroughly familiar with the rules of the House. The gentleman will proceed in order.

TARIFF AUTHORITY GIVES DICTATORIAL POWER OVER AMERICAN INDUSTRIES

Mr. TREADWAY. The fact that the potato growers appealed to the President rather than to Congress to save their industry from destruction only goes to show how far our system of government has been changed since March 4, 1933. Under the Constitution, Congress, in the person of the elected representatives of the people, is supposed to have full power over the tariff. Now, however, one man has full authority to say whether an industry dependent upon tariff protection shall continue to exist or shall be sacrificed to foreign competition in an effort to help some other industry.

DEMOCRATS THEMSELVES HAVE WORLD'S GREATEST PROPAGANDA MACHINE

So far as the issuance of propaganda is concerned, the Democratic administration has set up the greatest organization for that purpose the world has ever known. Every department of the Government, every alphabetical bureau, has paid publicists on their pay roll.

One of the most brazen propaganda that has been issued emanates from the Agricultural Adjustment Administration. In the issue of the Consumer's Guide for April 6 there appeared a demagogic, misleading, sarcastic, and partisan attack upon the present Republican tariff. It had no place in any official organ of the Government, especially one

which is supposed to give information and facts and not biased and prejudiced political views.

An allotment of the taxpayers' money is made annually for the printing of this publication, which has a mailing list of 70,000. It is only another illustration of the tendency of the administration to use the Public Treasury for a campaign chest. The gentleman who is responsible for this organ apparently has a very perverted idea of the proper functions of his office. I am surprised that the President would allow it to be continued.

Items of this nature are regarded as informative to the people, but correct information from other sources is rated by the administration as propaganda. It just depends on whose ox is being gored.

HIGH PRODUCTION COSTS DISCOURAGE EXPORTS, ENCOURAGE IMPORTS

The administration appears to occupy a rather peculiar position, when on the one hand it seeks to expand our foreign trade and on the other hand makes it more difficult to market merchandise abroad and to compete with foreign products in the home market by raising production costs. There ought at least to be a consistent policy. If we are going to trade abroad, we must be prepared to meet world production costs and world selling prices, and so far as the domestic market is concerned we cannot hope to withstand foreign competition, in spite of present tariffs, if our production costs are to be raised still higher above the world level.

NO JUSTIFICATION FOR LOWERING DUTIES ON COMPETITIVE ARTICLES

The administration contends that we must reduce our tariffs so that foreign nations can send us more goods with which to pay for increased purchases from us. That all sounds very well, but it is no reason why we should reduce tariffs on products which we produce at home and with which we are perfectly capable of supplying the domestic market, or at least a large part of it.

Doubtless we will buy more coffee, more raw silk, more rubber, and other noncompetitive products if foreign countries buy more from us, but there is no justification for the administration's present policy of lowering the duties on competitive articles such as sugar, cement, plate glass, textiles, and so forth, so that some other domestic industry can sell more goods abroad.

One industry has as much right to exist in this country as another. There should be no favoritism, either of one industry against another or of one section against another.

CUBAN TRADE AGREEMENT HAS WORKED TO DISADVANTAGE OF THE UNITED STATES

The President has entered into several trade agreements which involve reciprocal reductions in duties by this country and certain other foreign countries. The first agreement entered into was that with Cuba, which became effective last September.

Mr. Chairman, let us see what happened under this agreement. We have heard a lot from our Democratic friends as to the great benefit to be derived from this Cuban reciprocity agreement. Let us find out about it.

The gentleman from North Carolina [Mr. DOUGHTON] said in his speech of March 6 that I could not see any good in any trade agreement, "even if the United States gains two or three times as much as the other country involved." I would reply to the gentleman by saying that he apparently cannot see any bad in any trade agreement, even if the United States loses four times as much as it gains, as has been the case under the Cuban agreement.

It is a rather violent assumption to think that the United States will ever gain any advantage in any international dealing. When that ever happens the sun and the moon will stand still and water will run uphill. No one ever heard of such a thing. As the cowboy humorist, Will Rogers, has said, this country has a habit of winning its wars but of losing its international conferences.

Let me cite the figures in connection with our trade with Cuba during the last 12 months. The Cuban agreement was signed August 24, 1934, and became effective 10 days later. In the 6-month period from September 1934, to February 1935, we sold to Cuba merchandise of a value of $27,203,537. This represents an increase of $4,342,641 over the volume of the previous 6 months from March to August, inclusive.

From September 1934 to February 1935, we imported from Cuba merchandise of a value of $49,646,627, as against $33,298,767 in the previous 6-month period. This represents an increase in the value of imports of $16,347,860.

These figures mean that in order to sell Cuba an additional $4,000,000 worth of merchandise in 6 months, we had to import an additional $16,000,000 of merchandise. Cuba, therefore, has the advantage by 4 to 1, and yet the gentleman from North Carolina cannot see why I am opposed to this tariff bargaining.

Of course, the gentleman is something of a horse trader, as we Yankees up in New England are, but I do not think as a Yankee trader we should get into that kind of bargain. I am surprised he would sponsor legislation which would permit of this one-sided kind of bargain.

GENERALIZATION OF CONCESSIONS

Aside from the practical results of the operation of the Cuban agreement, I want to point out another reason why we cannot hope to gain any net benefit from the negotiation of these trade treaties. I refer to the administration's policy of generalizing the rate reductions granted to one country so as to make them applicable to imports from any country. Only the reductions granted to Cuba are excepted from this general policy.

The following press clipping from Mr. Paul Mallon's column in the Washington Star for March 9, just a few days after the gentleman from North Carolina made his address, tells the story very succinctly. I quote:

> The whooping new-deal publicity about the Belgian trade agreement did not say so, but there was a trick in that treaty.
>
> The lower import duties which we promised to Belgium are applicable not only to Belgium but to every other country. In other words, the reduced tariffs we granted her are really general tariff reductions.
>
> * * * * * * *
>
> The Yankee traders are now in their storm cellars here awaiting the reaction.

Just to show that this article is based on fact and not on fiction, I wish to quote from the following circular letter sent out by the Commissioner of Customs to all collectors, It is dated March 6, 1935, and reads as follows:

[Bureau of Customs, circular letter no. 1348]

TREASURY DEPARTMENT,
BUREAU OF CUSTOMS,
Washington, March 6, 1935.

To collectors of customs and others concerned:

BELGIAN TRADE AGREEMENT

There is appended hereto copy of schedule II of the Belgian Trade Agreement concluded on February 27, 1935.

The rates set forth will apply, under the conditions indicated in the headnote, to the articles described in the schedule, imported from any country, which are entered for consumption or withdrawn from warehouse for consumption on or after the thirtieth day following the proclamation of the agreement by the President and its simultaneous publication in the Moniteur Belge. The President may, however, suspend the application of the reduced rates to articles the growth, produce, or manufacture of a particular country or countries.

The preferential reduction in duties accorded Cuban products will be computed on the basis of the new rates established by this or any similar agreement.

Further information as to the effective date will be furnished when available.

FRANK DOW,
Acting Commissioner of Customs.

WE GIVE TARIFF CONCESSIONS TO ALL COUNTRIES TO GET A BENEFIT FROM ONE

Under this policy, although we receive a benefit from only one country, we extend our concessions to all countries, even those with whom we have no most-favored-nation treaties. How does anyone figure we can get any net gain under that sort of procedure? Even if we received an even exchange from the country to whom we granted a particular concession, we stand to lose with respect to all the rest of the nations of the world who grant us nothing in return.

Of course the State Department will combat this argument by saying that we are not harmed by this generalization of the rates, since the concessions are extended only to countries

which are our chief source of supply for a particular commodity. That, however, is not true. The recent Belgian agreement discloses that in the case of over a dozen of the commodities on which concessions were made, Belgium was not the principal source of importation.

In the case of cement, Belgium outranks Denmark as our chief source of supply by only a small margin. In 1934, we imported 40,000,000 pounds from Belgium and 35,000,000 pounds from Denmark, out of a total of 98,000,000 pounds. We reduced the duty on Belgian cement by 25 percent in return for a concession from that country, but we extended the same reduction to Denmark without receiving anything in return.

HOME MARKET MOST IMPORTANT TO DOMESTIC PRODUCERS

As bearing upon the relative importance of our foreign trade, I have made the statement from time to time that we normally consume within our own borders 90 percent of what we produce. No one can take issue with that statement, because it is a fact, but some persons have attempted to destroy its effect by saying that it does not apply to cotton, for example.

My answer is that I did not apply it to cotton or to any other single commodity, but to production in general. I was demonstrating that, considering the country as a whole, our foreign market is of secondary importance to our domestic market and therefore should be given secondary consideration. In other words, I was arguing against letting the tail wag the dog, as the friends of the reciprocal-tariff law propose.

There are doubtless many instances where some domestic industries export more than 10 percent of their production, but that is no reason why they should insist on pulling down the whole tariff structure and sacrifice the 90 percent for the 10 percent.

I have always insisted that we should legislate for the greatest good of the greatest number, and I still feel that this is the only fair policy we can follow. No doubt many of our great export industries would like to regain their old foreign markets, but that is no reason why all the great domestic industries that are not so reliant on foreign trade should be sacrificed for their benefit.

SOME FOREIGN MARKETS IRRETRIEVABLY LOST

There is some hope of building up the home market to the level of 1929, but so far as our export trade is concerned we must face the fact that a large part of it is irretrievably lost. This is especially true with respect to cotton, since many countries are now producing this commodity which formerly purchased large quantities from us. As a result we not only have lost many customers but have gained new competitors in supplying the demand of the remaining countries.

While the South may point to the fact that Japan is still a large purchaser of our cotton, that same cotton is being returned to this country in the form of manufactured cloth, thereby displacing an equivalent quantity of domestic cloth which would have been made from American cotton. As between selling their cotton to Japan and selling it at home, it ought to be obvious to the producers of cotton that the wisest policy would be to keep American dollars working at home.

NO REASON TO DISTURB PRESENT TARIFF LEVEL

Personally, I can see no good reason to disturb the present general level of the tariff rates. If in any particular instances the rates are too high, they can be reduced in accordance with the formula laid down by Congress in the Tariff Act of 1930, commonly known as the "flexible-tariff provision." The fact that so few changes have been made under this authority is evidence that the general level of the rates is satisfactory.

FOREIGN TRADE ON INCREASE WITHOUT RECIPROCITY

To those who say that the negotiation of reciprocal-trade agreements is the only method by which we can regain our foreign trade, I would point out that in 1934 our exports exceeded the exports for 1933 by 27 percent. Is not this evidence that the tariff-bargaining program is unnecessary? Our export trade grew to $5,000,000,000 annually under the Republican tariff law of 1922, and it can do the same again under the Republican law of 1930.

CONSTANT TARIFF MEDDLING CREATES UNCERTAINTY

Mr. Chairman, because I have frequently given voice to my opposition to the administration's reciprocal-tariff policy, the gentleman from North Carolina [Mr. DOUGHTON] states that I am carrying on a campaign of fear, and adds:

> He does not seem to be interested in letting business settle down; he does not want business confidence as long as his party is not in power.

If telling the truth constitutes a campaign of fear, then I plead guilty to the charge. However, the gentleman is entirely wrong in stating that I am not interested in letting business settle down. That is precisely what I am interested in. That is why I am carrying on this fight.

If there is business uncertainty and lack of confidence at the present time, the blame lies entirely upon the shoulders of the Democratic Party and the present administration. The extravagant spending program, the failure to balance the Budget, the uncertain monetary policy, the hamstringing of business under the N. R. A., the regimentation of agriculture—all these policies and lack of policies have contributed to the present chaotic condition of the country. The reciprocal tariff has only aggravated this condition.

Like the sword of Damocles, the threat of destruction by a flood of foreign importations hangs over the head of every domestic industry, whether agricultural or manufacturing, which is dependent upon tariff protection. Every time a new trade agreement is considered, this uncertainty is again aroused. American industries are getting the jitters. They do not know which one will be the next to be marked for slaughter.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield the gentleman 10 additional minutes.

FEARS OF INDUSTRIES FULLY JUSTIFIED

Mr. TREADWAY. Those in charge of the trade agreements may say that their fears are not justified, but let us see whether they are or not. In the President's message to Congress requesting the enactment of the reciprocal-tariff law, he said:

> No sound and important American interest will be injuriously disturbed.

That statement makes fine reading, but, like many of the glittering promises he made during the campaign, we find that just the contrary has happened. Consider, if you will, the unjust treatment which has been accorded the domestic sugar, tobacco, cement, manganese, and other important industries under the recent trade agreements with Cuba, Brazil, and Belgium.

Right now trade agreements are under negotiation with some 13 countries, including Sweden, Spain, Switzerland, the Netherlands, Italy, and Canada. In view of the way the administration has treated the other industries I have just mentioned, it is no wonder that the farmers of this country shudder when they consider the possible consequences of the proposed trade agreements with Canada and the Netherlands. It is no wonder that some of our manufacturing industries are apprehensive that they may be put out of business by the proposed agreements with Switzerland and Italy.

REPEAL OF RECIPROCAL TARIFF LAW WOULD HELP RESTORE CONFIDENCE

Mr. Chairman, I have introduced a bill which, if enacted, would do as much toward restoring confidence in this country as any other single measure. I refer to H. R. 3422, which is entitled "A bill to terminate the authority of the President to enter into reciprocal-trade agreements."

I introduced this bill on January 9, and I note that on March 4 the gentleman from Nevada [Mr. SCRUGHAM] dared to oppose his own administration by introducing a similar bill. I commend the gentleman for his good sense. Doubtless there are many others on his side of the House who feel as he does about this measure. However, we must face the fact that even if repeal legislation could be passed in Congress it would face a certain veto at the hands of the President. Thus, unless a sufficient number of Democrats

are willing to concede their mistake and change their vote, it will be necessary to wait until a Republican President is elected in 1936 to wipe this iniquitous legislation from the statute books.

PROTECTION NEEDED MORE THAN EVER

If there ever was a time in the history of our country when protection for our home producers was needed, it is now. Nothing should be done to reduce rates below the difference in cost of production of competitive foreign products.

The present Japanese competition in cotton textiles, egg products, electric-light bulbs, matches, and so forth, should be enough to convince even the most uncompromising free trader that the present policy of the administration in breaking down the tariff is detrimental to the American people. Our dairy farmers would like to see something done about stopping the tremendous increase in importations of foreign butter, but there is no chance for any action along this line with the administration committed to a policy which may result in reducing the present butter tariff.

I think, however, it is quite clear that if the American farmer, the American workman, and the American manufacturer expect to get any relief from foreign competition, it will be necessary to elect a Republican President and a Republican Congress.

The home market is their birthright, and I feel sure that at the proper time the electorate of this country is going to repudiate the policy of the present Democratic administration of writing tariff rates for the benefit of foreign nations rather than our own citizens. The American people have already had their fill of these star-chamber proceedings, where representatives of foreign governments sit in secret sessions with a group of free traders in the State Department to decide the tariff policy of this country, while their elected Representatives in Congress are forced to sit idly by, unable to do anything about it. [Applause.]

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I listened today with great interest to the remarks of my distinguished friend, the gentleman from North Carolina [Mr. WARREN]. There was merit in some of the things that he said, but, in general, I do not think his speech covered the situation insofar as the textile conditions exist today.

In the first place, the gentleman from North Carolina, in referring to the Republican administration did not give the reason but said that these mills in New England moved South during a Republican administration, which is true, but the main reason that these mills did go South, as I brought out once before here today, was because at that time you could work 60 or 70 hours a week in the textile mills of the South, and the wage was as low as $6 or $7 a week. These employers in the textile industry went South to get away from decent living conditions and from decent wages for labor in the New England States. The manufacturers who stayed in New England are the ones for whom we are fighting today. They are the ones who believe in a decent wage for labor. They are the ones who do not believe in working little children in their mills as was done in the South at that time, before the N. R. A. They are the ones who believed at that time in a 48-hour law, such as we had in Massachusetts. They are the ones who believed, in other words, in a break for labor and in decent living conditions and decent wages in industry.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BOILEAU. Is the gentleman of the opinion that the N. R. A. has helped to rehabilitate the textile industry of the North?

Mr. CONNERY. Oh, yes. I will say to my friend that he knows my opinion of the N. R. A. I have always said that the N. R. A. gave the textile industry of New England the first break it ever got from the hands of the Government. We had a 48-hour law, while the South worked 60 or 70 hours a week, and when you put the South on a 40-hour law and put Massachusetts and New England on a 40-hour law in the textile industry, even with a wage differential in favor of the South, you gave them the first break they ever got in decent, fair competition.

Mr. BOILEAU. I agree with the gentleman that the N. R. A. has helped out the industrial sections, and does not the gentleman believe that, in order to keep agriculture on a parity with industry, it is necessary to carry out an agricultural policy, with the processing tax, and so forth, to offset the harm done to agriculture and to give agriculture a chance to live also?

Mr. CONNERY. I am going to touch on that in just a moment.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MARTIN of Massachusetts. When the costs of industry were increased through the N. R. A., was not that one reason why it was essential to have more tariff protection in order that we might have a chance to sell our goods?

Mr. CONNERY. Of course, I have always believed in that and have a bill now before the Ways and Means Committee which I think would take care of this whole situation; in fact, I wrote that into the 30-hour-week law 3 years ago. I saw this whole thing coming at that time, and the labor men came to me and said, "If you put the country on a 40-hour week, while Japan and Germany and Czechoslovakia and England are working 50 or 60 hours a week at low wages, how can our manufacturers in the United States survive"? I wrote this provision in the bill, and I have it in the bill now before the Ways and Means Committee:

> Wherever the landed costs of any article or commodity—not just the textile, but any article or commodity, including agricultural products—coming into the United States are less than the cost of production of a similar article or commodity in the United States, such article or commodity shall be barred from the country.

This will take care of your Japanese situation and everything else.

Mr. MARTIN of Massachusetts. If the gentleman will permit, I asked the question because I appreciate the splendid work the gentleman has done in the past in protecting industry, and I knew what his past opinion had been upon the question, and I wanted to know if he is still of the same opinion, namely, in view of our increased costs and in view of the keen competition that exists today, does he not think it is absolutely necessary that we have a greater amount of protection than we now enjoy?

Mr. CONNERY. Yes; I know it, because my people are walking the streets today in Lawrence, Lynn, and Peabody. They are men who have been engaged in the leather, shoe, and textile industries.

In reference to the statement of my friend from Wisconsin [Mr. BOILEAU] I want to touch on that point. I know I do not have to convince him, because he knows that the first meeting ever held by the Committee on Labor where the farmers and labor joined together was held while I have been Chairman of the Committee on Labor. I do not want the farmers to be broke, because if a farmer is broke, he cannot buy the textile, he cannot buy the shoes, he cannot buy the leather, he cannot buy the electrical products and the thousands of things that are made in our industrial New England. I want him to get a decent break for his farm products, but what I would like to call to the attention of the men who represent the farm sections in this body is that the State Department is saying to the Members of Congress and saying to the country, "If you cut down on your demand that we buy only American products, and go into reciprocal-trade treaties, we will fix it a little later so that we can bring in your Argentine wheat and bring in your other products from South America and along the Atlantic seaboard, and we will sell them to you far cheaper than you can buy them from the American farmer."

I want your farmers to know about this and to look into the proposition.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BOILEAU. I want to commend my friend from Massachusetts on his broad viewpoint. I believe he is as anxious to protect the farmers as I am, but I may say to the gentleman that I do not believe we should try to help out industry by taking from agriculture what small benefits they have been able to get during the past few years. We should help industry in the way suggested by the gentleman through a higher tariff, and I am willing to go along with the gentleman on that.

Mr. CONNERY. I voted for the A. A. A., I signed the petition for the consideration of the Lemke bill, and I voted for that proposition and would be pleased to do so again.

Mr. BOILEAU. I know the gentleman has always been very fair in respect of all these matters.

Mr. CONNERY. I do not believe you can have prosperity in the United States unless there is prosperity for the farmer and prosperity for the industrial worker, and I do not say that the processing tax is the sole reason or that it is the bête noire of the textile industry. That may not be it at all. I am informed by the evidence given to us by the textile men and by the labor unions and the workers in the textile mills that the processing tax is working greatly to our disadvantage in the mills, but I say that the President has appointed this Cabinet committee to look into this matter thoroughly. They are going to start hearings Thursday, and we are going to bring down our millmen and our laboring men and everyone else concerned from New England, and we expect the gentleman from North Carolina [Mr. BULWINKLE] and the men from the Southern States to bring up their men and put the whole story before this committee; and then, I say, if the processing tax is doing all this harm, get some other way to help the farmer rather than by a processing tax. If it is not the thing that is doing the harm, all right; but we feel that that is the danger.

We feel that the Japanese importations are a menace to our textile industry. It does not do the Wisconsin farmer any good if the man on Pine Hill next to me, working for the General Electric Co., cannot buy any of the farmer's products.

Mr. BOILEAU. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BOILEAU. The gentleman should not use Wisconsin for an example, because we get no benefit from the Agricultural Adjustment Act.

Mr. CONNERY. It does no good to have a man who lives in Lawrence or Lynn to go broke. All I ask is for a committee appointed by the President to look into this matter impartially, not to look into it as a New England question but as a question for the United States of America.

When I vote on the floor I do not expect to vote especially for New England. I resented today the statement that a lot of New England manufacturers had come down here to boost or push up the price, trying to blackjack the administration.

There was a meeting downstairs in the luncheon room. They did not advocate price boosting. They predicated their demand on the fact that people are walking the streets of Lawrence and Lynn. I know what it is. I have seen it myself, and I do not like it. I do not like to see children go hungry.

Mr. BOILEAU. May I suggest that in the consideration of this proposition that the processing tax is an injury to the textile industry, we should consider also that the N. R. A. is doing an injury to agriculture.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 5 minutes more to the gentleman from Massachusetts.

Mr. CONNERY. I imagine you are not getting the whole picture. The gentleman speaks of the N. R. A.—no more child labor, no more "yellow dog" contracts, the right of labor to organize—and if it did nothing more than that it would be worth while.

I do not like the members of the N. R. A. in the textile industry, in the manufacture of automobiles, to write codes for labor. I said it is like a little lamb sitting down by a wolf and the wolf writing the contract between the lambs and the wolves.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. In just a moment. My committee reported out a bill for equal labor representation on the Code Authorities. I am for the N. R. A. I would like to see these difficulties done away with. I would like to see the Wagner-Connery labor dispute bill and the 30-hour-a-week bill passed.

Mr. BOILEAU. If I had my way, I would be very glad to substitute the 30-hour-a-week bill for the N. R. A.

Mr. CONNERY. The N. R. A. came as a result of the Black-Connery 30-hour-a-week bill.

Mr. BOILEAU. I was for the N. R. A., and I believe I have the distinction of being the only N. R. A. general on the floor.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. MARCANTONIO. On the question of writing the N. R. A., originally Congress wrote it, but since then Mr. Richberg has rewritten it.

Mr. CONNERY. That is true. That decision in reference to the automobile case in Detroit caused all of the strikes and troubles in reference to 7 (a), and you will never have industrial peace in the United States until you pass the Wagner-Connery bill on labor disputes.

Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. TAYLOR of South Carolina. Would the gentleman be kind enough to be more specific in his accusations of industries of the South and name those that worked their employees 70 hours a week prior to the installation of the N. R. A.

Mr. CONNERY. I could not tell the gentleman the names of the concerns. I mentioned them several times years ago—mills in the South that ran 60 and 70 hours, and that had child labor.

Mr. TAYLOR of South Carolina. Would the gentleman be more specific and name those that have enslaved child labor?

Mr. CONNERY. I could not give the gentleman the names.

Mr. TAYLOR of South Carolina. The gentleman ought to be more charitable.

Mr. CONNERY. If the gentleman wants the names I shall get them for him and take the floor in a few days and give him the names, the dates, and everything else.

Mr. TAYLOR of South Carolina. Will the gentleman be more specific and name those that forced their employees to live in inhuman and insanitary conditions?

Mr. CONNERY. I will give the gentleman all of that information later. I have had men come in to me who went through the mills in the South. This was 4 or 5 years ago. They said that what those workers got on their table, you would throw into your garbage can in New England. He said, "you would not have it on your table."

Mr. TAYLOR of South Carolina. Perhaps that was some eccentric investigator.

Mr. CONNERY. Oh, no; it was not. He had no bias in any way whatever, he said, "I was down through the mills of the South and saw these company homes they had them in, and it shocked me; I never dreamed such conditions existed."

Mr. TAYLOR of South Carolina. Permit me to tell the gentleman that I went to work in a cotton mill before I was 9 years old, and I worked there for 21 years, and my people now live at a cotton mill, and I do not give a tinker's damn who told the gentleman that, his information is incorrect.

Mr. CONNERY. I am sorry to disagree with the gentleman, but we have all of that. We have had investigations, and social workers, and everybody else going through the mills of the South. What wage did the gentleman get when he started?

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. McLEOD. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. CONNERY. What wages did the gentleman get when he went to work?

Mr. TAYLOR of South Carolina. I got from 5 cents a day when I started until around some twenty-odd dollars a week when I quit.

Mr. CONNERY. The gentleman got 5 cents a day when he started?

Mr. TAYLOR of South Carolina. I was learning, and they were charitable to give me that.

Mr. CONNERY. Why, nobody would ever pay so little as 5 cents a day to anyone in New England, a child or anybody else.

Mr. TAYLOR of South Carolina. But that was a different day.

Mr. CONNERY. I mean in those days.

Mr. TAYLOR of South Carolina. I started 36 years ago. The trouble about the labor situation is that New England is trying to dictate to the rest of the country what labor conditions shall prevail throughout the whole country.

Mr. CONNERY. That is right. New England says, "We want decent living wages, we won't have slavery; we want people to have a place to live in and a place to sleep in that is decent; we want them to have clean sheets and refrigerators, all of the comforts that every laboring man should have in the United States, and not be ground down." [Applause.]

Mr. TAYLOR of South Carolina. I have not seen anything out of New England that indicates that they have any more comforts among the laboring class there than they have in the South. We have those things. They have electric lights, in most instances, running water, and everything else that they can have.

Mr. CONNERY. But you have had them only since labor went down there and started to organize. Only since then have you had those things.

Mr. TAYLOR of South Carolina. They have had it for a quarter of a century.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MARCANTONIO. If the gentleman from Massachusetts would refer the gentleman from South Carolina to the testimony of Mr. Gorman, president of the Textile Union, when he testified on the Connery equal-representation-for-labor bill before our Committee on Labor, he would be convinced.

Mr. CONNERY. Yes; the gentleman should look that over.

Mr. TAYLOR of South Carolina. I would not believe it after I had read it.

Mr. MARCANTONIO. The fact that the gentleman went to work when he was 9 years old and the fact that they would allow a child 9 years old to go to work indicates what the conditions are down there.

Mr. CONNERY. And they paid him only 5 cents a day.

Mr. MARCANTONIO. And paid him 5 cents a day! What more proof does the gentleman want?

Mr. BOILEAU. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BOILEAU. I was going to ask if they would permit a 9-year-old baby to go to work in New England?

Mr. CONNERY. They would not allow a 9-year-old baby to work in New England. They would not even let him into a shop to work.

Now, I want to say this is not a partisan proposition. It is to protect the workers, who, as I said, are entitled to a decent, living wage. I hope this whole textile situation will be cleared up in order to take care of those men and women and their families who are walking the streets. Thousands more will be walking the streets unless we take care of them. [Applause.]

I thank you.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I was intensely interested in the discussion that has taken place this afternoon. Some day, perhaps, I should like to comment on that situation myself. However, this afternoon I want to discuss another matter that has come to my attention recently.

On March 18, just passed, the junior Senator from Alabama, a member of the Committee on Agriculture, apparently nettled at the repeated arguments of the Republican leaders to the effect that the present administration was emasculating the civil-service laws, and speaking in defense of the administration's policy with regard to appointing people outside of the civil service, used in part the following language:

> There has been a great deal of discussion recently relative to the extension of the classified civil service to include emergency works where appointments now may be made without regard to civil service rules and regulations. I am one of those who believe that our public service should represent the highest degree of ability to be found anywhere.

The Senator then gives a list of 1,094 persons with college degrees who have been appointed to positions in the A. A. A. within a salary range of from $840 to $2,600 per annum as justifying such appointments outside of the classified civil service.

As I understand the classified civil service, it has two objectives. First, to give to every citizen, without regard to politics, an equal opportunity to obtain such positions as the Government may have to give within that classified civil service. Second, to classify such applicants and place them in the department where they are best qualified and can render the best service.

In analyzing the list of persons given by the Senator and above referred to, I find that these appointments were undoubtedly made purely upon a political basis. For instance, Michigan, with a population of 4,842,325, received 13 appointments, while Missouri, with a population of 3,629,367, received 49 appointments. Missouri, with less than 75 percent of the population of Michigan, received nearly four times as many appointments. New York, with a population of 12,588,066, received 66 appointments while North Carolina, with one-fourth the population of New York, or 3,170,276, received 54 appointments. Pennsylvania, with a population of 9,631,350, received 50 appointments, while Arkansas, with a population of 1,854,482, or less than one-fifth the population of Pennsylvania, received 33 appointments. Oklahoma, with a population of 2,396,040, received 36 appointments, while Ohio, with a population of 6,646,697, or nearly three times that of Oklahoma, received only 34 appointments. The 15 Southern States, with a population of 37,073,654, received 449 appointments, while the 33 Northern States, including Michigan, Ohio, Pennsylvania, New York, with a population of 85,701,392, received 645 appointments.

In other words, the Northern States with 2½ times the population of these Southern States, received only 44 percent more of these appointments. It is rather interesting to note that while Arkansas, the home of Senator ROBINSON, with a population of 1,854,482, received 33 appointments, Louisiana, the home of HUEY LONG, with a population of 2,101,593, received only 9 appointments. These figures demonstrate two facts: First, that the people of America did not get an equal opportunity to obtain these positions without regard to politics. Second, that the South is in the saddle.

The second objective of the classified civil-service law above referred to is to place men in positions for which they are best fitted. In analyzing the various qualifications of the young men and women referred to in the list given by the junior Senator from Alabama, we must bear in mind that these are appointments made in the agricultural department of the Government, or the department which has charge of the farmers' interests. We find, for instance, that there are 888 out of the 1,094 people with bachelor of arts and bachelor of science degrees, while only 5 profess to know anything about milking a cow or dairying. There are 44 electrical, chemical, mechanical, and civil engineers, and 3 agricultural engineers. There were 24 bachelors and doctors of philosophy, 6 historians, 7 chemists, 10 biologists, 45 economists, 2 musicians, 2 architects, 5 premedical students, 2 specializing in languages, 3 in Foreign Service, 1 chiropractor, 1 preacher, 1 specializing in physical education,

121 lawyers, and only 70 who said they knew something about agriculture.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. ENGEL. I yield.

Mr. MARTIN of Massachusetts. And those are the men who administer the A. A. A.?

Mr. ENGEL. Those are the men that the Senator from Alabama pointed to with pride as having been outside the civil service, with some college degree after their name, and employed by the A. A. A.

There is one doctor of philosophy from the University of Cologne, Germany; another doctor of philosophy from a school with an unpronounceable name, spelled "Landwirtschaftliche Hochschule" of Germany. Imagine a bird with that sort of a connection trying to tell a Minnesota Swede how to milk a cow. I presume the 10 biologists will be placed in charge of the birth-control section of the hog department, while the 45 economists will try to tell the farmer how to spend more money that he has not got. I might add that Congress is very proficient in this art. I presume the two musicians will teach the farmer how to play "Liebestraum" so the cows will give more "contented" milk. Before we get through with all these embryonic brain trusters, we will need more than 1 chiropractor to adjust our heads as well as our backbones, and when these 121 lawyers get through with the farmers, 1 preacher will not begin to do the praying that will be necessary.

We are just beginning to appreciate what Al Smith meant when he said that the brain trusters are mistaking us for 126,000,000 guinea pigs.

I just received a copy of an edition of the National Union Farmer in which it is stated that 500,000 hog farmers had refused to sign the hog contracts despite the threats and coercion of the Secretary of Agriculture. I have listened with a great deal of sympathy to the Members from the Southern States as they told us of the plight and pitiful condition of the 2- and 3-bale cotton farmer.

I have had considerable experience in my part of the State with some of these so-called "college graduates." While I would not say one word against a man with a college education, or a college degree, I do want to say that I think a great many of them are running around the country for the Agriculture Department who would do a great deal more good if they knew more about "hogology" and "pine-stumpology" than the sciences and the arts.

While in France, during the war, we had a man in the chaplain service. He made out a grave-registration certificate for a soldier who had been killed in action. On that grave-registration certificate was a place for marks of identification. He inserted the words: "The only marks of identification found on the body were the initials 'B. V. D.' on the underwear." And that man was a college graduate.

Some time ago I had a man come from one of the universities to the north country. There was a big yoke of oxen standing nearby. He walked around one of those big oxen and examined him carefully, and finally he turned to me and said: "Is that a female ox?" [Laughter.] And that fellow was a college graduate.

You have all heard the story about Mr. Hopkins. Several members of the Ways and Means Committee can vouch for the story. He appeared before the Committee on Appropriations, arguing in favor of subsistence homesteads. He said, "Why, we are going to give every man a home, 7 acres of land; we are going to give him chickens; we are going to give him this and give him that", and, finally, he said, "to everyone we will give a mule in foal." [Laughter.]

Can you imagine a Democrat making a mistake like that about a mule? [Laughter.]

Mr. MARTIN of Massachusetts. Did he make good on that promise?

Mr. ENGEL. I do not know; but I think a Democrat who does not know his mules and a Republican who does not know his elephants is neither a Democrat nor a Republican. He is a mugwump.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. ENGEL] has expired.

Mr. McLEOD. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. ENGEL. A mugwump is one of these boys who always has his mug on one side of the political fence and his wump on the other.

I went up North some time ago, talked to the farmers, and learned how this hog-processing tax works. It is a different story from what these "brain trusters" tell you. Among others I talked to was a young sheriff, whose name was Merle Burket. About a year ago last April a man named Kemper came to Burket and told him he had sold him a hog 2 years ago last January. Burket said, "Yes; I bought a hog from you, but I don't remember when."

Kemper said, "Look up your check book; you paid me by check."

So Burket looked up his check book and found that on January 14, 1932, he bought a hog from this man Kemper. He sat down at his desk and asked, "Do you want the color?"

"No."

"The weight?"

"No."

"Do you want the price?"

"No; all I want is a statement that I sold you the hog."

So Burket wrote out a statement:

"On January 14, 1932, I bought one hog from John Kemper", and signed his name "Merle Burket, dated April 15, 1934." He asked, "What do you want this for?"

"Why," Kemper said, "the Government said you did not pay me enough for that hog."

Burket said, "Why, I paid you what you asked."

"I know you did, but you did not give me enough."

Burket said, "But I ate the hog 2 years ago last January."

Kemper said, "It does not make any difference, you did not pay me enough."

Burket, "I am not going to pay any more for your hog."

Kemper said, "Oh, I am not asking you to pay me any more for the hog; but the Government is going to give me $5 for that hog which you bought at my price, and which you ate 2 years ago last January; and I would be a fool if I did not take the $5."

In another little town in northern Michigan a friend of mine had an old stag. He killed him, took him to town, and sold him, getting $1.75 a hundred. He thought he made a good bargain until the Government agent came along and told him he owed $2.25 per hundred for the hog processing tax. It cost him 50 cents a hundred to give his hog away.

I learned of another case—that of a widow who sold two hogs for the purpose of paying the interest on her mortgage. She got $18.50 for her hogs. Then a Government inspector came along and told her to pay a fine and processing tax of $8.50. This policy finally became so unpopular that the Government inaugurated an exemption of 300 pounds on pork before the processing tax was made to become effective. These are some of the situations that exist in my part of the country.

When they asked the farmer to vote on the hog program, they handed him a check for $150 for 30 hogs or $300 for 60 hogs that he did not raise; and, of course, Mr. Farmer stuck the check in his pocket. Then they said to him, "Now we want you to vote on whether or not you want the Government to pay you another $300 for not raising another 60 hogs"; and, of course, the farmer voted "Yes."

In the meantime the folks down in the cities, the people around here whom the administration wants to pay an average wage of $50 a month, are compelled to pay 50 cents a pound for their pork chops. That is the existing situation.

Mr. Chairman, somehow or other there is something tragic about the destruction of food to me. For 300 years following the time the Pilgrim Fathers landed upon Plymouth Rock, once each year we have raised our hearts in gratitude to the Almighty God, thanking him for a bountiful

harvest. In the last 2 years, however, the Democratic Party and the administration have prayed to the Almighty God that He should not give us quite so much, and apparently He has answered our prayer. It seems wrong to destroy food, when men are standing in the soup line hungry and craving for the very things we are destroying.

From everything I have heard since being in this body, it appears that the administration policy is making the rich man richer and the poor man poorer. The large cotton grower defends the cotton program, but the small grower is fighting against this tax, which is forcing him on welfare relief. The same thing is true of the hog raiser.

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield 20 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I am greatly encouraged by convincing evidence that is coming to my attention from all quarters of the country indicating Nation-wide approval of the resolution I have introduced to minimize the possibility of war.

In a letter just received the Most Reverend Michael J. Curley, Archbishop of Baltimore, places the weight of his great influence back of my proposal to amend the Constitution so as to provide—except in the case of invasion—for a referendum on war and for taking over of war properties for use of the Government in the event of hostilities in order to remove the profit incentive to war.

The noted clergyman regards my resolution as an effective measure to keep America out of war, and it has his wholehearted endorsement. In his letter he says:

I have read your resolution, and I wish to say to you very frankly that it has my fullest approval. Any measure that will keep us out of war and from a repetition of the horrible tragedy of 1914–18 ought to be welcome to the people of the United States.

It is my humble opinion that the people of this country do not want war, and I doubt if the people of any nation in the world want war. After all, wars are not made by the people, and certainly were not made by the millions of the sons of sorrowing mothers who went down to their graves in the fratricidal strife of those 4 horrible years never to be forgotten.

Nations have been lashed unwillingly into war by high-powered propaganda carried on under the supervision of the swivel-chair gentlemen who keep far away from the danger point in all wars, and at the same time the people have been made the victims of the wretched individuals who have made countless millions of dollars out of, so to speak, the dead flesh of the youth of the world.

Consequently your idea of placing the whole matter before the people for a referendum vote is excellent. The time should be gone forever when a few men can come together and throw nations at each other's throats.

The second section of your bill whereby in case of an unavoidable war the Government should take over public and private war properties is also good. This is something, by the way, that has already been planned by European governments in case of war.

I believe that in this letter the famous divine and leader among men has correctly interpreted the heart and soul of America. I believe, as he does, that the people of this country do not want war and I doubt, as he does, that the people of any nation in the world want war. Wars, as he so aptly says, as a rule are not made by the people who have to do the suffering and the dying. Most wars are caused by ambition and greed and hate and selfishness and are initiated by plots and machinations that are in the highest degree antisocial and antipathetic to every principle of humanity. It is to protect our children and our children's children and the America of posterity from such unholy wars that my amendment is directed, and it is indeed gratifying to me that such an eminent leader as the archbishop believes that it is a sensible measure that should be adopted in the interest of humanity. With all my heart I agree with him that "the time should be gone forever when a few men can come together and throw nations at each other's throats."

The text of my proposed amendment to the Constitution, referred to by Archbishop Curley, is as follows:

SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared, the President shall immediately conscript and take over, for use by the Government, all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent, based on tax values assessed in the year preceding the war.

Many other outstanding leaders of advanced thought have sent letters to me approving the resolution and stating that in their opinion the time has come in the interest of the future peace and security of America to write a war referendum amendment into the Federal Constitution. Many express apprehension that the unsettled condition of the world, the growing war fever, and the saber rattling in Europe may maneuver America into war unless something is done along the line of my resolution to leave the matter of waging war to the sober judgment of the people themselves. Forty-five presidents of universities and colleges have thrown their support to the resolution, speaking for the youth of America.

Eminent Jewish leaders, including such outstanding men as Rabbi Stephen S. Wise, of New York, and Rabbi Morris M. Feuerlicht, of Indianapolis, have declared their support of the resolution, and the Jewish Political Club of Greater New York has asked the author of the resolution to come to New York to speak on the subject at a mass meeting in one of the largest auditoriums on the East Side.

Rabbi Wise, the great leader of the Jewish people, writes:

"I am delighted to have your letter, in which you tell me of your proposed amendment to the Constitution calling for a referendum on war and the conscription of war properties. I believe there should be a referendum on war when war threatens or when the profiteers threaten to bring war, and I have long believed that we have no right to conscript men and not to conscript properties. I am with you on both things."

Rotary Clubs in many cities are showing interest in the resolution and Walter D. Head of New Jersey, vice president of Rotary International, writes:

I have read your resolution through and I want to give it my hearty approval. I suppose it will be very hard to get a resolution of this kind through Congress at present because of the number of interests which will almost inevitably oppose it; however, by working together and refusing to become down-hearted we shall gradually be able to make progress. Any help I can give, you may be sure will be most cheerfully provided.

Dr. Homer P. Rainey, president of Bucknell University, and an eminent leader of the Baptist Church, writes:

Personally I am enthusiastic about such an amendment and would like to see it incorporated into our Constitution. I believe it would do more than any other one thing to eliminate the possibility of war. I assure you it will be a pleasure for me to use my influence in its behalf. Some of us have been talking about these things for a long time, and I am very glad that you have introduced it into Congress.

Dr. G. Bromley Oxnam, president of DePauw University, and an outstanding Methodist, is coming to Washington to testify in support of the Ludlow resolution before the Judiciary Committee, and Dr. Joseph R. Sizoo, pastor of the New York Avenue Presbyterian Church, of Washington, will be another witness. "I shall do what I can in support of that vitally important movement," writes Dr. W. L. Bryan, president of Indiana University. Dr. Arthur E. Morgan, president of Antioch College, and head of the Tennessee Valley Authority, writes:

I am greatly interested in section 1 of the constitutional amendment you have introduced. In spite of all that can be said against it, I believe it is sound. It may be that the public cannot know the circumstances under which nations enter war, but I believe the reaction of the public would be a better guide than the forces which may suddenly act upon Congress in time of crisis.

Rt. Rev. Joseph E. Ritter, bishop of Indianapolis, and Rt. Rev. E. B. Ledvina, bishop of Corpus Christi, Tex., are among the bishops who have strongly endorsed the so-called "Ludlow amendment." Bishop Ritter writes:

The amendment would be a very effective means of preventing future wars and, at the same time, truly democratic in spirit. If it had been in force at the time of the World War we would never have entered. I am glad to tell you, therefore, that I heartily approve and endorse the amendment and shall do all that I can to create sentiment in its favor.

Declaring that the resolution is "splendid, practical, and humane", Bishop Ledvina writes:

Every thoughtful and peace-loving citizen of this country will undoubtedly hail with a unanimous acclaim your submitted

resolution. I, as well as every member of the heirarchy will surely welcome your resolution and will encourage a general support of it in every way possible. I, for one, will leave no opportunity pass by without voicing my sentiments on the subject, both orally and in writing. I hope the congestion of business before the House and Senate will not shut out a due consideration and favorable action on your resolution.

Writing to my beloved friend, Representative FRITZ G. LANHAM, of Texas, President L. R. Scarborough of the Southwestern Baptist Theological Seminary says:

This morning in the chapel of the Southwestern Baptist Theological Seminary, there being present a large representation of our faculty and student body, I presented the matter of a resolution, Joint Resolution No. 167, submitted to Congress by Representative LOUIS LUDLOW, of Indiana, calling for congressional action on the submission of a constitutional amendment demanding a referendum when war is threatened, and the section taking the profits out of war.

The resolution was immediately and enthusiastically passed asking me to petition our Senators and Representatives to support this joint resolution. It is our belief that this constitutional amendment should be submitted to the people, and we, as admirers of and cooperants with you, would like for you to know of our wishes on this matter, and we hope that you will give careful consideration to this matter and give it your support if it is consistent with your conception of the wisdom of such a plan.

Gen. Smedley D. Butler offers his support in the following letter:

Please allow me to congratulate you on your resolution and to express the hope that you get somewhere with it. I shall be delighted to come to Washington and do all in my power to help you, as I am in thorough accord with the resolution.

General Butler has agreed to come from Pennsylvania to Washington to assist in presenting the resolution at a hearing before the Judiciary Committee.

Strong labor support is lining up back of the resolution. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, writes from Cleveland, as follows:

I want to assure you that I am in thorough accord with the objects of your resolution. I agree with your statement that Americans should always be willing to come to the defense of their country, and you have well protected this principle by calling for a referendum vote of the people, except in the event of an invasion of the United States or its territorial possessions. I have long been of the opinion that if we could trade all of our peace treaties and peace conferences for just one short treaty whereby all nations would agree not to go to war except upon a majority vote of their people, perpetual peace would be obtained. The United States should show its leadership in this regard. The most devout pacifist and the most proud militarist should favor your resolution if they sincerely believe in the abolition of war as an instrument of national policy.

I am receiving an enormous mail, indicating the wide-spread national interest that has been kindled by my resolution. Petitions being voluntarily circulated in various sections urging adoption of the resolution are signed by many thousands of names; in one city the signers being several thousand school children. Group strength is shown by the adoption of favorable resolutions and memorials by National, State, and local organizations, urging the passage of the proposed amendment. The fear that world conditions are likely to bring about war, undoubtedly is responsible for a considerable part of the stimulus that is being given to the proposal.

I believe that if we can secure the adoption of the amendment to the Constitution, which I have proposed, we will perform a major service to humanity. I believe the adoption of that amendment would be hailed as a rainbow of hope by all the human race. I believe it would protect us from the threat of war which now hangs over the Nation like a pall. I believe it is as good a plan as human ingenuity could devise to save America from unholy and unjustifiable wars in all the years to come. I am for this plan because I believe it would usher in a long era of peace, when we of America may devote ourselves to a thorough job of attending to our own business, cultivating friendly relations with all the nations of the world, and interfering with none; showing, once more, some regard for the spiritual values, ordering our future course along lines of usefulness, rather than destruction, and rehabilitating our happiness and prosperity while we strive to forget the sorrows and bind up the wounds of the last war.

Mr. CAREY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, had come to no resolution thereon.

WATER MAIN AT PEARL HARBOR, HAWAII

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1209) to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, and I do not desire to object, it seems to me these bills ought to be brought up on Consent Calendar day unless there is some particular reason for bringing them up at this time.

Mr. VINSON of Georgia. There is urgent necessity for the passage of all the bills that will be called up this afternoon. It is imperative that they be enacted just as soon as possible. The gentleman from Pennsylvania [Mr. DARROW], the ranking minority member, as well as the other minority members and the majority members, have consented that the bill come up for consideration now.

Mr. BOILEAU. Is there necessity for enacting this bill immediately?

Mr. VINSON of Georgia. As early as possible. The same situation applies to all of these Senate bills.

Mr. BOILEAU. Is it necessary that this be done now rather than to have them take their turn on the Consent Calendar?

Mr. DARROW. We think it is very essential that this bill be passed at this time.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to relinquish to the trustees under the will and of the estate of Bernice F. Bishop, deceased, all right, title, and interest of the United States in a perpetual easement granted the United States on August 17, 1921, for a right-of-way across portions of Waialae-nui and Waialae-iki, Pearl Harbor, Hawaii, for a 4-inch cast-iron water main for naval purposes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS ARCHERS CREEK, S. C.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1610) authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina, and consider the same.

The Clerk read the title of the bill.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, it does not seem to me that this bill is so important that it cannot wait for a month or so and take its course on the Consent Calendar with the other bills. If we are going to have a Consent Calendar it seems to me every Member should be treated alike. I have bills on that calendar that I would like to have taken up this afternoon, but I am not going to make the request.

Mr. VINSON of Georgia. Mr. Speaker, I may state to the gentleman from Wisconsin that these are not my bills, but department bills with reference to clearing up the title to certain land in connection with some roads in South Carolina.

Mr. BOILEAU. I appreciate that fact and there is nothing personal in the matter. It is just a question of whether or not it is necessary to bring the bills up in this way when we have a Consent Calendar, and whether or not bills from this committee should not be in the same status as bills from all other committees.

Mr. VINSON of Georgia. I may state to the gentleman that in order to expedite the consideration of public business and of a bill that we considered more important, the Navy appropriation bill, we gave up our right to the call on Calendar Wednesday, when probably all these bills would have been reached, and we are simply asking now that these bills that have been recommended by the Department and passed by the Senate may have the consideration of the House by unanimous consent.

Mr. BOILEAU. It seems to me that if we are going to follow this practice we should have a special day for the consideration of bills from the departments so that all committees that have such bills might have the same consideration and then we could dispense with the calendar day. I have never objected to the consideration of such a bill and I shall not object in this instance, but it seems to me this is a very bad practice.

Mr. VINSON of Georgia. If the gentleman will let this bill go through and another small measure, we will not impose upon the House further.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act authorizing the Secretary of the Navy to accept on behalf of the United States title in fee simple to a certain strip of land and the construction of a bridge across Archers Creek in South Carolina", approved February 14, 1927, is amended to read as follows:

"That the Secretary of the Navy is hereby authorized to accept on behalf of the United States, free from encumbrances and without cost to the United States, for military purposes, the title to the following-described parcel of land, to be used for a road from Jericho Point to the Marine Corps Reservation on Parris Island, S. C.: Starting at a point on the north bank of Archers Creek, north 64 degrees, 29 minutes west, 6,563 feet from monument no. 31 at the marine barracks, Parris Island, S. C., thence north, 13 degrees, 40 minutes west, 4,605 feet to a point at the mean high-water line near Jericho Point; thence north, 87 degrees, 39 minutes east, 204 feet to a point also at the mean high-water line near Jericho Point; thence south, 13 degrees and 40 minutes east, 4,565 feet to a point on the north bank of Archers Creek; thence south 76 degrees and 20 minutes west, 200 feet to the point of beginning: *Provided, however,* That the acceptance of such tract of land by the Secretary is made upon the express condition and limitation that such tract shall be used only for military purposes, and when it shall cease to be actually used for military purposes the title and right of possession shall immediately revert to the State of South Carolina without notice, demand, or action brought."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES NAVAL AND MARINE CORPS RESERVE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the search for victims and wreckage of the U. S. dirigible *Akron*, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

Mr. TRUAX. Mr. Speaker, reserving the right to object, and I do not think I shall object to this bill, but I agree with the gentleman from Wisconsin [Mr. BOILEAU] in his contention that this establishes a bad precedent. There are good bills on the Consent Calendar and there are some bills that are not so good and some bills that I want to object to. If this precedent is established of coming in here every day and passing bills by unanimous consent that ought to be considered on Consent Calendar day, I think it will be establishing a very bad precedent, but I shall not object to the consideration of this bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That those officers and men of the United States Naval Reserve and the United States Marine Corps Reserve who, while on authorized active or training duty without pay, between the dates of April 4, 1933, and April 7, 1933, both dates inclusive, performed flights in naval aircraft in connection with the search for victims and wreckage of the United States dirigible *Akron*, shall be considered as on active duty with pay and shall be entitled to the pay and allowance prescribed by law therefor during the time of performance of such duty.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE COTTON INDUSTRY

Mr. KELLER. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a resolution which I have offered and which I hope to call up tomorrow by unanimous consent.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The joint resolution is as follows:

Joint resolution to provide for certain State allotments under the Cotton Control Act

Resolved, etc., That section 5 (a) of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934, as amended, is amended by inserting before the period at the end of the first sentence thereof a colon and the following: "*Provided further,* That no State shall receive an allotment for any crop year beginning with the crop year 1935–36 of less than 4,000 bales of cotton if during any one of the 10 crop years prior to the date of the enactment of this act the production of such State exceeded 5,000 bales."

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ROGERS of New Hampshire. Mr. Speaker, in view of the present deplorable condition in the textile industry of New England, I desire to call attention to a message which I have just received from the Board of Mayor and Aldermen of the City of Manchester, advising that that board has unanimously endorsed the resolution which I shall now read, as it will only take a moment.

Resolved by the Board of Mayor and Aldermen of the City of Manchester, as follows:

Whereas the increased cost of manufactured products due to the cotton processing tax falls most heavily upon the laboring people, who can least afford to pay it, and the importation of Japanese textiles seriously affects the industry in which thousands of our residents are employed; and

Whereas the wage differential in favor of the southern textile mills is causing many of our northern textile mills to curtail production or liquidate, and even now has resulted in the demolition of several mills of the Amoskeag Manufacturing Co., throwing many out of employment: Be it

Resolved, That the board of mayor and aldermen, in regular meeting, urges the President of the United States and the Congress of the United States to adopt remedial measures to save the textile industry for Manchester and the State of New Hampshire; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States and to the New Hampshire Senators and Representatives in Congress.

In conclusion, I may say that in this city alone there are from 10,000 to 15,000 men and women who have been engaged in the textile industry of New England.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the bill H. R. 1023, referred to the Committee on Military Affairs, be rereferred to the Committee on the District of Columbia because it involves purely District of Columbia money.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

DO NOT ENLARGE WEST POINT—GIVE RESERVE OFFICERS AND NATIONAL GUARD OFFICERS A CHANCE—HEED THE COUNSEL OF OUR LEADING EDUCATORS—AMERICAN ARMY SHOULD CONTINUE DEMOCRATIC

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the desirability and feasibility of appointing National Guard officers to the Regular Army and incorporating therein some letters I have received from the presidents of numerous colleges where there are Reserve Officers' Training Corps units.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, as I indicated in some remarks made on the floor of the House when the Army appropriation bill was under consideration, I am opposed to enlarging the Military Academy at West Point, and opposed to H. R. 6088 which proposes to provide for one additional cadet at the said Military Academy for each Member of Congress, thus increasing the authorized strength of the Military Academy from 1,374, its present strength, to 1,959.

This is approximately a 50-percent increase. A similar proposal has passed the Senate.

Now, before we take this important step toward "militarism" in our Army, before tending further to set up a "military caste system" in our Army, before closing the doors in the faces of thousands of young men who cannot get from their Congressmen an appointment to West Point, let us do some thinking for ourselves.

Now, Mr. Speaker, at the very outset let me make one fact perfectly plain. I am not opposed to the Military Academy, but, on the contrary, think it is a good school. But I also insist that there are other good schools in the country. I contend that to have more than 50 percent of West Point graduates in the Army will prove detrimental to the Army in many respects. I agree with the criticism made by Dr. Charles W. Eliot president of Harvard University about 25 years ago, as I recall. As I remember his constructive and friendly criticism was to the effect that since nearly all the teachers at the academy are Army officers and nearly all graduates of the academy itself, and since under the ideals of Army discipline there is little independence in the thinking and none in the speech of a subordinate Army officer, the effect would be to narrow and dwarf the vision of both the teaching force and the cadets. Furthermore, he argued, it would lead to what he described as "intellectual inbreeding." We all know that in the Army not only do orders as to conduct emanate from above, but doctrines, thinking, and permissible opinions originate at the top of the Army, which means the General Staff. To take young men at about 18 years and subject them to 4 years of rigid discipline, day and night, to rush them hither and thither in mass formations, to drive into their heads and hearts by teachers in uniform, who have the military power of command, doctrines, and dogmas, tends to dwarf individual thinking, to crush initiative, and create a body of yes men.

Mr. Speaker, my only concern is the eventual and ultimate good of the Army itself and, therefore, of the country. But the same is true also of the Academy. I believe that the student body of the Academy is as large as an institution of that kind can be to be really efficient. A retired general officer who graduated about 50 years ago told me that when he was a cadet, any cadet could know all the other cadets in all the classes. Now, however, a cadet does well to know all the members of his own class. Furthermore, the larger the number of cadets, the less the possibility for individual attention and the more machine-like and the less individualistic becomes the training and instruction. Mr. Speaker, in a letter signed by the Honorable Harry H. Woodring as Acting Secretary of War dated April 1, 1935, and addressed to me in response to a letter of mine dated March 13, 1935, said letter being doubtless prepared in the General Staff after nearly 3 weeks' study, we find this paragraph:

> The appointment of officers from sources other than the Military Academy is most desirable. The Army welcomes these men. Some of the very finest officers we have come from such sources, and there are other advantages that are even greater than the individual merit of such officers. It ties the Regular Army in with the type of men that have to fight the war, because the great bulk of such are going to be civilians that are mustered in for the emergency. It brings in new lines of thought. The War Department would not, if it had the authority, have all the officers of the Army graduates of the Military Academy.

That paragraph makes my argument in full except as to the sentence, "The Army welcomes these men." I believe that phrase betrays the thought that the graduates of the Military Academy regard themselves as "the Army." It betrays a certain habit of thought in using the words "these men" rather than the words "these officers." Every person that I am insisting shall be recruited into the officer personnel of the Regular Army will be already an officer, a Reserve officer, or a National Guard officer. I hope that "the Army" will welcome "these officers" of the Organized Reserves and of the National Guard.

But I take the broad ground that modern warfare, the swift progress of science, the changed tactics enforced by the mechanized and scientific forces and agencies of modern warfare, call for varied talents, for personal initiative, for individual leadership, even in the lowest-officer ranks.

Mr. Speaker, the next paragraph in said letter also expresses the situation correctly, and I now quote it.

> Unfortunately, it has not been possible for some years to make appointments from sources other than the Military Academy for two definite reasons. First, the attrition rate among promotion-list officers has been so far below normal that no vacancies have existed after the graduates of the Military Academy have been commissioned. Second, the Congress has seen fit to limit by appropriation legislation the officer strength to 12,000. However, 30 line officers (Air Corps) who are not graduates of the Military Academy will be appointed this year.

In order to get a picture of the situation, I requested a detailed tabulation of officers appointed in the Regular Army for the 10 years beginning with the year 1925. During that time the number of graduates appointed from the Military Academy was 2,525. During the years 1927, 1928, 1929, and 1930, being the years immediately following the enactment of the Air Corps Act of July 2, 1926, which gave the Air Corps an authorized officer strength of 1,650 officers, there were appointed in the Air Corps a total of 614 Reserve officers.

But for the other 6 years of the 10-year period there were appointed all told only 292 Reserve officers, making an average of only 47 Reserve officers per year. This against an annual average of 252 graduates of the Military Academy. The letter referred to also shows that this year, 1935, there will be only 30 officers appointed to the Air Corps, in addition to the Military Academy graduates. If the number of cadets be increased by practically 50 percent, then after 4 years, unless the number of officers is increased to 14,000 to 15,000, then there will be no vacancies for other than cadets, and in a generation fully 80 percent of all officers will be graduates of West Point. That will be bad for the Army.

While it is true that due to the taking in to the Regular Army in 1920 of over 5,000 World War officers the graduates of the Military Academy are now only about 40 percent of the officer strength, and I am willing to let it increase to 50 percent, yet if the present rate of increases into the Regular Army continues, then when these World War officers die, resign, or retire or be discharged, then the officer strength of the Army, if the plans of the War Department are permitted to go through, will stand in the ratio of about 250 West Point graduates and about 50 Reserve officers. In other words, the ratio will be about 5 to 1. That means that the West Point graduates will be 80 percent of the Army and the Reserve officers from our various R. O. T. C. units and National Guard and other sources only about 20 percent. I hold that such condition will not be for the best of the Army nor the country and that is why I am opposing the proposed legislation and that is the only reason why.

The War Department admits that "the great bulk of the men that have to fight the war are going to be civilians", which means that 78 percent of the officers who lead men in battle will be Reserve officers. We need highly efficient

Reserves. The R. O. T. C. is the great feeder source for the Reserves. Whatever raises the standard of R. O. T. C. increases our defense forces.

Mr. Speaker, let us look at the matter from another angle. The training of 123,000 young men in the various R. O. T. C. units for the current year is only about $3,000,000. It has been increased for the year ending June 30, 1936, to about $3,400,000. From this 123,000 young men were graduated and numbered in the Reserve Corps over 6,000 officers. Nearly 1,000 other young men obtain commissions in the Reserve Corps from other sources. But the annual expense of teaching and training about 1,300 cadets at the Military Academy is approximately $2,000,000, but that does not take into consideration the overhead investment and the ordinary pay of the officers detailed as teachers and instructors at the academy. If all these were taken into account, the expense of training 1,300 cadets would be approximately $3,000,000 a year. That is an average of approximately $2,300 per cadet per year. That means that the education of a cadet costs the Government for 4 years nearly $10,000 cash. I have often heard much higher estimates.

If from the R. O. T. C. we graduate approximately 6,000 officers at a total annual cost of $3,000,000, it means that each such graduate has cost us $500 per year or a total of $2,000 for 4 years' training as against $10,000 for the West Point graduate. But that is not the whole story. In addition to the 6,000 who graduate, 117,000 other young men receive some military training. We must not discount the value of that training merely because all of the young men do not graduate and receive commissions in the Reserve Corps. Their training will prove valuable to them in after life and to the Nation in many ways. As an asset of national defense they will be available not only as emergency officers, but as noncommissioned officers in the event of war. Furthermore, doubtless many of them will go into the National Guard and, based on their training in R. O. T. C., will become very useful members of the National Guard, and may eventually become officers and ultimately officers of superior ability. In my humble judgment not over 25 percent of the total $3,000,000 expended on the R. O. T. C. should be charged up as against the 6,000 graduates. If that be true, then each graduate has cost the Treasury of the United States for his 4 years of instruction an average of only about $500. Just how to apportion this cost is a matter of opinion, and I am merely giving my opinion. However, I think any fair-minded man will agree that there are other benefits to national defense from the R. O. T. C. besides the 6,000 graduate Reserve officers.

To strengthen and build up the R. O. T. C. in our schools and colleges will help the colleges themselves. To leave the door of opportunity open to all the 123,000 R. O. T. C. students and to let the best of them win appointments in the Army will stimulate ambition in every one of them, make for a better R. O. T. C., and thus increase the efficiency of the Organized Reserves.

Now, Mr. Speaker, one other consideration. There are annually commissioned about 7,000 young men in the Officers' Reserve Corps, including approximately 6,000 graduates of R. O. T. C. I contend that according to common sense and the mathematical doctrine of probability there must be at least 250 of these 7,000 young Reserve officers, approximately equal in natural ability, in character, in education, and in leadership to the 250 graduates yearly at the Military Academy. It is true that the graduate of the Military Academy can put on a better dress parade as a whole, are better drilled in the school of the soldier, the school of the squad, and the school of the company. The dress parade of the cadets is very pretty, but dress parades do not win wars. I think one proposition must be very sound. It is that surely out of about 7,000 Reserve officers commissioned every year there can be found a number of young men superior in general education, in leadership, and in initiative to the lower half of each West Point class. That lower half is to be determined by the West Point authorities themselves. It is argued that the entire West Point class should be commissioned at all hazards, because they say that ofttimes the men at the bottom of the class make superior officers.

However, surely the West Point authorities would not admit that doctrine, because they rate them according to their desirability as Army officers. Much stress is laid upon the fact that the West Point authorities dismiss those students who have lack of natural ability, or lack of application, or lack of character and aptitude, and are not available for officer material. Since the West Point authorities thus claim to be able to discriminate between those who would make officers and those who would not, surely by the same token they can discriminate between those who would make good officers and those who would make inferior officers. Therefore, taking the standards set down by the Military Academy authorities, I contend that if the annual attrition of officers is about 400, then commission the 200 top men from the Military Academy and commission the 200 top men who apply from the Officers' Reserve Corps for commissions, testing their qualifications by any and every method that the War Department can invent, and let the additions to the officer personnel of the Army from now on rest on a 50-50 basis. Again I emphasize the fact that if the present ratio of increment is allowed to continue, and such is the plan of the War Department, as evidenced by its urgent desire to increase by approximately 50 percent the Cadet Corps at the Military Academy, when the World War officers now in the Army die, resign, retire, or be discharged, then the ratio will be 80 percent West Point and only 20 percent civilian. We must look ahead.

Furthermore, schools often decrease in efficiency, in character-forming influence, as they increase in size. I am a firm believer in the small college for young men entering at about 18 years. It is different in great universities, where each graduate school is a unit within itself. Two thousand boys in one mass at the Military Academy would make it unwieldy as a school.

Mr. Speaker, when this question first came up I sent out a letter to the heads of all schools and colleges where we maintain a senior R. O. T. C. unit, asking their opinion of my proposal to see that the officer personnel of the Army shall be approximately 50 percent West Point graduates and 50 percent young Reserve officers, graduates of R. O. T. C. units, and from the National Guard and other sources. I have received a great many replies and I think it fair to state that 95 percent of the replies are unqualifiedly in favor of the 50-50 ratio. Perhaps approximately 1 percent is out-and-out opposed to any change in the law. Approximately 4 percent express great sympathy with my view but seem inclined to let the matter drift along and thus work itself out ultimately as the matter has been allowed to do heretofore. I believe that the opinions of 95 percent of the educators of America are entitled to great respect. The matter of training Army officers is to a certain extent an educational problem. These professional educators have a background of experience and observation that entitle their opinions great weight in my judgment. They have no motive save the good of the Nation now and hereafter. I stand with them and for the 120,000 boys who are in R. O. T. C., and for the millions who will be led by them in any future war.

Consequently, Mr. Speaker, with the permission of the House, I am extracting some of the views on both sides of this question from the answers that I have received and submit herewith as part of my remarks.

University of South Dakota—by Herman G. James, president: "In answer to your letter of March 12 I would say that I think your suggestion for drawing a large part of the commissioned officers in the Army from civil life is a very sound one. I believe that the arguments you advance are based on a correct estimate of the situation. I have talked to some other people in the university whose opinion on that subject would be valuable, and they seem to agree."

Agricultural and Mechanical College of Texas—by T. O. Walton, president: "Answering your specific inquiry, may I commend you for your efforts to authorize the commissioning in the Regular Army of the United States of about 50 percent of the vacancies

created each year by attrition from R. O. T. C. units, National Guard units, and other military sources. Such a move, in our opinion, would be not only in the interest of economy but in the interest of efficiency."

University of Akron, Ohio—by Charles E. Coates, lieutenant colonel, Infantry, P. M. S. and T.: "I am very much in favor of any plan that will offer the opportunity of a commission to R. O. T. C. graduates."

University of Kentucky—by Frank L. McVey, president: "It is my own impression that students who have done well in college, under the R. O. T. C., should be given some recognition and some opportunity to secure places in the Regular Army."

University of Kentucky—by B. E. Brewer, major, Infantry, P. M. S. and T.: "Each year we produce some outstanding young men who would make excellent officers. Based upon my 25 years' experience in the Army I would especially desire to have them in my command. These men are the cream of our young manhood."

Michigan College of Mining and Technology—by W. O. Hotchkiss, president: "Since returning I have talked with members of the faculty, and they are a unit in thinking that this would be very advisable from our point of view at the college. There is a certain amount of excellent officer material in our unit, and I believe that the boys would be glad to avail themselves of an opportunity to enter the Regular Army."

The Pennsylvania State College—by R. D. Hetzel, president: "In accordance with the request in your recent letter, I have consulted Colonel Venable, who is in charge of our military work, and a number of members of our faculty regarding the availability of officer material from the recently commissioned second lieutenants of our R. O. T. C. unit. Perhaps the most helpful thing I can do is to quote from several of them.

"Colonel Venable says: 'Since graduating from West Point in 1904, I have been intimately associated with officers commissioned from the Military Academy, from temporary forces, from the ranks, from the military departments of civilian educational institutions, and directly from civil life. I do not recollect ever having been stationed where half of my brother officers were graduates of West Point.

"'As a result of my observations, I believe this diversity of origin of officers to be of great value to the service.'"

The Ohio State University—by G. L. Townsend, colonel, Infantry, P. M. S. & T.: "I have noted with great interest the letter of Representative McSWAIN, dated March 15, 1935, which you have referred to me, concerning the suggestion of commissioning R. O. T. C. graduates in the Regular Army.

"Next to the United States Military Academy, I am strongly of the opinion that the colleges maintaining R. O. T. C. units are the very best source from which to obtain officer material for the Regular Army. It has been my good fortune to have 11 years of experience on R. O. T. C. duty the last 8 years at this university. This service has afforded a full opportunity to judge the quality of the young men passing through the military department, and it has been a matter of considerable regret each year that some of them could not be commissioned in the Regular Army, as they would have desired."

University of Minnesota—by L. D. Hoffman, president: "I concur in the principle of offering commissions to outstanding students who have graduated from these units as a hope of reward for merit and believe that it will have a good effect in stimulating interest in their undergraduate military training."

Presbyterian College, South Carolina—by Dr. John McSween, president: "I am most heartily in favor of commissioning selected graduates of the R. O. T. C. in the Regular Army. I consider the R. O. T. C. to be one of the most valuable arms of our national defense and I am perfectly sure that each year we graduate here some men who could render conspicuous service as officers in the Regular Army of the United States, as these men are carefully selected and highly trained and are all men who are outstanding in their class."

University of Oregon—by C. V. Boyer, president: "After receiving your letter of March 15, I referred it to Colonel Murphy, commandant of the university, for an opinion, since he is far better informed upon the principles involved than am I. I am enclosing a copy of his reply which, under the circumstances, I am willing to present as my own opinion. The letter supports your position and is a very clear statement of the principles involved."

West Virginia University—by Robert A. Armstrong, acting president: "As I understand the matter, the mobilization of the man power of the Nation for the unwanted emergency of war might require an army of about four and a quarter million men. Certainly the officers who would lead and direct such effort should be representative of all of our great institutions of learning. With this end in view, I am in entire agreement with your proposal that the officers of the Regular Army should be drawn from the graduates of our universities as well as from West Point."

University of Maryland—by R. A. Pearson, president: "My associates who are most familiar with these matters feel that such a plan deserves commendation but no change should be made in the present method of commissioning officers from the Regular Army and the National Guard, as this arrangement seems to be working satisfactorily."

Rose Polytechnic Institute, Indiana—by D. B. Prentice, president: "In reply to your letter of March 15, I believe that there are a number of men in each class graduating from Rose who have taken the military training of the R. O. T. C. unit who would make good officers in the Regular Army."

University of Maine—by Prof. George William Small, colonel Five hundred and Forty-second Coast Artillery Regiment, commanding: "Your letter of March 22, requesting my opinion of Representative McSWAIN's proposal to fill 50 percent of the officer vacancies in the United States Army with personnel other than West Point graduates, as set forth in his letter of March 15, is at hand. Without going into great detail, I may say that I am strongly in favor of this proposal.

"My war experience, 1917–19, as captain and major of artillery in the A. E. F. impressed upon my mind the desirability of such a procedure. Without minimizing the importance of West Point, it must be admitted that the broader contacts and more diversified interests of officers drawn from various universities throughout the country have made possible, and will continue to make possible, a more sympathetic and efficient control of large masses of untrained citizens that always make up the war-time army."

University of Alabama—by Dr. George H. Denny, president: "In reply to your letter of March 15, I do not fancy that my opinion can be of any particular value. However, I have discussed the matter with some members of our R. O. T. C. staff who are of the opinion that all graduates of West Point should be commissioned; that it would be poor policy and poor economy to educate a young man at the Military Academy and then fail to commission him; that any vacancies remaining after these appointments are made should be filled from R. O. T. C. graduates, enlisted men of the Regular Army, members of the National Guard, and members of the Organized Reserves.

"There is no question that a commission in the Regular Army would be a desirable goal for our R. O. T. C. graduates and would stimulate quite an added interest in our R. O. T. C. organization."

University of Florida—by Hon. Jno. J. Tigert, president: "Personally I would very much favor your plan. I think other members of our faculty would favor it. In other words, Colonel Allen's opinion is representative of the viewpoint of the West Point men and mine will be representative of the opinion of faculty men in the institution."

The Military College of South Carolina—by Gen. C. P. Summerall, president: "In reply to your letter of March 12, I am in fully sympathy with any plan that would offer appointment as second lieutenants to R. O. T. C. graduates, enlisted men of the Regular Army, and members of the National Guard and Organized Reserves. Many superior young officers could be obtained from these sources, and such a policy would give encouragement and well-merited recognition to deserving young men.

"The only difficulty that occurs to me is the effect that the plan would have upon the graduates of West Point. I believe that our history has vindicated the maintenance of the Military Academy and, while all of its graduates have not demonstrated adequate efficiency, there is no way of eliminating those who may fail until they have been tried. Many of our ablest officers did not have a high class standing. I believe that both justice and wisdom require that all the graduates of West Point should be commissioned."

Clemson Agricultural College—by T. S. Moorman, colonel, Infantry, professor of military science and tactics: "There is no better class of young men in the world than the cadet officers of the R. O. T. C. Especially does this apply to cadet field officers. These young men are hand-picked students of the senior class and possess every qualification necessary for appointment as lieutenants in the Regular Army—character, education, and exceptionally good military qualifications for the time spent on the subject.

"The probability of receiving an appointment in the Regular Army will stimulate greater interest in military training, military history, and military science and thereby improve the R. O. T. C. in every respect."

The University of Montana—by C. H. Clapp, president: "I agree with you that the progress and development of the Army will be enhanced by the commissioning of about half of the vacancies in the Army from such sources as the Organized Reserves, the National Guard, and also from the ranks. However, I do think that no such appointments should be made until all members of the graduating class at West Point have received their commissions."

University of Arizona—by H. L. Shantz, president: "It is believed that the prospect of obtaining a commission in the Regular Army will undoubtedly stimulate in all students a greater interest in our Military Establishment and tend to raise the general efficiency of our R. O. T. C. students."

University of Maine—by Arthur A. Hauck, president: "While I should welcome increased opportunities for our graduates to obtain commissions upon graduation, I question whether these commissions should be granted at the expense of the men who take the course at the Military Academy."

University of Michigan—by Frank E. Robbins, assistant to the president: "We believe that it would be a real advantage to the Army if a certain number of the new commissions each year went to persons drawn from such sources as mentioned, particularly the graduates of the courses in military science and tactics in the universities of the country. There are two or three reasons for this."

Coe College, Iowa—by H. M. Gage, president: "Unquestionably the West Point Military Academy is an excellent institution. Many excellent men have been, and are now, numbered among its graduates and there is no reason to believe that it will fail, in the future, to function and progress as it has in the past. But neither is there any grounds for the assumption that excellent prospects cannot be developed at other institutions of learning. Past experience and the present roster of our Regular Army commissioned personnel disprove such insinuation. Initially the cadet and student enrollees are from the same source,

and if the educational standards are of the same level the graduates should be equally well equipped to fulfill competently, identical tasks."

The Ohio State University—by George W. Rightmire, president: "On my own part I desire to answer your letter briefly by saying that, in my judgment, the plan you propose for the graduates of the Reserve Officers' Training Corps is a most commendable one. These young men are equipped mentally, physically, and with a considerable degree of military knowledge and attitudes acquired through their Reserve Officers' Training Corps course. Young men of the highest class and of the proper age can be found among those graduates with the commission of second lieutenant. I commend you heartily for the constructive plan which your letter sets forth and trust that you may succeed in having it adopted as a policy."

Norwich University, Vermont—by Porter Adams, president: "The greatest advantage, as I see it, lies in the fact that by so doing we should be stimulating a wide-spread interest in national defense and should provide a definite incentive for boys interested in the military profession to train themselves thoroughly for it. Furthermore, such a plan, as you point out, would tend to broaden the viewpoint of the officer personnel of the Army. In addition, there is an advantage in the fact that the expense to the Government of training this officer material is considerably less per man than at the United States Military Academy."

The University of Pittsburgh, Pennsylvania—by Evan T. Sage, professor of Latin, head of department of classics: "The plan proposed would open a new career to the college graduates, and one of manifest attractiveness, especially at such a time as this; it would furnish the Regular Army with a new source of officer material; it would improve the position of the R. O. T. C. by giving it additional recognition and reason for existence; and it would weld more closely together the various elements of the Army and the Army with the civilian population by multiplying the bonds between them."

Lafayette College, Philadelphia—by W. M. Lewis, president: "Our military officers, and others to whom I have talked, believe that the interest in R. O. T. C. units would be greatly increased if one or more members of the senior class could be assured an appointment in the Regular Army. The feeling is that the percentage of officers to be derived from sources other than the Military Academy might well be about 25 percent."

Pomona College, California—by William E. Nicholl: "After consulting with several of my colleagues here, I would say that, on the whole, Pomona College would be favorable to a plan of filling at least 50 percent of the vacancies in the officer personnel of the Army with graduates of colleges who have completed the R. O. T. C. course. I believe such a choice of officers would make for a wholesome balancing of responsibility and leadership in our Army."

Agricultural and Mechanical College of Texas—by F. C. Bolton, dean: "I am very much interested in your plan to authorize the filling of approximately half of vacancies in the officer personnel of the Army from the Officers' Reserve Corps, the National Guard, and the ranks of the Regular Army. I believe that this will not only strengthen the Regular Army but that it will have the effect of stimulating greater interest in the National Guard and the Organized Reserves. I am basing this opinion on my contact with the students in the R. O. T. C. work and also upon my contact with the Army in my own capacity as a Reserve officer.

"I believe that an infiltration of a few well-qualified young men graduates of civil educational institutions would bring into the service a point of view which it is not always possible for the West Point graduates to get. Of course, there would continue to be enough West Point graduates to set high standards for the officers, but there would be enough of the officers from civil life to broaden the viewpoint of the graduates from the military academies."

Alabama Polytechnic Institute—by L. N. Duncan, president: "It is my feeling that 50 percent may be high, in view of the fact that the United States Military Academy was created and is operated to train officers for the Army, but if the commissioned strength of the Regular Army is enlarged, a reasonable position of the new officers or addition should come from the R. O. T. C. unit and other sources named by you.

"I believe that this should be done rather than have the enrollment at the United States Military Academy such as to take care of all attrition. These R. O. T. C. units are very efficiently operated, and the instruction they gain, other than in military itself, should be very helpful to them as Army officers."

Connecticut State College—by Charles C. McCracken, president: "I have conferred with the Reserve Officers Training Corps officers in our college concerning the contents of your letter of March 12. Following is a statement which they have given me and I am sending it on to you with my approval: 'It is our opinion that his entire proposal is meritorious and desirable, both from the standpoint of the efficiency of the Army and with a view to stimulating greater interest on the part of Reserve Officers Training Corps students.'"

University of Dayton, Ohio—by Walter C. Tredsin, president: "As a matter of principle, I believe, as you do, that not all new officers from the Army should be supplied from West Point. Here and at other colleges we produce graduates, some of whom are fully equal to the best from West Point, and some of these I should like to see commissioned in the Regular Army."

The University of Tennessee—by James D. Hoskins, president: "In reply to your letter of March 15 asking an opinion as to the availability of officer material from recently commissioned second lieutenants of the Reserve Officers Training Corps units, I may say that I agree in principle with a plan by which a portion of the vacancies of the Regular Army are filled from such sources.

University of Delaware—by Walter Hullihen, president: "In reply to your letter of March 15, I am writing to say that I have conferred with our military instructors and other members of the teaching staff whose opinions seem to me of value. All of us are agreed that your proposal to authorize the commissioning in the Regular Army of the United States of about 50 percent of vacancies occurring each year from such civilian sources as the Organized Reserves, the National Guard, and also from the ranks of the Regular Army is entirely sound."

Purdue University, Indiana—by Edward C. Elliott: "I and my colleagues immediately interested in the work of the R. O. T. C. are agreed that the commissioning of a certain number of graduates each year in the Army would greatly stimulate interest in work of the R. O. T. C. It is my judgment that the men of high standing in R. O. T. C. here would make excellent Regular Army officers."

University of Arkansas—by J. C. Futrall, president: "It is my opinion that the plan you propose is an excellent one. Many of these young graduates of the R. O. T. C. would, in my opinion, make excellent Army officers, and the opportunity to go into the Army would undoubtedly furnish quite a stimulus to the R. O. T. C. work in the colleges and universities."

Virginia Polytechnic Institute—by Julian A. Burruss, president: "We are greatly interested in your letter of March 15, and I assure you that we are fully in accord with the effort you are making to authorize the commissioning in the Regular Army of graduates from standard colleges maintaining R. O. T. C. units. I wish to quote from a statement of Lt. Col. John B. Maynard, professor of military science and tactics, and head of the military department of this institution, as follows:

"'Based on almost 27 years' experience as an officer, I am convinced that most graduates from schools such as the Virginia Polytechnic Institute are fully qualified to perform the duties of officers, equally as well as those graduated from West Point. I also believe it would increase the standards of and interest in the R. O. T. C. if a commission could be made available to a certain percentage of the very best men. I also believe it would be beneficial to the Army to have this leaven of officer material in it instead of having them all come from the same school even though the graduates of that school come from all parts of the United States.'"

Alabama Polytechnic Institute—by P. O. Davis, executive secretary: "The Alabama Polytechnic Institute is in hearty accord with the position stated by you in your letter of March 12."

Cornell University, New York—by Livingston Farrand, president: "I am sure that not only my own opinion but that of my colleagues at Cornell University would be in favor of making a considerable number of such appointments from civilian sources and particularly from among outstanding students of the advanced R. O. T. C. courses in our universities. Opinions would naturally differ as to what the proportion should be."

Oklahoma Military Academy—by Walter E. Downs, president: "In reply to your letter requesting my opinion with reference to the commissioning in the Regular Army of the United States 50 percent R. O. T. C. units from military schools, colleges, and universities, also the Organized Reserves, the National Guard, and from the ranks of the Regular Army, I desire to say that it will do more to advance interest and secure progress in the Army than anything that can be done."

The Creighton University, Omaha—by Rev. P. J. Mahan, S. J., president: "There are many reasons why the commissioned personnel of the Regular Army should be composed of not less than 50 percent from sources other than the Military Academy. The reasons as I see them are:

"(a) The necessity for increased contact between civilians and members of the commissioned personnel of the Regular Army.

"(b) The inculcation of new thoughts and ideas into the extremely conservative organization.

"(c) The stimulation of interest in Army affairs in young men who may not be able to attend the Military Academy.

"It has been my observation that there has been a decided lack of contact between the American military men and the man in civilian life."

The Arkansas State Teachers' College—by Gen. H. L. McAlister, president: "We are all of the opinion that this would be a good plan. I have often heard of the so-called 'West Point clique', although I have never seen it nor have I come in contact with it. I believe it would be a good plan to have the boys in the Army come in closer contact with the civilian."

The Rhode Island State College—by R. G. Bressler, president: "I am in hearty accord and all of our military officers as well as the deans of the college join with me in urging your program, which would make possible R. O. T. C. units to receive consideration for appointments to the Regular Army."

Ripon College, Wisconsin—by Silas Evans, president: "Replying to your letter of March 15, I can report a most enthusiastic reception and approval of the proposed measure which you are promoting. I have spoken to many of our representative men, trustees, and faculty members, and the opinion I herein express is most cordially and enthusiastically expressed by them."

University of Pennsylvania—by Thomas S. Gates, president: "I believe that your plan to appoint R. O. T. C. graduates as second lieutenants in the Regular Army is excellent."

Lehigh University, Pennsylvania—by C. R. Richards, president: "If the enlisted personnel of the Army is increased as proposed, I assume that there will be immediate need for an increase in the

number of officers and that a part of this increase may very well be made from the ranks of the Officers' Reserve Corps. I am, therefore, in general agreement with your proposal."

The University of Oklahoma—by W. B. Bizzell, president: "I believe most officers and everyone with a national outlook who is interested in the Army will agree that it would be a good policy to secure a part of the normal officer replacement each year from civilian sources including the R. O. T. C., and that any commissioned from R. O. T. C. graduates would be of exceedingly high promise in leadership, scholastic attainments, aptitude, and general worth.

"Such a policy would furnish incentive to many aspirants exceptionally qualified who might not otherwise consider a military career open to them. It should be of great benefit to the whole country to have this wider spread of opportunity open to the young men of the various sections. The Army would benefit by having a variety in the educational background of its personnel."

North Dakota Agricultural College, North Dakota—by J. H. Shepperd, president, "Replying to your letter of March 15, I wish to say that I believe your plan of using R. O. T. C. members of our graduating class for Regular Army officers to the extent of 50 percent would be a good one."

General Alumni Association, University of Pittsburgh—by John W. Hallock, secretary: "I would suggest the inclusion of the following paragraph in your letter to the Chairman of the Military Affairs Committee:

"I am convinced that the proposed policy of recruiting second lieutenants for the Regular Army from existing Reserve Officers' Training Corps units is highly advisable. It will lend greater flexibility to the number of available officers. It will contribute greatly to the morale and training of Reserve officers through stimulating competitive effort for permanent commissions. It will obviate the necessity of an expansion of facilities at West Point. It will stimulate Regular Army officers assigned to R. O. T. C. duty. Finally, it is a splendid economy measure and I earnestly support the provisions of the measure.

"If you wish to add my military title, it is lieutenant colonel in the Corps of Engineers Reserve and chief of the Pittsburgh engineer procurement district."

University of Georgia—by S. V. Sanford, president: "I have talked with Colonel Mann, of the Regular Army, who is in charge of our R. O. T. C. unit, and whose opinion in this matter I value highly, and he states that he is heartily in favor of your entire plan, and believes that officer material taken from outstanding and particularly suitable graduates of the advanced R. O. T. C. students would not only greatly popularize military training in our schools and universities, but would furnish a reservoir of fine young officers who would be second to none, and would place a value of R. O. T. C. training on a higher plane than ever before."

University of New Hampshire—by Edward M. Lewis, president: "Upon inquiry I find that your suggestion meets with a hearty response among those interested in the project on this campus."

The University of Wyoming—by A. G. Crane, president: "I am indeed pleased to acknowledge an inquiry from you asking opinion regarding the proposal to fill a part of the annual vacancies in the Regular Army commissions personnel from the organized reserves of the National Guard as well as from the ranks of the Regular Army. I am in hearty accord with your recommendation. I think the Regular Army, like some other highly organized establishments, has suffered from inbreeding. The introduction of newer blood, which had not been fully indoctrinated with all the precedents, rules, and routine of the establishment would be a decidedly healthy thing for the United States Army."

Yale University—by James R. Angell, president: "I am not in a position to speak for other institutions, but my observation of the facts here at Yale, together with my knowledge of the view of military men who are familiar with our situation, leads me to feel that we could annually offer to the Army for regular appointment as second lieutenants several absolutely first-class men.

"There seems to be no question that, if the possibility of such appointments were known, there would be a marked increase in the interest in the work of the R. O. T. C., and a notable increase of enrollment.

"That the injection of a collegiate group of this kind into the Army would have a beneficial effect of the officer personnel of the Regular Establishment also seems to me beyond question."

Wofford College, South Carolina—by Henry N. Snyder, president: "In reply I write to say that I approve heartily of your proposal to authorize the commissioning of the Regular Army graduates of R. O. T. C. institutions. My view is that you will get an unusually fine quality of young men. They have had a more generalized cultural equipment than perhaps they would get at West Point, and, in addition, have had the fundamentals of technical military training. I believe it would be greatly to the advantage of the Army to feed in men of this type."

Rutgers University, New Jersey—by John C. Clother, president: "I have read with interest your letter of March 15 and have taken it up with the officers of our military staff. It is our feeling that the plan which you propose would stimulate interest in the R. O. T. C. courses at our universities and that benefit would result."

New York University—by Harold O. Voorhis, secretary: "Replying to your letter of March 12, it seems to us that if we are to go on supporting in our colleges as a part of the national defense the work of the Reserve Officers' Training Corps, reasonable provision should be made for the active employment in the Army of officer material so trained. Your effort toward this end seems deserving of encouragement."

University of Illinois—by A. C. Willard, president: "It is our belief that the commissioning in the Regular Army of a fixed percentage of Reserve Officers' Training Corps graduates annually, to be selected and recommended by the professor of military science and tactics and approved by the president of the institution, would provide a great incentive for enrollment and for high standing in the Reserve Officers' Training Corps, and also for high academic standing in college courses, as the two are inseparably bound together. We now limit our selection of students for the advanced course to those with good academic standing. This gives us the cream of the young men in the university; and, therefore, if the best of our Reserve Officers' Training Corps graduates be commissioned in the Regular Army, it is evident that they would be unusually well qualified for such appointment."

Drexel Institute, Philadelphia—by Parker R. Kolbe, president: "I agree with the suggestion made in your letter of March 12. It would undoubtedly stimulate interest in military training if the possibility of obtaining a commission in the Regular Army were held out to the members of the Reserve Officers' Training Corps. I am further of the opinion that the graduates from the advanced course in our Reserve Officers' Training Corps colleges would make splendid material for service in the Regular Army."

Massachusetts Institute of Technology—by S. C. Vestal, colonel, Coast Artillery Corps, P. M. S. and T.: "I am in favor of Mr. McSwain's idea for two reasons:

"(1) The outlook of the Army is broader if its officers come from various sources. An exclusively West Point produced personnel would tend to become inbred and narrow minded. Moreover, such a corps of officers invites caustic criticism upon the Army and upon the Military Academy, as anyone will perceive who looks through the contents of Benton's Thirty Years in the United States Senate, which covers the period from 1820 to 1850, when the officers of the Army came almost exclusively from West Point. There has been comparatively little of the criticism of the kind voiced by Senator Benton since the Civil War, for the reason, in my opinion, that, in addition to graduates of West Point, there has always been a large percentage of officers who came into the Army as a result of the Civil, Spanish-American, and World Wars, and in addition many appointees from the Army, civil life, and from our schools and colleges.

"(2) A great incentive would be given to the advanced R. O. T. C. if a certain number of commissions in the Regular Army were given to outstanding R. O. T. C. graduates directly upon graduation. No incentive is given to the R. O. T. C. by the fact that its graduates may later compete for commissions as Reserve officers, and I do not believe that the Officers' Reserve Corps is greatly benefited by the fact that officers in its lower grades may compete for commissions in the Regular Army."

Massachusetts Institute of Technology—by Karl T. Compton, president: "Advantages which I see in your plan are: First, the stimulating effect of bringing into the regular service men who have this outlook and training which the West Point graduates may not have, excellent as their special training is. There is a fundamental danger in all organizations of depending exclusively on one source of personnel, and this is accentuated in the Army by the fact that most of the instruction is given by men who have themselves gone through the same mill."

The State College of Washington—by E. O. Holland, president: "I have made careful inquiry of a number of competent persons relative to this matter and all of us are agreed that such a plan, if carried out with some degree of care, would be helpful to the United States Army and also increase the support by the public generally of our standing Army."

Kansas State College—by F. D. Farrell, president: "Each year somewhat more than 5,000 graduates of Reserve Officers' Training Corps units in our colleges and universities are given commissions in the Organized Reserve. It would be practicable to select each year from this number several hundred young men of exceptional qualifications as Army officers. I believe that the throwing open of a moderate number of lieutenancies to the outstanding stimulus of the Reserve Officers' Training Corps would be a great stimulus to military training in our colleges and universities and a significant contribution to our national defense."

Virginia Military Institute—by John A. Lejeune: "I cannot speak for the Reserve Officers' Training Corps units in the other colleges, but I am certain that the average graduate from the Virginia Military Institute is well fitted to be commissioned as a second lieutenant in the branches of Cavalry, Field Artillery, and Infantry in the Regular Army. I base this opinion on the fact that cadets here live in a similar state of discipline as at West Point, and they have guard duty, daily parade, review and inspection, and drills in Infantry, Field Artillery, and Cavalry. All of the cadets belong to the Reserve Officers' Training Corps unit except a few who are not qualified physically, but they drill nevertheless.

"I am therefore heartily in favor of commissioning a liberal proportion of our graduates in the Army, and I know that it would be beneficial to the Army, bringing into it different modes of training and thought."

Carnegie Institute of Technology, Pennsylvania—by Charles Watkins, assistant to the president: "After consulting with members of our faculty, including a representative from the military department, I wish to recommend your plan for authorizing the commissioning of Army officers from Reserve Officers' Training Corps units. Personally, I believe this to be a move in the right direction and was somewhat surprised to find that graduates of West Point, now attached to our military department, are enthusiastic in their endorsement of this step."

The University of Akron, Ohio—by H. E. Simmons, president: "The University of Akron is certainly happy to lend its support to any measure that would make it possible for 50 percent of the vacancies created each year to be filled by graduates from recognized Reserve Officers' Training Corps units."

Ouachita College, Arkansas—by J. R. Grant, president: "I am heartily in favor of commissioning men from the ranks of our Reserve Officers' Training Corps. For fear I might not see it in the right light, I asked Major Amis, who has charge of our Reserve Officers' Training Corps, to make a statement for you. He has addressed it to me but I am enclosing it in my letter. I think he has expressed my sentiments well."

College of Engineering and Commerce, Cincinnati, Ohio—by Herman Schneider, dean: "Dr. Gowdy and I have gone over the letter, hereto attached, from Congressman JOHN J. MCSWAIN. The letter, in substance, proposes that one-half the vacancies in the commissioned ranks of the Regular Army be appointed outside the graduates of the United States Military Academy. It seems to me that this would be a good policy, beneficial both to the Army and to the engineering profession. I know that our own graduates would meet the requirements successfully."

The University of Tennessee—by Guy M. James, second lieutenant, Light Infantry, O. R. C.: "I have always heard that if the Army had a friend in Washington, it was Congressman MCSWAIN, and that Congressman MCSWAIN was a great champion of Reserve officers. Because of this, and because I know of the invaluable aid you gave to Captain Kemp in his recent trouble, I would like to ask if you would help me solve a problem I have struggled with in the darkness of ignorance, with no success.

"I am a graduate of the 1934 class of the University of Tennessee and am now 23 years of age. I hold a second lieutenant's commission in the Reserve Corps and have completed my work up to the grade of captain in less than 2 years. I am rather proud of the short record I have been able to attain in the corps.

"During my senior year at the university and up to the present I have served as instructor in the military department of the University of Tennessee entirely on my own initiative and with no pay, merely to increase my efficiency as an officer. While this means nothing toward promotion nor helps my military record, I think I am better for having done it, and I believe I can say without boasting that the Regular Army officers on duty at the university would give a good report on me. I have many recommendations from Army officers under whom I have served which I can submit with pride at any time.

"More than anything in the world, I want to be an officer in the Regular Army, and would gladly do anything necessary to obtain a commission if I only knew what was required and how to go about the affair. I have written the War Department about it, and they tell me that only West Pointers are appointed in the Regular Army. I feel certain that there must be some way for a person who is as much interested in the Army as I am to do something about it."

The University of Nebraska—by Charles E. Speer, major, Infantry; Walter T. Scott, captain, Infantry; G. W. Spoerry, captain, Infantry: "That the officer personnel and the Army in general will be closer to the people and rated higher by the man on the street if a larger percentage of its officers be appointed from men who have made themselves outstanding and filled a niche in college life as well as the home community before entering the service."

Western Maryland College—by A. N. Ward, president: "I want to say that I endorse the principle of your plan of authorizing the commissioning in the Regular Army of the United States of about 50 percent of the vacancies created each year by ordinary attrition from such civilian sources as the Organized Reserves, the National Guard, and also from the ranks of the Regular Army. I believe that a number of our students graduating in the R. O. T. C. who would make desirable officers would like to apply for these commissions. This opinion is also held by the officers in our R. O. T. C. unit and by our representative faculty members."

Oklahoma Agricultural and Mechanical College—by Henry G. Bennett, president: "I favor such a policy for two reasons: First, it will tend to minimize the effects of inbreeding, which results from depending upon one usual source for all officers. Second, it will promote better a democratic spirit in the permanent establishment. I think, in addition to this, that the influence of such an opportunity will react most beneficially upon the morale of R. O. T. C. units."

The University of North Dakota—by John C. West, president: "I am quoting herewith a report by my professor of military science, who is a graduate of the Military Academy and has served approximately 26 years in the Regular Army:

"'There is no better material for officers than the "cream" of the R. O. T. C. graduates each year. As the regulations now read, each R. O. T. C. unit can recommend 5 percent of its graduates as "honor graduates." These men can accept commissions in the Regular Army without examination, except the physical examination, if there are any vacancies, after the West Point class of that year has been commissioned. There have been no vacancies for several years.'

"I have had close contact with several officers who have entered the Army from R. O. T. C. units and every one of them has been an excellent man. One of these is now an assistant professor of military science at this university.

"If the prospect of obtaining a commission was offered to the R. O. T. C. graduates, it would be one of the best stimulants possible for them."

THE WATERS OF THE COLORADO RIVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a brief memorial passed by the Legislature of Colorado concerning the Colorado River compact.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Senate Joint Resolution 17, adopted a few days ago by the Thirtieth General Assembly of the State of Colorado, protesting against the Honorable Harold L. Ickes, Secretary of the Interior, entering into a contract with the State of Arizona for the storage in and delivery of 2,800,000 acre-feet of water from the Boulder Canyon Reservoir. The matter referred to in this resolution pertains to and is more fully explained in my letter to the Secretary of the Interior of the 2d of April and published in the CONGRESSIONAL RECORD of April 3, 1935. The resolution is as follows:

Senate Joint Resolution 17

Whereas we are advised that the State of Arizona has requested, or is about to request, the honorable Secretary of the Interior of the United States to enter into a contract with that State for the storage in and delivery of certain waters from the Boulder Canyon Reservoir; and

Whereas the State of Colorado is vitally interested in protecting her rights in the waters of the Colorado River: Now, therefore, be it

Resolved by the Senate of the Thirtieth General Assembly of the State of Colorado (the house of representatives concurring therein), That we do hereby protest the entering into such contract by the honorable Secretary of the Interior with said State; and be it further

Resolved, That our secretary of state is hereby directed to transmit a certified copy of this joint resolution to the Honorable Harold L. Ickes, Secretary of the Interior, and to Hon. EDWARD P. COSTIGAN, Hon. ALVA B. ADAMS, Hon. EDWARD T. TAYLOR, Hon. JOHN A. MARTIN, Hon. LAWRENCE LEWIS, and Hon. FRED CUMMINGS, our Senators and Representatives, respectively, in the Congress of the United States.

RAY H. TALBOT,
President of the Senate.
M. J. WALSH,
Secretary of Senate.
MOSES E. SMITH,
Speaker of the House.
JOHN T. DOYLE,
Chief Clerk.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CONNERY, for 2 days, on account of important business.

COTTON GROWING, PROCESSING, AND MANUFACTURE INTO TEXTILES AND OTHER PRODUCTS

Mr. SIROVICH. Mr. Speaker, I want to inform the House that I have introduced a resolution providing for a special committee to obtain the facts in relation to cotton growing, processing, and manufacture into textiles and other products, and to investigate the loss of American cotton markets to foreign competitors, and to determine means whereby the American cotton market, both domestic and foreign, may be regained and expanded.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths;

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award;

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; and

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 24, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

309. A letter from the Secretary of War, transmitting report of an accumulation of documents and files of papers in the Philadelphia depot of the Quartermaster Department no longer useful in the transaction of public business; to the Committee on Disposition of Executive Papers.

310. A letter from the Comptroller General of the United States, transmitting a report of papers or documents now in the files of that office no longer required in the transaction of public business; to the Committee on Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CARY: Committee on Appropriations. H. R. 7672. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes; without amendment (Rept. No. 746). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Expenditures in the Executive Departments. H. R. 151. A bill authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments; without amendment (Rept. No. 747). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Special Subcommittee on Foreign Affairs. H. Report 748. A report on the tin investigation pursuant to House Resolution 404 (73d Cong.) and House Resolution 71 (74th Cong.). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935; with amendment (Rept. No. 749). Referred to the Committee of the Whole House on the state of the Union.

Mr. McFARLANE: Committee on Naval Affairs. S. 1611. An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.; without amendment (Rept. No. 752). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 5720. A bill to amend the National Defense Act of June 3, 1916, as amended; with amendment (Rept. No. 753). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 7340. A bill for the relief of Margaret G. Baldwin; without amendment (Rept. No. 750). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 7561. A bill for the relief of Irene de Bruyn Robbins; without amendment (Rept. No. 751). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes; to the Committee on Appropriations.

By Mr. SMITH of Connecticut (by request): A bill (H. R. 7673) to amend the Liquor Taxing Act of 1934, approved January 11, 1934, and acts amendatory thereof and supplementary thereto; to the Committee on Ways and Means.

By Mr. FULMER: A bill (H. R. 7674) to relieve Government employees of undue charges for quarters, subsistence, laundry, etc., and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McREYNOLDS: A bill (H. R. 7675) to provide for the national defense by encouraging the domestic production of tin, and by decreasing the dependence of the United States upon foreign nations for a supply of the same; to the Committee on Ways and Means.

By Mr. BRUNNER: A bill (H. R. 7676) to provide that airplanes, dirigibles, and other aircraft for the use of the Army, the Navy, and Coast Guard shall be constructed by domestic firms with employees who are citizens of the United States; to the Committee on Military Affairs.

By Mr. JONES: A bill (H. R. 7677) to amend the Agricultural Adjustment Act with respect to sugar beets and sugarcane; to the Committee on Agriculture.

By Mr. CHAPMAN: A bill (H. R. 7678) to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355) to the Committee on Coinage, Weights, and Measures.

By Mr. KOPPLEMANN: A bill (H. R. 7679) to authorize the erection of an addition to the existing Veterans' Administration Facility, Newington, Conn.; to the Committee on World War Veterans' Legislation.

By Mr. PARSONS: A bill (H. R. 7680) to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers; to the Committee on the Judiciary.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 7681) to amend the law governing the leasing of unallotted Indian lands for mining purposes; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 7682) to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 7683) repealing certain provisions of law relating to the Indians; to the Committee on Indian Affairs.

By Mr. TERRY: A bill (H. R. 7684) to authorize the erection of an addition to the existing Veterans' Administration facility at North Little Rock, Ark.; to the Committee on World War Veterans' Legislation.

By Mr. VINSON of Georgia: A bill (H. R. 7685) authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer, of Boston, Mass.; to the Committee on Naval Affairs.

By Mr. STACK: A bill (H. R. 7686) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. SUMNERS of Texas: A bill (H. R. 7687) to amend the Judicial Code to permit defendants in criminal cases to waive trial by jury; to the Committee on the Judiciary.

By Mr. MEAD: A bill (H. R. 7688) to provide for the appointment and promotion of substitute postal employees, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. ZIMMERMAN: A bill (H. R. 7689) to legalize a bridge across Black River near the north line of section 2, township 24 north, range 6 east, near the town of Poplar Bluff, in Butler County, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. CORNING: A bill (H. R. 7690) to authorize the coinage of 50-cent pieces in commemoration of the two-

hundred-and-fiftieth anniversary of the founding of the city of Albany, N. Y.; to the Committee on Coinage, Weights, and Measures.

By Mr. GREEVER: A bill (H. R. 7691) to authorize the erection of additional facilities at the existing Veterans' Administration Facility, Cheyenne, Wyo.; to the Committee on World War Veterans' Legislation.

By Mr. SIROVICH: Legislation (H. Res. 202) providing for a special committee to obtain the facts in relation to cotton growing, processing, and manufacture into textiles and other products, and to investigate the loss of American cotton markets to foreign competitors and to determine means whereby the American cotton market, both domestic and foreign, may be regained and expanded; to the Committee on Rules.

By Mr. SMITH of Connecticut (by request): Joint resolution (H. J. Res. 256) to amend Public Resolution No. 40, Seventy-third Congress, approved June 18, 1934; to the Committee on Ways and Means.

By Mr. IGLESIAS: Joint resolution (H. J. Res. 257) to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929; to the Committee on Insular Affairs.

By Mr. KELLER: Joint resolution (H. J. Res. 258) to provide for certain State allotments under the Cotton Control Act; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, re the reduction of the present tax on beer and other liquor; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Pennsylvania, favoring the Pulaski memorial resolution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 or rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 7692) to provide for replacement of the old Fort C. F. Smith Monument in Custer Battlefield National Cemetery, Mont.; to the Committee on Military Affairs.

By Mr. BOLTON: A bill (H. R. 7693) for the relief of Mike Duran; to the Committee on Claims.

By Mr. CASEY: A bill (H. R. 7694) for the relief of Henry Werre; to the Committee on Claims.

By Mr. CHAPMAN: A bill (H. R. 7695) granting a pension to Zack H. Wilson; to the Committee on Pensions.

By Mr. COLLINS: A bill (H. R. 7696) granting a pension to Cudleigh Andrews Clifford; to the Committee on Pensions.

By Mr. DOBBINS: A bill (H. R. 7697) authorizing the President to order Jesse T. McDavid before a retiring board for a hearing of his case and, upon the findings of such board, determine whether or not he be placed on the retired list, because of distinguished service in the World War, with the rank and pay of a lieutenant colonel; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 7698) to correct the naval record of Howard Barras; to the Committee on Naval Affairs.

By Mr. GREENWOOD: A bill (H. R. 7699) granting a pension to Frank Burcham; to the Committee on Invalid Pensions.

By Mr. LEE of Oklahoma: A bill (H. R. 7700) to reimburse the Soldiers' Tubercular Sanitarium of Sulphur, Okla., for unauthorized emergency treatment and hospitalization of service-connected World War veterans given prior to July 1, 1930; to the Committee on Claims.

By Mr. PALMISANO: A bill (H. R. 7701) granting a pension to Joseph Galonska; to the Committee on Pensions.

By Mr. SCHULTE: A bill (H. R. 7702) for the relief of John A. Barr; to the Committee on Claims.

By Mr. SNYDER: A bill (H. R. 7703) granting a pension to Mary Alice Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7704) granting an increase of pension to Ann Eliza Ansell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7705) granting an increase of pension to Sarah A. Chisholm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7706) granting an increase of pension to Melissa D. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7707) granting an increase of pension to Roxalina Davis; to the Committee on Invalid Pensions.

By Mr. ZIMMERMAN: A bill (H. R. 7708) granting a pension to Roy Walker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7320. By Mr. ROGERS of Oklahoma: Petition headed by A. H. Lesesne, of Glenwood, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7321. Also, petition headed by J. Austin, of Carrsville, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7322. Also, petition headed by Henry Padget, of Chesterfield, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7323. Also, petition headed by D. Pryear, of Drewery, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7324. Also, petition headed by Frank Tatom, of Prattville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7325. Also, petition headed by A. Smith, of Straven, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7326. Also, petition headed by Tom Ralls, of Culloden, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7327. Also, petition headed by Charlie Vinson, of Mercer, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7328. Also, petition headed by Harry Perkins, of Toone, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7329. Also, petition headed by Page Ford, of Telogia, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7330. Also, petition headed by W. T. Gaddis, of Marble Hill, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7331. Also, petition headed by B. C. Kimmons, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7332. Also, petition headed by M. Hatter, of Woodward, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7333. Also, petition headed by L. Hill, of Flintville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7334. Also, petition headed by G. Rigsby, of Broughton, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7335. Also, petition headed by Sam Thames, of Manchester, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pople plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7336. Also, petition headed by J. L. McDaniel, of Cord, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7337. Also, petition headed by Joshua Ellingwood, of Livermore, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7338. Also, petition headed by H. Robertson, of Millport, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7339. Also, petition headed by C. T. Fordham, of Garfield, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7340. Also, petition headed by A. J. Hancock, of Livermore, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7341. Also, petition headed by L. W. Miller, of Carbondale, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7342. Also, petition headed by B. Thomas, of Greensboro, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7343. Also, petition headed by C. Higgins, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7344. Also, petition headed by H. B. Cates, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7345. Also, petition headed by Samuel Songer, of Tilton, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7346. Also, petition headed by A. E. Ellington, of Peach Orchard, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7347. Also, petition headed by T. C. Ellis, of Moulton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7348. Also, petition headed by L. Hill, of Augusta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7349. Also, petition headed by E. Fitzgerald, of Unity, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7350. Also, petition headed by Charles Mowers, of Unity, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7351. Also, petition headed by M. Bullocks, of Tuckerman, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7352. Also, petition headed by M. B. Story, of Wilmington, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7353. Also, petition headed by Wallace Rowland, of Shabbona, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7354. Also, petition headed by G. Whitson, of Berry, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7355. Also, petition headed by C. Newsom, of Sheffield, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7356. Also, petition headed by O. L. Perry, of Sulphur Springs, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7357. Also, petition headed by D. F. Edwards, of Pollard, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7358. Also, petition headed by M. Johnson, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7359. Also, petition headed by E. Caldwell, of Cordova, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7360. Also, petition headed by James C. Posey, of Morris, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7361. Also, petition headed by John W. Fleming, of Christian County, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7362. Also, petition headed by Charles W. Quarles, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7363. Also, petition headed by Joe Nelson, of Paducah, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7364. Also, petition headed by J. H. Love, of Blanche, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7365. Also, petition headed by Daniel Hooker, of Ormand, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7366. Also, petition headed by Ford English, of Plateau, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7367. Also, petition headed by John Dewitt, of Booneville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7368. Also, petition headed by C. Colbert, of Eldorado, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7369. Also, petition headed by M. W. Shumate, of Guntersville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7370. Also, petition headed by Rev. W. J. Watson, of White House, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7371. Also, petition headed by J. M. Brooks, of Spruce Pine, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7372. Also, petition headed by Sylvester Stephens, of Lagrange, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7373. Also, petition headed by G. B. Alexander, of Parrish, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7374. Also, petition headed by M. W. Willimas, of Wakulla, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7375. Also, petition headed by C. W. Glass, of Summerdale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7376. Also, petition headed by Wilson Martin, of Nauvoo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7377. Also, petition headed by G. Rudder, of Stevenson, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7378. Also, petition headed by L. V. Jones, of Forrest City, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7379. Also, petition headed by W. O. Talley, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7380. Also, petition headed by J. McFarland, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7381. Also, petition headed by E. V. Gafford, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7382. Also, petition headed by George Rosser, of Russellville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7383. Also, petition headed by Britt M. Jones, of Albany, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7384. Also, petition headed by E. W. Smith, of Troy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7385. Also, petition headed by William Lawson, of Ullin, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7386. Also, petition headed by G. W. Puhler, of Wheeler, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7387. Also, petition headed by A. Grogan, of Murray, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7388. Also, petition headed by Tom Melvin, of Stilson, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7389. Also, petition headed by J. W. Forster, of Monterey, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7390. Also, petition headed by Henry McGuire, of Waverly, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7391. Also, petition headed by Harman V. Hahn, of Kankakee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7392. Also, petition headed by Lawrence Lewis, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7393. Also, petition headed by S. Henderson, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7394. Also, petition headed by Mark Stewart, of Somerville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7395. Also, petition headed by George S. Butler, of Horse Shoe, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7396. Also, petition headed by B. Smith, of Braselton, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7397. Also, petition headed by William Smith, of Reform, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7398. Also, petition headed by Sam Reish, of Morrisonville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7399. Also, petition headed by James Esmon, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7400. Also, petition headed by John G. Baker, of Knoxville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7401. Also, petition headed by O. Crawford, of Beggs, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7402. Also, petition headed by Charles Forsyth, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7403. Also, petition headed by J. P. Tate, of Ashford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7404. Also, petition headed by G. L. Acton, of Siluria, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7405. Also, petition headed by John Conway, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7406. Also, petition headed by S. Collins, of Cuyahoga Falls, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7407. Also, petition headed by F. Roberson, of Cuyahoga Falls, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7408. By Mr. BUCKLER of Minnesota: Petition of R. Reierson, chairman; Emil Sonstelie and John H. Johnson, supervisors, members of the Board of Supervisors of Sletten Township, near McIntosh, Minn., praying for the cessation of further trade treaties involving a reduction of tariffs; to the Committee on Ways and Means.

7409. By Mr. CONNERY: Memorial of the City Council of Salem, Mass., urging that the so-called "processing tax" on cotton and cotton products be abolished, and further that Congress impose regulations prohibiting the importation of Japanese cotton or cotton products; also leather, shoes, toys, machinery, etc., to the United States of America; to the Committee on Ways and Means.

7410. By Mr. FOCHT: Petition of John C. Seiders and other residents of Burnt Cabins, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, urging that Congress pass a uniform Federal old-age pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

7411. By Mr. FULMER: Petition memorializing the Congress of the United States to pass adequate legislation to prohibit the further operation of the stretch-out system in the textile industry of the Nation; to the Committee on Interstate and Foreign Commerce.

7412. Also, petition memorializing the Congress of the United States to pass the pending measure introduced by Hon. H. P. FULMER authorizing employees of the Veterans' Administration to accept or reject quarters furnished by the Veterans' Administration; to the Committee on World War Veterans' Legislation.

7413. By Mr. GOLDSBOROUGH: Resolution of residents of Wicomico County, Md., urging Congress to extend fundamental principles of the National Recovery Act; to the Committee on Appropriations.

7414. Also, resolution of Sunshine Council, No. 24, Sons and Daughters of Liberty, favoring House bill 5921 pertaining to deportation of aliens; to the Committee on Immigration and Naturalization.

7415. By Mr. JOHNSON of Texas: Petition of William Harris, of Covington, Tex., favoring House bill 6995; to the Committee on Pensions.

7416. Also, petition of Ethel Collier, secretary of the Ennis Circle of the Child Conservation League, of Ennis, Tex., favoring House bill 6472; to the Committee on Interstate and Foreign Commerce.

7417. Also, petition of O. B. Love, owner of Coolidge Poultry Farm and Hatchery, of Coolidge, Tex., favoring House bill 5802; to the Committee on Ways and Means.

7418. Also, petition of E. O. Siecke, director, Texas forest service, Agricultural and Mechanical College of Texas, College Station, Tex., favoring House bill 6914; to the Committee on Agriculture.

7419. By Mr. MAPES: Petition of J. S. Tindall and others, of Cedar Springs, Mich., recommending the passage of House bill 6026; to the Committee on Ways and Means.

7420. Also, petition of 114 citizens of Kent County and members of the Fuller Avenue Christian Reformed Church, of Grand Rapids, Mich., recommending the repeal of the Wheeler-Howard Act and protesting against the continuance in office of the present Commissioner of Indian Affairs; to the Committee on Indian Affairs.

7421. By Mr. MURDOCK: Petition of Railway Employees Protective Association of Ogden, Utah, urging the enactment of House bill 5262, providing for Federal regulation of interstate highway motor transportation; to the Committee on Interstate and Foreign Commerce.

7422. By Mr. PFEIFER: Petition of the Continental Undergarment Co., Brooklyn, N. Y., concerning the Wagner labor-disputes bill (S. 1958); to the Committee on Labor.

7423. Also, petition of the Hilo Varnish Corporation, Brooklyn, N. Y., concerning the Wagner labor-disputes bill (S. 1958); to the Committee on Labor.

7424. By Mr. RUDD: Petition of the Queens County Council, Department of New York, Veterans of Foreign Wars, Jamaica, N. Y., and Veterans of Foreign Wars Posts of Queens County, favoring the passage of the Connery bill (H. R. 5224); to the Committee on Labor.

7425. By Mr. THURSTON: Petition containing the names of 81 residents of the Fifth Iowa District, supporting legislation to prohibit manufacturers' special rebates or discounts to chain- or branch-store organizations competing with independent retail establishments; to the Committee on Interstate and Foreign Commerce.

7426. By Mr. TRUAX: Petition of the Summit County Joint Action Committee for the workers' bill, Akron, Ohio, by their president, Paul Babos, and secretary, Mike Kish, stating that of all the social-insurance bills before Congress they find House bill 2827, or Lundeen bill, as the one which serves the best interest of the broad working masses most effectively; to the Committee on Labor.

7427. Also, petition of George Smith and numerous other citizens of Norwalk, Ohio, urging support of the McGroarty bill, known as the "Townsend plan"; to the Committee on Ways and Means.

7428. Also, petition of Branch Y–119 of the Youth Section of the International Workers Order of the City of Bellaire, Ohio, by their secretary, William Podmaka, urging support of the workers unemployment and social-insurance bill (H. R. 2827) as they believe this bill to be the only one that offers any real measure of protection to both the adult and young workers of this country; to the Committee on Labor.

7429. Also, petition of the Joint Council of Teamsters, Local 44 (consisting of Teamsters and Chauffeurs, Local 20, Milk Drivers and Dairy Employees, Local 361, Bakery Drivers, Local 365, and Taxi Drivers, Local 494), Toledo, Ohio, by their secretary, Frank J. Randall, urging support of House bill 7172, known as the "Mead substitute bill", also House bill 6990 which provides for a 40-hour week for all postal employees, also favoring the Wagner labor disputes bill; to the Committee on the Post Office and Post Roads.

7430. Also, petition of Local Union No. 10, International Union of Operating Engineers, Toledo, Ohio, by their secretary, S. A. Bloom, urging support of the Mead substitute bill and House bill 6990 which provides for a 40-hour week for all postal employees; to the Committee on the Post Office and Post Roads.

7431. By the SPEAKER. Petition of the Anti-Radio Patent Racket League; to the Committee on Interstate and Foreign Commerce.

7432. Also, petition of the Greeneville Chamber of Commerce, Greeneville, Tenn.; to the Committee on the Judiciary.

7433. Also, petition of the Old Hickory Club, of Detroit, Mich.; to the Committee on Expenditures in the Executive Departments.

7434. Also, petition of the Civic Leaders Club, Los Angeles, Calif.; to the Committee on Ways and Means.

7435. Also, petition of the Federal Bar Association, Washington, D. C.; to the Committee on the Library.

7436. By Mr. ROGERS of New Hampshire: Petition of the city government of Manchester, N. H., relating to the adoption of remedial measures to save the textile industry for Manchester and the State of New Hampshire; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 24, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 23, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Robinson
Ashurst	Couzens	Logan	Russell
Austin	Dickinson	Lonergan	Schall
Bachman	Dieterich	Long	Schwellenbach
Bailey	Donahey	McCarran	Sheppard
Bankhead	Duffy	McGill	Shipstead
Bilbo	Frazier	McKellar	Smith
Black	Gerry	McNary	Steiwer
Brown	Gibson	Metcalf	Thomas, Okla.
Bulow	Gore	Moore	Thomas, Utah
Burke	Guffey	Murphy	Townsend
Byrd	Hale	Murray	Truman
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	Pittman	White
Clark	Johnson	Pope	
Connally	Keyes	Radcliffe	
Coolidge	King	Reynolds	

Mr. ROBINSON. I announce that the Senator from Connecticut [Mr. MALONEY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Georgia [Mr. GEORGE], the Senator from Kentucky [Mr. BARKLEY], the Senator from Ohio [Mr. BULKLEY], the Senator from Washington [Mr. BONE], the Senator from New York [Mr. COPELAND], the Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from California [Mr. MCADOO], the Senator from Indiana [Mr. MINTON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate, and that the Senator from Idaho [Mr. BORAH] is detained on official business.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1209. An act to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii; and

S. 1610. An act authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina.

The message also announced that the House had passed a bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the search for victims and wreckage of the U. S. dirigible *Akron*, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths;

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award;

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths;

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; and

H. R. 7054. An act to provide for the protection of land resources against soil erosion, and for other purposes.

AMENDMENT OF THE BANKRUPTCY LAW—REORGANIZATION PLANS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which, with the accompanying paper, was referred to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a petition of sundry citizens of the United States, praying for the adoption of a "share-the-wealth" program, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Commodore John Barry Division, Ancient Order of Hibernians, of Perth Amboy, N. J., protesting against alleged religious persecutions and the desecration of church property in the Republic of Mexico, which were referred to the Committee on Foreign Relations.

He also laid before the Senate the petition of Gertrude Atherton, of San Francisco, Calif., praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which was referred to the Committee on Privileges and Elections.

Mr. WALSH presented a letter in the nature of a petition from the Federation of Italian Societies and Clubs, of Lawrence, Mass., praying for the taking of adequate measures to protect the textile industry, particularly the cotton industry, as now affected by the processing tax and imports, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a petition from Local Union No. 2420, United Textile Workers of America, of Worcester, Mass., praying for the enactment of the so-called "Wagner labor disputes bill", the "Black 30-hour work week bill", and also legislation limiting the use of Federal military equipment in strike situations, which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by Branch No. 20, of Roxbury; Branch No. 98, of New Bedford; and Branch No. 137, of Adams, all of the Workmen's Sick and Death Benefit Fund in the State of Massachusetts, favoring the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Retail Drug Trade Authority for the Sixth Congressional District of Massachusetts, Gloucester, Mass., favoring the extension of the National Industrial Recovery Act, and the strengthening of the code of fair competition for the retail drug trade, which was referred to the Committee on Finance.

He also presented a resolution adopted by Wire Workers' Union, No. 19859, of Worcester, Mass., favoring the enactment of the so-called "Black 30-hour work week bill" and the "Wagner labor-disputes bill", which was ordered to lie on the table.

He also presented a letter from James S. Milloy, written on the letterhead of the Minneapolis Tribune, and dated at Washington, D. C., April 20, 1935, enclosing a statement prepared by the National Committee on Small Farm Ownership relative to the so-called "Bankhead-Jones farm tenancy bill", which, with the accompanying paper, was ordered to lie on the table.

HOP GROWING IN NEW YORK STATE

Mr. WAGNER presented a telegram from Curtis Miller, president of the New York State Hop Growers' Association, which was ordered to lie on the table and to be printed in the RECORD, as follows:

WATERVILLE, N. Y., *April 19, 1935.*

Hon. ROBERT WAGNER,
United States Senate, Washington, D. C.:

New York State Hop Growers' Association oppose the McNary bill, as it will deprive New York State of a great potential industry. New York State hops are the best brewing hops produced in the United States. Hops will furnish employment in New York

State during the next 5 years for 1,000 men for 6 months and 5,000 women and children during the hop harvest. Hops will pull central New York out of the depression. Hops will distribute a large amount of money direct to the farmer, and this stimulates general business.

CURTIS MILLER,
President New York State Hop Growers' Association.

REPORTS OF COMMITTEES

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, reported it with amendments and submitted a report (No. 548) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 2647) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors, materialmen, and laborers for material and labor furnished in the construction of a post-office building at Hempstead, N. Y., reported it without amendment and submitted a report (No. 549) thereon.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 23d instant that committee presented to the President of the United States the enrolled bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BULOW:

A bill (S. 2657) for the relief of Harold Dukelow; to the Committee on Military Affairs.

A bill (S. 2658) granting an increase in pension to Annie Thompson; to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 2659) granting a pension to Emil Swinger; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 2660) for the relief of Chester Leroy Allen (with accompanying papers); to the Committee on Naval Affairs.

By Mr. BORAH:

A bill (S. 2661) to provide for the acquisition of a site and the erection thereon of a Federal building at Montpelier, Idaho; and

A bill (S. 2662) to provide for the acquisition of a site and the erection thereon of a Federal building at St. Anthony, Idaho; to the Committee on Public Buildings and Grounds.

By Mr. MINTON:

A bill (S. 2663) for the relief of Frank Mulder; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 2664) to aid in defraying the expenses of the third triennial meeting of the Associated Country Women of the World, to be held in this country in June 1936; to the Committee on Agriculture and Forestry.

(Mr. LEWIS introduced Senate bill no. 2665, which was referred to the Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

By Mr. VAN NUYS and Mr. MINTON:

A bill (S. 2666) for the relief of the Nacional Destilerias Corporation; to the Committee on Claims.

By Mr. VAN NUYS:

A bill (S. 2667) granting a pension to Gerta Newman; to the Committee on Pensions.

By Mr. BACHMAN:

A bill (S. 2668) granting a pension to Martha E. Cox; to the Committee on Pensions.

By Mr. CLARK:

A bill (S. 2669) for the relief of the Franklin Ice Cream Co. (with accompanying papers); to the Committee on Claims.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2670) repealing certain provisions of law relating to the Indians; to the Committee on Indian Affairs.

By Mr. BYRNES:

A bill (S. 2671) to provide for the establishment of a national monument and cemetery in Greenwood County, S. C., to be known as the "Star Fort National Monument and Cemetery"; to the Committee on Public Lands and Surveys.

By Mr. HATCH:

A bill (S. 2672) authorizing the exchange of public lands with the State of New Mexico; to the Committee on Public Lands and Surveys.

By Mr. ROBINSON:

A bill (S. 2673) for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.; to the Committee on Claims.

By Mr. CONNALLY:

A bill (S. 2674) to authorize the furnishing of steam from the central heating plant to the Federal Reserve Board, and for other purposes; to the Committee on Public Buildings and Grounds.

(By request.) A bill (S. 2675) for the relief of Horton & Horton; to the Committee on Claims.

By Mr. BACHMAN:

A joint resolution (S. J. Res. 106) authorizing a preliminary examination or survey of Homer Harbor, Kachemak Bay, Alaska; to the Committee on Commerce.

COORDINATION OF CERTAIN GOVERNMENTAL FUNCTIONS

Mr. LEWIS. Mr. President, I desire to introduce a bill which was handed me by the Secretary of the Interior. It is addressed to interior subject matter. I ask that the bill be referred to the Committee on Expenditures in the Executive Departments, of which I am chairman. With the bill, there has been handed to me a statement, and I am authorized to announce that the President of the United States has had consideration of the bill, knows the policy of it, and approves its purposes.

I beg to have the bill referred to the Committee on Expenditures in the Executive Departments.

The VICE PRESIDENT. Without objection, the bill will be received and referred as indicated by the Senator from Illinois.

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions, was read twice by its title and referred to the Committee on Expenditures in the Executive Departments.

BEQUEST OF OLIVER WENDELL HOLMES

Mr. ROBINSON. Mr. President, I desire to introduce a joint resolution to authorize the acceptance, on behalf of the United States, of the bequest of the late Oliver Wendell Holmes, formerly an Associate Justice of the Supreme Court of the United States. The joint resolution is introduced by request, and I ask that it be referred to the Committee on the Library.

I may say that some question has arisen in my own mind as to the correct reference of the joint resolution. I am asking now that it be referred to the Committee on the Library.

The VICE PRESIDENT. Without objection, the joint resolution will be received and referred as indicated by the Senator from Arkansas.

The joint resolution (S. J. Res. 107) to authorize the acceptance, on behalf of the United States, of the bequest of the late Oliver Wendell Holmes, formerly an Associate Justice of the Supreme Court of the United States, for the purpose of establishing a collection of the portraits of the former Justices of that Court and for the creation of scholarships for selected law students, was read twice by its title and referred to the Committee on the Library.

HOUSE BILL REFERRED

The bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the

search for victims and wreckage of the U. S. dirigible *Akron*, was read twice by its title and referred to the Committee on Naval Affairs.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. VAN NUYS submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AGRICULTURAL ADJUSTMENT ADMINISTRATION—ADDRESS BY SENATOR BYRD

Mr. BACHMAN. Mr. President, on Monday evening last the distinguished Senator from Virginia [Mr. BYRD] delivered over the radio a very interesting, illuminating, and timely address on the subject of proposed amendments to the Agricultural Adjustment Act. During the course of his address he said:

I have great sympathy with Secretary Wallace in his difficult tasks. I am anxious to cooperate with him in all sound measures to improve the condition of agriculture, but I cannot vote to grant him power no official should have in a democratic country and no human being could effectively make use of. Like him, I am desirous to consolidate the gains agriculture has made in the past 2 years. The time has come to consider these improvements from the standpoint of the future so that underconsumption of our farm products and the loss of our export trade may be remedied and thereby place agriculture on a sounder basis of prosperity.

Without quoting further from the address of the Senator from Virginia, I ask that, as an entirety, it may be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RADIO ADDRESS IN OPPOSITION TO AMENDMENTS TO AGRICULTURAL ADJUSTMENT ACT, DELIVERED BY HON. HARRY F. BYRD, APRIL 22, 1935

A year ago I opposed amendments to the Agricultural Adjustment Act that would make the Secretary of Agriculture the supreme dictator over everyone who produces food and over everyone who handles such products. The legislation died on the calendar by reason of the intense opposition that then developed.

Tonight I again speak in opposition to the same legislation dressed up a little differently and worded more adroitly so as to conceal the real meaning, but in Senate bill 1807 virtually the same proposals are now before the Senate.

The danger today is that only one side of the vital issues now confronting our people will be presented. The restraining influence of public sentiment may not be vocal enough to prevent the adoption of legislative policies which the people themselves may bitterly oppose after the full effects are understood.

Never in our history have public funds been so lavishly spent to control the opinions of our people as now. Never have so many highly paid publicity agents been in the employ of our Government. And for what? To influence the Congress to adopt legislative policies when under our representative democracy the swell of public sentiment should come from the patriotism and the uninfluenced and considered judgment of our citizens back home.

In this legislation my experience of 30 years as a farmer convinces me that sweeping powers to license the farmers and all who handle food are impractical. Chaos and confusion to the farming industry will inevitably result.

Throughout my public career as Governor of Virginia and then as Senator, my desire has been to promote the welfare of the farmers. My firm conviction is that the prosperity of the farmer controls the prosperity of our Nation. So tonight I speak as a farmer to other farmers, and only ask that my remarks be considered as contributing to this debate the position of one who has had practical experience and is considering the realities.

I have great sympathy with Secretary Wallace in his difficult tasks. I am anxious to cooperate with him in all sound measures to improve the condition of agriculture, but I cannot vote to grant him power no official should have in a democratic country and no human being could effectively make use of. Like him, I am desirous to consolidate the gains agriculture has made in the past 2 years. The time has come to consider these improvements from the standpoint of the future so that under consumption of our farm products and the loss of our export trade may be remedied and thereby place agriculture on a sounder basis of prosperity.

I say the advocates of this legislation have not been frank because the amendments to the Agricultural Adjustment Act are termed merely "clarifying", when the legislation proposed gives to the Secretary of Agriculture dictatorial powers to license, upon such terms as he may determine, not only virtually every farmer, but every handler and distributor of foods as well.

Remember that the existing Agricultural Adjustment Act gives power only for the control of certain basic commodities named by Congress, and excepting for tobacco and cotton where special legislation was enacted or in cases of voluntary marketing agreements, the control of the farmers by the Secretary of Agriculture is by their consent only. With respect to tobacco and cotton, restrictive measures can only be undertaken when a substantial majority of the producers approve.

I have not hesitated to support legislation designed to assist the orderly and profitable production and marketing of farm products. Where a substantial majority of the growers of an agricultural product desire by an uninfluenced referendum to restrict production, I will support the necessary legislation to do so, always preserving the right of discontinuance or change when the producers desire. I mention this to emphasize that the original legislation was not to dictate to the individual farmer, but to furnish facilities to effect such arrangements as the producers may desire.

As illustrative of the evil of creating a great bureaucracy that uses some power as a lever to get more power, the legislation now requested by the Secretary of Agriculture gives to him arbitrary and autocratic control over the production and distribution of every farm product, perishable and nonperishable. This control will be exercised by the most offensive method—a licensing system where the terms of the license can be fixed by the Secretary, and no one can ship or handle food in intrastate, interstate, or foreign commerce without such license. I quote here the licensing provision of the law proposed: "After due notice and opportunity for hearing, and upon a finding by the Secretary that such action will tend to effectuate the declared policy of the act, to issue licenses to processors, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof, or any competing commodity or product thereof, in the current of or in competition with or so as to burden, obstruct, or in any way affect, interstate or foreign commerce, which provide that such handling may be engaged in by the licensees only upon such terms and conditions, etc."

Processing is defined (and again I quote from the law) "involving a change in the form of the commodity or its preparation for market." The individual farmer is not mentioned in the licensing clause, yet any farmer who prepares for market or handles for sale any product of his farm, or any association of producers, is subject to a license upon such terms and conditions as the Secretary may prescribe, or the license can be denied by the Secretary, and if granted may contain restrictions which will render impossible the marketing of such product, as the Secretary is given broad authority to determine the character of the provisions of the license. The terms of the license could restrict production or specify the markets to be shipped to, or otherwise completely control the farmer in his operation. And then every handler of a food product could be likewise licensed, so that beginning with the farmer a license could follow every article of food, down to the retail food stores and the delivery wagon that carries the food to the very door of the consumer. Only the person who eats the food will escape this Federal dictatorship. Perhaps later the power of license will be extended to regulate what we shall eat and how much, and save us the trouble of attending to that detail of our daily existence.

Let the farmers remember that no compensation can be paid for any farm product excepting those named in the original legislation and on which processing taxes are levied.

The failure to observe the terms of the license would be punishable by fines as high as $500 a day, if the hapless farmer were convicted.

In the mass of regulatory legislation recommended by bureau chiefs at Washington, and the rapid strides our National Congress is making to regiment the people of our country, nothing before suggested even approaches the magnitude of the task of controlling by license all food products from the farmer to the ultimate consumer.

In a much-discussed speech made by Secretary Wallace in New England a few days ago he clearly indicated his desire for great additional powers of regulation of all foods, yet the testimony before the congressional committees was to the effect that the Department did not intend to use all the power requested, but desired such authority as a gun behind the door or a big stick.

I have never known a bureau to have power without exercising it. If Mr. Wallace does not intend to use this additional power he should not ask Congress to grant it. Congress should only grant power on the assumption that it will be used.

In considering the demand of the Department of Agriculture for authority to assume supreme control over all food products, the Tugwellian philosophy of "planned economy" is of interest .This philosophy, as outlined in the books and speeches of Professor Tugwell, now Under Secretary of Agriculture, means, first, governmental regulation of all business, and then governmental operation of all business, and then, in the exact words of Dr. Tugwell himself: "It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant."

We have before us the example of the N. R. A., which controlled industry as the A. A. A. is now attempting to get power to control the farmer. What have been the results? Has the governmental control of private business ever reduced the cost of operation of that business or improved its efficiency? The N. R. A. increased the cost of manufactured goods to the consumer without corresponding benefits as a whole to business or to labor. Under the N. R. A. for the first time in the history of America it became a crime to give the consumer the benefit of a reduced price. The antitrust laws are suspended to raise the price as high as the

traffic will bear, but let a reduced price be quoted and under certain codes a business man may become a criminal.

We should profit and learn by the wise system of trial and error. The N. R. A. endeavored to regulate the details of more than 700 classes of businesses. If the N. R. A. had confined its operation to a few basic commodities, its opportunity for success would have been greater.

The A. A. A. started out to control certain basic commodities, and undismayed by the failure of the N. R. A. to regulate all business, now wants to extend its control over all farmers, all processors of food and all handlers, by a system of universal licensing. In other words, we are now asked to N. R. A. the farmers of America.

The N. R. A. has injured and in many instances destroyed the small business man, and a licensing system will injure the small farmer. Let me call your attention to a handler of food such as a wholesale dealer. This dealer must now obtain a license to do business from the Federal Government. He must be licensed by his particular code authority under the N. R. A., and then if this legislation is enacted he must get a third license from Secretary Wallace. How could any business man operate successfully with three bureau bosses, each with power to revoke his license to do business? The several licenses may even contain conflicting provisions. And listen to this. The cost of the several licenses and the policing of the vast organization must be paid by the person who obtains the license, who in turn will endeavor to add such cost to the price paid by the consumer, or failing in this, the expense of this supervision will be deducted from the price received by the farmer.

Imagine a farmer who grows a perishable crop waiting for the unwinding of the red tape at Washington, thousands of miles away, before he can ship a product that will spoil in a few hours.

When it comes to the penalties for violations of the act, the courts are set aside and the Secretary takes the place of both court and jury. If a license is issued in accordance with law, namely, to carry out the policies of the act and to bring about normal economic conditions of marketing, etc.—and this gives the greatest possible latitude to the Secretary and makes him virtually the sole judge—then his decision is not reviewable by the court and he has the power to fine those who ship without a license, and the penalty shall be payable to the Treasury of the United States and recoverable in a civil suit brought in the name of the United States.

Theoretically, only Congress has the power to tax, but under this proposed legislation the Secretary is given the right to prescribe operating funds for any of his activities to police the farmers, and to require any licensee to pay any such amount in such manner and to such person as the Secretary may direct. Failure to pay what the Secretary decides is necessary will be ground for suit by the Federal Government. This arbitrary tax is in addition to other appropriations and processing taxes provided in the original Agricultural Adjustment Act, and contains no safeguard whatsoever as to the use for which the money is to be expended, or the number of agents to be employed, or the salaries to be paid. The Secretary could hire as large a staff of policemen, inspectors, auditors, and clerks as he desired.

The growth of the power of Federal bureaus has been recognized for years as a dangerous invasion of the liberty of the individual. All administrative bureaus should keep strictly within the powers granted to them and the courts must be free to protect the constitutional rights of the individual when he suffers by subjection to the arbitrary decisions or acts of a Federal bureau.

The powers of many of these Federal bureaus are indeed kingly. One reason is that authority is delegated by Congress to make regulations. It is very difficult for the individual to persuade even the court to extricate him uninjured when he is caught in the mesh of one of these regulations.

In theory, unconstitutional rules and unconstitutional legislation will be declared invalid by the courts; but in practice, administrative rules of the bureau, effectively enlarging its powers, will be sustained unless clearly erroneous. Then, too, only the well-to-do citizen can finance a lawsuit to test his complaint that a great Federal bureau has invaded his constitutional rights.

Even the King of England, in the old days of more absolute monarchy, could not enter uninvited the cabin of his poorest subject, and yet many of these officeholders, attired in plain clothes, exercise more power under a straw hat than did the King of old adorned with a jeweled crown. Americans today must keep watch and ward over the liberty of the citizen to go about his own business with that degree of ordered freedom that has enabled him to develop here a strong nation of strong men happy in the enjoyment of liberty protected by law.

When you put men in regiments and drill their steps, you gain power in mass momentum but you stifle the initiative of every individual who may advance the progress and welfare of us all if given free play to his talents and enterprise. The modern American may have to surrender a measure of his independent action to the social necessities of these hard times, but he should never consent to be awakened each morning by the blare of a bureaucratic bugle and required to do his daily work to the tap of a bureaucratic drum.

The very heart of our American system is the right of the individual to make a living unhindered by the Government to an extent greater than is necessary to protect every other individual in the exercise of the same right, and to preserve a safe, secure, and peaceful society.

Taxes inevitably grow in burden and amount as the Government extends its activities and increases its control of private business. The cost of these enormous bureaucratic machines will become too great to be borne. They are rapidly becoming Frankensteins, the contrivances of ingenious and idealistic political theorists that may grow so powerful as to destroy the very right of the individual to liberty and the pursuit of happiness.

Great governmental agencies, once contrived and operative, can rarely be dismantled. The thousands that are placed upon the Federal pay roll exert an influence in Congress, directly and indirectly, that usually keeps them on the pay roll.

One of our greatest dangers is the enormous increase in the number of those who are now drawing money from the Federal Government. Is it fanciful to apprehend that the day may come when all classes of beneficiaries upon the Federal Treasury may combine to make and maintain administrations pledged to a progressive continuance of this prolific distribution of the money wrung from the taxpayers?

Observe the outcry that is already heard against those of us in public life who have the temerity to declare that recovery should precede reforms involving the expenditure of additional billions of dollars.

The Federal Government has entered the door of every industry, has spied upon the operations of even the small fabricator, has declared that not one additional spindle may be added to a machine without its approval, and it is now proposed to license the farmers of America and the distribution of all food.

For more than a hundred years the courts have proclaimed that the field of the Federal Government's activities was limited to interstate commerce, but this legislation proposes to intrude upon and govern activities wholly within a State.

Many have either approved or condoned certain legislative proposals as temporary expedients to meet the emergency, but the country is now beginning to realize that the effort at least will be made to make permanent many adopted or pending legislative proposals.

If so, the permanent enactment of some proposals will revolutionize the constitutional democracy under which we have developed our country. The sovereignty of the States and the liberty of the individual will alike yield to the power of the National Government. The Government will more and more gather increasing power as it adds to the beneficiaries of the national distribution of money.

I think the time has come when temporary and emergency legislation should yield to sound principles. The country should be assured of a gradual reduction in governmental expenditures, so that within a reasonable time we shall have a balanced Budget; conduct of government within an income that will not require excessive increases in Federal taxes; constructive efforts to regain our still diminishing foreign markets; assurance that individuals may develop a business without the fear of competition in that business by the Federal Government, or undue interference with the reasonable control of his business so long as he acts with a decent regard for the rights of others.

Recovery must be founded on confidence and must grow on confidence, for without confidence capital will not venture, and without new capital invested business will not expand. There is plenty of capital available, but the confidence is lacking. The succession of many experimental devices to recapture prosperity confuses and frightens the business man.

Profit is being taken out of business by putting the Government in business in competition with those who pay the taxes to operate the Government. Regulation by the Government is being rapidly expanded into competition by the Government.

The way to permanent prosperity is the difficult path of economy and efficiency in government, and the balancing of budgets of States and the Nation. The people must be encouraged to go the way of independence, industry, economy, and self-reliance. Business is ready to resume its forward march if the Congress would give assurance of sound legislation.

As farmers we are suffering today more from underconsumption and loss of our world markets than from overproduction. Within recent years we exported 55 percent of our cotton, 41 percent of our tobacco, 33 percent of our lard, 18 percent of our wheat, and in addition many other products of the farm. We see this trade daily declining. When we lose a customer in business we lose him usually forever. Without foreign markets for our exportable surplus of farm products our farmers can never be prosperous.

Some of the present policies of the Agricultural Department are accelerating the progressive decline of our food exports and certainly the enormous cost of the supervision now proposed will add another barrier to recovery of foreign trade, as such cost must be included by the producers and exporters and makes thereby our foreign sales more difficult in the competition of the world markets

The American farmer will hail with joy a constructive and forceful campaign by our President to recover our export trade, and certainly we should preserve the remnants now remaining.

Only the firm and solid basis of the sound economic principle of the age-old law of supply and demand which has never been successfully set aside since the beginning of time will give our farmers real and lasting prosperity.

ADDRESS BY POSTMASTER GENERAL FARLEY AT CORNERSTONE LAYING OF HAVERSTRAW POST OFFICE

Mr. COPELAND. Mr. President, 2 days ago the Postmaster General, Hon. James A. Farley, made a very notable address in laying the cornerstone of the new post-office building at Haverstraw, N. Y. His remarks were addressed to his neighbors in Rockland County, of whom I am one.

I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, and neighbors of Rockland County, it is a patriotic and civic occasion that brings us together today. We meet to lay the cornerstone of the first United States Government building to be erected in Haverstraw. The dream of its citizens, fostered and planned for them for so many years, is now well on the way to fulfillment. Into the edifice will be permanently builded the aspirations, the prayers, and the lifework of those good men and women of our native town who have devoted their time and who have labored to make Haverstraw a happy dwelling place. It will be their monument.

I consider it a distinguished privilege to be with you and to join in these exercises. I have learned that wherever one goes his heart remains among the scenes and friends of his youth. Today I gratefully acknowledge my debt to my fellow citizens of Rockland County for their friendship and their aid. Whether it has been much or little, I would not forget a single one. They have encouraged and sustained me.

I am very happy that in the arrangements for these ceremonies the community in charge made this occasion in every sense of the word a community affair in that men and women in every walk of life and every phase of political activity are participating. That is as it should be, and I want to congratulate the citizens of Haverstraw on the splendid manner in which they have given evidence of their appreciation of what the Government is doing for this community.

For generations the post office has been recognized as a favorite meeting place for the citizens of every community. Morning and night, with the arrival of the mail, men and women call at the post office for their letters and newspapers, and at that time are given an opportunity to visit with their neighbors who go there for the same purpose. This condition, of course, applies to smaller communities than Haverstraw, where carrier service was installed many years ago. Notwithstanding the fact that the mail is delivered within the village limits, many people still visit the post office at frequent intervals during the day, and on such visits are given an opportunity of meeting their friends.

It will be particularly delightful for the residents of Haverstraw to come to their new post office because of its ideal location, and it is a coincidence that this building is being erected on the site where the post office in other years was located for such a long period.

In connection with my official duties I have been obliged to travel around the country a great deal. I have been in practically every State of the Union. Wherever I have gone I have listened with keen interest to the people extol the beauties of their scenic grandeur, particularly their famous rivers. I can, with the utmost sincerity, say to you that nothing I have seen surpasses the scenery of the Empire State and the beauty of the Hudson.

You will not only have the privilege of visiting this fine Government building, but you will have the opportunity of gazing from its portals upon the most beautiful and inspiring river view to be found in any section of our country.

It has been more than 2 years since I was honored by President Franklin D. Roosevelt with the appointment of Postmaster General of the United States. I know that you will be interested in hearing something about the Post Office Department.

The Postal Service handles some 20,000,000,000 letters, papers, and parcels a year, or 633 pieces every second of every day, which averages 166 pieces of mail annually for every man, woman, and child in the United States. Our postal savings bank has deposits of $1,199,000,000. We operate 8,100 motor vehicles, lease approximately 65,000 post offices and stations, and manufacture our mail bags and locks. We carry on vast money-order transactions approximating three and one-half billion dollars yearly. We sell Government bonds and we also have a mail-transportation service interlacing the land, sky, and sea, using every conceivable means of locomotion.

Our postal revenues last year amounted to approximately $586,000,000, but this year business has so increased that I am looking forward to receipts of approximately $615,000,000, which will give you some idea of how conditions are improving.

To handle our work an army of trained men and women is employed, including some 46,000 postmasters; 240,000 clerks, carriers, chauffeurs, and mechanics; 25,000 substitute and 35,000 contractual employees. This gives some idea of the magnitude of our operations.

As executive head of the Post Office Department I have endeavored to carry out my duties in such a manner as to merit the approval of my countrymen.

Upon taking office President Roosevelt directed attention to the stupendous postal deficit of $153,000,000 in 1932. This deficit was a heavy tax on the people. In the first full fiscal year of the Roosevelt administration this deficit was turned into a surplus of $12,000,000. It was done through the unwavering support of the rank and file of the army of postal employees who carried on despite curtailed salaries, delayed promotions, and lapsed vacations, now all happily restored. It was done through the elimination of wasteful methods and the practice of strict economies, such as any prudent business man would practice in his own business. It was done through seeing that for every dollar expended the American public received a dollar's worth of service.

Much has been said and written about the wiping out of the postal deficits by this administration. Some of our friends evidently do not want to believe it was possible, or that it was accomplished. They allege it is a matter of bookkeeping. The fact remains that the method of bookkeeping we employed is that recognized by Congress and is the same as used by my predecessor. The fact also remains that the Postal Service, for the first time in years, has balanced its budget.

I am glad to discuss, especially before my old neighbors, any activity of the Post Office Department. I know you will be interested in the present Air Mail Service. We have saved considerable money there and brought about improved facilities.

Air mail routes now cover 3,700 more miles than they did a year ago. The total flying mileage has been increased approximately 5,000,000 miles a year. The number of cities served directly has been increased from 152 to 193, and direct service is given to 46 States and indirect service to the other 2. Air mail covers the entire United States with an equipment, mileage, and frequency of schedules unsurpassed by any country in the world.

The air mail appropriation for 1932 was $20,000,000. This year the actual expenditure will be about one-half that amount.

I want you to know that I am not endeavoring to conduct the Post Office Department at a profit. Service to the public shall always be my primary policy. The American people, first of all, must have the best mail service in the world. Next they must have this service at the least possible cost. This is the kind of service we are supplying now. Complaints are at a minimum. There are bound to be some, with every man, woman, and child in the United States a customer and watching for mail, and with four and one-half billion pounds of it handled annually and carried in all kinds of weather and conditions.

But no complaint is considered unimportant and each is given immediate attention so that the people shall have the maximum of mail service. As long as I am Postmaster General I shall endeavor to see that it meets every social and business requirement of the country.

The founders of the country realized the benefits of a postal service, and the number of post offices established rapidly increased to meet the needs of the people.

Among the earliest post offices in Rockland County, I find that Ramapo Works, afterward changed to Ramapo, was established November 11, 1807, with Jeremiah Pierson as postmaster. For the year ended March 21, 1827, the receipts there were $108.77.

Orange, listed in the records as also being called "Tappan Village", was established March 25, 1815, with Philip Dubey as postmaster. The official name was changed to Tappan Village, and then to Tappan, and on April 9, 1834, the records show it was changed to Slote, but a short time afterward, on April 30, 1834, the name was again changed to Tappan. The earliest receipts shown are for the year ended March 21, 1827. They amounted to $31.29.

Clarkstown was established May 12, 1815, with Peter D. W. Smith as postmaster. The receipts for the year ended March 21, 1827, were $24.60.

Scotland, with Peter D. Tallman as postmaster, was established December 29, 1827, and it had receipts of $8.12 for the year ended March 31, 1830.

Blauveltville, with Cornelius J. Blauvelt as postmaster, was established October 14, 1828. The receipts for the year ended March 31, 1830, were $8.74.

West Hempstead was established February 21, 1829, and the receipts for the year ended March 31, 1830, were $4.70.

The Post Office Department records show that the first returns were received from the Haverstraw office July 1, 1815, and that George Smith, who kept a general store, was postmaster. He and his successors were among our leading citizens and held other offices of trust and honor in the town. Good old family names, which you will recall and which are still representative, are among the list, such as Marks, DeNoyelles, Gurnee, Blauvelt, VerValen, Sherwood, Springstead, Purdy, Oldfield, Weiant, DeBaun, and many others.

In the 120 years since the office was established there have been but 21 postmasters in Haverstraw, including our present postmaster, Maurice F. Maloney. Isaac Sherwood served the longest term, from May 7, 1861, to October 22, 1877, over 16 years. He had also been postmaster from 1841 to 1845 and from 1850 to 1853, and was the only postmaster to serve more than one consecutive term. Stephen G. Newman served the next longest term, from 1898 to 1914, nearly 16 years, and Abraham Marks served the third longest term, nearly 15 years, from 1819 to 1834. The first printed record of the receipts of our post office is for the year ended March 21, 1827. They amounted to $57.60. The receipts for the last fiscal year, 1934, 107 years later, were $17,022.

Congress prepared for a postal service to Haverstraw as early as 1810 when it authorized a post road from "Peramus by Tappan, Clarkstown and Kakiat to Haverstraw."

On January 20, 1815, a post route was established from "Hackensack by Scrawlenburg, Tappan, Clarkstown, Kakiat, and Haverstraw to Stoney Point."

W. R. Southerland was the contractor. He was scheduled to leave Hackensack at 6 o'clock every Thursday morning and arrive at Stoney Point the same evening at 6 o'clock. He returned the next day.

There have been changes since those early days, when stage coaches proudly drew up to our Rockland County post offices. Almost within the memory of living men has been the transition from the horseback to sulkey, stage coach, railroad, motor bus, and air-mail service.

Our post offices have also had their periods of transition from the dwelling house, to the little store and tavern to splendid buildings erected by our Government.

It gave me a decided satisfaction to be able to have something to do with bringing to fulfillment the desire of my neighbors to have a representative government building in Haverstraw. When we were able to have our town included among others to be given public buildings and an allotment of $65,000 was made by act of Congress for securing a site and erecting a building, we knew we were well on our way. The site was selected August 20, 1934. I have watched with great interest the preparation of the plans in the Treasury Department and will watch with interest the progress of the contractor, Mr. Charles Anderson, of Fort Montgomery, N. Y. He has 250 days to complete his work.

We are to have a building of some 3,700 square feet, one story and basement, built of brick with stone trim. I hope to return when the building is completed and join with you in an old-fashioned housewarming.

I do not want to close my remarks today without paying a deserved tribute to President Roosevelt, whose matchless leadership has brought us through the darkest days of the depression and is bringing us back into the sunlight of prosperity.

Since we are prone to forget, it is well that we remember the conditions which obtained 2 years ago when President Roosevelt was inaugurated and compare those conditions with the conditions of today. Then the economic system of the country had collapsed and the Government itself was on the brink of collapsing. Today the economic system is vastly improved and the stability of the Government has been removed from the threat which faced it.

Then the financial interests, discouraged and demoralized, were frantically pleading with the President for Government aid and support. Today conditions have so far improved that some of these same financial interests feel that they can go it alone and are insisting that the Government let them do so. They want to get back to the days when finance and business controlled the Government and are now resisting any Government control of their operations, notwithstanding such Goverment control as is sought by the President is for the welfare of the people as a whole.

The last two Congresses passed much constructive legislation and the President has recommended additional constructive legislation to the present Congress. Among the measures he has recommended is legislation which will bring about a greater degree of social security to the men, women, and children of this country; legislation which will give the Government a larger degree of control over the money of the country; legislation which will put an end to the exploitation of the public by the utility-holding companies; legislation which will provide a better merchant marine, as well as other measures designed to aid industry and agriculture.

In his efforts the President deserves and must have the support of the patriotic and forward-looking citizens of the country. It was to be expected that he would be opposed by partisan politicians, but there are two other groups who are joining with partisan politicians in their opposition. One is the special-privilege group, which desire that the Government give aid to big business, but insist that it should not be concerned with the interest or welfare of the rank and file of the people. This group is charging that the present administration is socialistic and communistic.

Another group, which is just as vociferous as the partisan opposition to the President's policies, is composed of the so-called "medicine men", who are offering all kinds of alleged panaceas for economic and political ills and making extravagant promises which they themselves must know are impossible of fulfillment.

This latter group, strange to say, charge that the President's policies are leaning toward facism and toryism. So we find that the two extremes, the so-called "rights" and the so-called "lefts", are both finding fault. This must mean that the President is following a sensible and constructive middle course in keeping with the traditions, the institutions, and the Constitution of our country.

No one realizes any better than does the President that new conditions call for new governmental policies, and that these new policies must be provided if the country is to progress and prosper. Like all real leaders, he does not hesitate to chart a new course when one is required. We have outlived the old order which brought us to grief and distress, and we must be willing to accept and support a new order.

Do not be deceived by the selfish and partisan propaganda with which the country is being flooded, and do not be overimpressed with the criticisms which are being leveled at the President. In order to lead us out of the wilderness, the President has found it necessary to step upon the toes of a great many who heretofore have enjoyed special privileges and exerted powerful influences, and it is not to be expected that they will surrender without a fight. The loud wails we are hearing on every hand are either coming directly from those whose toes have been stepped upon or from those who are misled by them.

I say to you in all sincerity that all of this clamor has in no wise dimmed the prestige nor lessened the popularity of the President with the people. Let us all uphold his hands, and we can rest assured that our country will speedily emerge from the distressing effects of the depression, and that happiness and contentment will prevail again throughout the Nation.

In conclusion I want to again express my appreciation to the residents of Haverstraw and Rockland County for the effort put forth to make this occasion one which I shall never forget, and I hope that during my stay in town I shall have an opportunity of personally meeting and greeting my old friends.

LETTERS AND ADDRESSES BY SENATOR ASHURST, AND EDITORIALS

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD some letters and addresses by myself, and also some editorials.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Monday, March 13, 1933

Mr. ASHURST. Mr. President, I have received, as doubtless many Senators have, a large number of telegraphic dispatches respecting Senate bill no. 233, a bill to maintain the credit of the United States Government. One of the dispatches reads as follows:

"I feel it my duty to advise that your future success is in grave danger if you uphold granting Presidential power."

Another reads:

"Your attitude very unsatisfactory. You are taking $6,300,000 annually from Arizona, and are politically dead unless you change your attitude."

Mr. President, some time ago I made the astonishing and for awhile, to myself, the distressing discovery that the perpetuity of the American Government did not absolutely depend upon the reelection of one HENRY FOUNTAIN ASHURST to the Senate of the United States.

When a Senator makes such a discovery at first the fact appears incredible. It seems as if the stars above his head had faded and the earth had slipped beneath his feet. But, as time rolls on, such a discovery proves to be a real antidote to megalomania; and the further flight of time brings to the discoverer a serenity and a humility to be envied by the world's greatest philosophers.

It may be, Mr. President, that the perpetuity of the American Republic does not depend upon my reelection to the Senate; but the perpetuity of the Republic may indeed depend upon granting to the President the authority to make the economies called for in his message to Congress.

Wednesday, January 10, 1934

Mr. ASHURST. Mr. President, I ask leave to have printed in the RECORD copies of certain letters I have sent to citizens of Arizona.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 29, 1933.

Mr. G. H. BROWN,
Phoenix, Ariz.

DEAR MR. BROWN: Yours of May 25 received, advising that you desire a position with the Bureau of Internal Revenue, and you request me to recommend you "to the new collector at Phoenix as soon as he is appointed."

It is my duty to tell you that the district attorney, marshal, collector of internal revenue, collector of customs, and register of the local land office, respectively, will be appointed upon the recommendations of the United States Senators from Arizona.

In my judgment, it would be improper for a Federal Senator to make any suggestion as to whom such persons thus recommended by Federal Senators should appoint. The Federal officials who may be appointed upon my recommendation shall be left free to select their own assistants, deputies, accountants, and clerks.

On this point I may be—probably am—censurably delicate, but it is my inflexible rule to which I adhered during the Wilson administrations. Quite naturally, I desire to please as many of my constituents as possible and to offend as few of them as possible, but I believe in the principle of absolute noninterference by Federal Senators in the selection of the subordinates of Federal officials appointed upon my recommendation.

Sincerely yours,

HENRY F. ASHURST.

OCTOBER 16, 1933.

Mr. G. A. ROBERD,
Phoenix, Ariz.

MY DEAR FRIEND: Your letter received advising that the chamber of commerce had "denounced" Senator HAYDEN and myself for not securing larger sums of Federal funds for Arizona.

This complaint of the chamber of commerce is not at all unique, for daily, from the mail bags, there are dumped upon my desk demands that "this, that, or the other" industry be nourished by some gift, bounty, or largess out of the Federal Treasury.

I sympathize somewhat with the impatience of the chamber of commerce and say in reply that I have worked harder since March 4 last than I have ever worked before, but I am not complaining, for when an officeholder complains of overwork, he is simply proving that he has a task too big for him.

I have been for years a critic, and hope I am able, without making a wry face, to take a small dose of that medicine—criticism—of which I have given other fellows sizable doses; in other words, I not only "ladle it out" but can also "take it." Pardon my dropping into slang, but it conveys my thought precisely.

I believe you are correct in your conclusion that a number of candidates—all excellent gentlemen—will try to displace me at the next election, but it is beginning to appear as if I shall be reelected, not by reason of any particular merit that I possess or by any political activity on my part, but by the folly of my opponents.

Kind regards.

Sincerely yours,

HENRY F. ASHURST.

DECEMBER 18, 1933.

Mr. W. H. PETERSEN,
16 South Twentieth Avenue, Phoenix, Ariz.

DEAR FRIEND: Your letter of December 10 received requesting the payment of the adjusted-service (compensation) certificates before their maturity.

During the years when no deficit existed in the Federal finances I supported the adjusted-service (compensation) legislation, and I do not believe I made any mistake in so voting.

The question of cashing the adjusted-service (compensation) certificates before their maturity depends now upon the condition of the Federal Treasury.

If the Treasury may without disaster cash these certificates before they fall due, I should, so far as I am able to perceive at this time, be inclined to vote to cash the certificates now, provided always the Treasury may stand the strain.

If, however, the Treasury may not meet this demand and could not pay the certificates before maturity, I would not vote, and could not be expected to vote, to bring a collapse of our national credit. It is a principle of my personal and political conduct, and the same principle should guide governments, never to hold out a promise where such promise is obviously incapable of fulfillment; in other words, do not make promises unless you are certain you can translate the promises into actuality.

I decline to make promises that cannot be fulfilled.

I refuse to raise up hopes that I know will be dashed to the ground.

I shall indeed give careful consideration to and make a close investigation of the question of the ability of the Treasury to pay these certificates before their maturity.

I realize that the phrase "give careful consideration and make a close examination" is sometimes used as a polite euphemism for postponed negation, but I am not using the phrase in that sense, for I shall examine the subject in the hope of finding that the Treasury's condition may justify my voting to pay the certificates before they are actually due; and if upon investigation, the facts show that the Treasury cannot stand that strain, I shall not be a party to an insincere gesture of pretending to pay an immature obligation out of an empty Treasury.

Kind regards.

Cordially yours,

HENRY F. ASHURST.

JANUARY 2, 1934.

Mr. A. L. MOORE,
Route 2, Box 223, Tucson, Ariz.

DEAR FRIEND: Your letter of December 25 received, in which you say, "I ask you to work for and vote for repeal of this economy act."

I should be lacking in frankness and deficient in courtesy if I failed to tell you that I shall support President Roosevelt all along the line.

A crisis of terrible proportions, bringing many distressful results, came upon our country and has not lifted its blight from us; hence all citizens must continue to make sacrifices for their country's welfare.

It is often quite true that the only way in which an officeholder may render great service to the Nation, in its day of trouble, is by his willingness to lose his future or at least to lose his present position in political life, if he may thereby aid in bringing national recovery, just as the soldier may for a time give up a part of his civil liberties and may pay with his physical life in order to render service for his country in battle.

Whenever grave danger comes to our Nation, whether from unemployment, famine, fire, flood, war, pestilence, or depression, the officeholder must be willing to take action which might be temporarily unpopular if he may thereby aid in the recovery of his country.

I shall follow the President's leadership, and if he should urge that the present law be amended so as to meet your request, I shall support his efforts in that behalf.

Kind regards.

Sincerely yours,

HENRY F. ASHURST.

TRIBUTE TO THE LATE SENATOR JOHN B. KENDRICK, BY SENATOR ASHURST

Mr. NEELY. Mr. President, on the 27th day of April [1934] the senior Senator from Arizona [Mr. ASHURST] wrote a letter to the junior Senator from Wyoming [Mr. O'MAHONEY] in which he paid so very eloquent and beautiful a tribute to the memory of the late Senator John B. Kendrick that I think it should be preserved in the RECORD. The letter is as follows:

APRIL 27, 1934.

Hon. JOSEPH C. O'MAHONEY,
United States Senator from Wyoming,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: You were one of the closest friends our departed John B. Kendrick ever knew.

Romance and emprise clustered around him, and although his lips have now partaken of the sacraments of the dust, the influence of his character survives and is treasured by his relatives, his friends, and his proud State.

Senator Kendrick possessed that heaven-born attribute which the English call a "cool head" and the Americans call "judgment"; hence, in sharp parliamentary contests and stormy conventions, he held true to the main purpose, was master of himself and of the business at hand.

He was a practical idealist. Nature in one of her prodigal moods stamped upon him her royal seal.

Even when he viewed the swelling dome and the fluted pilasters of the Nation's Capitol he wistfully yearned for the far-away rim of the prairie.

Amidst the din and sensation of politics in Washington he longed for his shining Tetons and his gorgeous Yellowstone. His nostrils were always eager for the pungent odor of the wild sage, and his kindly eyes ever sought to descry the scarlet glory of the blossoming cactus.

In public office he trod the paths of his feet with marvelous circumspection, and he was inspired by an ardent enthusiasm for the public good. He was a competent Governor, a successful and influential United States Senator. He was a real cowboy, and he became the most distinguished of all of those excellent and racy spirits who, 50 years ago, drove the thundering herds.

The cowboy's work, like a particolored robe, is so woven about Senator Kendrick that a word describing the cowboy he so truly typified may not be out of place here.

No belted knight in chivalry on heath or strand ever appealed with such allurement and glamour as did the American knights of the remuda.

Among the cowboys there were varying degrees of sophistication, for they were drawn from the different walks of life. The majority, however, were drawn from pioneer stock. The nature of the cowboy's occupation afforded him scant opportunity for extended reading, for he must needs constantly attend the cattle.

If this cow range was on the desert, he must grind its bitter dust between his teeth, endure its flail of heat, and ride on and on. If his range was on the mountain, he must, in winter, ride hard beneath the cold stars. The cowboy's life was one of severe isolation, but his work was not only made endurable but was even rendered pleasurable as well when he took refuge, as many, if not most of them, did, during their lonely rides, by entering into the realm of imagination, where ideal experiences are possible without objective restraint—a realm where images form and fall; where glittering towers upthrust themselves and globes of gold expand and float; a domain peopled with a viewless throng, invisible to all but the eye of the imaginer, and in this way a high percentage of the American cowboys became endowed with intellect and grace, fascination, and tremendous personal charm.

Senator Kendrick symbolized the American cowboy—calm, steady, generous, fair, adaptable, industrious, and firmly devoted to the rugged old virtues which made our Nation great and strong.

With high esteem, sincerely yours,

HENRY F. ASHURST,
United States Senator from Arizona.

TAX-EXEMPT SECURITIES

Thursday, January 4, 1934

Mr. ASHURST. My proposed amendment strikes at an evil in our system of taxation which is already great, and if unchecked will grow—indeed has grown—to such magnitude as to threaten the existence of our institutions.

The existence of conditions that enable any municipality or political subdivision to issue tax-free securities directly permits a certain class of property owners to partake of the comforts and benefits of government without bearing any share of the expense burden of government.

All private property should pay its just proportion of the expense of maintaining the Government.

The issuance of tax-exempt securities permits:

(1) A large portion of property to escape taxation, thereby causing great loss of revenue.

(2) It violates the sound tax principle of "ability to pay" and it unfairly discriminates among taxpayers.

(3) It discourages investment in new enterprises.

(4) It encourages extravagances of governmental agencies.

(5) It grants private subsidies and special privileges, obnoxious to our system.

(6) By withdrawing money from private enterprises it increases the rate of interest required for all enterprises not carried on by the Government, and thereby adds to the cost of living.

(7) It creates, and quite naturally, social unrest.

Vigor and vision are the supreme need of the hour, and unless we act with promptness on this subject, the National Government and some of the States will bog down and sink into the grasp of the all-smothering, all-destroying quicksands of insolvency.

ADMISSION TAXES

In the Senate of the United States, May 26, 1932

Mr. ASHURST. Mr. President, I invite attention to the fact that the spoken drama in the United States is now almost extinguished. I do not believe we have reached such a deplorable place in our history that we would be willing unfairly to tax or to penalize the spoken drama or the talkie movie.

I am opposed to admission taxes, whether for the spoken drama or the talkie movies. Such taxes are only an irritant—they are like unto a dash of Tabasco sauce in the eye and will be resented by the American people. Some well-informed persons argue that the theaters and talkie movies are luxuries and amusements only. That they are, from one angle, "amusements" is quite true; that they possess facilities for disseminating interesting information of much practical value, especially to those persons who cannot spare the time or money to travel, is none the less true.

It is also true that the theaters and the talkie movies make contributions to art, belles-lettres, literature, music, science, and philosophy, and appeal to and help to gratify that inborn cultural and artistic yearning inherent in every normal person, although in some breasts this yearning is meager and obscure and sometimes is deeply hidden.

Robert Burns, during a flash of his shining genius, wrote, in his Address to the Unco Guid, or in his Address to a Louse, I do not for the moment remember which, "Oh, wad some power the giftie gie us to see ourselves as others see us."

The stage artists, the screen artists, and the vaudeville artists hold the mirror up to nature, and only through them do we ever see ourselves as others see us.

On the stage and on the screen we see our own weaknesses, foibles, and pretensions made plain and then corrected. On the stage and on the screen the richness of human experience is laid before us, and all that is beautiful, all that is tragic, and all that is mournful in man's destiny is clearly shown.

The penetrating skill, the Attic salt, and the humor of the screen artist and the stage artist expose the shams and frivolities of a particular epoch, and not infrequently teach a nation the way of truth.

The plays of Aeschylus and Euripides taught the Greeks to meet disaster becomingly and to realize that although Fate spins a strange pattern and motif into every career, such circumstance affords no reason for a refusal to meet life courageously and cheerfully.

The comedies of Shakespeare enriched England, softened the cruelties of his time, and gave seasonable advice and admonition to monarch, to lords, and commons. There would have been no polished Elizabethan England except for Shakespeare, who appeared personally in some of his own plays, notably his Twelfth Night, which he acted in 1602, and from the stage poured gentle satire upon vanity and injustice.

I do not doubt that Schiller and Goethe helped Germany, and I am certain that Molière and Rostand and Bernhardt enriched France. Who can measure the joy and the emotional sympathy that Dion Boucicault gave to the world? He was called the scribe of the American and English stage and had 124 dramas to his credit.

Unnumbered thousands of our own generation have been charmed by the melodious airs and clever rimes of the Gilbert and Sullivan light operas and the talent of those two gentlemen was so exceptional and their criticisms of official smugness and complacency were so deft and subtle that their productions were given audition and applause by the most prim and rigid of the Mid-Victorians.

It would be impossible to estimate the ennobling influence showered upon our Nation by such characters as Edwin Booth and David Belasco.

Amidst the gloom of the depression and out of the darkness of the country's financial and industrial misfortune there suddenly beamed forth last winter, when the clouds were lowering, five stars, five distinguished Thespians to tour our country: The superb Maude Adams and the well-beloved Otis Skinner revived the Merchant of Venice; William Gillette came back to us in Sherlock Holmes; Ethel Barrymore reproduced Sheridan's School for Scandal; and Walter Hampden gave us again glorious Cyrano de Bergerac, the fascinating yet futile lover, poet, duelist, and hero of seventeenth century France. How many weary hours these artists beguiled; how many desolate hearts they encouraged; how many of our citizens learned anew from them that moderation, forbearance, and restraint are the virtues of victory and prosperity and that fortitude, patience, and courage are the virtues of disaster and defeat.

The drama is coextensive with the people and of all the arts, save music, it is probably the dearest to the human race. The stage is akin to poetry in that it is a great expression of human emotion. The stage is a vision of the romance inseparable from every human life; it is a magical place, breathing the inspiration of color and sound; a place for high thoughts, splendid truths, and beautiful words, for objects vividly observed and gorgeously imagined.

The stage is art. Art is truth, and in the final sum of worldly things, only art endures; the sculptures outlast the dynasty, the colors outlive DeVinci, "the coin outlasts Tiberius."

When Hamlet, Prince of Denmark, desired a rehearsal of the play which was to confound his uncle the king he said to the players: "Come, give us a taste of your quality." After the players had recited, Hamlet turned to Polonius, the lord chamberlain, and said:

"My lord, will you see the players well bestowed? Do you hear, let them be well used, for they are the abstracts and brief chronicles of the time; after your death you were better have a bad epitaph than their ill report while you lived."

So, Mr. President, when our citizens, after a day devoted to the duties and claims of this fevered life, go to the theater or to the talkie movies, there to renew their exhausted strength, there may-hap to escape for an hour from the specter of their baffled hopes, from their broken ideals or evaporated illusions, so common in this complex machine age, or there to be spared for an evening from the fardels and the clangor of a bewildered world, let them not be met with a Federal admission tax, which, as I said before, is a vexatious, corrosive, pestiferous irritant.

[From the Arizona Daily Star, Tucson, Ariz., Sept. 2, 1934]

SENATOR ASHURST SPEAKS

If politics could be conducted on the high plane with which Senator HENRY ASHURST conducts his campaigns, there would probably be more intelligent interest in governmental affairs and abler men aspiring to office. Those who heard the distinguished Senator speak Friday night at the armory heard a political campaign speech full of holes if one wanted to criticize but filled with charm, good humor, and kindliness. And, strangely enough, those who went expecting to listen for a few minutes soon found themselves staying on and staying on, consumed with interest.

Although Senator ASHURST spoke for over an hour, he said not one unkind or harsh word about any of his opponents, while his brilliant shafts of wit had the audience frequently convulsed with laughter. On the other hand, the serious parts of his address, while filled with kindly but serious political bombast, won him the respect of his audience.

After all, a man can still be radical, yet be a gentleman. A man can win votes and still be a gentleman. The highest tribute that can be paid to Senator ASHURST is that for 41 years he has been in politics, yet he is a gentleman, and as such sets an example that other candidates, and even newspaper editors, might emulate.

Meanwhile, the Senator's opposition is a healthy thing. The opposition has brought him home so that the home folks once more can hear his delightful speeches.

[From the Miami Silver Belt, Nov. 4, 1930]

ASHURST PAYS TRIBUTE TO GOVERNOR HUNT; PORTRAYS ROMANCE OF THE CAREER OF GOVERNOR IN CAMPAIGN SPEECH

There is much romance in the career of George W. P. Hunt, who came into Arizona 50 years ago, during the now vanished days of the burro pack train, the shave-tail mule, and the covered wagon. Most of the men and women who came here during those days have crossed another frontier into the Great Kingdom; whilst for those pioneers who yet remain, the lovely nymphs of noonday are gone and their temples are crowned with silver streaks of the eternal dawn.

The 50 years of Mr. Hunt's residence in Arizona are equal to one-third of the present age of our American Republic and constitute a glorious epoch in the life of the Nation and the State. The purse of Fortunatus and the lamp of Aladdin seem tame and commonplace, when compared to Arizona's progress since Mr. Hunt lighted his first camp fire within her borders.

He saw the teepee and the hogan of the Indian give place to stately residences. He saw the railroad trains supplant the stagecoach and the buckboard, which once bounced and jolted over the rough and rudimentary roads. He now sees automobiles whizz over the very hills and valleys where once he saw the cowboy with jingling spurs, haystack hat, and leather chaps ride hard under the summer sun and winter stars for cattle and horses.

The same plains which once he knew as the habitat of wild beasts and upon which he later saw the quiet flocks of sheep feed upon the rich grasses beneath their feet are now covered by diversified agriculture, industrial enterprises, glittering cities and towns, or serve as airports and landing fields for winged cars that cleave the clouds and that skim the cream off the milky way.

Some of the landscapes where once he saw the Knights of the Lariat hold their round-ups and rodeos are now covered by commanding schools, colleges, entertainment, resorts for tourists, dude ranches, palatial hotels, and churches whose spires kiss the golden sunbeams.

Some of the particular spots where once he saw the noon breeze swirl the smoke of the cowboy's branding iron are now midget or Tom Thumb golf courses.

The air spaces which, when he came here 50 years ago, were agitated by the coyote's doleful howl, by the barkings of the prairie dog, the measured thrum of the mustang's hoofs, the war whoop of the ferocious Apache encircling the settler, now by the mystic voice of the radio, pour into our ears the Tales of Hoffman, the dulcet notes of Narcissus, the wild melodies of the Hungarian Rhapsody, and all the joys and inspirations which no other art save music's ethereal rain can give. On some of the deserts where once he swallowed their bitter dust as he plodded forward he now sees irrigation projects so practical and yet so ideal that they charm the imagination with their wizardry as they spread their living waters upon the thirsty soils. He saw Arizona accomplish that difficult feat in Government of fusing reforms with stability. He has earned competence and popular affection, for he aided in building this empire.

[From the Cleveland Plain Dealer, July 6, 1929]

ASHURST, THE WORD WRANGLER

By Fraser Edwards

HENRY FOUNTAIN ASHURST, senior Senator for Arizona ever since she has been a sovereign State, was a cow puncher in his youth.

His dexterity with a lariat gave him the same control over cattle as his present agility and facility as a word wrangler gives him over the English language.

Beginning with a blue-backed speller, in which he wrote in boyish chirography "HENRY FOUNTAIN ASHURST, United States Senator", when he was 10 years old, Hank has studied words. In his relentless pursuit of philology he has paid particular attention to etymology. He has worn the calfskin cover off of one of Web-

ster's well-known dictionaries in tracing each and every word in the English language to its source and prying into its intimate family relations with the Greeks and Romans.

Hank has mercilessly ransacked Roget's Thesaurus from A to Z, until there is not a word between its covers that he has not roped, hog-tied, and branded for his own. If there are any mavericks straying around, it is just a matter of time before he corrals them and sears the nicety of their meaning into his brain.

With all the words in the English tongue mobilized under his command, Hank cracks his intellectual whip and the words trot out and jump through his oratorical hoop to the amazement and admiration of his colleagues and to the complete bewilderment of the gallery gods who have not compiled any dictionaries.

Out of his cyclopedia of words, Hank has fashioned a style, which, while partaking somewhat of the courtly diction of the eighteenth century, has a flavor all its own. It is not only filled with polysyllabic words of Latin and Greek derivation but with curt, telling Anglo-Saxon and expressive Americanisms.

"I am a veritable peripatetic bifurcated volcano in behalf of Democratic principles", ASHURST once remarked with becoming modesty.

Beneath all the weight of those 6-foot words, Hank conceals one of the rarest and most delightful senses of humor harbored in the Senate. He is a keen observer and there is little of the sham and humbuggery that goes on about him that he misses.

CAPITAL BYSTANDER

By Kirke Simpson

Whenever HENRY FOUNTAIN ASHURST gets to his feet in the Senate, gallery goers may expect pleasing entertainment.

But what marks ASHURST particularly is his ready wit, a seeming desire never to be personally offensive to his colleagues in the shafts he drives with unerring tongue. He appears to get huge joy out of verbal battling for the sake of the game itself, as well as that of the cause he espouses.

He even gets pleasure out of other Senators' forays. He will sit in his place and nod with sympathetic vigor over somebody else's gusty outbursts, even when he disagrees with what is actually being said. Or he will frown portentously when the speaker frowns; smile engagingly when the words to which he listens would seem to call for smiling delivery. It is the Ashurst actor complex always at work within him.

And now and then, usually most unexpectedly even to himself, the big Arizonian breaks out into a speech that proves him gifted with an eloquence and dramatic power unique among political orators these prosaic days. He was thus moved during the Mexican immigration debate to reaffirm that his opposition to immigration came of no race prejudice.

"We have drawn upon other races of the world for our own culture," ASHURST said. "Name our language; it is only 60 percent English. Our election laws were drawn from Australia, and the decimal money system from Holland. Name anything of our culture that is of particular value, and it will be found that we drew the germ of its truth and beauty from some other country.

"The people of the British Isles gave us the stately language of Milton and Shakespeare, of Burns and Moore and Byron. The Irish race has furnished to us the bravest and most eloquent of men. How could I have a prejudice against Italy, which has given to the world her poems of stone and her heritage of music?

"But we cannot absorb any more immigrants now. If we attempt to do so, that American lamp which illuminates the earth will be extinguished, never to be relumed in a hundred years."

Indeed, without intending in the least to disparage Mr. ASHURST'S talents and virtues as a statesman and historian, it is obvious that the stage lost a brilliant star when he took to politics.

Skillful in utterance, uniform in courtesy, rich in grace and fascination, constant in respect for the opinions of others, charged with intellect and fire, he is an actor who never discards his role, is never out of character, and is always attuned to the scene.

SPEECH OF SENATOR ASHURST, OF ARIZONA, AT THE ONE HUNDRED AND FORTY-THIRD ANNIVERSARY DINNER OF THE SOCIETY OF THE FRIENDLY SONS OF ST. PATRICK IN THE CITY OF NEW YORK, MARCH 17, 1927

GENTLEMEN: I esteem it a privilege to address you. Religious services and social functions in honor of St. Patrick are being held on this, his festival, not only in Dublin, the chief city of the country he evangelized, but also in the cities and towns of the United States, Great Britain, France, Australia, Canada, Spain, Germany, Italy, Austria, and in many outposts of Christianity in the Far East.

It is of singular significance that the name of Patrick has just been placed in the calendar of the Church of England at the very time when other names long on the calendar, such as St. Helen, St. Crispin, and St. Valentine are being removed therefrom.

I would say nothing in this splendid presence that might savor of invidious distinction, yet how may one eulogize Pericles and not speak of the glories of Athens; how may one commemorate Caesar and be silent concerning the achievements of his legions; how then may I speak at a banquet of the Friendly Sons of St. Patrick and omit to say that the Irish race has nobly vindicated the right of mankind to liberty and has taken a conspicuous and important part in establishing and maintaining the independence of the United States?

Agricola, a Roman general, who was born A. D. 37, and lived until about A. D. 93, advised the empire builders of his day that Rome should war down and take possession of Ireland so that freedom might be put out of sight.

Thus, in this early Roman reference to Ireland, we pick up for the first time the golden thread of Irish militant resistance to imperial exploitation, and this thread of courage and patriotism runs through all Irish history.

On the one side is the "warring down" so that freedom might be put out of sight, and on the other it is the eternal struggle to uphold the rights of free men.

Contemplating the Europe that existed before the Christian era, in the east we find Greece, in the west we find Ireland, and it is Ireland alone amongst the lands of western Europe that preserves the recorded traditions of its speech, culture, and song that connect the half of Europe with its ancestral past.

It was the Irish race that lit the lamp of genius in the brain of Europe.

Several centuries before the Christian era, Phoenician and Carthaginian navigators visited the shores of Britain—then called the "Island of Tin"—to obtain a supply of that metal.

The inhabitants of Britain were then rude and unlettered, whilst the Irish race was fully acquainted with the use of precious metals, fabrication of fine linens, was fond of music and song, and was enjoying its literature.

When the Druids at Stonehenge, on Salisbury Plain, made their last midnight sacrifice, the triennial council of the Irish people was held at the great hall or court of Tara where Irish kings and nobles assembled.

King Alfred the Great ascended the English throne in the year 871 A. D., and he was indeed one of the world's wisest men. He ruled for 30 years, and he proved himself to be a valiant warrior and an earnest patron of whatever promised to promote the good of his people, but long before Alfred ascended the English throne the Irish race had scattered throughout Europe manuscripts of priceless masterpieces limned by Irish scribes, such as the Book of Kells in the library of Trinity College at Dublin, acknowledged to be the most beautiful book in the world. Indeed, into its pages is woven such a wealth of ornament and it has such an ecstasy of art that the colors are as lustrous, as fresh, and as soft as though it was the work of yesterday, but the book was made 1,200 years ago.

The polished civilization and military power of the Roman Empire began to decay during the fourth century, and by the year 476 A. D. the dry-rot of internal corruption had weakened the national fiber so completely that the western division of the Empire crumbled under the invasion of the external barbaric strength of the nations in the north and the Far East, which nations Rome had held at bay for several centuries.

When the western division was thus extinguished, all Europe was engulfed by the westward and southern movement of the barbaric nations.

Ireland was the one country not submerged by these invasions before whose terrific onslaughts the Italian Caesars vanished. Ireland retained her own glittering culture, maintained her commerce, and, with the exception of such learning of antiquity as was kept alive in the monasteries of the church, Ireland was the ark which, for the 590 years intervening between the collapse of the western division of the Roman Empire and the Norman Conquest of England, rode almost alone upon the dark and tempestuous sea and thus safely carried to the so-called "early modern period" the muniments, manuscripts, and treasures of past ages.

There is a river in the ocean, the Gulf Stream. It is the most important of all the ocean currents. It rises in the Gulf of Mexico, flows northeasterly until it reaches a point opposite the banks of Newfoundland, when it turns and sweeps across the Atlantic; then, dividing into two portions, it sends one arm downward toward the Azores whilst the other arm passes near the shores of Ireland. As it emerges from the Gulf of Mexico its temperature, which is 84° in summer, is hotter than is the temperature of the ocean at the Equator.

The effect of this Gulf Stream upon the climate of Ireland and the northwestern coast of Europe is to raise the winter temperature in Ireland about 30° above what would be the normal temperature in those latitudes.

There is likewise a mighty river in the ocean of humanity—the Irish race—which for a century and a half has flowed from Ireland to America; and, just as the Gulf Stream is many degrees warmer than the common waters of the ocean, this river of life in the ocean of humanity—the Irish race—is warmer, more loyal, and more fervent than the other waters.

Thus, whilst the American Gulf Stream has ameliorated and softened the climate of Ireland, the Irish race has ameliorated and blessed America by its loyalty and its soft and graceful courtesies.

[From the Philadelphia Public Ledger of Apr. 14, 1934]

THE DAILY MIRROR OF WASHINGTON

By Robert B. Smith

A REALIST FROM ARIZONA IN THE UNITED STATES SENATE

Visitors in the Senate galleries often marvel at the Chesterfieldian mannerisms of the Honorable HENRY FOUNTAIN ASHURST, of Arizona. They do not realize that they are viewing a man who is both an ex-cowboy and "a lawyer by profession"—the latter being a quotation from his autobiography in the Congressional Directory.

Also, it is doubtful if the visitors realize that they are gazing upon one of the most consummate realists in modern political life.

Mr. ASHURST himself illustrates the latter characteristic by an anecdote concerning his experience in Arizona on a recent election

day when he visited that State for purposes which will be understood by any Federal officeholder.

He was inveigled into attending a meeting of a men's luncheon club. He did not know that members of the club had "conspired" against him before the luncheon. The first speaker after the food had been served was a prominent citizen who—apparently unmindful of the Senator's presence—launched into a sonorous lament that Arizona had never produced a real statesman. The speaker rang the changes on this theme, while the Senator's face turned alternately scarlet and white. It did seem to be an ungracious speech to make in the presence of one who has represented Arizona in the Senate since that member of the Union was granted the privileges of statehood.

However, Mr. ASHURST was equal to the occasion. He arose when his turn came and orated as follows:

"My fellow citizens! It is true that Arizona has never produced a statesman. Moreover, I predict that you never will. Let me tell you why.

"You send me to Washington to represent you in the Senate. But you do not send me there because you are interested in grave questions of national or international policy. When I come back to Arizona, you never ask me any questions about such policies; instead you ask me: 'What about my pension?' or 'What about that job for my son?'

"I am not in Washington as a statesman. I am there as a very well-paid messenger boy doing your errands. My chief occupation is going around with a forked stick picking up little fragments of patronage for my constituents."

Thus the Senator orated at length. I may have taken some literary license with the direct quotations, but the substance of his remarks is accurate as quoted. When the meeting was over he was told that he had been the victim of a conspiracy—that he had been hoaxed. I don't know whether he was embarrassed or not. I have a suspicion that he was rather glad he had been goaded into telling some truths which many Washington luminaries would like to tell their constituents if they dared.

WASHINGTON, D. C., *February 24, 1935.*

Hon. HENRY F. ASHURST,
Washington, D. C.

DEAR SENATOR: The tribute you paid Mr. Berryman, the cartoonist, in your speech at the University Club last Thursday evening, February 21, was beautiful, and your bantering discussion of the "care and feeding of politicians" was the most brilliant piece of irony and satire I have ever heard.

Faithfully yours,

CHARLES J. KERLEY.

EXTRACT FROM THE ADDRESS DELIVERED BY SENATOR ASHURST AT UNIVERSITY CLUB, WASHINGTON, D. C., FEBRUARY 21, 1935

All classes of corporations, organizations, and persons have lately received generous gifts, gratuities, grants, and bounties from the Public Treasury except that large class of modest citizens, the politicians.

The Government's neglect of the politician is so cruel that I publicly declare that some provision should be made for the care, nurture, feeding, and training of our politicians, and I now set forth the following regimen or economic program to be observed until some law may be passed for the relief of our politicians.

As to diet: The politician just before an election should be allowed, at public expense, all the pork he wishes and he should use plenty of applesauce, as that is the only commodity of which the supply can never equal the demand.

As to sleep: If the politician should be tormented with insomnia, he should read one of his own speeches or listen to the speech of one of his fellow politicians; then a drowsiness will soon come upon him that could not be produced by all the soothing sirups in the world. After he falls into slumber there should be no anxiety as to the place where he is to sleep, as they all like the same "bunk."

As to exercise: "Fence building" is recommended, but if the lateral muscles of the body require development the politician should take up the practice of dodging. The muscles of his neck may be much strengthened if the politician will become a confirmed head nodder and nod his head in approval of all statements, plans, laws, appropriations, suggestions, resolutions, and reforms brought to his notice.

One of the defects of the American politician is that he is not a graceful auditor. No asset is more valuable to the politician than the art of audition, and he should train his ears by constant usage until they are capable of listening many hours at a stretch.

It will be remembered that the Earl of Beaconsfield, twice Prime Minister of Great Britain, in preparing young gentlemen for the diplomatic service, instructed them that to control their temper was important but that to control their features was more important. Therefore the politician should so control the muscles of his face that he will apparently be listening with rapt attention at all times. No matter how silly, foggy, or befuddling may be the conversation addressed to him the politician should guard against exhibiting inattention or exhaustion.

Neither scantiness of argument, barrenness of fact, nor absurdity nor ribaldry of the speech inflicted upon him should cause the politician to betray impatience. It cannot be too strongly emphasized that the politician must control the muscles of his face to conceal his boredom and disgust no matter how addlepated the bore may be.

It is impossible to teach the politician to save up anything for a rainy day, although during prohibition times politicians were able to save up something for a dry day.

If the politician, during a political campaign, should resort to such an outlandish performance as to indulge in flattery, he should spread it on, not in thin layers but he should rather spread it on with a trowel or, better still, with a shovel.

There has long existed a myth to the effect that politicians should radiate creature comfort, suavity, affability, and sugared cajoleries.

This myth should be exploded; the politician who expects to survive every storm that blows, should simulate a flurried, harried demeanor, and a nervous—yes, I shall say irritable—nature, as such persons are generally regarded as sincere.

It should be remembered that the electorate suspects and distrusts men of superb intellect, calmness, and serenity.

Of course, there are some laws that mankind can never repeal, such as the law of reactions, the law of supply and demand, the law of the survival of the fittest, and the law of gravitation, but in a hard-pressed campaign, the politican will become the incarnate symbol of romantic liberalism and will gather many votes if he crusades demanding the repeal of these laws. Above all things, he should not forget that voters never grow weary of illusory promises.

The politician must tell the people what they want to hear; this, of course, never adds to the strength, firmness, or efficiency of the Government, but it does nourish the politician.

Even if the politician be a fluent speaker, silence is recommended, as silence is the best substitute for brains ever invented.

It is possible that the politician may be afflicted with that devastating malady known as "presidentitis", which is a burning, itching desire to become President. This is not a common disease; it usually assails Senators, Governors, Representatives, and Cabinet members, but it has been known to attack now and then even a university president.

When attacked by this ailment, the politician's usefulness to the country, to himself, and to his party is seriously impaired and frequently is destroyed.

The symptoms of presidentitis are pronounced and unmistakable and are as follows: The patient's vocabulary is reduced to the personal pronoun "I." There is an acute sensitiveness to newspaper criticism, then come irritability, thirst, unhappiness, loss of sleep, and extreme suspicion of all other statesmen. The earliest symptom, however, is the metamorphosing of the politician's backbone into India rubber.

[Editorial from the Arizona Daily Star of Mar. 17, 1935]

SENATOR ASHURST AND COMMUNISM

The charge made by the notorious William Shearer that Arizona's senior Senator, HENRY F. ASHURST, is a Communist will come as a surprise to those in Arizona who know the Senator intimately. The charge will cause many a smile or laugh, and instead of being taken seriously it will be the cause of some fun-making at HENRY'S expense.

HENRY FOUNTAIN ASHURST, the cowboy and former jail turnkey who became Senator, is not a Communist. Even though he did believe in the Marxian economic principles, he is of the kind that simply could not swallow Marxian governmental principles. In the first place, our beloved HENRY loves to talk, and he likes to talk as he pleases. For that reason, if for no other, he would be about the last person from Arizona to become a Communist. If a padlock were put on his tongue, or if he were told that he had to think along just certain lines, he would be like a caged lion, and soon languish and pass away.

Nor could HENRY FOUNTAIN ASHURST tolerate the ruthless course that even Marx admitted that communism must take to succeed. There is no man more kindlier; no man more generous. If he ever carries a hammer it will be clothed with velvet and used only for a soft and friendly touch. As for the sickle, his would be as dull as a butter knife. He would use it only to gather votes. Violence is foreign to his nature. Even when he speaks, although he has a command of words and metaphors that can hypnotize his listeners, he cannot find words to say a real mean thing about anybody.

HENRY FOUNTAIN ASHURST can never be a Communist. It is not his nature. And besides, he knows his history too well. Above all things, he knows his politics too well. He is as full of politics as a dog is of fleas. He is, above everything else, a politician, a delightful politician who conquers his enemies by disarming them with charming manners, his never-ending interesting stories of the great and near-great, and by his frank confessions that he is just a politician out looking for votes.

FARMERS' HOME CORPORATION

The Senate resumed the consideration of the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina

[Mr. BAILEY], on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and called the name of Mr. ADAMS.

Mr. ROBINSON. Mr. President, is it too late to ask that the amendment be stated? I understand there has been no response to the roll call.

The VICE PRESIDENT. There has been no response to the roll call. The clerk will state the amendment.

The CHIEF CLERK. On page 4, line 8, it is proposed to strike out "$1,000,000,000" and insert in lieu thereof "$100,000,000."

Mr. ROBINSON. I merely desire to state that I hope the amendment will not be agreed to.

The Chief Clerk resumed the calling of the roll.

Mr. CAREY (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. BULKLEY], who is necessarily detained from the Senate. Understanding that if present he would vote as I intend to vote, I am at liberty to cast my vote, and vote "yea."

Mr. LOGAN (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the junior Senator from Louisiana [Mr. OVERTON], and will vote. I vote "nay."

The roll call was concluded.

Mr. ROBINSON. I again announce that the Senator from Connecticut [Mr. MALONEY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Georgia [Mr. GEORGE], the Senator from Kentucky [Mr. BARKLEY], the Senator from Washington [Mr. BONE], the Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from California [Mr. MCADOO], the Senator from Indiana [Mr. MINTON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

I desire also to announce a special pair between the Senator from Maryland [Mr. TYDINGS] and the Senator from Kentucky [Mr. BARKLEY]. If present, the Senator from Maryland would vote "yea", and the Senator from Kentucky would vote "nay."

Mr. AUSTIN. I again announce the necessary absence of the Senator from New Jersey [Mr. BARBOUR] and the Senator from Georgia [Mr. GEORGE]. On this vote they are paired. If present, the Senator from New Jersey would vote "yea", and the Senator from Georgia would vote "nay."

I also announce the general pair of the Senator from New Mexico [Mr. CUTTING] with the Senator from Virginia [Mr. GLASS].

Mr. MCNARY. The Senator from New York [Mr. COPELAND] is detained on official business. He has requested me to announce that if present, on this question he would vote "yea."

The result was announced—yeas 34, nays 39, as follows:

YEAS—34

Adams	Couzens	Keyes	Radcliffe
Austin	Dickinson	King	Shipstead
Bailey	Duffy	Lonergan	Smith
Burke	Gerry	Long	Stelwer
Byrd	Gibson	McCarran	Townsend
Capper	Gore	McNary	Vandenberg
Carey	Hale	Metcalf	White
Clark	Hastings	Moore	
Coolidge	Johnson	Pittman	

NAYS—39

Ashurst	Costigan	McGill	Russell
Bachman	Dieterich	McKellar	Schall
Bankhead	Donahey	Murphy	Schwellenbach
Bilbo	Frazier	Murray	Sheppard
Black	Guffey	Neely	Thomas, Okla.
Brown	Harrison	Norris	Thomas, Utah
Bulow	Hatch	Nye	Truman
Byrnes	Hayden	Pope	Van Nuys
Caraway	La Follette	Reynolds	Wagner
Connally	Logan	Robinson	

NOT VOTING—22

Barbour	Bone	Bulkley	Cutting
Barkley	Borah	Copeland	Davis
Fletcher	McAdoo	O'Mahoney	Tydings
George	Maloney	Overton	Walsh
Glass	Minton	Trammell	Wheeler
Lewis	Norbeck		

So Mr. BAILEY's amendment was rejected.

Mr. BAILEY. Mr. President, I have several amendments which I desire to present. I send forward the first one and ask for its consideration.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 7, after the word "funds" at the end of first paragraph (e), it is proposed to add a colon and the following: "*Provided*, That every appointment the annual compensation thereof is $4,000 or more shall be subject to the confirmation of the Senate of the United States as provided by article II, section 2, of the Constitution."

Mr. BAILEY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, I have had some conferences this morning with certain members of the Department of Agriculture. I should like to have the attention of all Senators who are interested in sensible legislation.

For 2 years we have been curtailing production. We went to the extent of destroying several million hogs. We have reduced the acreage in cotton. We reduced the acreage in wheat. Nature came along and assisted in the wheat reduction. The surpluses which were piled up were, in the opinion of the Department, destroying the profits to the farmer, and therefore, in order to relieve the farmer, the Department resorted to the reduction of production in order that there might be a reasonable price received for what was produced. The Government went so far, in order to induce the farmers to reduce their acreage, as to give them a benefit payment of rental for the land which they promised not to plant.

I have here today a bill embodying amendments to the A. A. A., and attempting to carry on the reduction and restriction program for 2 years more, namely, 1936 and 1937. Now, let this be thoroughly understood by the greatest deliberative body in the world—God save the mark! We have already passed and are operating under a law curtailing acreage, reducing production, for the benefit of those on the farm. We established the Federal Land Bank in order to aid the desperate farmers to hold on to their land. I have these amendments here now. Listen to what it is proposed to do.

I was informed this morning from the Agricultural Department that the cry went up that tenancy had so greatly increased that provision must be made to take care of the situation. I said, "What is the reason tenancy has increased?" They said, "The reduction of acreage." Now, listen! The farmers reduced their acreage in cotton, in wheat, and in other grain, and the Government paid them to reduce it. It gave the farmers benefit payments for the idle acres; and the Department said that had the effect of increasing tenancy, because laborers and tenants were thrown out of employment. The Government had rented the land on the agreement that it would not be planted. The acreage was decreased and tenancy was increased, because the Government was paying the farmers to reduce their planted acreage. Now they come along with this bill and say in the next voice, "We now want you to appropriate a billion dollars so as to put every idle laborer and share-cropper and tenant back on the land, and furnish him and equip him and implement him to undo what the Government has spent more than $100,000,000 to do."

I do want to have some logic and some common sense about our legislation here.

Mr. GORE. Mr. President——

Mr. SMITH. I yield to the Senator from Oklahoma.

Mr. GORE. I know one instance in my State where a landlord who had two tenants let his two tenants go and took the cash payments he received from the Government for withholding acreage from cultivation and hired farm hands to cultivate the rest of the land.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SMITH. Yes.

Mr. LONG. Did the Senator mention the fact that the Agricultural Department paid the farmers to take the land out of cultivation, and now is giving them money to put the land back in cultivation?

Mr. SMITH. That is the point I am making.

Mr. LONG. I should like to tell the Senator of another little item which I saw. The Agricultural Department issued a bulletin showing how much stuff the people needed to eat, and it showed the need for more stuff than they had ever produced, and the same year they required the people to burn it up.

Mr. SMITH. Yes.

Mr. President, let us go a little further into this logic.

The reason why acreage and production were reduced was to provide a reasonable return to those who agreed to and acquiesced in the program of reduction. Therefore, the Government admitted, and all of us knew, that the farmers were not making a penny. They were being foreclosed. Now it is proposed to reinstate hundreds of thousands of farmers back in a business which we declared was not making any money. So we are going to increase the profitableness of farming, which is notoriously unprofitable, by increasing by hundreds of thousands the number on the farm! The greatest deliberative body in the world My God. Yes; it is.

Mr. LONG. Mr. President, if the Senator will pardon me, I am not so sure that we are going to increase the number on the farm. I think I know about how this bill is going to work. A landlord will want to sell some land to the Government, and he will use the name of some poor white man or colored man, and move off, and the Government will own some land.

This bill is not going to help the tenants. It ought to be called a bankrupt landlords' bill. It ought not to be called a tenants' bill.

Mr. SMITH. Mr. President, I call attention to the illogical, absurd, ridiculous position in which the Senate is today. Here is the Bankhead cotton bill, restricting to a certain number of bales the amount of cotton that may be sold, because if the production should be increased the price would go down to a point where there would be no profit. That industry is regimented to a certain extent. Under the terms of the law anybody who makes any more cotton than the prescribed amount and attempts to sell it, has to pay 50 percent of the price then current by way of penalty. Along comes the same gentleman and introduces a bill which tends to increase by hundreds of thousands the number of farmers. What are those farmers going to make? If they do not make some cash crop—and in the South cotton is the only cash crop—what are they going to make? What are they going to live on?

This bill is like the doctrine of predestination, as some fellow described it: "I can and I can't; I will and I won't; I'm damned if I do, and damned if I don't." [Laughter.]

Mr. President, I am in deadly earnest about this matter. Every one of my colleagues will testify to the fact that, with my limited intellect, I have striven here for 25 years, a quarter of a century, to bring about some sort of living conditions for the farmer; but I never expected to be put in a position where the logic of one bill is absolutely destructive of the logic of what we have already done, and I shall not be a party to any such ridiculous performance.

Now, listen: Mr. Wallace himself issued a statement that millions of acres of land had to be taken out of cultivation. The President went into Georgia prior to his election, and I sat on the platform with him when he declared that the marginal lands of this country, the unprofitable ones, should be reforested.

The PRESIDENT pro tempore. The time of the Senator from South Carolina on the amendment has expired.

Mr. SMITH. How much time have I on the bill?

The PRESIDENT pro tempore. The Senator has 15 minutes on the bill if he has not already spoken on it.

Mr. SMITH. I thank the Chair. This is my swan song.

I have indicted the intelligence of this body. There is not a reasonable, logical man who can vote for this bill and maintain the A. A. A. amendments; and I am reporting today the bill embodying them. On the one hand, we are restricting, curtailing, licensing, regimenting, and, on the other hand, we are throwing the door wide open with a billion dollars to increase the number of farmers.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BYRD. As I read the amendments to the A. A. A. legislation, they give the Secretary of Agriculture power to require a license from every farmer who prepares for market, or who processes, or who in any way changes the form of the product which he produces on his farm. I wish to ask the Senator if that is correct?

Mr. SMITH. That is correct as the bill is to be reported. I propose to offer on the floor an amendment to the effect that where a farmer processes and distributes his own product, no license shall be required; but I do not wish to be diverted to the A. A. A. amendments.

Mr. LONG. Mr. President, will the Senator yield for a moment?

Mr. SMITH. Yes.

Mr. LONG. It is now provided in the bill that a farmer has to get a license to sell his own stuff?

Mr. SMITH. That is, if he is a processor and distributor; in other words, if he has sufficient volume to be his own merchant, to merchandise his own stuff.

Mr. LONG. A farmer does not have to have a very big volume to do that. Can he sell his own sweetpotatoes?

Mr. SMITH. I think so.

Mr. LONG. Can he sell his own molasses?

Mr. SMITH. Yes.

Mr. BYRD. Mr. President, if the Senator from South Carolina will permit me, a processor under the present law is defined as anyone who handles his product for sale. Therefore, a man who produces a bushel of strawberries on his own farm and sells them will be subject to a license under these amendments.

Mr. SMITH. Mr. President, I do not know whether or not the bill embodying the amendment goes to that extent. I wish to take this occasion to say that with the substantive law as it is, these amendments were claimed to be simply clarifying amendments; and I sent down to the Department and asked the proponents of the law to write the report. Now we have not only the amendments proposed by those who really drafted the act, but we have their report on what the amendments mean.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. SMITH. Yes.

Mr. MURPHY. Having reference to the agricultural amendments——

Mr. SMITH. I do not like to deflect the attention of the Senate from the beautiful performance in which they are engaged to the A. A. A. amendments. Let us wait until that matter comes up.

Mr. MURPHY. There is just one observation I should like to make in connection with the Senate committee's report, if I may be permitted to do so.

Mr. SMITH. Yes.

Mr. MURPHY. In the case of a processor who is also a producer, his protection is in the provision that 85 percent of the producers must request a license.

Mr. SMITH. Oh, yes; that provision has reference to another section. I shall discuss it fully when I report the amendments.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SMITH. Yes.

Mr. TYDINGS. As I understand, the pending amendment is to cut down the authorized bond issue from a billion dollars to $100,000,000.

Mr. SMITH. No; we lost that amendment.

Mr. TYDINGS. Then the authorized bond issue still stands at a billion dollars?

Mr. SMITH. Yes.

Mr. TYDINGS. Inasmuch as most of the objections to the bill seem to be predicated upon the fact that the money will be used more to relieve landlords than to relieve tenants,

if the sum were cut down so that it could be more carefully administered and so that it could be experimented with for a period of time, might not many of the objections be eliminated? Then, if it should prove to be a good thing, we could go further into it at the next session of Congress.

What earthly use is there in appropriating at one fell swoop a billion dollars for a project which, to say the least, is questionable in its entirety? If we are to embark on this program, may I not ask the Senator if we should not enter upon it very slowly and, if it bears fruit, we can enlarge the policy at the next session of Congress? Would not that be better rather than commit the Government to the issuance of a billion dollars' worth of bonds for a project about which there has been no adequate hearing, and when no testimony has been offered in support of the bill?

Mr. SMITH. Mr. President, in reply I may say that I took the floor the other day, when the motion was made to recommit the bill, and said I thought we might do something along the lines suggested by the Senator from Maryland; and I think I had a pretty good reaction this morning in telephone conversation with the Department. But with the President himself insisting that we should restrict acreage and not cultivate land that was doubtful in its return, for some reason we are reducing acreage with every conceivable device, reducing output, in order to bring about better prices, and in the very next breath here on the floor of the Senate we are asked to appropriate a billion dollars in order to open wide the doors to all tenants, sharecroppers, and contract hands who are not now landowners.

I will ask Senators to listen to the inducement offered them to come in under the law. I wish to read the inducement. In the face of the request that acreage be reduced—and they did induce the farmers to reduce it, because they made benefit payments for land they promised not to cultivate——

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TYDINGS. Assuming the proposed policy shall be carried out and the entire billion dollars shall be used, it will be used for the purpose of buying up land and redistributing it among the farmers, and then will not the land which the Government buys be a charge on the Government, insofar as that land is not cultivated? Will not the Government be obliged to pay to the owners of that land the money for not raising crops upon the land which it bought and gave to the tenant until such time as he pays for it? Is that correct?

Mr. SMITH. That is logical; that is exactly correct.

Now I turn to page 8 of the copy of the bill which I hold in my hand, and I ask those who are going to vote so wisely and patriotically and sympathetically for the farmers to listen to a quotation from it. We are making benefit payments to farmers who agree not to cultivate, and we are reducing acreage.

Mr. GORE. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. GORE. Before the Senator reads the extract, I should like to inquire whether he noticed in the press dispatches a few days ago that the Department of Agriculture, which had contracted with certain wheat farmers in the West to pay them, I believe, some $25,000,000 not to cultivate their land, was proposing to pay them the $25,000,000 not to cultivate the land, and at the same time to give them permits to cultivate the very land which they were paying the farmers not to cultivate?

Mr. SMITH. Yes.

Mr. TYDINGS. Mr. President, will the Senator yield again?

Mr. SMITH. My time is limited.

Mr. GORE. Comptroller General McCarl happened to rule against that anomalous proposition.

Mr. SMITH. Mr. President, this thing is ridiculous—it is absurd. Keep in mind that we are paying millions to keep farmers from planting, and listen to the paradox. This is what this board may do. This is the power of the board:

> To establish, make loans for, and to assist in the establishment of small individual farms and farm homes, together with the necessary buildings and other structures, livestock, equipment, implements and machinery, furnishings, supplies, and facilities.

They are going further in inducing them to come back than they went in seeking to induce them to get off. [Laughter.]

Mr. President, have we lost all sense of logic, all sense of our duty as Senators, and are we to sit here and vote this absurd paradox? Every farmer will resent it. Those who have borne the burden and heat of the day, and are standing to lose their property on account of the unfavorable market, will be resentful, that, after they have agreed to curtail their production and restrict their output, this flood is to be turned loose on them.

I wish to read one other paragraph. Listen to this. This is under the power of the board, and I read from subdivision (c):

> The Corporation may provide for such amortization periods for the repayment of indebtedness owed to it, and may postpone the date when the initial installment shall be due, as it may deem advisable.

But in no event shall the amortization be less than 60 years.

Mr. ROBINSON. Oh, no!

Mr. SMITH. Shall not exceed 60 years. It is the same thing, tweedledum and tweedledee.

Mr. ROBINSON. No; it is not the same thing, as the Senator must know.

Mr. SMITH. It gives them 60 years.

Mr. ROBINSON. No; it does not. It fixes a maximum of 60 years.

Mr. SMITH. Who would not take the maximum? Who would not take 60 years?

Mr. ROBINSON. Mr. President, it is in the discretion of the board, except that the board cannot fix an amortization period exceeding 60 years.

Mr. SMITH. The board, which wrote the bill, will give them sixty and come here for sixty more.

Mr. President, in the name of the farmers who have responded to the curtailment appeal and are doing all they can to meet it, I ask, when they are met with this, is it not enough to make them quit the whole program?

Mr. LOGAN. Mr. President, I shall detain the Senate for only a very few minutes. I have not participated in the debate during the discussion of the pending bill.

Some aspersions have been cast upon Secretary Wallace in the Senate during the last few weeks, and, while he is able to take care of himself, and his record speaks for itself, I will say that, in my judgment, Secretary Wallace is one of the greatest leaders developed during the terrible turmoil which has been going on in the United States for the last 5 or 6 years. His plans and policies, if he shall be allowed to carry them out, will solve the farm question; and if one believes that he has not succeeded, let him go out among the farmers of the United States and see the difference between their present attitude and their attitude when Secretary Wallace started his plan. Indeed, they were "the man with the hoe" before he took charge. Now they are men who can stand up and look the world in the face.

Contemplating the economic record which has been made, and the changed conditions, I believe that everyone, when he attacks the plan, will recognize that perhaps he has not given due consideration to what has already been accomplished.

> Where there is no vision the people perish.

That sentiment was voiced a long time ago, and it is as true today as it was when it was uttered.

There is no inconsistency between the pending bill and the plans which have been put into effect by previous legislation. The distinguished Senator from South Carolina is mistaken in the statements which he makes. We have had restrictions in production.

The farming engaged in as a business has been necessary under the plan of economic self-sufficiency which has been adopted. The plan is wrong and I am against the doctrine

of economic self-sufficiency. But America has adopted that plan, and it has become necessary for us so to arrange the business affairs of the country, both agriculturally and industrially, that we can exist under such a plan.

I shall endeavor to state what, as I understand, the bill seeks to accomplish. There is in this country an ever-increasing number of tenant farmers. They are here 1 year, or for a few months, and are gone elsewhere. They have large families. They have no opportunity to educate or care for their families. They are not in one place long enough to send their children to school. Their boys and girls grow up without proper training. They go out in the world and fall into bad environment, with the result that they have no chance in this life.

The tenant who is poor and downtrodden is not responsible for the conditions which surround him at this time. If there is any class entitled to our help, our sensible, intelligent help, it is that class of people. Perhaps we have more things to eat than we can consume. Perhaps more is produced than is necessary, but the tenant cannot require these things. He has no money. He is a serf. He is almost a slave. He has no opportunity to obtain the good things of life.

This bill, as I understand from reading it and from what I have heard said about it, simply proposes that there be authorized the use of a certain sum. It does not have to be expended this year or next. It perhaps does not have to be expended during the next 20 years. The program looks ahead, it looks to the future, and is not one that need be carried out in its entirety this year or next year.

The purpose is that individuals who know nothing except how to farm a little shall be given an easy opportunity to acquire a home, so that they may remain in one locality, where they can bring up their families, give them proper healthful surroundings and conditions, afford them proper medical attention, send their children to school, and make them a permanent and helpful part of society.

The bill simply proposes that there shall be a corporation created which will acquire lands and sell them on long, easy-term payments to those who are willing to work and acquire a home. It is not supposed that they will go into commercial farming. The purpose of the bill is to give them an opportunity to earn a living so they will be sufficiently fed, so they will be sufficiently clothed, and may have an opportunity to work out their own salvation. That is the purpose of the bill, and I believe every Member of the Senate is of the opinion that something should be done for that class of people, whose numbers are increasing rapidly year by year. In my own State they now constitute a third of the farming population, and the proportion is increasing all the time.

If we can do something along this line it seems to me we should do it. The proposed plan is not justly subject to criticism. I am willing to admit that it may be wrecked by bad management. If those who are placed in charge of it shall fail to administer it in accordance with the intention of the proposed act, it will fail. But, on the other hand, there are men, such as Secretary Wallace, who are sufficiently interested in all the people of this Nation to endeavor to administer the act in such a way as to bring blessings and happiness and prosperity to that class of people which needs help more than any class of which I know in this great Nation of ours.

Mr. METCALF. Mr. President, I will speak on the amendment. I was interested in listening to the Senator who last spoke [Mr. LOGAN]. I desire to call the attention of the Senate to the great work which the Secretary of Agriculture is doing in my State. I have here petitions signed by some 1,200 employees and ex-employees of cotton-textile mills. Here is one from the little village of Hope in Rhode Island. The cotton-textile mill in that town is shut down. There is no hope for it starting again so long as the Secretary of Agriculture has his way. Let me read this petition:

Whereas most cotton-textile mills in Rhode Island have already been forced to close, thereby causing unemployment and misery to thousands of workers and others in this State; and

Whereas this permanent loss of employment is on such a large scale that our chances of being able to find other work seem almost impossible, thereby leaving us no choice except either to starve or go on the relief rolls indefinitely; and

Whereas many of us own our own homes acquired from our industry and savings, which homes we shall have to part with at great financial loss; and

Whereas this condition has in a large part been caused by large importations of cheap cotton cloth and the cotton-processing tax,

We, the employees and former employees of Hope Mill, of Hope, R. I., petition the President and Congress to take immediate steps to save what is left of the cotton-textile industry by protecting us against the low wages in foreign countries, and by repealing the cotton-processing tax.

Mills are forced to close. That is what is being done in Rhode Island.

Mr. SCHALL. Mr. President, in voting on the pending bill, the Bankhead farm-tenancy bill, we should consider the general condition of agriculture which has arisen because of the greatest period of deflation in our history and the worst dust storms which have ever afflicted the country, both of which factors have contributed to dispossessing thousands of farmers, through no fault of their own—farmers now in the gypsy class. The fact that some real-estate people may profit by this measure is no answer to their plight.

On the other hand, we have the bankrupt real-estate market, with every country newspaper filled with mortgage-sale advertisements, and with my State alone holding title to thousands of acres of land which it is willing to dispose of at sacrifice prices. The legislature there has been busily engaged in devising ways and means of disposing of this land with profit both to the State and to the farmer.

There was never a time in our history when a man could start farming with as small capital as now. Times were never more propitious for a man with a family to establish himself on a self-sustaining basis on a farm away from the unemployed of the city. We cannot suppose that agriculture will always continue in the slough of despond it now is. During the boom times leading up to 1929 our agricultural acreage was 250,000,000; now it is 180,000,000. Experts estimate that our Nation can consume the products from 330,000,000 acres with normal prosperity. Furthermore, science is helping find new uses for agricultural products, uses the results of which no one can now foretell. It is most timely that a helping hand should be lent the farmer, who through no fault of his own has lost his farm. Who are we to say that he will be shiftless and unwilling to try to repay the Government loan? He will do as well as many large corporations to which money has freely been loaned.

The farmer living on his own farm is the greatest bulwark of individualism in the world. He is an insurance against communism and fascism. Russia is finding that she must yield her communistic adventures when she approaches the farmer, who refuses to share his products with the State inspectors, who come to take and leave only what they deem enough for him and his family on which to survive for another year. With the threat of radicalism and foreign "isms" hanging like the sword of Damocles over our head, we should help restore the farmer to his plot of land, with sufficient equipment to make it worth his while to live on it. In this way individualism gains a bulwark and communism a foe.

Mr. BANKHEAD. Mr. President, the statement just made by the Senator from Minnesota [Mr. SCHALL] was a clear, concise, and well-reasoned argument in favor of the passage of this bill. I do not intend the speech of the Senator from South Carolina [Mr. SMITH] to be diverted into any protracted discussion in reference to A. A. A. amendments which he says he is sponsoring, but in the same breath announces he has amended, nor with reference to the policy of the reduction program. However, I do desire to answer his efforts to convince Members of the Senate that there is an inconsistency in this program and the proper reduction program of the A. A. A., or under the so-called "Bankhead Act."

Mr. President, it should not be accepted that the reduction program is for a general reduction of acreage in cultivation. Instead of it being, so far as it applies to my section of the country, a general acreage-reduction program, it is a cotton-acreage-reduction program, and, generally speaking, there is and has been no reduction in the number of acres heretofore

cultivated upon the farms. In short, while the acreage planted to cotton has been reduced, the acreage planted to food and feed crops and hay and commodities of that sort has been increased, so that as much acreage has been planted, as much labor as heretofore has been required, and the same number of people working upon farms heretofore are still working upon farms.

This bill, Mr. President, does not contemplate in any way a conflict with that program, as the senior Senator from South Carolina seems so clearly to discern. Permit me to call attention to subsection (e), on page 10:

(e) The board and the corporation shall give due consideration to the desirability of avoiding the expansion of production for the market of crops for which the price is lower than the parity price as defined in the Agricultural Adjustment Act, as amended; and shall, so far as practicable, assist beneficiaries of the program to become established upon lands now in cultivation.

In short, Mr. President, and without protracting the discussion, this program contemplates putting the tenants upon farms now in cultivation and enabling them to produce for themselves instead of producing for the absentee landlord so eloquently represented here by the senior Senator from South Carolina [Mr. SMITH]. It contemplates no increase in production but merely a change in the ownership of the commodities produced; that is all.

Let it not be forgotten also, Mr. President, that the crop-reduction program is designed to meet a temporary emergency; it is intended to reduce to some fair proportion and relation the quantity of supply to the market demand. We all contemplate that within a reasonable time that necessity will pass away. The pending bill proposes a program, Mr. President, not of an emergency temporary character but one intended for the benefit of the underprivileged class in agriculture. So I am sure that no thoughtful mind in the Senate will be disturbed or diverted by the type of argument made here by the senior Senator from South Carolina.

Mr. ROBINSON. Mr. President, the Senator from South Carolina [Mr. SMITH] based his arguments against the pending bill on premises which I think are unsound. The purpose of the brief remarks which I shall now make is to give emphasis to that conclusion.

The Senator's first statement was that the production-control program, particularly as applied to cotton, is responsible for an increase in tenancy. I assert that that premise is incorrect and that the conclusion based upon it is not accurate. Every cotton farmer who signed a production-control contract expressly agreed in his contract to continue in service without diminution the same number of tenants who had been theretofore employed. I read from the contract which is signed in every instance where a cotton producer in the United States derives benefit under the agricultural-adjustment program:

Insofar as possible, maintain on this farm the normal number of tenants and other employees.

So that cotton-production control is not responsible for increase in tenancy unless there shall have been general violation of the contract. The contract made in every instance obligated the producer to retain the normal number of tenants.

Mr. BANKHEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Alabama?

Mr. ROBINSON. I yield.

Mr. BANKHEAD. I will say to the Senator from Arkansas that, instead of there having been a reduction by reason of the cotton-control program, there has been an increase; for a great many people not heretofore engaged in cotton production, but temporarily out of it, have gone back to cotton farms somewhere in order to produce cotton.

Mr. ROBINSON. Mr. President, the increase in tenancy has been in progress for many years, and is continuing. It has gathered momentum because of the fact that during recent years farming, in general, has been unprofitable, and many persons who formerly engaged in farming are now on the relief rolls, but it is not accurate to state that the production-control program is responsible for the increase in tenancy.

What the pending bill proposes to do is to change the status of many citizens from that of tenants to that of home owners; instead of requiring them to work someone else's land they are to be permitted to buy, own, and cultivate their own land. That is the fundamental principle of this proposed legislation. Is it the position of those who oppose it that the unfortunate citizen who is compelled by reason of conditions that surround him to move from place to place, to have a mere temporary residence and home, is to be denied any assistance, any assurance of aid in this time when we are doing so many things intended to promote the welfare of those in distress? What is to become of the hundreds of thousands of good-faith farmers who are in the class of tenants and share-croppers and many of whom are now dependent upon Federal relief? Is it not better to give them the chance to have some independence, to move, if they wish to do so, from the large plantation, where they are dependent and are mere tenants, and to establish themselves on small tracts of land which they may cultivate and which will constitute their own homes, thus giving them permanent places of residence, and, instead of continuing them dependent upon the generosity and the assistance of the owners of large tracts of land, give them the hope and the inspiration that they may build walls around them and roofs above them which will shelter them from the blasts of adversity?

I know that the plan may not be perfect; I know that it has been said that the bill if enacted into law may not be honestly administered; but, Mr. President, whatever defects there may be in administration are incident to any progress that may be attempted. This bill will be honestly and fairly administered, and, if it shall be so administered, it will constitute a material assistance and encouragement to that class of American men and women who most need the aid of their Government in this time of distress.

Mr. COPELAND. Mr. President, I have taken no part in this debate and unfortunately have heard little of it. It so happens that I have been engaged in committee hearings and they were of such urgent nature that I felt compelled to absent myself from the floor.

I wish to ask the sponsor of the bill one or two questions, if I may, but, before doing so, will make one or two brief comments.

I was not here this morning when the vote was taken on the amendment offered by the Senator from North Carolina [Mr. BAILEY]. If I had been present, I would have voted for it.

In the early history of our country our population was largely rural. As I look back to my own ancestors, who lived on little farms in New Hampshire, Massachusetts, and Maine, I realize that they gained from the cultivation of the patches of land they owned a certain stability of character, for which I am extremely grateful and thankful. I know that there is nothing better for any family than to live in a home that is owned by the family. It makes for decency; it makes for self-respect; it makes for confidence in and support of government.

I have seen much of tenement living in my own city, and in certain other sections of the country have seen much of the tenant farmer and realized his hardships. I have witnessed the same evils in Europe; consequently I am not amazed that such living conditions have had such damaging effect upon the persons involved. In too many instances they are conditions which impair health, which impair morals, which impair respect for government.

There is no question at all that if we tie a family to the soil, to a home, immediately that family has an interest in government. Whether it is a city home or a country home, the members of that family will be good citizens and will be interested in good government. So all the purposes which are involved in the bill appeal strongly to me.

Having said that much I wish to inquire why we need, as provided in subsection (d) on page 4, such an enormous

sum, the authorization of $1,000,000,000? Why do we need so large a sum? I am convinced that a very much smaller sum would be ample. It is because of this feeling that I should have voted for the Bailey amendment if I had been here. Why could not that amount be reduced from $1,000,000,000 to some reasonable and understandable sum?

Mr. BAILEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. Certainly.

Mr. BAILEY. May I ask that the Senator from New York take also into consideration the fact that in the public-works relief bill recently passed there was written in the law, under what we called the Russell amendment, a provision that $500,000,000 of that appropriation shall be available for precisely these purposes?

Mr. COPELAND. I remember that is true.

Mr. BAILEY. This provides $1,000,000,000 more. I wish to get those facts clearly before the Senator.

Mr. COPELAND. I thank the Senator. I would not be honest with the taxpayers of my constituency if I did not say there is great distress over the appropriations we are making. These are staggering in amount.

I hope the Senator from Alabama will answer my question, which is, could we not reduce the amount of the bonds to be issued to a much smaller sum? The Senator from North Carolina [Mr. BAILEY] just refreshed my memory as regards the big work-relief bill. I heard the Senator from Alabama say a moment ago it is not likely there shall be need for all this money. If that is true, why do we think of doing something that would still further frighten the country?

I am sure it would bring criticism upon the bill, unthoughtful criticism based on unthought-out conclusions which will be reached. It will be said that we appropriated $50,000,000, a huge amount, and in addition to that actually appropriated another $1,000,000,000.

It is said there will be no demand for that $1,000,000,000, perhaps for years to come. In the relief bill half of that amount is already provided. Because of these facts why should we not reduce the amount in subsection (d) to a much smaller sum? Then those of us who desire to support the legislation would be subjected to far less criticism than if we vote for the $50,000,000 and then, in addition to that, for the authorization of fully endorsed and underwritten bonds in the amount of $1,000,000,000. Would it not answer the purpose of those who sponsor the bill to have that sum reduced?

Mr. BANKHEAD. Mr. President, I will say to the Senator that this plan was worked out with a view of being put into operation over a number of years and with a view to the probable requirements in order to get a very substantial number of tenants upon farms of their own. The Senator will observe from the language in the bill that the bonds can only be issued with the approval of the President, as provided in one amendment which was adopted yesterday, and also with the approval of the Secretary of the Treasury. If there should be any alarm about the issuance of the bonds, of course, the President and the Secretary of the Treasury would not have them issued. The bonds are authorized so the program can go along and be set up with a view of working it out on the basis of a long-range program, with absolute control in the hands of the President and the Secretary of the Treasury, who would not issue a single bond unless the situation justified it.

Mr. COPELAND. I recognize that is a safeguard, but nevertheless everything we do in the Congress is being criticized in certain sections. I do not know that we can answer every critic. But it will be pretty hard for me to answer the criticism that this corporation will issue in bonds $1,000,000,000 in addition to the $50,000,000 in cash which it is to be given at once. Why embarrass those of us who desire to support the legislation? Why leave us open to the criticism, and a very just one, that we are going on and on and on in the authorization of the expenditure of billions and billions of dollars?

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Oklahoma?

Mr. COPELAND. Certainly.

Mr. GORE. Would not the answer and the argument of the Senator from Alabama lie equally well against any limitation at all?

Mr. COPELAND. I think it would.

Mr. GORE. If the discretion of officers can be trusted, it is no reflection on an officer to put a limitation on his power. If there is an argument against reducing the $1,000,000,000, at least the argument of the Senator from Alabama would apply equally well if it were $5,000,000,000 or $10,000,000,000 or $100,000,000,000, or no limitation at all.

Mr. COPELAND. I do not think it changes the situation. It does not change the attitude of those who are finding fault with us regarding these large appropriations just because the expenditures are safeguarded. I would trust the President of the United States and I would trust the Secretary of the Treasury. No matter who the President might be or who the Secretary of the Treasury might be, I know he will act in the public interest. But the point I make is, why burden the bill, why put a millstone around its neck, by making provision for such an enormous amount of unnecessary and immediately unneeded money? Why not reduce it?

I understand in my absence from the Senate this morning an amendment to reduce the amount to $100,000,000 was rejected. That would be the amount I had in mind, but why not reduce it to $200,000,000 or to some lesser amount than $1,000,000,000?

Senators, we cannot shut our eyes and ears to the criticisms which are being passed upon the Congress. I finally voted for the $4,880,000,000 joint resolution, having first tried by such weak methods as I could command to support the amendments to reduce the amount to $1,000,000,000 or to $2,000,000,000. Those efforts failed and I saw no other means of relieving these distressed people except by submission to the staggering appropriation.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired.

Mr. COPELAND. I have not yet spoken on the bill. I shall take some of my time on the bill.

The PRESIDENT pro tempore. The Senator has 15 minutes on the bill.

Mr. COPELAND. Why not now give us a smaller sum? Why not reduce the amount by a very considerable figure? Why not reduce it, say, to $200,000,000? That is a lot of money.

I repeat, we are bringing unnecessary criticism upon our heads by voting $1,000,000,000. It is unnecessary to do it. We do not know what demand there may be for these funds. The $50,000,000 alone may be in excess of the actual need, but certainly if provision were made for a reasonable sum beyond that, all the purposes of the bill would be met.

I appeal to the able Senator from Alabama, whose heart has been in this legislation, I know. He has shown an interest in the subsistence homestead plan from the very origin of it in this generation. I plead with him and I appeal to him to give us a reduction in the amount from $1,000,000,000 to some more reasonable and understandable figure. Then we may carry out all he has in his heart and all the bill provides for and seeks to do, purposes which are noble and inspiring, and which do credit to our Americanism. I believe our country would be better off if we could put every man who is now a tenant upon a little farm of his own which had in it at least the means of support for his family. I believe it would be a splendid thing if we could put every family in America in a home, but there is a financial limit to what we can do.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I do.

Mr. LONG. I understood my friend from New York to say he thought it would add to comfort and do good to put every

man on a farm, and then he would be all right. I wonder if the Senator from New York has ever tried farming.

Mr. COPELAND. It so happens that I was born on a farm.

Mr. LONG. The Senator was smart enough to get away from it early, was he not?

Mr. COPELAND. No; I live on a farm now.

Mr. LONG. I got off it. [Laughter.]

Mr. ADAMS. Mr. President, I call the attention of the Senator from New York to the fact that the farmers he has in mind will all have hovering over them a mortgage for the full amount of the purchase price.

Mr. COPELAND. That is not a good argument. There never was a farmer in the world who at some time in his career did not have a mortgage; and I know I am a good farmer, because every 3 months I have gone down to the bank to pay the interest on my farm mortgage. [Laughter.]

Mr. ADAMS. Where does the Senator get the money? Not off the farm? [Laughter.]

Mr. GORE. Mr. President——

Mr. COPELAND. I yield.

Mr. GORE. I desire to place in the RECORD at this point the fact that according to the last regular census of the United States, 58 percent of the farms in the United States were not mortgaged; 42 percent of the farms were mortgaged; and the farms representing two-thirds of that 42 percent were in 11 Midwestern States. I do not mean that at no time in the history of the farms included in the 58 percent were they mortgaged; but that is the present status, and I think it is to the credit of the farmers, or of their enterprise.

Mr. COPELAND. Mr. President, just one more word.

I beg the Senator from Alabama [Mr. BANKHEAD] not to resist an amendment which I shall soon offer to reduce the amount under subsection (d) of section 3, the $1,000,000,000 bond issue, to $200,000,000. If more money is needed later we are going to have Congresses to vote it; at least, I hope we are. I hope our form of government will be maintained so that the Congress can meet again.

I beg the Senator to carry out all the noble thoughts and purposes he has with reference to the bill and yet protect some of us who are already under bitter criticism for our congressional acts. I beg of him to permit a smaller amount than a billion dollars as the amount of bonds which can be issued.

In a few moments, if I am permitted, I shall offer such an amendment. In the meantime, with every desire in my heart to support the bill and to do what I can to put it into successful operation, I beg the Senator from Alabama to let us reduce the amount of the bond issue to some understandable sum.

Mr. BORAH. Mr. President, before the Senator from New York takes his seat, I desire to say that his argument is one which must necessarily appeal to anyone who thinks over the present situation as to the credit of the Government and what we are doing. But there is no need of reducing the billion-dollar bond-issue authorization if we are to enact a bill at all. Ten billion dollars will not do this job. This bill undertakes to deal with the most difficult problem which confronts agriculture at this time, and that is to arrest and stay the tendency toward tenancy. So long as interest charges are what they are, and constantly increasing, and so long as taxes are constantly increasing, we may open the Treasury of the United States on the subject of ending tenancy and, in my judgment, it will be a failure.

It must be borne in mind that since 1913 taxes on farms have increased over 320 percent. A farmer cannot pay the taxes which he must now pay and the interest rate which he must now pay, because the money necessary to enable him to pay is not in the business. Therefore, when we start upon the project with $200,000,000, we shall not be able even to complete the organization. If we start with a billion dollars we shall cover only a very small portion of the United States so far as tenancy is concerned. And if we do not change our tax system, our credit system, destroy monopoly, and restore the purchasing power of the people generally so the farmer may find a market, we can never end tenancy—indeed, we cannot avoid peonage.

This is a Herculean task. The great objection I have to his bill is that we are starting upon this stupendous enterprise, which is almost rebuilding the agricultural system of the United States, without placing any sufficient safeguards around the money which we are proposing to appropriate, and which in the future we shall have to appropriate. Unless better safeguards are put in the bill, we shall have the old tragedy of the Freedmen's Bureau reenacted upon the American scene.

I know Senators do not want to have this bill go back to the committee. They think that will kill it for the present session. It may be that it will. I do not know. I do not think there is any reason why it should; but I make the prophecy upon the floor of the Senate, and record it here, that if the bill shall be enacted with no other safeguards than it contains at this time as to the expenditure of the money, and against preferences which might be made for the utilization of land schemes, we shall have a national disgrace at the end of the expenditure of the billion dollars.

There are two individuals who are chiefly concerned in the bill. One is the taxpayer, who still ought to have a voice in this matter. The other is the tenant whom we would like to help; but unless we safeguard the bill in the matter of expenditure and its administration, we shall injure the taxpayer without serving the tenant.

I do not believe I am unfriendly to the principle involved in the bill. I know that I am not unfriendly to the proposition of ending the landlord-and-tenant system in the United States as applied to farm lands if it can be done. It is a great national problem, the solution of which is indispensable to a sound, healthy condition in the United States, and I know it is a problem with which we ought to deal. Therefore, let us start upon the theory that we have a task which will engage the very best ability and the very best thought of those who are interested in it; and those who propose to expend money ought to safeguard it so that it cannot possibly be wasted.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. COPELAND. No Senator has given more serious thought to the question of taxation than has the Senator from Idaho. From the time I came into the Senate I have been impressed by his various speeches here, so what he says on this subject appeals strongly to me. I wish to ask the Senator what, then, should we do about this matter? What should be our action now about it?

The Senator says this bill is not well thought out. Are amendments ready? Has the Senator amendments, or what action should we take to make this the sort of bill that will accomplish the desired purpose?

Mr. BORAH. I voted twice to send the bill back to the committee. You cannot re-form this bill now. You must have the aid of experts, men who have had experience in such matters.

Mr. COPELAND. I did, too.

Mr. BORAH. I did so because I feel that only there can it be properly worked out. It is thought that sending the bill back to the committee will put it in the hands of the enemy, and thereby kill it. I do not desire to kill a proper bill, but it is almost impossible to work out the question upon the floor of the Senate. We ought to call before the committee men who have had experience in just this kind of thing. For instance, I had a long telegram from a man in California who has had a great deal of experience in just this kind of an enterprise. He has suggestions to make. I do not know whether or not the committee would regard them as sound; but there are a number of persons who ought to be consulted upon a subject of this kind.

Mr. COPELAND. Now may I ask the Senator a further question? If the bill should be recommitted, is there not enough power in the Senate to do it in such a way that it would be reported here in order that it might not die?

Mr. BORAH. Of course. It can be sent back with instructions.

Mr. COPELAND. I think it would be a calamity to have the bill die. I desire to have action upon the bill; but I venture to say, from what the Senator from Idaho has said, that he sees many dangers in it. I see the one I have mentioned—that somehow or other there must be ample justification for voting an authorization of a billion-dollar bond issue. We have taxpayers besides those upon the farm who will have to pay these bills, who must pay these taxes. I assume that at some time we are going to pay these bills. Is there not some way in which this measure can be dealt with by its friends, and brought back here in form for final action before we adjourn?

Mr. BORAH. As I look at it, Mr. President, if this bill were being enacted to cover a period of 5 or 6 or 10 years, or something of that kind, the terms required might be different; but we must bear in mind that we are enacting a bill which will cover a period of a century. The life of some of the acts provided for in this bill is 60 years.

We are building an institution upon a perfectly humane foundation, a most desirable thing, but a stupendous thing to undertake; and we are really setting up a Corporation which will be engaged in this enterprise for at least half a century, if it does not collapse and is not a failure.

There are a number of people who have had experience in this kind of enterprise who have not been heard by the committee, who have not been called. The men who have organized this movement had the humanitarian viewpoint, and properly so. They knew that here was a task to be done which ought to be done; and I entirely agree with them.

Mr. GORE. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. GORE. The Senator a moment ago alluded to a similar experiment in California. My understanding is that the scheme in California finally failed. I do not know; I should like to know the facts, and if their experience would forewarn us against similar mistakes and help to guarantee the success of this plan, I think we ought to know what the truth is.

Mr. BORAH. The scheme in California did fail, but, as I understand, there are those who believe that it failed by reason of some of the defects in the scheme which could be avoided.

Mr. GORE. Mr. President, nobody who ever ventured upon an economic impossibility was ever willing to admit that the scheme was an inherent failure and that the thing could not be done. They always say that if they had had more money or more power they could have made it stand up. Of course, if they had had enough power they could achieve an impossibility. Unluckily, there is not that much power.

Mr. BORAH. Mr. President, I am not willing to surrender to the view that we cannot do anything to arrest the spread of tenancy. I do not think we can do it all by the pending bill. If the present tax system obtains with reference to the American farmer, if we are to continue to tax physical property as we are taxing it now, and put the farmer in a position where he pays much more than his proportion of the taxes in comparison with the property which he owns, if we do not apply the income-tax system so that the farmer will get the benefit of it as well as the business man, we will not succeed. But those things will have to be worked out, of course, as separate measures and in separate ways, and largely by the States themselves. However, the task here, aided even by those things, is still a stupendous task, one that will last over at least half a century.

Mr. COPELAND. Mr. President, before the Senator sits down, I should like to make one suggestion. The Senator has expressed himself as being in favor of the principle involved—the desire to do this fine, humanitarian, and ultimately economically valuable thing. I know that is my feeling. I do not want to be in the position of killing the bill. I do not want it to be killed. I believe in the principle involved in the measure. I think it would be a wonderful thing for our country. It would have much to do with the perpetuity of our institutions.

The Senator has been a Member of the Senate longer than the rest of us, and he can surely suggest a way by which we could have the bill dealt with without killing it, to make certain that it would come back to us within a reasonable time so that it could be dealt with here. These matters, as the Senator from Idaho has said, are so important because they will extend over 60 or 70 years' time, and it is vital that the foundation should be strongly laid. I hope that there can be found a way to accomplish what the splendid, outstanding citizen, the author of the bill, has in mind and, at the same time, that the welfare of our country may be best served.

Mr. BORAH. Mr. President, I have expressed my view by voting to recommit the bill. If the authors of the bill think that is unwise, so far as I am concerned, I am through. It is impossible to perfect the bill on the floor. You must have assistance which you can only secure in committee. But I venture the opinion that the authors of the bill will in the future feel that greater care should have been taken with reference to safeguarding the funds authorized to be appropriated by the measure. The billion dollars will be just the beginning.

AN EXAMPLE OF SUCCESSFUL FARMING (?)

Mr. LONG. Mr. President, I have no hesitancy in voting against the pending bill, and against every one of these agricultural schemes. One of them proposes that land be bought and taken out of cultivation. I am against that. Another proposal is to buy the land back and restore it to cultivation. I am against that. Another thing—and this is not a matter of jest; it is accepted law and policy in the administration of affairs today—one of the Government agencies publishes a bulletin telling what every human being ought to be allowed to have to eat, and it states there is not enough food in the land to bring about that desirable condition; and then they burn up and plow under some of that which is in existence, which is said not to be sufficient for the needs of the people.

Another bulletin shows that the American people owe $262,000,000,000, and that they never can pay their debts, or the interest on their debts, or the taxes on the land. Then there is another proposal to increase the indebtedness some billions of dollars more, and to give them 60 years more of interest charges on the increase. Those things are inconsistent one way or the other.

We are told that there is not a living to be had on the farm, and there is not. There is no such thing today as making a living on a farm. Yet there is a suggestion that the farmers put some more mortgages on some more land, in a business in which the people now engaged are not making a living, and to put more people on farms, when it is known that more of them cannot make a living under present conditions, at a time when the country is already overwhelmed with debts and with taxes. It is proposed to put more people back on the farms, with a farm mortgage for the full amount of the purchase price, and it is expected that they will be able to weather existence under the present circumstances and to retire the mortgage, when even an unmortgaged farmer is unable to weather the cost of operations.

I was raised on a farm, Mr. President. I am one of the world's most successful farmers. [Laughter.] I left the farm as early as I could possibly get away, and I have never gone back since, demonstrating long in advance a keen knowledge of farming. [Laughter.]

Not only that, I bought a farm. I won half of it in a lawsuit, and I bought out my co-owner. I had 65 acres of switch cane on the place, which, he said, would take care of two cattle to the acre during the wintertime. He sold me 3 head of cattle, 1 yearling, a heifer, and calf. Then he convinced me that I ought to construct a wire fence around that 65 acres of cane. So I bought the wire fencing and enough barbed wire to put two strands of barbed wire on top of the fence. That man loaded up a wagon and started out with my wire to fence my 65 acres of cane, with my three head of cattle to start with. He never stopped. He reached the place where the cattle were, put them in front of the wagon, and drove them on to Jena, where he sold my

cattle and sold my barbed wire and my fencing. I have not seen him since, and I have never lost a dime on a farm from that day to this. [Laughter.]

Mr. GORE. The Senator owes that man something.

Mr. LONG. That is my experience with farming. The best friend I ever had was the man who took my wire and cows and left the country with them. [Laughter.]

Mr. President, no one is going to make any mortgage money on these farms. I have three little farms on which I cannot pay the taxes. In 15 years, with 3 little farms, I have paid $1,300 in taxes, and I cannot sell the 3 farms today for $500 and get the money. It is impossible.

I know what the pending bill is going to mean. I have been in this business before, that is, on the losing end of it. There are some plantations down in my section of the country where live some poor colored fellows who cannot be used any more, and a few of the "poor white trash", as they are called. This is what the owners of those plantations are going to do: They want to sell out to the Government, and those who stand in and know how to manipulate, who always have and who always will manipulate, will take a poor colored man and a poor white man, and sell to him part of the plantation on which he is working. In fact, the bill is designedly drawn to accomplish that purpose. It says that if possible they will sell them lands now in cultivation. So they will call in poor old colored "Mose", or an old white man, "Jim" Smith, who is worn out and broken down, and has about 3 more years to live, and he will sign a 60-year mortgage and move on the farm, and that will be the last to be heard of him. The landowners will sell the land to the Government, the present tenants will be relieved of the pillage of landlordism, but their condition will be worse instead of better.

Gentlemen of the Senate, do you not know who will laugh you out of existence when you go back to the country? The farmers will do it. Many proceed on the theory that the farmer has very little sense. He has a great deal more sense than the composite intellect of the United States Senate when it comes to this kind of thing. [Laughter.] He has a great deal more knowledge of what this means.

If it were thought this was to do any good, would we be asked to appropriate a billion dollars? It is admitted that there are several millions of the kind of people who need to be taken care of, some four or five million, I believe it is said, or at least three million.

What do you mean when your tears are streaming because of the pity you have for the farmer? And I notice now some eyes wet with tears, the tears of those who voted against reducing the farm interest rate a few days ago. It is odd how those things work in reverse order, but they do. I can almost see the tears of the landlords down on Red River who fought my undertaking to educate their tenants how to read and write so that they could check them up at the plantation store at the end of the year. I can see tears in their eyes now as they weep over the condition of the tenants, and about their going to make a sale of some of their mortgaged lands, upon which they cannot make any profit in this day and time.

So we are going back to them with this balm. There is enough money, if the thesis of the proponents of this measure is correct, to take care of about 5 or 10 percent of the people affected, and they are going back to these men whom they have run off the farms, whom they have hired to discontinue planting, and are going to allow them to pay the landowner some Government money in order that the small men can begin a business that we hired them last year to stop.

The great mass of contradictory legislation of this kind which we are enacting is laughable, Mr. President. Day after day we are enacting legislation of this kind, which is not to be complimented by being termed "patchwork legislation", because it is not patchwork legislation. It is a system by which in one way we provide a means to destroy, and then turn another way and destroy what we have set up as a destroyer.

Mr. BANKHEAD. Mr. President, it has been rather interesting to hear the diversity of views presented on this question by the senior Senator from North Carolina [Mr. BAILEY] and the senior Senator from Louisiana [Mr. LONG]. The last speaker has asserted, as a ground of his opposition, that the landlord wants this bill in order to sell land to the Government.

The PRESIDENT pro tempore. The Chair is informed by the clerk that the Senator from Alabama has consumed his time in speaking on the pending amendment.

Mr. BANKHEAD. Mr. President, I have no objection to the amendment offered by the Senator from North Carolina [Mr. BAILEY]. As I understand the amendment, it requires that all officials employed under this organization who draw as much as $4,000 shall be confirmed by the Senate. Is that the pending amendment?

The PRESIDENT pro tempore. That is the pending amendment?

Mr. BANKHEAD. I have no objection to it.

Mr. KING. If the Senator from Alabama consents to the amendment, I shall not address myself to it. Do I understand that the Senator from Alabama consents that that amendment be inserted in the bill?

Mr. BANKHEAD. I am consenting, Mr. President.

Mr. KING. Mr. President, may we have a vote upon the question?

The PRESIDENT pro tempore. The yeas and nays have been ordered on the question of agreeing to the pending amendment.

Mr. BANKHEAD. Mr. President, I ask unanimous consent that that order be revoked.

Mr. BAILEY. I ask to withdraw the request for the yeas and nays on the ground that the amendment has been accepted by the sponsor of the bill.

The PRESIDENT pro tempore. Unanimous consent is asked that the ordering of the yeas and nays on this question be revoked. Is there objection? The Chair hears none.

The question is on the adoption of the amendment of the Senator from North Carolina [Mr. BAILEY] on page 7, line 14.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I desire to call up the amendment which I presented several days ago, which is now lying on the table, and I ask that the clerk may state the amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the end of subsection (3), page 8, it is proposed to add the following:

Provided further, That the Corporation shall have power under rules and regulations to be promulgated by the Corporation and the Secretary of the Interior to finance in the same manner the establishment of individual farms and homes upon the public domain or upon lands within any reclamation project.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment.

Mr. STEIWER. Mr. President, I move a reconsideration of the vote had upon yesterday by which the Senate amended subsection (b) of section 7, on page 12, by striking out certain words in line 2, and in other respects.

The PRESIDENT pro tempore. Is there objection to reconsideration of the vote by which the amendment in question was agreed to?

Mr. BANKHEAD. What is the purpose, may I ask the Senator from Oregon?

Mr. STEIWER. Merely to gain from the Senate an expression on the question whether the lands held by the Corporation shall be exempt from taxation.

Mr. BANKHEAD. I understood that was voted on yesterday.

Mr. STEIWER. I beg the Senator's pardon.

Mr. BANKHEAD. The motion of the Senator from Virginia [Mr. BYRD] was adopted without roll call.

Mr. STEIWER. On page 6 there was a provision in the bill which expressly exempted the lands from taxation. That language was stricken upon the motion of the Senator from Virginia [Mr. BYRD]. As the bill now stands, the land which is sold under executory contract of sale is subject to taxation, but the land held by the Corporation is still exempt from taxation even though the express exemption has been removed.

Mr. BANKHEAD. The Senator desires that language to conform to the other amendment?

Mr. STEIWER. No, Mr. President; it is my desire to obtain, if possible, a reconsideration of the vote which has already been had, so the Senate may consider whether the land held by the Corporation shall be subject to taxation or be tax-exempt.

Mr. BANKHEAD. As I understand, the Senator's purpose is to make this section conform with the Byrd amendment to the other section?

Mr. STEIWER. My purpose would be, if the Senate determines upon reconsideration, to leave subsection (b) just as it is, because as it is now written all land would be subject to taxation, whether it be held by the Corporation, whether it be under executory contract, or whether the title be vested in the purchaser from the Corporation.

Mr. BANKHEAD. I will say to the Senator that, in view of the other amendment, I have no objection to it.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; I yield to the Senator from Nebraska.

Mr. NORRIS. I wonder if I have a correct understanding of what the Senator undertakes to do. He wants to make the land which is purchased by this Corporation for the Government subject to taxation?

Mr. STEIWER. That is correct.

Mr. NORRIS. I desire to ask the Senator why any land purchased and owned by the Government, not sold, should be different from any other land owned by the United States?

Mr. STEIWER. The answer, Mr. President, is that there are no restrictions in this measure upon the holding of title to land by the Corporation. It was suggested yesterday by the Senator from Alabama, and with that suggestion I am in accord, that the Corporation might hold bodies of land for a considerable period of time. The holding of that land off the tax roll under those circumstances may do irreparable damage to small taxing units. I do not know that it would hurt the States particularly, because in each of the several States the amount of land acquired and held by the Corporation probably would be relatively small; but when the question is regarded with respect to conditions in counties it may be easily seen that one-third, or even one-half, of a county might be taken and thus held. And when it is regarded in connection with school districts and other local districts it may be seen that the Government might acquire two-thirds of the area of a local district, or possibly more than that, and by making that land tax-exempt completely destroy the subordinate taxing agency.

We have had in my own State a recent example. The Biological Survey acquired land for a bird refuge, a project in which I am much interested, which I think in the long run will be very advantageous. For that purpose they acquired some 64,000 acres. In some school districts they acquired only 10 percent of the area; in others 20 percent. In one school district they acquired 50 percent, and as I remember the figures, in one school district 80 percent of the entire taxable area was acquired by the Government and removed from the tax roll.

These subordinate taxing agencies have bonds outstanding and have certain commitments and debts to meet, and unless the Government puts itself in the place of the taxpayer from whom it acquired the land and continues its obligation of paying taxes upon the land, these districts are utterly destroyed. I can conceive that an agency implemented with a billion dollars, without any limitation concerning the amount to be spent in each of the several States of the country, may elect in its wisdom to set up a great homestead area here, and over there another area, and because it prefers one location to another, may not have one little tract of land in a certain township and another in the next township, but will have consolidated tracts in various parts of the country. It seems to me if we permit the Corporation without constraint to perform an operation of that kind and remove the land from the tax roll we will do more to destroy the subordinate taxing agencies and bring more ill to the people than can possibly be offset by the good done even under the exalted, high purposes of this bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. TYDINGS. The situation which the Senator is picturing came to pass in my own county of Harford, in Maryland. There the Federal Government came in and took one-fifth of the entire county in order to establish a proving ground. The people who lived in the area taken by the proving ground were indigenous to that county, and they moved into other sections of the county; so, while our revenues were cut one-fifth, we still had the same population. The result was that we had to go out in the open market and borrow money, hundreds of thousands of dollars, in order to provide extra school facilities so as to take care of the children who had formerly gone to school on what is now the Aberdeen Proving Ground, and for about 6 or 8 years our tax rate had to be high because of this situation. I think the point made by the Senator is a timely one, because the case cited by me is an actual illustration of the application of the principle he has been elucidating.

Mr. STEIWER. I thank the Senator. This much might be said in addition: It is not in its sovereign capacity that the Government is to take this land, as is the case in acquiring land for a military reservation or a post-office building or a building for the accommodation of the courts; it is in a sort of proprietary capacity that the Government, through its corporation, is to enter into this landlord business; and I think that the payment of taxes will afford an inducement to the corporation to make haste in disposing of the land and in placing it into the hands of those for whom it is ultimately intended.

The Senator from Alabama has very generously said that he has no objection to a reconsideration of the amendment. I hope the Senate may reconsider it, so that the Senate may consider the amendment upon its merits and determine whether land held by the Corporation shall be exempt from taxation by the States and the local taxing agencies.

Mr. NORRIS. Mr. President, regardless of what the Senator from Alabama has said, I want to be heard on this amendment.

Mr. BANKHEAD. Mr. President, let me say to the Senator from Nebraska that I objected to the amendment which was adopted and did not agree to it. I was outvoted, that is all; I never consented to it.

Mr. NORRIS. The Senator from Alabama, I think, is talking about one amendment and the Senator from Oregon is talking about a different one.

Mr. BANKHEAD. They have the same effect.

Mr. NORRIS. I am in accord with the proposition that when the lands to be acquired by the Corporation are sold they ought to be taxable and that the purchasers of the land ought to pay taxes, just as the owners of any other land ought to pay taxes, but why do the Senator from Oregon and the Senator from Maryland get excited about the Government taking over some land for a bird refuge and yet make no attempt to change the conditions there?

Mr. STEIWER. Mr. President, will the Senator permit an interruption?

Mr. NORRIS. Yes.

Mr. STEIWER. I have pending in the Senate a bill by which the Department of Agriculture will be authorized to pay to the counties in Oregon which are involved a sum in lieu of taxation.

Mr. NORRIS. Very well.

Mr. TYDINGS. So, have I, may I say.

The PRESIDING OFFICER. Does the Senator from Nebraska yield, and, if so, to whom?

Mr. STEIWER. May I make one further statement?

Mr. NORRIS. I yield.

Mr. STEIWER. The Senator from North Dakota [Mr. FRAZIER] and the Senator from Arizona [Mr. ASHURST] have pending a general bill which, I believe, would have application to the entire United States, but which would not apply to lands heretofore acquired; it would apply only to lands hereafter acquired. However, I do not know whether that bill will be enacted, and it occurred to me, therefore, that we ought to protect ourselves in this bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. TYDINGS. I will say to the Senator that the injustices——

Mr. NORRIS. Mr. President, we are laboring under a 10-minute limitation, are we not?

The PRESIDING OFFICER. The Senator is correct.

Mr. TYDINGS. The Senator asked me a question and I want to say that proposed legislation was introduced in the Congress and was passed by the other House to cure, at least in some degree, the injustices of the situation to which I have referred.

Mr. NORRIS. Let us cure such injustices as may exist, but why do Senators call to the attention of the Senate that where we have taken land for a bird refuge the land becomes nontaxable and then say that the sportsmen who use the bird refuge for hunting grounds and for recreation purposes should not be required to pay something for it and let it escape taxation; but when it comes to buying land which is going to be sold to the tenant farmer in order that he may make a home, it ought to be taxed while the Government owns it? We do not do that in the case of public lands. If we are going to tax the lands to be purchased by the Corporation before the lands are sold to the farmer, then we are going to put upon the farmer who buys the land the burden of every cent of that taxation. The result will be that the lands will have to be sold to the farmers for that much more money, and our object to provide homes and put farmers on the land is, to a great extent, going to be nullified.

I do not believe that the proposed Corporation will buy land which will take in whole counties, as is the case, perhaps, in connection with bird refuges; there is not going to be a case that will be parallel to the one the Senator from Oregon has mentioned if this bill shall pass.

If there should arise cases of injustice, then, instead of compelling the burden to be borne by the farmer to whom the land is sold or is going to be sold in the effort to relieve tenancy and increase individually owned farms, let us meet the situation in some other way, as the Senator has attempted to do in the case where sportsmen and those seeking recreation are relieved of taxation because the Government, forsooth, has bought the land and used it for a bird refuge.

It seems to me that when the Government buys land for the purpose contemplated by this bill such land is in a parallel situation with other Government-owned land. The Government will own it, although it will be in the name of the Corporation, and unless they sell it immediately—and they cannot always do that; there will be instances where they cannot do so—they will simply add to the price the farmer has to pay for it.

I think there is a vast difference between taxing the land proposed to be bought when the Government owns it and taxing it after the Government has sold it, in which case I think the purchaser of the land ought to pay taxes just as every other citizen must pay taxes on his land.

The same situation arises in connection with Indian land. In my State, where Indian land is not taxed, in some cases hardship has resulted to school districts and counties because of such lands being relieved of taxation, and there ought to be some way to assist them in securing revenue which they have lost by reason of a large part of the land in a given community being owned by the Indians. But no one has suggested as yet, so far as I know, during all the time we have had a controversy over this subject that the Indians should pay taxes, and there is not any law which compels them to do so.

It seems to me we are proposing to treat differently than we treat others the farmers whom we are going to put on farms and enable to own their own homes; we are proposing to burden them with a responsibility for taxation which we do not impose in any other case. It does not seem to me to be just. It seems to me if there should occur hardships some other means should be resorted to than taxing the land while the Government owns it.

The Senator from Oregon does not attempt to tax the land in a bird refuge owned by the Government; he is going to relieve the situation in a different way. If he were attempting to do in that case what he is attempting to do in this, he ought to say to the Government of the United States, "You must pay taxes on all these bird refuges." The result would be that we would have none; and I predict that if we take such a step as is proposed in this attempt to relieve farm tenancy we are to a great extent going to nullify the beneficial effects that otherwise might result from this proposed law.

Mr. BANKHEAD. Mr. President, I wish to say that I am in very full accord with what the Senator from Nebraska [Mr. NORRIS] has said. With the small attendance present yesterday, without a roll call, an amendment was adopted which struck out the provision exempting from taxation "the Corporation, including its franchise, its capital, reserves and surplus, its loans and income." I do not recall who offered that amendment, but it was adopted. I will say to the Senator from Nebraska that the provision providing the exemption, which has been entirely eliminated, is found at the top of page 6. That is the reason I asked the Senator from Oregon if he was intending by his motion to reconcile his amendment with that action.

I am sure the Senator from Oregon misinterpreted what I said about the amount of land to be held by the Corporation or else I certainly did not clearly express myself. I think if he will examine the RECORD, he will find that he has misinterpreted me. I have never thought the Corporation would hold much land, though I have indicated that at times it will have some farms as a result of foreclosures.

Mr. NORRIS. Mr. President, will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BANKHEAD. Yes.

Mr. NORRIS. To be consistent, if we are going to tax land which the Government owns, why not tax also the mortgages the purchasers give to the Government when they buy the land?

Mr. BANKHEAD. That is what may be done under the bill as it now stands, against my objection, of course. However, I know the Senator from Oregon is fair-minded and has no thought of misinterpreting what I said. I never have believed, and I am sure I have never expressed the thought at any time, that the Corporation would hold any large bodies of land. I have thought that they would not buy land until a purchaser was ready to take the land.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. BANKHEAD. Yes.

Mr. ADAMS. I should like to make an inquiry. Under the bill, lands may be sold under contract as well as by deed, and the indebtedness may be secured by a mortgage. Therefore, it will be possible for the Corporation to sell land under a contract so that the title will not leave the Corporation for 60 years. The title would be in the Corporation during the period of 60 years, although the farmer would be on the land enjoying the product thereof. What would be the situation under this bill in that condition?

Mr. BANKHEAD. I will say to the Senator that I know he has asked the question in good faith, but that is the very point the Senator from Oregon was trying to reopen. An amendment was adopted yesterday making the land in the hands of the purchaser subject to taxation whether or not

the title had left the Corporation. That is the status of the bill as it now stands.

Mr. ADAMS. Does not the Senator think, if the purchaser of the land is using and enjoying it, that he ought to pay taxes?

Mr. BANKHEAD. That is my opinion. I do not think he ought to have a special privilege as against other farmers, and under the bill, as it now stands, whenever a farmer has the land under a contract or deed or any other way, whether the title is in the Government or not, it is subject to taxation, just as any other farm land is taxed in the particular State and county.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Maryland?

Mr. BANKHEAD. I yield.

Mr. TYDINGS. I should like to ask the Senator if the land owned by the Corporation in any one county were removed from taxation, would not that throw a larger burden of taxation upon the remaining farmers who owned land privately?

Mr. BANKHEAD. The Senator recognizes that his question answers itself.

Mr. TYDINGS. I wanted to bring out that point.

Mr. BANKHEAD. I have never had any thought that the Corporation would buy or hold any large tracts of land. It is very different from a forestry project and different from a reserve or park of any sort. My view is that where the Corporation and a farmer agree upon a project, the Corporation will buy the farm for the farmer and he will move onto it. Otherwise, the Corporation will not be engaged promiscuously in the purchase of tracts of land.

Mr. TYDINGS. Of course, if the Corporation did not hold much land, the amount might be infinitesimal, but I was assuming a situation whereby the Corporation might acquire a considerable portion of the land in any one county. We cannot deny the conclusion that to that extent the taxes formerly paid by that part of the land would be automatically redistributed on the remaining farmers in the county and would be a means of increasing their burden while we were helping other farmers as proposed by the measure.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arizona?

Mr. BANKHEAD. Certainly.

Mr. ASHURST. The tax-exempt privilege is like the old-fashioned free pass on a railroad. In this world it is not possible to obtain something for nothing. Whenever a community or an individual receives something for nothing, another community or some other person pays twice. That is a law of physics. It is not a law of morals.

I wish to help to popularize the pending bill. I think it is admirable in its conception, but I hope the friends of the bill will not make it so insipid as to make it difficult for some of us to vote for it. I am opposed to any kind of tax exemption. Be it a small area or a large area, I think the land held by the Corporation should certainly be subject to taxation. Whether or not it would popularize the bill, it is right, fair, and just that the lands held by the Corporation should be taxed.

My able friend from Alabama is to be congratulated upon the good temper, logic, and ability with which he has conducted the course of the bill. He has a resource of intellect which makes him too wise a man, in dealing with human nature, to fail to realize that, just the hour the bill shall become a law, landholders all over the country, holding vast tracts of unprofitable land, will put intense pressure upon the Corporation to buy their land. "Take my land." Political pressure, legal pressure, economic and other pressure will be employed to induce the Corporation to buy such lands. The lands will be bought, and thereby exempted from taxation.

I do not speak for other States, but let me speak a moment for Arizona. Thirty thousand square miles of our area are embraced in Indian reservations; some other large areas, probably 15,000 square miles, are included in forest reservations, military reservations, and other reservations withdrawn from the people. A State cannot be sustained without land, water, and air. Take any one of the three away, and the State ceases to exist. A Senator this morning stated it might be that 50 percent of the land in a given locality might be withdrawn from the people. In one county in the State of Arizona 80 percent of the land area has been withdrawn from taxation, which, of course, quintuples the taxes on acreage held in private ownership.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. ASHURST. I beg the Senator's pardon. I thought I was speaking in my own time. If I have the power or the right, I wish to yield to the Senator from Alabama such time as I have consumed of his. May I have that permission?

Mr. BANKHEAD. I am so delighted always to hear my talented and able friend speak that I very cheerfully yielded my time to him.

The PRESIDING OFFICER. Under the unanimous-consent agreement under which the Senate is working, the Senator from Arizona can only yield his time in that way by unanimous consent. Is there objection to the request of the Senator from Arizona to be permitted to yield his time to the Senator from Alabama? The Chair hears none, and it is so ordered.

Mr. BANKHEAD. Mr. President, I do not regret having yielded my time to the Senator from Arizona.

I do not apprehend that any large tracts of land will be acquired by the Corporation anywhere not consistent with the general program. I think an undue burden should not be placed upon the poor people who are buying the properties. If I thought there would be any considerable acreage taken in any county in the Union, I should cheerfully favor the right of taxation. This proposal, being confined to small areas here and there, is so essentially different from a park project or forestry project or other similar projects, that I think the two ideas should not be associated at all.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER. The Senator from Iowa.

Mr. DICKINSON. Mr. President, I inquire how much time have I?

The PRESIDING OFFICER. The Senator has 15 minutes on the bill and 10 minutes on the amendment.

Mr. DICKINSON. I shall take first my 10 minutes on the pending amendment.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. DICKINSON. Mr. President, reference has been made to land-settlement enterprises in the State of California. There seems to be an insinuation that those of us who are opposed to the bill are not friendly to the idea of the tenant farmer becoming the owner of a farm. Such is not the case. It is my judgment that the final report which I hold in my hand dated June 30, 1931, from the Division of Land Settlements of the Department of Agriculture of the State of California, is conclusive proof that those of us who oppose the bill are better friends of the man who hopes to own a farm in his own right than are those who are supporting the bill.

Land socialization of this kind simply does not work. It has not worked in other instances which are matters of history. It did not work in California. I am going to read to the Senate some extracts from the last report explaining why the State of California has gone out of the land-settlement business. The report was submitted by a committee of the legislature appointed for the purpose. The State had established two such colonies and had financed them, doing practically the same thing that is being contemplated by the legislation now before us which has a national viewpoint. I said the other day that if a State wanted to attempt such an enterprise I thought it was its privilege to do so; but I do not believe the Federal Government ought to embark upon such a project. As a taxpayer of the State of Iowa, I am glad that the people of that State were not guaranteeing the bonds which were issued by the State of California to carry on these enterprises. Therefore,

I do not believe the taxpayers of the State of Iowa ought to be required to endorse and guarantee the principal and the interest on bonds to be issued for enterprises carried on under the Federal Government.

The report is dated June 30, 1931. When I spoke the other day I did not have these data at hand. In fact, the report just came to my office this morning. It is signed by Charles W. Cleary, chief:

It is appropriate that the final report of State proprietorship in land settlement shall contain a brief history of the experiment from its inception, as well as a record of the means by which the State has extricated itself from the entanglements developed during the 13 years of operation and of how the State's obligations to those invited to invest as settlers have been met in response to the mandate of the legislature of 1929 to withdraw the State from land-settlement activity.

By act of the legislature of 1917 appropriating $260,000 for the purpose, the State embarked upon a demonstration in State land settlement or colonization. This act was sponsored by the Commonwealth Club of San Francisco; it was the result of extended consideration and had been the subject of investigation by a commission on land settlement and rural credits authorized by the legislature of 1915. The report of this commission was published in 1916 and was the basis for the legislative act of 1917, under which State land settlement has been administered.

Dr. Elwood Mead, now Commissioner, Bureau of Reclamation, Department of the Interior, Washington, D. C., chairman of this commission, widely known as "the father of land settlement in California", led all the activity in favor of the State engaging in such a demonstration project from the inception of consideration of the subject.

The first colony or settlement was established at Durham, Butte County, in 1918, and consisted of 6,239 acres of generally very good land under a gravity system of irrigation from Butte Creek, a stream which flowed through the tract. The State paid cash for about 2,400 acres of this land and purchased the remainder on contract with payments amortized over a period of 20 years in semiannual installments at 5-percent interest. A detailed soil survey was made by University of California experts. The tract was divided into approximately 110 farms varying in size from 8 to 300 acres and 30 lots of approximately 2 acres each, known as "farm laborer allotments."

The property cost the State an average of $80 per acre. General improvements by way of irrigation system, roads, etc., were made by the State—

That is what is proposed by this bill—

and certain lands were reserved for office and administration purposes and a tract of 22 acres, heavily wooded with oak trees, was set aside for a public park. The remainder was offered for sale to settlers on purchase contracts at prices ranging from $48 to $300 per acre, averaging $150, including water rights. Lands were priced according to values indicated by the soil survey and other apparent factors.

Settlers were selected subjected to such requirements as to necessary financial resources, etc., as would be calculated to insure the success of the project. In fact, in the opinion of those in charge, every precaution was taken to guard against failure of individual settlers as well as of the project as a whole.

Right here I think it might be well to suggest that in the old homestead days, in some States, less than 3 percent of the settlers ever weathered the storm to a point where they got title to their land. In many other States only 10 percent did so. I know but very few States where more than 12 percent of the original settlers ever stayed on the land long enough to secure title and become permanent citizens.

Continuing to quote:

Loans were also made by the State on livestock and implements, payable in installments running over a period of 3 years at 5 percent.

This is a plan which is very similar to the one we have under consideration at this time.

Continuing to quote:

Some 1,500 acres of the land originally sold to settlers reverted to the State and were classified as unsuitable for intensive development, being heavy adobe soil. A portion of this was resold at a reduced price without water right for rice and grain culture.

* * *

So successful was the initial period of development of this colony and so eager were farmers and prospective farmers to avail themselves of the opportunity to obtain a farm or farm home on the liberal terms offered that available allotments soon were exhausted.

In 1919 the legislature appropriated $1,000,000 for a further extension of the land-settlement program and as a result of this act 8,400 acres were purchased at Delhi, Merced County, for which the State paid cash. An extensive irrigation system of underground concrete pipe was installed, taking water from the canals of the Turlock irrigation district, in which the colony lands were included, by means of pumps. An extensive road system was laid out and improved; and in progressive units, following a detailed soil survey by the University of California, experts similar to that made at Durham, the land was subdivided in acreages suitable for farming or farm homes and sold on the same terms as were Durham colony allotments, except the land payments were amortized over 36½ years instead of 20 years.

* * * * * * *

This 8,400-acre tract largely was very sandy soil of undulating topography and low agricultural value, requiring much leveling in preparation for cultivation, planting, and irrigation. The State paid an average of $96 per acre and after developing the irrigation system, the system of roads, making certain general improvements and reserving for administration and town-site purposes certain portions of the tract, the remainder was offered for settlement and a large portion of it sold to settlers at an average price of $229 per acre.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from Iowa on the motion has expired.

Mr. DICKINSON. I will now take 15 minutes on the bill.

The PRESIDING OFFICER. The Senator from Iowa is recognized on the bill.

Mr. DICKINSON (continuing to quote):

Settlers in Delhi, as in Durham, were asked to borrow from the Federal Land Bank, and $315,000 were obtained in this way. Through lack of funds and failure of the land to produce as expected—

Which is always one of the contingencies—

coupled with the general agricultural depression, the situation at Delhi became critical by 1923 and the legislature of 1925, following a report and recommendations by a legislative committee composed of three senators and three assemblymen, passed legislation by virtue of which the selling price of the land to the settler at Delhi was reduced an average of $68 an acre, one-half by direct reduction in the price of the land and one-half in remission of interest.

* * * * * * *

The Delhi project, or colony, had a stormy history from its inception except during the very early period of development, when credit to the settlers was easy and plenty of money was available from a source other than the production of the land.

The legislative committee, above referred to, after an investigation of the history and condition of the colony, in their report to the legislature of 1925, said (Assembly Journal, 1925, p. 937):

"* * * The project as a whole has been, and now is, a financial failure. The settlers were led to expect too much; in several instances they were granted greater loans than the Land Settlement Act permitted.

"In a number of instances chattel mortgages were made by settlers to the board securing loans made by the board. Later the mortgaged chattels were sold by the mortgagors and the loans were not repaid to the board.

"Furthermore, in addition to the general expectation that more help would be given than is economically sound, or larger loans made than were financially or legally proper, many of the settlers came to the colony with the distinct belief that the State would act as a sort of guardian angel or Santa Claus and 'see them through', as they expressed it.

"The final consideration of this problem has led your committee to recommend that the State of California should never enter into another land-settlement scheme. * * *"

The land-settlement work of the State originally was administered by a land-settlement board of five members.

* * * * * * *

From the creation of the first land-settlement board in 1917, throughout the establishment of the colonies at Durham and Delhi and until March 1923, the entire project of land settlement was under the general supervision of Dr. Elwood Mead as the administrative head.

* * * * * * *

When taken over on July 29, 1927, by the Department of Agriculture, the responsibility amounted to a virtual receivership, involving 14,600 acres of land, 380 settlers and their families, and an investment of some $2,700,000 on the part of the State. The Delhi settlement was operating under an increasing deficit, even under the revised program instituted in 1925, when a large amount was written off by the State as a loss to give the settlers and the settlement a new start. The Durham settlement, while in much better shape, was faced with a rapidly diminishing book reserve, and assets at both colonies were carried at excessive valuations.

The condition of the Delhi Settlement seemed little, if any, more hopeful in August 1927, under the adjustment of 1925, than it was reported to have been in July 1923, in the following language taken from a report of Chairman C. M. Wooster to Governor Friend W. Richardson under date of December 31, 1925:

"In July 1923 the Delhi Settlement reached a state of desperation. Income from the farms would not supply the necessities of life, and besides there were taxes, water charges, and interest on Federal bank loans. Resources of the settlers were exhausted. No installment payments had been made on 95 percent of the purchase agreements and they had been forfeitable for more than 3 years. The settlement, being remote from industrial activities, no

outside work was obtainable, and, with buildings, had cost the settlers $400 an acre. Necessary improvement in the way of fruit, vines, dairy and poultry equipment has increased and will continue to increase the price beyond the probability of adequate return. Such consideration, coupled with the past 3 years of pioneering work devoted to the conversion of the undulating sand plane into plantations of alfalfa, fruit, and vine farms, had exhausted both the physical and financial resources of the settlers.

"The Cooperative Association had ceased to function. Loans had been promised to many settlers after available funds had been exhausted. Loans aggregating a large sum had been made whereof there was no hope of repayment. Established rules governing security had been ignored, and overcredit had met with the natural result. The colony had drifted into a state of moroseness and despair. Forty-nine allotments had been abandoned. The homes of 700 citizens, built under the auspices of the State, were threatened. A proposition which involved the State in a humane problem, demanding prompt and effective action, was thus presented."

* * * * * * *

Investigation indicated the imperative necessity for the State to retire from land-settlement activity as proprietor, in the interest both of the settlers and the State, at the earliest possible time consistent with the obligations incurred by the State in the promotion of the colonies and with the conditions obtaining.

Demands by settlers, under the leadership of a settlers' committee in each colony, and by individual settlers for a readjustment of their obligations to the State were insistent and charges of fraud and misrepresentation in the promotion of the colonies were being frequently made.

Various plans of readjustment at Durham were proposed, and for a while litigation was held in abeyance pending the working out of a plan tentatively approved by the settlers' committee and by State officials in June 1928. Insurmountable difficulties developed, however, and the plan had to be abandoned. It became evident that legislation would be necessary before any general adjustment could be made.

The suits of the three settlers previously referred to were brought to trial early in 1929 and two of them obtained judgments totaling $17,000 against the State through jury trials in the Butte County Superior Court. The third, who charged failure to make proper credits on contract, lost his case, which was not tried before a jury. Cases in which judgments were obtained against the State were appealed to the third district court of appeal.

Legislation was drafted under the direction of the chief of the division of land settlement for presentation to the 1929 legislature to provide the legal foundation for the State's retirement as a colonization agent from land-settlement activity. This legislation, upon enactment, became chapter 352, Statutes 1929, and encompassed sections 361e to 361i of the Political Code. By this act the director of public works was substituted for the State engineer as a member of the board, and the director of finance instead of the director of agriculture was designated chairman. By the provisions of this act the director of agriculture was directed to prepare plans for readjustment of land-settlement affairs on a basis providing for withdrawal of the State as proprietor on or before 4 months after adjournment of the legislature of 1931 and to present such plans to the State land settlement board for approval on or before January 1, 1930.

Before this legislation could become effective complications, already very serious, had developed and increased. Many months were consumed in an earnest endeavor to develop satisfactory plans of adjustment. Settlers largely assumed the attitude that in everything the State did it was trying to defraud them, thus making progress toward a definite plan of adjustment very difficult.

Early in 1929 an appraisal of all properties was made in both colonies by qualified disinterested appraisers. At Delhi this appraisal showed a total valuation of $788,000 on the sold properties, having a book value of approximately $1,800,000, and on which settlers were owing the State $1,307,000. Representatives of the department of finance, the department of public works, and the department of agriculture worked continually with a Delhi settlers' committee of three and, prior to adjournment of the 1929 legislature, an agreement was reached by which a total valuation of $750,000 was assumed on the sold property, to be divided equally between the 232 settlers as a group and the State—a settlers' organization to take over the irrigation system in its existing condition, which was recognized to be not up to par. This meant a reduction in settlers' secured obligations from $1,307,000 to $375,000.

Turning to the conclusion, I find in it this language:

The purpose of this report is to furnish without too much detail an accurate and unbiased record of the California experience in State-controlled land colonization.

It seems clear that the purpose involved in the inception of State land settlement was at least fourfold: (1) To prevent the exploitation of prospective colonists by private colonization agencies; (2) to more quickly colonize the available lands of the State with a select class of settlers and thus to materially aid newly organized irrigation projects as well as to add to the prosperity of the State as a whole; (3) to demonstrate the effectiveness and desirability of State-controlled, planned-in-advance settlements with trained experts to advise and direct the developments and operations of settlers; with best community cooperative practices insured, and with the services of the State university easily and especially available as opposed to the customary hit-and-miss methods of private colonization agencies; (4) to demonstrate the importance of very long-term loans at low interest rate, with small initial outlay, to the ultimate success of colonization.

No question is raised as to the sincerity of purpose and honesty of action of any individual involved in advocacy or administration of State land settlement in California. It is conceded that could the theories of its leading advocates have been proven correct and satisfactory in practice, an unusually important public purpose would have been served. After some 13 years of costly demonstration, we are forced to conclude, however, that the theory of State-controlled land colonization will not work out well in practice. There seems sufficient basis for the conclusion that it was given a fair trial.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. MOORE in the chair). The Senator has 6 minutes more.

Mr. DICKINSON. In answer to some of the contentions made, I shall quote further from the conclusion:

The Durham colony particularly has afforded a fair demonstration in attempted socialization of agricultural activity and the results have been anything but satisfactory. As a prerequisite to success individual effort and initiative seem to be indispensable. The land-settlement venture has apparently well demonstrated that anything that offers a substitute for or that tends to weaken individual effort and initiative to that extent promotes failure in individual enterprise and dissatisfaction in community activity. The conclusion is unavoidable that few human beings are fashioned from sufficiently rugged fiber to withstand the weakening influences of paternalism; that few can resist the temptation to lean too heavily on a paternal government where the opportunity offers.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. AUSTIN. Has the Senator found anything in this impartial report which tends to show that there was some defect in some particular characteristic of the plan which caused its failure, or that there was any other cause for its failure than the essential defect to which the Senator has just referred?

Mr. DICKINSON. It is simply the human equation, that under this type of a program men cannot be made to work out their salvation. In other words, the land produced about what they expected it would, the cost was what they knew it would be, the State extended the time of their payments, yet they were unable to make the required payments, and, therefore, the project failed simply because of the human equation and the inability to work out the program.

Let me make a suggestion. Suppose in the case of a tract of land we lend a man $5,000, which is the full value of the farm, and expect him to pay interest on it. He is not in a position to own a piece of land, because in order to own a piece of land, there must not be any debt for the full amount of the purchase price. That is true practically of any business in which a man may engage. Anyone who expects to go into business and borrow the full amount of his capital investment usually fails before he even gets a good start.

I continue to quote:

Strong personalities were manifestly weakened by the years under State land-settlement operation. Each colony presented a fair cross section of humanity as you would find it in most rural communities except that the method of selection, with the particular provisions that citizens only were eligible did produce a community of more than average high type, but this was somewhat offset by the special appeal of easy terms and paternalism to the ne'er-do-well type. The percentage of that type accepted, however, was slight.

Mr. President, I ask leave to insert here an editorial by Senator C. H. Deuel, editor of the Chico Record, who was a member of one of these committees.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Ideal in theory, the plan failed in California, and probably elsewhere, just because it was ideal and not practical. It took no account of the paternalistic influences naturally following assumption by the State of direction of personal and financial affairs of family groups. It was conceived in the fat times of agriculture and made no provision for the lean years following the war. It assumed that the State as an impersonal agent could not err in values, in rules and regulations, nor that the "experts" of the State could prove fallible. It attempted to order the lives of a large group of families under a set of blanket rules. It set up a fiscal plan of redemption and interest charges which proved crushing and unsound. And finally it accepted in a number of instances excellent families of the highest reputation and with the most laudable ambitions, yet who were unused and unadapted to the soil and who could not succeed there.

It is better, in fact it was necessary, that the State and the settlers be separated. The losses suffered are unfortunate but mutual. It is comparatively easy to figure the loss to the State in dollars and cents; it is impossible to figure the losses that most of the settlers suffered directly in money and indirectly in years of toil and defeated hopes.

But out of it all is a lesson learned for the State; and at Durham establishment of a neighborhood of families on good land, in pleasant surroundings, wholly upon their own, their complex relations wiped out, the future ahead of them, with a certainty of success based upon a type of manhood and womanhood that does not fail when given an even and an independent chance.

Mr. DICKINSON. Mr. President, I quote further from the report:

It cannot be gainsaid that there was a serious land colonization problem facing the State at the time the State land settlements were started, and that there is still a definite service to be performed by the State government along colonization lines, but that service apparently can best be carried out through rigid State regulation of those private agencies seeking to colonize the lands of the State for profit, as the demand for settlement develops and conditions affecting agricultural activity warrant.

If because of the lessons learned in State land settlement the citizens of California are led to scrutinize more carefully in the future idealistic theories proposed before adopting them as functions of government, the expense involved in the land settlement venture will have proven a good investment.

Mr. President, I think this is probably the best evidence that can be produced that those who are opposing the pending bill are the real friends of the tenant farmer. As a matter of fact, it is my understanding that the State of North Carolina, through legislative action, sent a committee to California to investigate the operations to which I have referred; that the committee visited California, and, after a very thorough investigation of the entire project, made a report advising the State of North Carolina not to undertake a similar enterprise.

Land ownership is something which should only be acquired and can only be acquired after careful, detailed planning. I think I know something about how men acquire title to farms in the Mississippi Valley. Usually they are tenants for a number of years. After they have saved up some money, acquired some livestock and machinery, they are usually able to make a down payment on a piece of land, and buy it on terms acceptable to them, and, therefore, are able to work out the final purchase of the land.

The greatest difficulty we meet is that too many tenants have been permitted to buy land and pay down their cash, and have borrowed too much against the land and are not able to meet the payments of interest and taxes, and are compelled to forfeit. I am fearful that that is the very thing that will happen under the proposed legislation.

I do not believe that the Federal Government ought to go into this endeavor. I believe it is an effort on the part of those who want to buy land and enter into projects of this kind to have the taxpayers in every State of the Union endorse their promissory notes in their effort to work out a program of this kind.

Mr. President, I hope the bill will fail.

Mr. FRAZIER. Mr. President, it seems to me that the illustration of which the Senator from Iowa has spoken, of land purchased in California by the State, is rather an unfair example, as will be recognized by anyone who knows the conditions of agriculture beginning in 1921, when deflation was brought on by the Federal Reserve Board, which might be termed a quasi-governmental board. The land was purchased, as I understand the report, between 1918 and 1920.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. DICKINSON. This land was purchased in 1917, one of the most prosperous years we experienced.

Mr. FRAZIER. Yes; it was purchased in the prosperous years, when times were good, when prices of land were high, but beginning in 1921, when deflation started, the prices of land went down, the prices of farm products went down, and no one could sell products at the low prices brought on after 1921, and pay off on the high-priced farms.

In the great State of Iowa, of which the Senator boasts as being the best agricultural State in the Union, where they diversify more than do the farmers in any other State, there were literally hundreds of thousands of farmers who went broke because of the high prices of land during the period of which the Senator speaks, when the California land was bought, and then, because the prices of farm products went down so low, the farmers could not pay the interest on the loans.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. DICKINSON. The distress among the owners of farm lands in Iowa was later than the period to which the Senator has reference. In fact, even according to the Democratic philosophy, 1926 is presumed to be what is called the "parity" year, and Democrats are all trying to get back to the standards of 1926. The foreclosures in Iowa did not start until a date later than that. There were some bank failures in 1924.

Mr. FRAZIER. Yes; and there were many farm failures before 1924.

Mr. DICKINSON. I wish further to suggest that it is true that there was overspeculation in land. Men bought land at too high a price, and again I assert that anyone who tries to borrow all the money he wishes to put into a piece of land and pay interest on it, or all the money he wishes to put into any business enterprise and pay interest on it, is not, as a general rule, going to succeed.

Mr. FRAZIER. Not only were the prices of land too high, perhaps, but the prices of farm products were too low, after deflation started in 1921. The situation was the same in every agricultural State of the Union, whether California or Iowa or any other State.

When the era of low prices began, when the prices of farm products went down after deflation started, the farmers began to go broke all over the Nation; it did not make any difference whether the State was back of them or the Government was back of them, or who was back of them. The United States Congress sat here and let deflation, brought on by the Federal Reserve Board, go into effect, and did nothing to raise or maintain the prices of farm products and give the farmers a chance to pay out.

Mr. DICKINSON. Mr. President, I suggest that the farm credit organization of the State of South Dakota, in its loan endeavor, loaned money on land, and that State, according to the latest figures I have seen, had something like 22,500,000 acres of land, and I believe the same condition existed in the State of North Dakota.

Mr. FRAZIER. Mr. President, the same thing applies there exactly. They started the agricultural credit organization in good times, and when deflation was brought on, again by the governmental organization, and was allowed to proceed without any protest apparently, or any effective protest, by the United States Congress, the rural credit association of South Dakota lost much money. We lost a small amount in North Dakota, but not so much. The deflation was brought on; prices went down; and no farmer could make any money selling farm products during those years. That was the situation.

If we are to continue to compel the farmers to sell their products at prices below the cost of production for all time to come, there is no use in their trying to buy land. I will agree that the tenants are much better off than they would be as owners of land if present prices are to continue. If any Senator wants the present situation to continue, to have the land owned by big landlords, and have a feudal system, then, of course, it is all right to vote against a bill of this kind; but if they want the people who actually work the farms to own their lands, then some measure of this kind should be adopted.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. DICKINSON. Does the Senator desire to write into this bill any guaranty that farm prices shall be continued or raised to a higher level?

Mr. FRAZIER. There are bills pending in both the House and the Senate to regulate the prices of farm products on the basis of cost of production and a reasonable profit; and there is no reason on earth why a measure of that kind

should not be passed by the Senate. If those who legislate would think as much of the people of this country who work to feed the Nation as they do of the bankers and the railroads, they would provide that the men who raises the food to feed the Nation should receive for his labor the cost of production and a fair profit. That is the only way in which the American farmer will ever succeed. So long as he is forced to sell his products below cost of production, as he has been doing, there is no chance for him to pay for his land, regardless of what the cost may be. Even if the Government gives him the land under the old homestead act, he cannot pay for it unless he gets cost of production, and everyone knows it.

The PRESIDING OFFICER (Mr. MOORE in the chair). The question is on the motion of the Senator from Oregon [Mr. STEIWER] to reconsider.

The motion was agreed to.

Mr. KING. Mr. President, I ask for a statement of the question pending before the Senate.

The PRESIDING OFFICER. The motion to reconsider is agreed to. The question now before the Senate is on the amendment.

Mr. ROBINSON. What is the question before the Senate, Mr. President?

The PRESIDING OFFICER. The question now before the Senate is on agreeing to the amendment.

Mr. ROBINSON. Mr. President, there was a motion to reconsider.

The PRESIDING OFFICER. Yes.

Mr. ROBINSON. That has not been voted on.

The PRESIDING OFFICER. That motion was put.

Mr. ROBINSON. I ask that the motion be again put. The Senate did not understand it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Robinson
Ashurst	Costigan	La Follette	Russell
Austin	Couzens	Lewis	Schall
Bachman	Cutting	Logan	Schwellenbach
Bailey	Dickinson	Lonergan	Sheppard
Bankhead	Dieterich	Long	Shipstead
Barkley	Donahey	McGill	Smith
Bilbo	Duffy	McKellar	Steiwer
Borah	Fletcher	McNary	Thomas, Okla.
Brown	Frazier	Metcalf	Thomas, Utah
Bulow	Gerry	Moore	Trammell
Burke	Gibson	Murphy	Truman
Byrd	Glass	Murray	Vandenberg
Byrnes	Gore	Neely	Van Nuys
Capper	Guffey	Norris	Wagner
Caraway	Hale	Nye	Walsh
Carey	Hastings	O'Mahoney	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	
Coolidge	Keyes	Radcliffe	

Mr. LEWIS. I announce the absence of the Senator from Connecticut [Mr. MALONEY] and the Senator from Louisiana [Mr. OVERTON], caused by illness.

I also announce that the Senator from Georgia [Mr. GEORGE], the Senator from Ohio [Mr. BULKLEY], the Senator from California [Mr. MCADOO], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are necessarily detained from the Chamber.

The VICE PRESIDENT. Seventy-eight Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from Oregon [Mr. STEIWER] to reconsider the vote by which the Senate adopted the amendment on page 12.

Mr. ROBINSON. Mr. President, I ask that the amendment which it is proposed shall be reconsidered be stated by the clerk.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 12, it is proposed to reconsider the amendment in line 2 which struck out the words "acquired and held by the Corporation, or", and inserted in line 3, after the word "Corporation", the words "notwithstanding the legal title remains in the Corporation."

The VICE PRESIDENT. The question is on the motion to reconsider.

Mr. ROBINSON. Mr. President, I do not believe the Senate understands the effect of this amendment. It is not readily comprehended by a mere statement of the amendment. I wish to examine the amendment.

As I understand, the amendment which was incorporated in line 3 would make paragraph (b) read as follows:

> Nothing in this act shall be construed to exempt any real property held by any purchasers from the Corporation, notwithstanding the legal title remains in the Corporation, from taxation by any State or political subdivision thereof to the same extent, according to its value, as other real property is taxed.

I ask the Senator from Oregon if that is a correct statement of the language.

Mr. STEIWER. That is correct, Mr. President. I may say further, since the Senator has inquired, that on page 6207 of the RECORD of yesterday the amendment which I seek to reconsider is set forth in the RECORD. It is also there stated that the Senator from Alabama offered it as a clarifying amendment.

Mr. BORAH. Mr. President, I confess I do not yet understand the effect of the amendment. As the matter now stands, so long as the title to the land is in the Corporation, it is exempt from taxation?

Mr. STEIWER. That is correct.

Mr. BORAH. And if this amendment is reconsidered, and the language then goes back as it was before the amendment was adopted, the land would be taxed while the title was in the Corporation?

Mr. STEIWER. If the amendment should be reconsidered, I suppose it would be offered over again. The question could then be determined by the Senate on its merits.

Mr. KING. Mr. President, I desire to ascertain if I understand accurately the effect of this amendment.

As I understand the bill as it is now before us which provides, of course, for the purchase of large areas, it exempts the land so purchased, though it may be acquired by individuals under the terms of the bill, from municipal, State, or county taxation, or, for that matter, taxation by any political subdivision. The Senator stated this morning as I recall, that large areas of land were being acquired by the Federal Government—indeed, in some counties the greater part of the area has been acquired by the United States—and the title is in the United States, and, of course, it is free from taxation.

Take the case of many of the Indian lands: They are free from taxation, though such lands are occupied in many instances by white tenants, and constitute the larger percentage of the value of the real estate within the county. The motion to reconsider would give us the chance to determine whether or not we wish the lands purchased by individuals out of the $1,000,000,000 fund to be free from taxation, thus increasing the burden of taxation upon the owners of lands who may not acquire their lands under the provisions of this bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon [Mr. STEIWER].

Mr. STEIWER. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from New Mexico [Mr. HATCH], and will vote. I vote "nay."

The roll call was concluded.

Mr. GORE. On this vote I am paired with the junior Senator from Louisiana [Mr. OVERTON]. If he were present, he would vote "nay", and if permitted to vote I should vote "yea."

Mr. CAREY. On this vote I have a pair with the senior Senator from Ohio [Mr. BULKLEY]. Knowing that he would vote as I intend to vote, I feel at liberty to vote. I vote "yea."

Mr. McNARY (after having voted in the affirmative). I note the absence of my pair, the senior Senator from Mississippi [Mr. HARRISON], and therefore withdraw my vote.

Mr. McKELLAR. I have a general pair with the Senator from Delaware [Mr. TOWNSEND], which I transfer to the Senator from Illinois [Mr. LEWIS], and will vote. I vote "nay."

Mr. ROBINSON. I desire to announce that the Senator from Alabama [Mr. BLACK], the Senator from Washington [Mr. BONE], the Senator from Ohio [Mr. BULKLEY], the Senator from Georgia [Mr. GEORGE], the Senator from Mississippi [Mr. HARRISON], the Senator from New Mexico [Mr. HATCH], the Senator from Illinois [Mr. LEWIS], the Senator from California [Mr. McADOO], the Senator from Indiana [Mr. MINTON], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate on official business.

I also announce a special pair between the Senator from Maryland [Mr. TYDINGS] and the Senator from North Carolina [Mr. REYNOLDS]. If the Senator from Maryland were present, he would vote "yea", and the Senator from North Carolina, if present, would vote "nay."

I further announce that the Senator from Connecticut [Mr. MALONEY] and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The result was announced—yeas 44, nays 32, as follows:

YEAS—44

Adams	Copeland	Hayden	Schall
Ashurst	Couzens	Johnson	Schwellenbach
Austin	Cutting	Keyes	Shipstead
Bailey	Dickinson	King	Smith
Borah	Duffy	Lonergan	Steiwer
Burke	Frazier	Long	Trammell
Byrd	Gerry	McCarran	Truman
Capper	Gibson	Metcalf	Vandenberg
Carey	Glass	O'Mahoney	Walsh
Clark	Hale	Pittman	Wheeler
Coolidge	Hastings	Radcliffe	White

NAYS—32

Bachman	Connally	McGill	Pope
Bankhead	Costigan	McKellar	Robinson
Barkley	Dieterich	Moore	Russell
Bilbo	Donahey	Murphy	Sheppard
Brown	Fletcher	Murray	Thomas, Okla.
Bulow	Guffey	Neely	Thomas, Utah
Byrnes	La Follette	Norris	Van Nuys
Caraway	Logan	Nye	Wagner

NOT VOTING—19

Barbour	George	Maloney	Overton
Black	Gore	McAdoo	Reynolds
Bone	Harrison	McNary	Townsend
Bulkley	Hatch	Minton	Tydings
Davis	Lewis	Norbeck	

So the motion to reconsider was agreed to.

Mr. BORAH. Mr. President, is there a motion pending?

The VICE PRESIDENT. There is an amendment pending. The amendment, the vote on agreeing to which was just reconsidered, is pending before the Senate.

Mr. BORAH. Mr. President, I desire to make a motion which will enable those of us who desire to help work out some features of the pending bill which seem to us now to be inadequate, and which at the same time will not jeopardize the life of the measure. I, therefore, move that the bill be recommitted to the Committee on Agriculture and Forestry with instructions that it be reported back to the Senate not later than the 12th day of May. On that motion, I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays are ordered.

Mr. ROBINSON. Mr. President, I make the point of order that a motion to recommit has heretofore been made and passed upon by the Senate; in fact, a motion to recommit without instructions was first made, which motion was rejected by the Senate, and subsequently a motion to recommit with instructions to report before the end of the present session was made, and that motion also was rejected by the Senate.

Now the Senator from Idaho moves to recommit the bill with other instructions. I do not think it is competent under the rules and practice of the Senate to consider an indefinite number of motions to recommit with instructions.

I am well aware as to what happened yesterday having relationship to this subject, but I do not think that the Senate should commit itself to the doctrine that, under the rules of the Senate, practically an unlimited number of motions to recommit may be made on the same bill. I will not repeat the argument which I made yesterday on the subject.

Mr. McNARY. Mr. President, I discussed somewhat at length yesterday a parliamentary question similar to that which is now presented. I specified the reasons for my position at that time, and the then occupant of the chair, the Senator from Missouri [Mr. CLARK], sustained the view taken by me and others.

A motion had been made a few days ago to recommit this proposal to the Committee on Agriculture and Forestry, which failed. Yesterday another motion to recommit was made. I presented the argument, Mr. President, that it is a fundamental of parliamentary law, if a change has been made in the subject matter in any way by the adoption of amendments, the measure itself presents a different aspect, and a motion to recommit will lie, or, if in any way the motion to recommit involves different specifications, such as that the bill affected shall be reported back to the Senate on a date certain, that in itself is such an alteration that the motion may be made at any time and from time to time. The occupant of the chair yesterday decided that the motion to recommit was in order.

Today the Senator from Idaho [Mr. BORAH] submits a motion to recommit different in substance and different in fact from that proposed yesterday by the Senator from Michigan [Mr. VANDENBERG]. The time set within which to report the bill back is different; a specific date is provided, which changes the nature and somewhat modifies the motion previously made.

In any event, Mr. President, I recall a precedent which I found later in the day. In 1930, when the immigration bill was under consideration, the Senator from Minnesota [Mr. SHIPSTEAD] moved to recommit it on one day; the following day the Senator from Virginia [Mr. GLASS] made a similar motion, which was adopted. At that time the question now before us was not raised as to the propriety of a motion made under these circumstances; but at this particular time three motions to recommit have been made, and each having varied from the other in general garb, nature, and appearance. I submit that the motion now made is in order.

With that simple statement, Mr. President, I am satisfied, in view of the general rule of parliamentary law and the practice of the Senate, and the decision of the occupant of the chair yesterday, that the Vice President will be justified in sustaining the contention that the motion of the Senator from Idaho is in order.

Mr. ROBINSON. Mr. President, may I say just a word in reply to what the Senator from Oregon has said? The Senator stated that if the Senate should make any change in a bill after a motion to recommit has been considered, another motion to recommit may properly be made notwithstanding the point of order is urged against it. That means that if 100 amendments or 500 amendments, as is the case with some bills which are considered by the Senate, should be offered and adopted, after each amendment had been disposed of, if it changed the bill, a motion to recommit could be made.

It is my theory that a motion to recommit, either with or without instructions, may be made at any time, but one motion having been made and having been disposed of, Senators are precluded from making additional motions to recommit. Otherwise there would never be an end to the procedure on the subject.

Mr. KING. Mr. President, if the argument of the able Senator from Arkansas is sound, it seems to me it would preclude, by the same logic, the offering of a multitude of amendments, and yet one would be a bold man to say that we are to interdict amendments, though there may be thousands which may be submitted to measures under consideration.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. KING. Certainly.

Mr. ROBINSON. I cannot understand, if the Senator will permit me in his time, why the Senator should say that the

rule which I invoked would limit the number of amendments which might be offered. My position has nothing whatever to do with the subject of amendments, except that I do not think the mere adoption of an amendment to a bill warrants a motion to recommit after the Senate has already voted on a motion to recommit. I am sure the Senate, if it sustains such a practice, would find itself in the position that it would never be possible to bring a bill to a vote without cloture.

Mr. KING. Mr. President, the Senator obviously did not understand the implications logically to be derived from the statement which I made. I stated that, according to my conception of logic, if the rule which the Senator invokes is to obtain, namely, that a multitude of motions to recommit ought to be prevented, then, by the same rule, by the same process of reasoning, and by the same logic, we ought to prevent a multitude of amendments being offered, particularly if they are somewhat similar in character.

The rule which prevails in the House of Representatives does not prevail here. Under the rule which was cited by the able Senator from Missouri [Mr. CLARK], who occupied the chair yesterday at the time the question was before the Senate, it is obvious that at any time before the final vote upon the bill a motion to recommit may be made.

Suppose, as an illustration, after a number of motions to recommit have been submitted, additional information comes to the Senate or some very important amendments have been adopted which change very much the quality of the bill, the spirit of the bill, the purpose of the bill; shall it be said that a motion to recommit may not be made because, forsooth, prior to that time one or two or a number of motions to recommit had been submitted?

If the rule which obtains in the Senate needs rectification, let us rectify it; but under the rule of the Senate and under the practice of the Senate, I respectfully submit the motion to recommit is entirely proper.

Mr. CLARK. Mr. President, as I said yesterday when I was temporarily in the chair and the same question was presented, I entirely agree with the position of the able and distinguished Senator from Arkansas [Mr. ROBINSON] as to what the rule ought to be with regard to motions to recommit. But I submit there is not to be found, either in the rules or the precedents and practices of the Senate, or in general parliamentary law, anything to sustain the position now taken by the Senator from Arkansas.

As a matter of fact, in the illustration used by the Senator from Arkansas yesterday—namely, the rule of the House of Representatives, which is a specific rule—there is nothing whatever to sustain the position which he now takes. Under the rule of the House of Representatives there is nothing whatever to prevent an indefinite number of motions to recommit before the previous question is ordered, which is a practice permitted by the rules of the House and authorized by the rules of the House, but not by the rules of this body. The purpose of the insertion in the rules of the House of the provision that there shall be but one motion to recommit after the previous question is ordered is to prevent a majority, by the adoption of the previous question rule, from shutting off amendments and preventing a record vote if desired by the minority.

That situation does not exist under the rules of the Senate. Rule XV specifically provides that a motion to recommit shall be in order at any time before the final passage of the bill.

It is objected by the Senator from Arkansas that to permit an indefinite number of motions to recommit opens the door to filibuster. That is quite true. But the rules of the Senate as they exist at the present time are particularly designed to facilitate filibuster. There can be no question about that.

As to the objection of the Senator from Arkansas, made yesterday, that a motion to recommit with instructions might be voted down, another motion varying the instructions in a very minor degree might be offered and voted down, and still another motion to recommit varying the instructions further in a small degree might be voted down, and so on ad infinitum, the exact situation under the present rules of the Senate exists as to amendments. It would be possible to move to strike out the sum of $1,000,000,000, as was done, and insert $9,995,000,000. If that should be voted down, it could then be moved to strike out $1,000,000,000 and insert $994,000,000, or even changing the amount in some smaller degree.

I submit the remedy of the Senate is not to construe the rules of the Senate as they ought to be, but to change the rule of the Senate.

The VICE PRESIDENT. The Chair is ready to rule.

The Chair agrees fully with the last statement of the Senator from Missouri [Mr. CLARK] that there is nothing in the rules of the Senate, which the Chair has been able to find, which tends to restrict the freedom of the Senate, regardless of what it may be desired to do.

Rule XV of the Senate rules reads as follows:

> When a bill or resolution shall have been ordered to be read a third time, it shall not be in order to propose amendments, unless by unanimous consent, but it shall be in order at any time before the passage of any bill or resolution to move its commitment.

That does not say one motion to recommit, as is provided by the House of Representatives in its rule.

The Chair thinks the reasoning of the Senator from Missouri [Mr. CLARK] yesterday, as the Chair has examined the matter within the last hour, was sound reasoning. The Senator from Missouri, as we all know, is one of the best parliamentarians not only in the Senate but, as the Chair believes, in the country, having had 6 years' experience in the House of Representatives as its Parliamentarian.

The remedy is for the Senate Committee on Rules to take cognizance of some of the situations which have developed on the floor of the Senate and undertake to remedy them. A change of one word in rule XV would remedy the situation; that is, by having it provide that there shall be but one motion to recommit. Would the Senate adopt such a change in its rule? The Chair is not certain that it would, because it might want to provide for two such motions.

The Chair overrules the point of order.

The question is on the motion of the Senator from Idaho [Mr. BORAH] to recommit, on which the yeas and nays have been ordered.

Mr. CUTTING. Mr. President, I am heartily in sympathy with the purpose of this bill. Twice already on this floor I have voted against motions to recommit. Since that time, however, the bill has been amended on the floor in so many respects that I doubt if its author would recognize it.

I do not believe any Member of the Senate really knows what is in the bill on which we are asked to vote at the present time. The committee, and the committee alone, in my judgment, could straighten out that situation. Therefore, I intend to vote for the motion to recommit.

The VICE PRESIDENT. The question is on the motion of the Senator from Idaho [Mr. BORAH] to recommit the bill, with instructions. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from California [Mr. MCADOO], and will vote. I vote "nay." I am not advised how either of these Senators would vote if present.

Mr. MCNARY (when his name was called). Again referring to my pair with the senior Senator from Mississippi [Mr. HARRISON], I withhold my vote. If at liberty to vote I should vote "yea", and if the Senator from Mississippi were present, and voting, he would vote "nay."

The roll call was concluded.

Mr. GORE. I have a pair with the junior Senator from Louisiana [Mr. OVERTON]. I transfer that pair to the junior Senator from Connecticut [Mr. MALONEY], and will vote. I vote "yea."

Mr. AUSTIN. I repeat the announcement of the necessary absence of the Senator from New Jersey [Mr. BARBOUR] and the Senator from Georgia [Mr. GEORGE], who have a pair on this question. If present, the Senator from New Jersey would vote "yea", and the Senator from Georgia would vote "nay."

Mr. LEWIS. I announce a special pair on this question between the Senator from Ohio [Mr. BULKLEY] and the Senator from New Mexico [Mr. HATCH]. If present, the Senator from Ohio would vote "yea", and the Senator from New Mexico would vote "nay."

I regret to announce that the Senator from Connecticut [Mr. MALONEY] and the Senator from Louisiana [Mr. OVERTON] are detained from the Senate by illness.

The Senator from Georgia [Mr. GEORGE], the Senator from Ohio [Mr. BULKLEY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from California [Mr. MCADOO], the Senator from New Mexico [Mr. HATCH], and the Senator from Mississippi [Mr. HARRISON] are necessarily detained from the Senate.

The result was announced—yeas 45, nays 38, as follows:

YEAS—45

Adams	Couzens	King	Shipstead
Austin	Cutting	Lonergan	Smith
Bailey	Dickinson	Long	Steiwer
Borah	Duffy	McCarran	Townsend
Brown	Gerry	Metcalf	Truman
Burke	Gibson	Minton	Tydings
Byrd	Glass	Moore	Vandenberg
Capper	Gore	Nye	Walsh
Carey	Hale	Pittman	White
Clark	Hastings	Radcliffe	
Coolidge	Johnson	Schall	
Copeland	Keyes	Schwellenbach	

NAYS—38

Ashurst	Connally	Logan	Russell
Bachman	Costigan	McGill	Sheppard
Bankhead	Dieterich	McKellar	Thomas, Okla.
Barkley	Donahey	Murphy	Thomas, Utah
Bilbo	Fletcher	Murray	Trammell
Black	Frazier	Neely	Van Nuys
Bone	Guffey	Norris	Wagner
Bulow	Hayden	O'Mahoney	Wheeler
Byrnes	La Follette	Pope	
Caraway	Lewis	Robinson	

NOT VOTING—12

Barbour	George	McAdoo	Norbeck
Bulkley	Harrison	McNary	Overton
Davis	Hatch	Maloney	Reynolds

So Mr. BORAH'S motion to recommit the bill, with instructions, was agreed to.

PREVENTION OF LYNCHING

Mr. COSTIGAN. Mr. President, pursuant to notices given last week, I move that the Senate proceed to the consideration of Senate bill 24, to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. President, if a yea-and-nay vote can be taken upon this question at once, without debate, I am willing to yield for that purpose. If not, I wish to be heard upon the motion.

Mr. CONNALLY. Mr. President, I will say to the Senator that that cannot occur.

The VICE PRESIDENT. Does the Senator from Colorado demand the yeas and nays?

Mr. COSTIGAN. I do.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. The Senator from Florida.

Mr. TRAMMELL. I desire to discuss the matter somewhat before the vote is taken.

Mr. MCNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MCNARY. Has the Senator from Colorado filed his motion?

The VICE PRESIDENT. The Senator from Colorado has filed a motion, as the Chair understands, that the Senate proceed to the consideration of Senate bill 24.

Mr. COSTIGAN. Mr. President, my statement about a yea-and-nay vote was based on the assumption that such a vote might be taken at once. If not, I have expressed a wish to address the Senate upon my motion.

The VICE PRESIDENT. The Chair had recognized the Senator from Florida [Mr. TRAMMELL]; but he assumes that the Senator from Florida will yield the floor for the purpose of permitting the Senator from Colorado to explain the bill.

Mr. TRAMMELL. Mr. President, that is quite agreeable to me. I desire to put the Senator on notice, however, that I wish to oppose the motion to take up the measure; and I yield to him to proceed with his explanation.

Mr. FLETCHER. Mr. President, as I understand, the motion is debatable.

The VICE PRESIDENT. It is debatable.

Mr. WALSH. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. WALSH. Did I not understand the Senator from Colorado to ask unanimous consent for an immediate call of the roll to determine whether or not the bill should be taken up?

Mr. COSTIGAN. Answering the inquiry of the Senator from Massachusetts, I have stated that if such a vote can be taken at once, without debate, I shall be glad to have that course pursued.

Mr. WALSH. How does the Senator know whether or not that can be done unless he asks unanimous consent for an immediate vote?

Mr. COSTIGAN. Objection has been made upon the floor by the Senator from Texas [Mr. CONNALLY]; and the suggestion has been made by the Senator from Florida [Mr. TRAMMELL], who has courteously yielded, that he desires to be heard upon the motion.

Mr. WALSH. I did not hear the statements of those Senators. I thank the Senator from Colorado.

Mr. COSTIGAN. Mr. President, high on the flawless marble which bounds the future home of the Supreme Court of the United States these words are carved:

Equal justice—under law.

They impress me as adequate to begin and end the argument on the pending measure. It will help me to know what impression they make on others, especially the distinguished lawyers who are Members of this body, and who at various times have taken official oaths to uphold the laws and Constitution of the United States. As I view that declaration, it is rooted in centuries of struggle for orderly, civilized government, and for human rights and liberties.

It was, I believe, the year 1215—so dimly remote a day that few can picture the historic scene—when the barons of England forced from King John, with the enlisted skill of what may without lightness be termed the "brain trust" of the time, the Great Charter, which has ever since been considered the corner or key stone of the liberties of English-speaking countries.

In that charter was contained, as a concession from the English Sovereign to English barons, language reading substantially as follows:

No freeman—

And, thank God, there are only freemen, at last, under the American flag!—

No freeman shall be taken, or imprisoned, or disseized, or outlawed, or banished, or anyways injured unless by the legal judgment of his peers or by the law of the land.

In one form or another that noble and fundamental declaration will be found in those pronouncements through subsequent ages which have brought us to our present heritage of civil rights and liberties. In essence it inheres in the Petition of Right, the Habeas Corpus Act, the British Bill of Rights, the common law, the Declaration of Independence, the Constitution of the United States, and the American Bill of Rights attached to that Constitution. It likewise inspires the constitutions of substantially all States of the Union.

In other words, our rights and liberties rest in part upon the ancient covenant that all citizens are entitled, when suspected or accused of crime, to safeguards against arbitrary seizure and fair trial before an impartial tribunal, and shall not otherwise be subjected to personal indignity or execution.

Nowhere in any of these declarations of freemen will be found authority lodged in purely private citizens or aliens to act as arresting officers, prosecutors, judges, and executioners of other men or women. Yet, within the lifetime of many Members of the Senate before me, no less than 5,071 men and women in our country have been summarily seized and unlawfully, privately, arbitrarily, and brutally

put to death without the judgment of their peers or due process of law. Of this number about 1,400 have been white men and women; the remainder have been Negroes.

Such lawless lynching through the years has been resorted to in substantially every part of the United States, and I repeat what I asserted here some days ago, that the evil with which the Senate is now asked to deal is in no final sense sectional or local; it is national and, I submit, imperatively requires a national remedy.

Mr. President, it may be of interest to some who have not given recent attention to the subject to recall some old manifestations of this evil practice in our country. I do not take the oldest; it will suffice to turn to the early days of Abraham Lincoln.

Ninety-eight years ago Lincoln, a young lawyer in Illinois, made some comments on lynching which are doubly of historic value. Speaking in 1837 on the Perpetuation of Our Political Institutions, Lincoln, referring to mob atrocities then known to him, said, in part:

> It would be tedious as well as useless to recount the horrors of all of them. Those happening in the State of Mississippi and at St. Louis are perhaps the most dangerous in example and revolting to humanity. In the Mississippi case they first commenced by hanging the regular gamblers—a set of men certainly not following for a livelihood a very useful or very honest occupation, but one which, so far from being forbidden by the laws, was actually licensed by an act of the legislature passed but a single year before.
>
> Next, Negroes suspected of conspiring to raise an insurrection were caught and hanged in all parts of the State. Then white men supposed to be leagued with the Negroes and finally strangers from neighboring States going thither on business were in many cases subjected to the same fate. Thus went on the process of hanging, from gamblers to Negroes, from Negroes to white citizens, and from these to strangers.

Mr. President, since Abraham Lincoln's public career ended, various Presidents of the United States have had occasion to direct public attention to the menace involved in the flaming blood lust of lynching.

On July 26, 1918, during the World War, President Wilson in a public address to his fellow countrymen said, in part:

> There have been many lynchings, and every one of them has been a blow at the heart of ordered law and humane justice.
>
> No man who loves America, no man who really cares for her fame and honor and character, or who is truly loyal to her institutions, can justify mob action while the courts of justice are open and the Governments of the States and the Nation are ready and able to do their duty. * * *
>
> We proudly claim to be the champions of democracy. If we really are in deed and in truth let us see to it that we do not discredit our own. I say, plainly, that every American who takes part in the action of a mob or gives any sort of countenance is no true son of this great democracy, but its betrayer, and does more to discredit her by that single disloyalty to her standards of law and right than the words of her statesmen or the sacrifices of her heroic boys in the trenches can do to make suffering peoples believe her to be their savior.
>
> How shall we commend democracy to the acceptance of other peoples if we disgrace our own by proving that it is, after all, no protection to the weak? * * *
>
> I, therefore, very earnestly and solemnly beg that the Governors of all the States, the law officers of every community, and, above all, the men and women of every community in the United States, all who revere America and wish to keep her name without stain or reproach, will cooperate—not passively merely but actively and watchfully—to make an end of this disgraceful evil. It cannot live where the community does not countenance it.
>
> I have called upon the Nation to put its great energy into this war, and it has responded—responded with a spirit and a genius for action that has thrilled the world. I now call upon it, upon its men and women everywhere, to see to it that its laws are kept inviolate, its fame untarnished.

Similarly, following a lynching in the State of California, about a year and a half ago, during which two white youths were summarily seized and executed by an irresponsible mob near San Jose, our present honored President, Franklin Roosevelt, publicly denounced lynch law as "that vile form of collective murder." In the same impressive statement, which was made after an attempted defense of the San Jose anarchy by the then Governor of California, President Roosevelt further declared, "We do not excuse those in high places nor in low who condone lynch law." What occurred in California promptly resulted in the present, latest, Nation-wide movement in support of the pending bill.

In confirmation of my insistence that the issue is national, and not, as was contended here the other day, sectional, last Friday I caused to be inserted in the CONGRESSIONAL RECORD telegrams and editorials of recent dates, relevant to that discussion, all indicting lynching; many of them specifically urging the adoption of the proposed legislation, and most of them coming from leaders of public opinion in the more important Southern States of this country.

Those messages are merely supplemental. Already the Senate is aware that endorsements, practically without number, and from every corner of America, of the pending proposed legislation are in evidence here. Membership of the organizations which have unequivocally endorsed has literally mounted to many millions of our citizens, both men and women. Among them the women of the South by hundreds of thousands have been repudiating the suggestion that lynch law can be viewed as protecting them or their families or as otherwise justified in a Christian and civilized country.

Mr. President, summarizing for the purpose of more complete discussion, permit me to say that, tested by the rule that national wrongs demand national remedies, it is evident that lynchings cannot be held in check without a Federal law. They are often interstate and always have a Federal character. Although about 11 of 48 States—North and South Carolina among them—have applied the restraints of reasonable State statutes with results considered excellent, the evil continues to break out with every practice of brutality and lunacy. The past 2 years, from California to Florida, have again shown these fundamental facts.

Among the main reasons for Federal legislation are these:

First. The proposed law is reasonable in plan and extremely moderate in terms.

Second. The Federal Government will not act until State officials have failed or refuse to protect persons in their custody or charged with, suspected, or convicted of crime.

Third. Financial damages, as provided in the proposed Federal law, are now allowed against cities or counties, or both, for mob injuries or death under State laws of 11 States of the Union.

Fourth. The proposed law would bring the pressure of taxpaying public opinion, as well as the support of peace officers, to guard counties against mob violence, well illustrated in the case of South Carolina where further lynchings have not occurred in certain counties of that State after the financial penalties were imposed.

Fifth. The proposed law rests on authority vested in Congress under the Constitution, by appropriate legislation, to safeguard the equal protection of the laws for persons within the protection of States; and the constitutionality of the proposal is supported by successive interpretations of the Supreme Court of the United States.

Sixth. Lawyers of high standing, such as the late Moorfield Storey, of Boston, former president of the Massachusetts and American Bar Associations, have carefully analyzed and fully endorsed this type of legislation, and Chief Justice Hughes, of the Supreme Court, some years ago was a member of a national conference which unanimously adopted a resolution recommending such Federal legislation.

Seventh. The San Jose lynching in California in the late fall of 1933, which started a new national demand for such a law, is one proof that lynchings are not due to legal delays. Dean McMurray, of the University of California Law School, at Berkeley, has declared that California's recent record for criminal convictions is better than England's. Moreover, the criminal courts where the San Jose lynchings occurred were not congested with cases at the time, and the two white youths there lynched might have been promptly and impartially tried by jury.

Eighth. Charges of crimes against women, even without opportunity to prove their truth or falsity, are statistically shown to be among the less frequent causes of lynchings; and many of the alleged offenses, which have led to lynchings, have been shockingly trivial.

Ninth. Medical opinion more and more leans to the view that the limitless barbarities of lynchings spring from a sadistic type of madness, which can be repressed by community influence, and which, if not repressed, is only satisfied by unspeakable acts of savagery.

Tenth. Mob law endangers, as does nothing else, the safety of all life and property, and the continuance of free government.

Eleventh. The progress of civilization is measured by the successive triumphs of law over lawlessness.

Twelfth. The proposed law is already strongly endorsed by highly representative organizations in every part of the United States, having a total estimated membership of 53,570,000 men and women.

Mr. President, from such a background I turn to a brief enumeration of the provisions of the bill introduced in the Senate by my able colleague the junior Senator from New York [Mr. WAGNER] and myself.

The enacting clause declares that the act is designed to secure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching.

Section 1 defines a mob or riotous assemblage as an assemblage of three or more persons, acting in concert, without authority of law, for the purpose of killing or injuring any person in the custody of any peace officer, or charged with, suspected, or convicted of crime.

Section 2 declares that if any State or governmental subdivision fails, neglects, or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob or riotous assemblage, it will be deemed to have denied such person due process of law and the equal protection of the laws. The provisions of the law are enacted to the end that the protection guaranteed to persons in the several States and to citizens of the United States may be secured.

Section 3 (a) provides that where an officer or employee of any State or governmental subdivision charged with the duty of protecting life or person, who has an individual in his custody, fails, neglects, or refuses to make all diligent efforts to give such protection, or any officer or employee responsible for apprehending, keeping in custody, or prosecuting any person participating in such a mob or riotous assemblage who fails, neglects, or refuses to make all diligent efforts to perform such duties shall be guilty of a felony, and on conviction punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years, or both such fine or imprisonment.

Section 3 (b) declares that if any officer or employee having in his custody or control a prisoner conspires with any person to put such prisoner to death without authority of law, or to suffer such prisoner to be taken from his custody or control to be so injured or put to death by a mob or riotous assemblage, shall be guilty of a felony, and those who so conspire with such officer or employee shall likewise be guilty of a felony, the participating parties on conviction to be punished by imprisonment of not less than 5 years nor more than 25 years.

Section 4 extends jurisdiction to Federal district courts to try and to punish, in accordance with the laws of the State where the offense is committed, all participants, provided it is shown that the State officials have failed, neglected, or refused to act or the jurors in the State courts are so strongly opposed to such punishment that there is probability that those guilty will not be punished. Failure for more than 30 days after the offense is committed to apprehend or indict persons who have participated in such mob or unlawful assemblage or failure diligently to prosecute such persons, shall constitute prima facie evidence of such failure, neglect, or refusal.

Section 5 provides for not less than $2,000 nor more than $10,000 liability of any county in which injury or death occurred to the injured person or the estate of the person killed. Action is to be brought in such cases and prosecuted by the United States district attorney in the United States District Court for such district, and, if the forfeiture is not paid on recovery of judgment, the court is to have jurisdiction to enforce payment by a levy of execution upon any property of the county or may otherwise compel payment by appropriate process; and any officer or other person of such county who fails to comply with any lawful order of the court shall be liable to punishment as for contempt and to any other penalty provided by law.

Section 6 provides that where a person put to death has been transported by the mob from one county to another between his seizure and death, the county in which he is seized and the county in which he is put to death shall be jointly and severally liable to pay the forfeiture provided.

Section 7 is the customary legislative declaration that if any provision of the law is held invalid, the application of the remainder of the act shall not be affected.

Mr. President, it should be fairly obvious from this summary that nothing really unusual is being attempted in the proposed legislation. It must rather be a source of surprise, I think, that our country should have awaited so long some such action by Congress. I referred a few moments ago to the fact that in some States the subject has already been dealt with in not dissimilar fashion. In a volume published in 1933 by Dr. J. H. Chadbourn, assistant professor of law of the University of North Carolina, under the title "Lynching and the Law", will be found authority supporting these statements.

There are today some 11 States of the Union which provide for recovery against cities and counties in which a lynching or mob death occurs. As listed by Professor Chadbourn, those States are Connecticut, Kansas, Illinois, Minnesota, Nebraska, Ohio, Pennsylvania, South Carolina, New Jersey, North Carolina, and West Virginia.

The amounts of penalties provided by law in those States imposed in behalf of the injured or slain victims of mob law range from $1,000 in Nebraska to $10,000 in Pennsylvania. In addition to Dr. Chadbourn's compilation, detailed information on these particular statutes may be found in the thirteenth volume of American Law Reports.

In some six of these States provision has been made for recovery in cases of mob injury as well as death. Those States are listed by Chadbourn as Illinois, Kansas, Connecticut, Ohio, Wisconsin, and New Jersey; and the amounts of damage allowed for mob injury range from $500 in Ohio to $5,000 in Illinois.

Professor Chadbourn also interestingly directs attention to the fact that ancient English law provides precedents for this type of legislation. He says:

> This device of fining a governmental unit which is the scene of mob violence seems to have a well-recognized parallel in English jurisprudence.

In this connection he cites an opinion in 1870 by Judge Jeters, in an Alabama case—*Gunter* v. *Dale County* (44 Ala. 639)—in which the court declared:

> The law involved in this litigation is not a novelty, nor is it founded upon principles which have been tried and have failed, or which have been condemned by statesmen and legislators of the highest quality.

Recently, my attention was drawn to a volume by Dean C. Worcester which deals with somewhat parallel methods adopted in the Philippine Islands, which finally proved effective in controlling tribal head-hunters. The old practice of head-hunting in the Philippine Islands apparently was not halted there by merely punishing individual offenders. Not until the community was aroused by the burning of villages in which head-hunters resided, thereby inflicting community loss, did that savage practice disappear. The lesson is not without significance even for America.

The same economic principle is indeed invoked in the State laws to which I have referred, and properly, in the proposed Federal legislation. It is one definite purpose of the legislation, as submitted to the Senate, that economic pressure on taxpayers shall be brought to bear by legislation to prevent practices which have disgraced our Nation at home and dishonored it abroad.

It is fully recognized, I think, by students of this subject that mobs rarely form without local sanction; that they are almost never organized without knowledge of the peace officers of a community; and that if, at the inception of

this lawless practice, the community frowns upon it, the mob can ordinarily be dissipated with little difficulty, and the violation of law averted.

If, under the proposed legislation, the taxpayers of a given community believe they will be subjected to taxes to pay damages to the injured person seized by the mob, or to his family if he is slain, it must be obvious to any one who knows human nature that mobs will usually be halted in the beginning.

Nor am I indulging in theory when I say this. Professor Chadbourn, in the volume to which I have referred, gives a table in which, after calling attention to the fact that in South Carolina the provisions of a similar State statute have been applied and damages have been collected from South Carolina counties in which lynchings have occurred, he shows that in no instance where such damages were collected in a given county did a lynching subsequently occur in that county.

We have, therefore, highly respectable authority on practice, as well as sound theory, to support what may at first blush impress as novel some not familiar with this legislative proposal. It is not novel. It has been tried. It has succeeded.

It may suffice, broadly speaking, to make one or two further general references to the problem, the proposed remedy, the reasonableness and moderateness of the separate provisions, and the general plan. Lynching is not declared to be murder under the pending bill. That is unnecessary. We already have statutes dealing with murder. It will be noted that a peace officer is held accountable under the measure only in two instances:

In the first place, if he fails to use all diligent effort to avert a lynching in his community, thus without effort permitting a mob to take a prisoner to slay him, a penalty attaches which is much more moderate than the one which attaches, for example, under a statute in my State for the less important offense of permitting a prisoner to escape from custody.

The other offense—a graver one—is that where a sheriff, in violation of his oath of office and all law-abiding standards, conspires with members of a mob to bring about injury to a citizen who has been seized without lawful process, or to turn the prisoner over to those who intend to put him to death. In that case, likewise, the gravity of which will be recognized by all who believe in orderly government and realize that civilization, after all, has only been attained through successive triumphs of law over lawlessness, a peace officer is subject to imprisonment limited to 5 to 25 years. Certainly no one familiar with our criminal laws will regard such a penalty, to be applied by courts, as in any respect excessive.

Mr. President, further analysis of the bill does not appear to be required at this hour. Nor am I disposed at the moment to indulge in any typical discussion of the constitutionality of the proposed legislation. More and more and in some respects for the better, in the travail of our great crisis the stereotyped discussion of the constitutionality of proposed Federal legislation has been silenced in this historic forum. I shall, therefore, merely review briefly the basis of the constitutional argument in support of the measure, so that no one may contend that this aspect of our problem has been ignored.

It should first be said that the Committee on the Judiciary has twice pronounced in favor of the proposed legislation, once a year ago, and again this spring. That committee's membership of eminent lawyers gives us no little initial assurance in approaching the subject.

I call attention first to section 4 of article IV of the Federal Constitution, which reads:

> The United States shall guarantee to every State in this Union a republican form of government.

It is hardly necessary to say that when mobs take over control of government and lawlessness is rampant, a republican form of government is denied, and Congress, if the emergency is deemed sufficient, is justified in making provision for a republican form of government, even as the President may use the Army and the Navy for the same purpose on due provocation.

Even more important than that provision of the Constitution, however, is section 1 of article XIV of the Constitution, which reads in part as follows:

> All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside.

Omitting, in part, the amendment continues:

> Nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 5 of article 14 of the amendments provides:

> The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Looking to this language we recognize a broad grant of authority to the Congress to legislate for the protection of the men and women of this country who are affirmatively declared by the Constitution to be alike citizens of the United States and citizens of the respective States in which they dwell.

It should also be borne in mind that the denial of the rights thus assured by the fourteenth amendment to the Constitution need not be by legislation. This has been affirmatively made clear by decisions of the Supreme Court of the United States.

In a noted case, ex parte Virginia, decided in 1878 and reported in One Hundredth United States Reports, at page 339—I read from page 347—the Supreme Court of the United States said:

> A State acts by its legislative, its executive, or its judicial authorities. It can act in no other way. The constitutional provision, therefore, must mean that no agency of the State, or of the officers or agents by whom its powers are exerted, shall deny to any person within its jurisdiction the equal protection of the laws. Whoever, by virtue of public position under a State government, deprives another of property, life, or liberty without due process of law, or denies or takes away the equal protection of the laws, violates the constitutional inhibition; and as he acts in the name and for the State and is clothed with the State's power, his act is that of the State. This must be so, or the constitutional prohibition has no meaning. Then the State has clothed one of its agents with power to annul or to evade it.

On page 397, in the same decision, the Supreme Court used the following further language:

> The constitutional provision, therefore, must mean that no agency of the State, or of the officers or agents by whom its powers are executed, shall deny to any person within its jurisdiction the equal protection of the laws. Whoever, by virtue of public position under a State government, deprives another of property, life, or liberty without the due process of law, or denies or takes away the equal protection of the laws, violates the constitutional inhibition.

Going a step further we come to a statement made in 1874 by Judge Krekel, of the district court of Missouri, in the case of the United States against Blackburn, reported in Federal Case No. 14603 at page 1159. The court was there dealing with what was regarded as a conspiracy to deprive colored citizens of school privileges equal to those accorded white citizens, and held, in effect, that the denial of the due process or the equal protection of the law may result from the negative as well as from the affirmative action of such State agents. Judge Krekel, charging the jury, said:

> By the equal protection of the laws, spoken of in the indictment, is meant that the ordinary means and appliances which the law has provided shall be used and put in operation alike in all cases of violation of law. Hence, if the outrages and crimes shown to have been committed in the case before you were well known to the community at large, and that community and the officers of the law willfully failed to employ the means provided by law to ferret out and bring to trial the offenders, because of the victims being colored, it is depriving them of the equal protection of the law.

Similarly another United States district judge in Kentucky, Judge Cochran, said in 1913:

> What is it, then, to deny the equal protection of those laws? It is to refuse to grant or to withhold—

Observe the word "withhold"—

> equal treatment in conferring or securing rights or in imposing or exacting performance of duties.

The case from which I am now reading is *Louisville, &c., Railroad Co.* v. *Bosworth* (230 Federal 191), at page 207.

That the Supreme Court of the United States itself has recognized the force and inevitability of this position is well illustrated in decisions in cases where it held a denial of due process and equal protection of the laws occurred when mob lawlessness dominated court trials. For example, that Court in an important case in which the decision was rendered by the lamented Mr. Justice Holmes, and in which I may add Mr. Moorfield Story, of Boston, to whom I referred some moments ago, acted as one of counsel, made the following declaration:

> If the State, supplying no corrective process, carries into execution a judgment of death or imprisonment based upon a verdict thus produced by mob domination, the State deprives the accused of his life or liberty without due process of law. * * * If the case is that the whole proceeding is a mask—that counsel, jury, and judge were swept to the fatal end by an irrestible wave of public passion, and that the State courts failed to correct the wrong, neither perfection in the machinery for correction nor the possibility that the trial court and counsel saw no other way of avoiding an immediate outbreak of the mob can prevent this Court from securing to the petitioners their constitutional rights.

Moore v. *Dempsey* (261 U. S. 86, at p. 91).

In other words, the court there invokes our constitutional safeguards and pronounces them applicable for the protection of the rights of men and women even in court, when conditions are unfavorable to fair trial. How much more strongly does such language sanction the application of the safeguards proposed in the pending legislation in cases where there are no safeguards available, either of courts or juries for the protection of those who, whether innocent or guilty, are denied any right of trial whatsoever?

It should be added that strong confirmation of these views may be found, though not specifically expressed, in the decision of Mr. Chief Justice Hughes in the case of Norris against Alabama, decided by the Supreme Court on April 1, 1935. This is one of the Scottsboro cases, and the opinion was handed down on April 1 of this year. The Court there concluded by inference from testimony superficially contrary to the conclusion reached by the Court, that the State of Alabama in these proceedings had denied equal treatment with regard to jury service to Negroes in that State.

In other words, in the face of a record of apparent fairness, the Supreme Court of the United States, taking in effect judicial notice of well-known facts, held that there had not been equal protection accorded, and remanded the case for further trial below.

Mr. President, assuming that unequal treatment shall have been reasonably established, as the pending bill attempts to have done before Federal jurisdiction will attach, the next constitutional question naturally raised is whether Congress may enforce the rights declared by articles IV and XIV, above cited. Mr. Justice Story, a famous constitutional expounder, long ago declared the Supreme Court's opinion upon that subject, as follows:

> That a clause in the Constitution conferring a right should not be so construed as to make it shadowy, or unsubstantial, or leave the citizen without a remedial power adequate for its protection, when another construction equally accordant with the words and the sense in which they were used would enforce and protect the right granted.
>
> That Congress is not restricted to legislation for the execution of its expressly granted powers; but, for the protection of rights guaranteed by the Constitution, may employ such means, not prohibited, as are necessary and proper or such as are appropriate to attain the ends proposed.

I read from *Prigg* v. *Commonwealth* (16 Peters, U. S. 539), a decision handed down in 1842.

Similarly, in a well-known case, *U. S.* v. *Reese* (92 U. S. 214, 217), Chief Justice White, speaking for the Supreme Court of the United States, declared:

> Rights and immunities created by or dependent upon the Constitution of the United States can be protected by Congress. The form and the manner of the protection may be such as Congress in the legitimate exercise of its legislative discretion shall provide. These may be varied to meet the necessities of the particular right to be protected.

The force of these general declarations is better realized when we revert to the declaration in *Ex parte Virginia* (100 U. S. 339, 397) above cited; also the following declaration of the same court, reporting in the same volume in another case, in which the Court said—and I quote from *Virginia* v. *Rives* (100 U. S. 313, 318):

> Congress by virtue of the fifth section of the fourteenth amendment, may enforce the prohibitions whenever they are disregarded by either the legislative, the executive, or the judicial department of the State. The mode of enforcement is left to its discretion. It may secure the right—that is, enforce its recognition—by removing the case from a State court in which it is denied into a Federal court where it will be acknowledged.

A more recent and strong declaration of adequate congressional authority was that given by Mr. Chief Justice White for the Court in the case of Home Telephone & Telegraph Co. against City of Los Angeles, reported in Two Hundred and Twenty-seventh United States Supreme Court Reports at page 278, in which this language is found at page 286:

> The provisions of the amendment as conclusively fixed by previous decisions are generic in their terms, are addressed, of course, to the States, but also to every person, whether natural or judicial, who is the repository of State power. By this construction the reach of the amendment is shown to be coextensive with any exercise by a State of power, in whatever form exerted.

Illustrative also of the far-reaching extent of authority under the fourteenth amendment was a case of discrimination by the city of San Francisco against Chinese laundries under a municipal ordinance. The Supreme Court there held that the protection of the fourteenth amendment reached quasi-legislative acts even of municipal bodies. This was decided in *Yick Ho* v. *Hopkins* (118 U. S. 356, 371).

It is unnecessary to elaborate. I assume that the language employed is both persuasive and conclusive, and that the conclusion reached by the Committee on the Judiciary and by the cosponsors of the proposed legislation is under the circumstances altogether reasonable.

For those who desire to inquire further into the constitutional question, permit me to make one or two additional references.

I have before me a copy of a letter written by the distinguished dean of the Harvard Law School, Roscoe Pound, written on the 27th of November of last year, in which one sentence reads:

> I do not feel at all troubled about the matter of constitutionality—

Referring broadly to the measure now before the Senate.

There will be found also in the report of the Committee on the Judiciary, in support of the pending bill, a brief dealing definitely with the particular measure now before us, prepared by Mr. Charles H. Tuttle, of New York, former United States attorney for New York, upholding the constitutionality of the measure.

Some years ago a similar measure came under the review of the Congress. At that time various briefs in support of it were brought to the attention of the Congress. Among those may be mentioned one by Hon. Guy D. Goff, at that time Assistant Attorney General of the United States, later a Member of the Senate from the State of West Virginia. The then Attorney General of the United States, Mr. Daugherty, also gave an informal opinion to the same effect.

Mr. Moorfield Storey, to whom I have already referred, presented an elaborate brief in which he supported the constitutionality of this type of legislation from several different viewpoints. One, not heretofore referred to, may be mentioned in passing. He urged among other contentions that Congress had ample authority under the Constitution to maintain the peace of the United States by appropriate legislation, and concluded that this type of legislation comes within that authority.

Mr. Herbert K. Stockton, of New York, another prominent attorney, prepared and submitted a brief some years ago in support of the same sort of legislation, and a year ago he submitted additional like statements for the Judiciary Committee, and testified in support of the constitutionality of the legislation. Other attorneys of prominence appeared as witnesses in the hearings, particularly a year ago, and their opinions are also available.

Mr. President, law is always a measuring rod of civilization. The Great Charter of King John tested the boldly as-

serted progress of British freedom in the thirteenth century. Our Bill of Rights proves the dignity and achievements of our own age as it gaged the age of Washington. Yet certain it is, and it should be added, that our present drive on interstate crime and in behalf of reasonably secure American citizenship will never consolidate its forces until lynching is specifically added to federally barred offenses. Public opinion at last demands such action as an indispensable safeguard of our Nation. The Attorney General of the United States cannot fully and effectively arm against the scattered but powerful criminal elements of our country without this specific authority. We must aid him and our Nation by completing the mobilization of our effective forces without further delay.

Certain living American principles which in the long run affect our conduct and determine history should be called into action. One is that ours is a government of laws and not of men; another, that justice to human beings and the equal protection of our laws are foremost concerns of the State. The manner in which we practice those principles fixes our choice between Hitler and Mussolini on the one side, and Washington, Jefferson, Lincoln, Henry Grady, Woodrow Wilson, and Franklin D. Roosevelt on the other.

If one can mention, much less picture, such appalling facts as I have recited without being revolted, he is indeed hardened out of all semblance to humanity. They destroy our claim to civilized life. They must not be permitted to multiply. Every repetition of mob brutality denies its victims the right of speedy and impartial trial and the equal protection of the laws guaranteed by the Constitution. No man can be permitted to usurp the combined functions of judge, jury, and executioner of his fellow men; and whenever any State fails to protect such equal rights, I submit that the Federal Government must do its utmost to repair the damage which is then chargeable to all of us.

On these and other unanswerable grounds the able Senator from New York [Mr. WAGNER] and I look to the American people and our National Congress to endorse, with the overwhelming weight of public opinion, the enactment of such legislation.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the motion of the Senator from Colorado that the Senate proceed to the consideration of Senate bill 24, to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. ROBINSON obtained the floor.

Mr. CONNALLY. Mr. President——

Mr. ROBINSON. Does the Senator from Texas desire the floor?

Mr. CONNALLY. I was about to suggest the absence of a quorum.

Mr. ROBINSON. I do not think that is necessary. I am going to move an executive session.

Mr. BLACK. Mr. President, I desire to ask the Senator from Colorado one question.

Mr. ROBINSON. Very well; I yield to the Senator from Alabama.

Mr. BLACK. Under this bill, as I understand, if three or more persons act in concert for the purpose of killing or injuring any person who is suspected, and several other things, of a crime, as I understand, it is not necessary to constitute the offense that the person be in the custody of an officer. Is that correct?

Mr. COSTIGAN. An unlawful mob or assemblage is defined in substance in the language used by the Senator from Alabama.

Mr. BLACK. A short time ago, in the county in which I live, several hundred miners, members of the United Mine Workers of America, met and went down into a mining camp, and accused the people in that mining camp of violating the Federal law with reference to various labor provisions of the code. They accused them of violating the Federal law with reference to collective bargaining. A very serious tragedy occurred down there. The sheriff went there, and his deputies went there, but in spite of all that could be done there was a very serious tragedy. Would not they come within the provisions of this law?

Mr. COSTIGAN. Was there a purpose seriously to injure or to kill?

Mr. BLACK. They did kill. Whether or not there was a purpose would have been a question for the jury to determine.

Mr. COSTIGAN. Were there officers present who had cognizance of the facts to which the Senator refers?

Mr. BLACK. The officers were present, and the miners have accused the officers of being too diligent in trying to prevent the alleged crime. On the other hand, the operators have accused the officers of being too lenient. As a result, however, of this gathering—and there have frequently been such gatherings and strifes, and there frequently will be hereafter—as a result, as I read the bill which is the subject of the Senator's motion, the case could be taken to the Federal court.

Mr. COSTIGAN. May I ask the able Senator from Alabama whether any indictments for murder have been returned in the cases?

Mr. BLACK. Efforts were made to obtain indictments. I have not followed the history of the case.

Mr. COSTIGAN. Ordinarily there would have been indictments for murder.

Mr. BLACK. Efforts have been made to obtain indictments for murder, the striking miners claiming that they fired in this camp in self-defense, and those on the other side, the nonunion miners and certain witnesses, claiming that it was ruthless murder.

Mr. COSTIGAN. It is perfectly evident, I think—and if I am unfair in my construction, of course, I desire to be corrected—that the able Senator from Alabama is concerned lest the proposed legislation be converted into something in the nature of antistrike legislation. Am I correct in that inference?

Mr. BLACK. The Senator is correct to the extent that it is my belief that it is absolutely impossible for this proposed law not to include just such things; and I am frankly of the opinion that if there were an effort to eliminate certain kinds of alleged crime, it would certainly seriously affect the entire intent and purpose of the measure. That is the reason why I ask whether there is any way in which anyone could reach the conclusion that that particular offense would not be within this measure.

Mr. COSTIGAN. Naturally I share the Senator's concern about anything in the nature of antistrike legislation under the guise of the suppression of mob violence; and in saying that I am sure I speak for the able Senator from New York [Mr. WAGNER], who is here, and who can also speak for himself. My judgment is, however——

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Texas?

Mr. ROBINSON. Mr. President——

Mr. COSTIGAN. May I be permitted to answer this question? Then I will subside.

Mr. ROBINSON. Yes.

The PRESIDING OFFICER. Does the Senator from Arkansas yield, and, if so, to whom?

Mr. ROBINSON. I yield to the Senator from Colorado.

Mr. COSTIGAN. I ought to conclude the statement by saying this, and I should like to hear from the Senator from New York [Mr. WAGNER] on the same subject: It is quite possible, under the criminal laws which now exist, to invent cases for the prosecution of members of organized labor in industrial difficulties.

I see nothing added by this particular draft which need alarm any member of organized labor. In my judgment, the Federal courts would hold that the situation, if I understand it correctly, as explained by the Senator from Alabama, was not one coming within the purview of an act designed to prevent lynching, and would read into the construction of such a measure an interpretation which would add nothing to the

present obligations resting on the members of organized labor.

Mr. BLACK. It would certainly give to the peace officers a wonderful excuse for stating that they were afraid they would be tried and indicted in a Federal court.

Mr. ROBINSON. Mr. President, I suggest that Senators may resume their colloquy tomorrow.

PRODUCTION OF CHROMIUM IN THE PHILIPPINE ISLANDS

Mr. GIBSON. Mr. President, recently I called attention to the Philippine Islands as a production center of gold. I now call attention to chromium. The most extensive deposits of this war material in the world are found in the Philippine Islands, some of the deposits containing approximately 40 percent of chromium oxide. Since the world's supply is limited, the great importance of this source cannot be overestimated.

A survey of one deposit shows a surface area of not less than 1,000,000 square feet, with a depth of at least 500 feet, and the deposit constant.

The fact of the existence of this rich deposit has come to the attention of the Japanese. The officers of the company owning the deposit have been approached by representatives of Japanese firms with the surprising proposal that they handle the entire chromite output of the Philippine Islands. This came immediately after the report of conservative geologists that the deposits now being developed will run into many millions of tons. This situation presents a problem of the first order to our State Department; a representative of the producing company is on his way to the mainland to present the situation.

In that connection I ask unanimous consent that an article recently appearing in the New York Times be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times]

MANILA, March 23.—Japan is showing an increasing interest in the possibilities of purchase of Philippine chromite.

Coincident with the announcement that Judge John W. Haussermann, president of Benguet Consolidated, is to leave for the United States for a survey of the chromite market, came word from several Japanese firms that a suitable outlet for the Philippine metal could be found in Japan.

An initial Japanese order of 100 tons was placed with the Benguet company, which is operating several chromium properties, and that has already been delivered from one of the smaller mines which has just begun production.

At the same time officers of the company were approached by representatives of Japanese firms with the surprising proposal that they handle the entire chromite output of the Philippine Islands. This came immediately after reports of conservative geologists that the chromite deposits in Masinloc, Zamboles, which are now being developed by Benguet, will run into many millions of tons.

HUGE AREA IS REVEALED

A report of development work was made to stockholders of the Benguet company at their annual meeting on March 13. At that time it was said that the surface survey on this chromite outcrop showed an area of not less than 1,000,000 square feet. Tunnels were driven at the 500-foot level and these also went through chromite ore indicating that the depth was at least 500 feet and the deposit constant.

Diamond drilling is going on now at the 500-foot level to determine how much deeper the deposit goes. Judge Haussermann stated as early as last December that there was reason to believe that this chromite deposit, which is owned by Consolidated Mines and is being operated on a profit-sharing basis by Benguet, was one of the largest in the world and probably would soon be the largest source of metallic war materials under the American flag.

Exploration and development have not moved rapidly since that time, and it appears now to be only a matter of months until the property comes into production. A. F. Duggleby, consulting engineer and geologist, stated to the Benguet stockholders that production was waiting only for completion of development operations that would indicate the size of the ore body.

"It is obvious", he declared, "that if we are dealing in terms of millions of tons of ore we will undertake production operations on a far larger scale than would be utilized for smaller deposits."

JUDGE TO SURVEY MARKET

With this prospect in view, Judge Haussermann is undertaking a survey of the American chromite market. Inquiries have been received in the Benguet office from various offices in the United States and also from European capitals as to how soon the ore would be available and to what extent.

Marketing will not be hampered greatly by the element of accessibility in production. The deposit is only 20 miles from what can be made an excellent deep-water harbor, and a road has already been built from the coast up to the mine. From the present indications as to the size and importance of the deposit it appears certain to Philippine mining men that a railroad will be put in to carry the ore to the coast.

Moreover, the nature of the ore suggests other marketing angles. Specimens have been taken at various points and at various levels, and thus far they have shown not only a gratifyingly high content of chromic oxide but a low iron content. In those specimens wherein the chromic oxide content drops below the theoretically profitable commercial level, the remainder of the ore body is taken up not by an increase in ferric oxide or magnetites but by simple native rock. This will make concentration operations simple and inexpensive. It has been suggested also that if it is desirable the pulverized concentrate can be bricquetted for marketing.

SALE IN UNITED STATES IS PREFERRED

What effect the Japanese interest in this deposit will have in ultimately putting it on the market is not yet determined. The operators of the mine are Americans and would prefer to sell their product to the American market, if it is available. Nevertheless, the fact that the United States is selling scrap iron and even iron ore to Japan has been frequently pointed out in discussing the marketing of metals. It seems unlikely, therefore, that local operators could refuse sale to Japan in the open market without a serious misunderstanding.

On the other hand, mining engineers in the Philippines believe that the comparative scarcity of chromium, its high cost of production and its high market value have somewhat retarded its extension into wider fields. They point out, for example, that the use of a chrome steel in ordinary structural steel operations would, because of its rust-resistant properties, greatly simplify maintenance. This has not taken place in the past, they believe, simply because of the high cost of chromium. With a tremendous supply such as that available in the Philippines there is a definite possibility of reduced cost of operations and therefore of the adaptation of the product to commercial uses for which it has hitherto been considered too expensive.

CONSTITUTION A HANDICAP

Those problems will be discussed by Judge Haussermann with business men in the United States. It is inevitable also that Judge Haussermann will be asked his opinion in both political and business circles in respect to the relationship of the Philippine mining industry to recent political developments.

The constitution of the Philippines, which is now under examination in the United States, places very sharp strictures on the mining industry. It stipulates that any corporation organized to deal with natural resources in the Philippines must have 60 percent of its capital stock owned by Filipinos. The provisions for landholding in the constitution are equally restrictive, and the combination of these factors, Judge Haussermann and other mining men in the Philippines believe, will unduly restrict what should be a direct influx of capital for developing these mining projects.

A degree of elasticity is provided in the temporary provision that in the Commonwealth period, Americans will receive the same civil rights as Filipinos, but there is some apprehension that this will later be modified to a more restricted basis. If that happens, Americans foresee the eventual stultification of the entire mining industry.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of Frank E. Flynn, of Arizona, to be United States attorney, district of Arizona, to succeed Clifton Mathews, appointed United States circuit judge, ninth circuit.

He also, from the same committee, reported favorably the nomination of Francis H. Inge, of Alabama, to be United States attorney, southern district of Alabama, vice Alexander C. Birch, term expired.

The PRESIDING OFFICER (Mr. CLARK in the chair). The reports will be placed on the Executive Calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

FEDERAL RESERVE BOARD

The legislative clerk read the nomination of Marriner S. Eccles, of Utah, to be a member of the Federal Reserve Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. FLETCHER. Mr. President, I ask unanimous consent that the President be notified of the confirmation.

The PRESIDING OFFICER. The Senator from Florida asks unanimous consent that the President be notified of the confirmation of Marriner S. Eccles. Is there objection? The Chair hears none, and the President will be notified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 3 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, April 25, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 24 (legislative day of Apr. 15), 1935

FEDERAL RESERVE BOARD

Marriner S. Eccles to be a member of the Federal Reserve Board.

POSTMASTERS

ILLINOIS

O. Rice Jones, Paris.

MAINE

Harold E. Weeks, Augusta.
Ava P. Galusha, Clinton.
Earle F. Wilson, Gray.
William H. Albee, Hallowell.
Aubrey Kelley, Solon.
Donald P. George, Thomaston.

MASSACHUSETTS

Earle A. Brown, Lunenburg.

NORTH DAKOTA

Anna Holkesvik, Carson.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 24, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed be the name of our Heavenly Father for His wonderful sympathy with penitents, for His gentleness with the weary, and for the harmony that runs through the discords of frail humanity. Thou ever-merciful God, inspire us with the dignity of our station, with our fellowship, and with that music that today fills the heavens and the universe. O hasten the time when Thy holy name shall be sweet to everyone and Thy spirit shall be breathed into the hearts of all men. Keep us free from all irregularities and indulgences which cut the strength of life's fabric. Clothe us with that courage and fortitude of soul with which brave men face the future. Enable us to be bearers of good tidings, good news, and good cheer, and lift us up in the sun-bright smile of Thy presence and let our deliberations bear witness to Thy guidance. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 2035) entitled "An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KING, Mr. GLASS, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. SHEPPARD and Mr. CUTTING members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the War Department.

SALE OF PROPERTY UNDER ORDERS AND DECREES OF UNITED STATES COURTS

The SPEAKER. Without objection, the bill (H. R. 5455) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended, will be laid on the table, a similar Senate bill (S. 1572) having been passed yesterday.

There was no objection.

JAMES A. MOFFETT

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. YOUNG. Mr. Speaker, since the time I entered this Chamber as Congressman at Large, representing the State of Ohio, I have consistently upheld the leadership of President Roosevelt and supported the new-deal policies of this administration, but I would be untrue to the trust and confidence of the 7,000,000 fine constituents back in Ohio whom I represent here, and I would be deviating from the course of conduct that I have marked out for myself, if I hesitated for one moment to denounce neglect and failure, even in high places. I rise here today to advert to Federal Housing Administrator James A. Moffett, and the fact that the Federal Housing Administrator contemplates taking a leave of absence from his duties for a period of 2 or 3 months to make a business and pleasure trip to the Orient at a time when the efforts of the Administrator of the Federal Housing Act should be concentrated here at Washington. The Housing Act was approved June 27, 1934. Up to the present time approximately $55,000,000 has been loaned to 120,000 individuals under title I of that act. These are small loans, averaging $420 each. Approximately 1,000 of these small loans are being made each day at the present time. But contrasted with that, under title II of this act, only about two and a half million dollars in loans have been made to date. The operation of title II has been disappointing—so disappointing, in fact, that it has been termed a "total flop." The Administrator, James A. Moffett, recently returned from a pleasure trip to Palm Beach, Fla.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. KNUTE HILL. Would it not be a good idea to give Mr. Moffett a permanent leave of absence?

Mr. YOUNG. Mr. Speaker, I was just about to suggest that. The gentleman from Washington inquires whether it would not be a good plan to give Mr. Moffett a permanent leave of absence. Either Mr. James A. Moffett should resign as Administrator of the Federal Housing Act or he should give up his contemplated trip to the Orient. Certainly it cannot be said that he is going to China and the Malay Peninsula and India to investigate housing conditions there. He has spent very little time on the job since his appointment. Much of his time has been occupied in speechmaking elsewhere and in attending social affairs. As a matter of fact, James A. Moffett has been in Washington less than 2 weeks during the past 2 months, and in his absence Mr. Stewart McDonald, formerly president of the bankrupt Moon Motor Co., and who before that had experience as a police commis-

sioner, or something of that sort, in addition to being president of a motor company that went broke, is in charge. How can it be said that James A. Moffett is a key man in this administration in view of his continued absences from his post of duty? As Congressman at Large representing the State of Ohio, I call upon Mr. James A. Moffett to either attend to his public business or to resign and attend exclusively to his private affairs.

ORDER OF BUSINESS

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 8 minutes.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object, to inquire what the policy of the leaders on the majority side is in regard to Members addressing the House. We are here today for general debate on the naval-appropriation bill, when any Member can talk on any subject he wants to. Is it proposed to go along the whole afternoon on unanimous-consent requests to address the House? If so, I want to put in one for myself. I do not care how the leaders do it, but just tell us about it.

Mr. TAYLOR of Colorado. Mr. Speaker, I was in hopes we would not have a number of these requests before the House resolves itself into the Committee of the Whole House on the state of the Union for the consideration of the naval-appropriation bill. It does seem to me that gentlemen ought to wait a few minutes and then get time from those in charge of the time on that bill. I do not like to object to 1- or 2-minute speeches, but when numerous gentlemen stand up and ask to speak 5 or 10 minutes on many different subjects, I feel we should not follow that custom. I shall object to any more speeches until we get into the Committee of the Whole.

I do not want to interfere with any understanding that the gentleman from Kentucky [Mr. CARY] may have had with anyone that he has permitted to speak, but it is not orderly procedure to allow a large number of gentlemen to speak out of order when we are ready to go into general debate now.

Mr. DUNN of Mississippi. I assure the gentleman I have not in any wise bothered any committee during the 3 months I have been in Congress. I want to say this to the genial floor leader, that I am one, irrespective of parliamentary proceedings, who does not believe that a Member ought to obtain time to speak on an important matter when the House is in Committee of the Whole. I made this request out of deference to the committee, and its purpose in presenting its bill.

Mr. SNELL. This debate in Committee of the Whole is exactly for the purpose which the gentleman specifies. It is not for the consideration of the bill.

Mr. DUNN of Mississippi. I do not agree with the gentleman on that.

Mr. O'CONNOR. Well, that is not exactly correct. I do not see what difference it makes using the whole day in general debate in Committee of the Whole or using a part of the day for speeches in the House.

Mr. SNELL. I do not care which you do, but we would like to know what the policy is so that some of us on this side may ask unanimous consent to address the House.

Mr. O'CONNOR. Unless there is some big measure before the House, I cannot see any objection to using an hour or so in talking before the House.

Mr. RICH. Reserving the right to object, it seems to me that some of the members of the Democratic Party are waking up, when we get a few more speeches such as we had a few moments ago; and when the Democratic Party recognizes the fact that they have men in high places that ought to resign or be thrown out, the better for our country, I think we ought to give them an opportunity to speak before the House and condemn inefficient men in order that efficient men replace them in public office.

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. DUNN]?

Mr. TAYLOR of Colorado. Reserving the right to object, I will not object to this request, at the request of the chairman of the subcommittee.

The SPEAKER. Is there objection?

There was no objection.

TUBERCULOSIS

Mr. DUNN of Mississippi. Mr. Speaker, I am fully aware of the fact that during the past 3 years there has been considerable phenomenal legislation passed by this body. I am further aware of the fact that this legislation has been necessitated by virtue of the very extraordinary times we have been going through. I know that the billions of dollars that have been appropriated to meet emergency measures have been more than necessary. I know further—and I am saying this with great deference to our splendid President—that there have been millions squandered because of experiment. While those measures have been enacted and while those expenditures have been made, there is one vital thing I wish to bring to your attention as a matter of observation. I do not care to overindulge your patience to hear what I have to say. I simply wish to say that there is something in this Nation of great import that ought to be brought to your attention, with reference to the very life of our citizenship, which has been long since overlooked.

There are more than 850,000 active cases of tuberculosis in the United States proper; cases that have been actually reported and are on record; not cases which are synthetic; not cases which have just been arrived at by an indefinite approximation, but cases which have actually reached the National Tuberculosis Association and its auxiliary agencies. If there are 850,000 cases of tuberculosis in this Nation you might ask me, "How many of those cases are actually receiving treatment?" I wish to say in my brief and undetailed statement that 60 percent of these 850,000 actually recorded cases are charitable cases who have no measurable means whatsoever of giving themselves treatment. There are not enough institutions in this country to care for them. You might come back and say again, "But all of the organizations say that tuberculosis is on the down grade; that they have conquered it; that the tubercle bacillus has been cornered, and that there are enough State charitable institutions and enough relief agencies to give them all that they should have." I say to you that the first tubercular sanatorium was created at Lake Saranac in New York in 1885. Since that time, because of experiments, other tubercular sanatoria have increased all over the United States, but today only 18 States have recognized charitable institutions where poor men, where poor women can receive treatment. There are only 18 of those institutions, if you please, and less than one-tenth enough bed space to actually take care of the active cases that we have in our midst.

Now, I have this in mind: In the State of Mississippi we have one of the largest tubercular sanatoria in the United States. We have approximately 1,850 beds and approximately 230 beds in the preventorium, where they treat little children, little children who have been wrested from the breasts of their mothers and brought there at the hand of charity to be taken away from the jaws of death. We had last year 1,750 deaths in excess of the actual number of beds that we had. There is a corresponding number of deaths when you seek the comparative scale with beds in the other Southern States.

I do not know how to correct this situation. I bring it to you only as an observation, only because my heart and my sympathies are with those people. I say to you now that you can appropriate your millions if you want to for the Army and the Navy, you can set up C. C. C. camps and build monuments up and down the avenues of life; but what good are those things to society, what good are those things to the multitude, if we are to sit by here and leave out of this mighty race to conquer the depression the disintegrating force of the tubercle bacillus that is destroying so many people? One hundred thousand deaths in the last 10 years, and thousands unrecorded, because of the fact that there were no medical records made of their particular cases.

There ought to be a resolution—and I intend to offer it—asking for at least $75,000,000 out of the public-works program to build at least six sanatoria in different, definite zone areas, to be chosen by the President, to give those people that attention which they must have. The depression has caused a great deal more.

Mr. MORITZ. Will the gentleman yield?

Mr. DUNN of Mississippi. I yield.

Mr. MORITZ. I would like to say to the gentleman that in Pittsburgh, while I was secretary to the mayor, whenever a person afflicted by tuberculosis came into the mayor's office asking for a bed in our hospital to die in, they thought they were in the second heaven when their request was granted. The gentleman is right in what he is saying.

Mr. DUNN of Mississippi. I thank the gentleman from Pennsylvania for his contribution. There ought to be something done, Mr. Speaker. I think this is a vital thing; and I do not stand here talking idly to put something in the RECORD to go back home. I am a Democrat—a Democrat who will state the facts; and I am not afraid to state them at any time. I ask you to give this serious consideration. I believe these people ought to have help. We should get away from the material side of life for a moment and perpetuate in the hearts of the American people the one fundamental truth that this Congress believes in uplifting society and aiding future generations. [Applause.]

PLUMBING IN FEDERAL BUILDINGS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 254, providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. SNELL. Mr. Speaker, may the joint resolution be reported? Then, under reservation of objection, I wish to make a few observations.

The SPEAKER. Without objection, the Clerk will report the House joint resolution.

There was no objection.

The Clerk read as follows:

Joint resolution providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings

Whereas since 1933 the danger of the outbreak of epidemics such as amoebic dysentery has become a threat to public health; and

Whereas defective plumbing and cross connections between sewage and water-supply lines have been presumptive causes therefor; and

Whereas these dangers increase with the age of plumbing systems; and

Whereas the Government buildings throughout the United States have many of the oldest types of installations: Therefore be it

Resolved, etc., That the United States Public Health Service be, and is hereby, required and directed to make a complete survey of all Government properties for the purpose of eliminating dangers of the type indicated in Government buildings and report to the Congress on or before January 3, 1936, the cost involved in making desired eliminations and improvements.

SEC. 2. The United States Public Health Service be, and is hereby, directed to make a study of the relation of amoebic dysentery to plumbing and issue a report to the Congress on or before January 3, 1937, for the benefit of the medical profession and the plumbing industry.

Mr. SNELL. Mr. Speaker, reserving the right to object, this is another resolution of the type which it has always been the practice of the House to send to a committee for consideration. I do not know that I care to take the responsibility of objecting to the consideration of this joint resolution, but I do think that these resolutions should go to committee. They can be reported out promptly if they are of an emergency nature. A great many of these resolutions, on their face, are perfectly innocent; but I know from experience that sometimes they go further than we think. It is the same way about several of these legislative matters that have been brought up lately by unanimous consent. It puts me in an embarrassing position to object to them. On the other hand, however, we should know when these matters are to be brought up. Practically every time I let some matter go through, some Member comes to me asking why I let it go through. He says: "I am not opposed to it, but I wanted to amend it."

I think we ought to have some definite policy; I think we are entitled to have one, whether it be to dispose of these matters by unanimous consent or in the regular way. If they are to be disposed of by unanimous consent late in the afternoon, then we can have a quorum here and every Member can look after himself.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. O'CONNOR. I agree generally with what the gentleman says. He was Chairman of the Committee on Rules for 8 years, the greatest Republican Chairman of the Committee on Rules, and the last Republican chairman of this committee we shall ever have.

Mr. SNELL. I thank the gentleman.

Mr. O'CONNOR. These matters should go to the Committee on Rules ordinarily. The gentleman from Michigan spoke to me, as I know he spoke to the minority leader. This was of such an emergency nature that I thought it was a proper matter to be taken up under unanimous consent. I may state further, however, that I think very few matters fall within this exception.

Mr. SNELL. Just for the sake of argument, what is the emergency requiring such prompt consideration of this resolution?

Mr. O'CONNOR. Will the gentleman from Michigan [Mr. DINGELL] explain it to the gentleman from New York? I may say to the gentleman from New York that the gentleman from Michigan explained it satisfactorily to me.

Mr. DINGELL. I may say to the gentleman from New York, the minority leader, that it is a question of public health. It is unwise to go into any very lengthy discussion as to what may or may not exist, but we do know that there is a very serious situation existing right in this very building relating to the plumbing. The less we discuss this matter the better off we shall all be.

We do know that the health of the Members of the House, the Senate, and of every visitor to the Capitol is or might be at stake. The health of employees and visitors in the Government buildings in the city of Washington is impaired or threatened because of the ancient and erroneous methods employed in the installation, repair, and maintenance of the plumbing system. Only since yesterday when this resolution was mentioned a certain cross-connection between sewage and drinking water was corrected in the Capitol.

Mr. SNELL. Let me ask the gentleman this one question: Are there any organizations in this city that are authorized and have the authority to make this investigation at this time without a special resolution by Congress—the health department, for instance?

Mr. DINGELL. No; the health department has no jurisdiction in the Federal buildings. My advice is that the Public Health Service can do this work of investigation without any cost to the Government. They have the necessary sanitary engineers and experts and can make the investigation in a relatively short time and report to the Architect of the Capitol as to what corrections should be made.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. COX. If I understand the resolution, it calls for a survey of all Government property throughout the entire country.

Mr. DINGELL. Yes; that is, a survey of the Federal buildings where the Public Health Service has a branch.

Mr. COX. That means the entire country, does it not?

Mr. DINGELL. Yes; but not necessarily every public building.

Mr. COX. What is the estimated cost of making this survey?

Mr. DINGELL. The Public Health Service at the present time has the experts possibly ready and waiting to do such a piece of work as is provided for in the resolution.

Mr. COX. There will be some expense?

Mr. DINGELL. This will be done without any expense. The Public Health Service have men in the Department for just such purpose.

Mr. SNELL. Mr. Speaker, I do not want to be put in the position of doing anything that will jeopardize the health or lives of the Members of Congress or the people who visit Capitol Hill; but I am absolutely opposed to this method of carrying on the legislative action in the House. If the gentlemen insist on doing it this way, I shall have to yield to the majority, as I always have to; but, repeating what I said a while ago, I am opposed to this method.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. AYERS. Mr. Speaker, on tomorrow immediately after the reading of the Journal and disposition of matters on the Speaker's desk, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to proceed for one-half minute for the purpose of making a unanimous consent request.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, tomorrow marks the thirty-seventh anniversary of the declaration of war declared by the United States against the Kingdom of Spain. I ask unanimous consent to address the House for 10 minutes after the reading of the Journal, and the disposition of matters on the Speaker's desk, and the previous order heretofore made on the subject of the Spanish-American War and the Spanish-American War veteran.

Mr. AYERS. Mr. Speaker, reserving the right to object, and I shall not object, I understand that I have the privilege of addressing the House the first 10 minutes after the disposition of matters on the Speaker's table tomorrow?

The SPEAKER. The gentleman is correct.

Is there objection to the request of the gentleman from California?

There was no objection.

DISABLED PROVISIONAL OFFICERS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an analysis and explanation of a bill which I introduced relative to provisional officers, the statement appearing in the Army and Navy Register.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the analysis and explanation of a bill which I introduced relative to provisional officers. This statement was published in the Army and Navy Register, as follows:

[From the Army and Navy Register of Apr. 20, 1935]

DISABLED PROVISIONAL OFFICERS

Bills are pending before the Congress, introduced by Senator SHEPPARD in the Senate and Representative THOMASON in the House, in the interest of disabled provisional officers.

The Senate bill (S. 2265) has been favorably reported to the Senate.

There has been filed with the committees a complete history of the situation confronting the provisional officers. The following is a summary of the facts presented:

There have been certain seemingly unjust or inequitable situations regarding disabled former provisional officers which may interest you at this particular time. The provisions of the Emergency Officers' Retirement Act were formerly interpreted to include emergency officers with presumptive disabilities, as well as those whose records plainly indicated the disability was incurred in World War service. It is understood these provisions are now restricted to emergency officers with service-connected disabilities or rigid requirements in proof, under section 10, Public, No. 2, Seventy-third Congress, and Regulation No. 5 of Veterans' Administration.

From this point, however, and in furtherance of the above principle of theory, it should be noted in particular that there have been certain unintentional or inadvertent discrimination against officers who held provisional commissions in the Army when disabled. These men were in reality emergency officers. Although serving with the Regular Army, they were created by congressional act "to increase temporarily the Military Establishment of the United States", approved May 18, 1917.

And in continuance of this same principle, at the conclusion of the emergency caused by the World War, the laws providing for provisional officers repealed and abolished on June 4, 1920 (Public, No. 242, 66th Cong.).

The Senate Committee on Military Affairs acknowledges this unjust situation in its favorable report (No. 479) on S. 2265, Seventy-fourth Congress, as follows: "The World War officers who would be affected by this measure are those who because of being neither Regular nor emergency officers have been unable to secure the benefits of either service through the Veterans' Administration. As pointed out previously by your committee, this situation is due to the fact that a number of officers were appointed provisional officers in 1917. These provisional officers continued to serve during the World War under such commissions, but rendering exactly the same service as any other commissioned officer. This measure is to correct an injustice and what was evidently an oversight in the writing of the act of May 24, 1928. The act of May 24, 1928, as written and administered has left these fully deserving ex-World War officers literally as men without status.

In the House Committee on Military Affairs a favorable hearing was given on legislation of this nature during Seventy-first Congress, second session (pp. 214–215, book of relief bills). Excerpts of this hearing by Representative MCSWAIN, now chairman of this committee, are as follows:

"Mr. MCSWAIN. You see, 2 years as trial is provisional, and the truth is this: That all the provisional officers were, in substance and in merit, emergency officers because the call for them was created for them by the emergency, and there would not have been any of them called; there would not have been any of them commissioned to begin with, except for the existence of the emergency. Technically, they were in the Regular Army, it is true.

"Mr. CONNERY. But really they belong to the disabled emergency officers.

"Mr. MCSWAIN. Really, they were emergency officers, not in the strict legal sense but in moral and substantial sense, it was the emergency that brought about the law authorizing the appointment of the provisional second lieutenant, to meet the emergency. Of course, if they made good, and the country needed them they would be given permanent commissions."

The War Department also indicated that the principles and conditions covering the World War service of emergency and provisional officers were identical then, as indicated in General Order No. 73, August 7, 1918:

"1. This country has but one Army—the United States Army. It includes all the land forces in the service of the United States. Those forces lose all their identity in that of the United States Army. Distinctive appellations, such as the Regular Army, Reserve Corps, National Guard, and National Army, heretofore employed in administration and command, will be discontinued, and the single term, 'the United States Army', will be used exclusively.

"4. All effective commissions purporting to be, and described therein as, commissions in the Regular Army, National Guard, National Army, or the Reserve Corps shall hereafter be held to be, as regarded as, commissions in the United States Army—permanent, provisional, or temporary—as fixed by the conditions of their issue; and all such commissions are hereby amended accordingly. Hereafter during the period of the existing emergency all commissions of officers shall be in the United States Army and in Staff Corps, departments, and arms of the service thereof, and shall, as the law may provide, be permanent, for a term, or for the period of the existing emergency. And hereafter during the period of the existing emergency, provisional and temporary appointments in the grade of second lieutenant, and temporary promotions in the Regular Army, and appointments in the Reserve Corps will be discontinued.

"5. While the number of commissions in each grade and in each Staff Corps, departments, and arm of the service shall be kept within the limits fixed by law, officers shall be assigned without reference to the term of their commissions solely in the interest of the service, and officers and enlisted men will be transferred from one organization to another as the interest of the service may require.

"6. Except as otherwise provided by law, promotion in the United States Army shall be by selection. Permanent promotion in the Regular Army will continue to be made as prescribed by law."

It is hardly logical to use the argument, which is often cited, that provisional officers had the advantages of certain provisions of the Regular Army, including retirement therein. Because after the World War, and in accordance with the principle contained in the above-mentioned General Order of the War Department, No. 73, many emergency officers were taken into the Regular Army with the higher rank which they held at that time, and they also, became entitled to all the advantages and provisions of the Regular Army, including retirement. Yet a provisional officer who

served during the emergency, was not entitled to hold his higher rank, but had to revert to his lower and provisional rank, if taken into the Army permanently. And this permanent commission, like an emergency officer, could only be obtained if he had shown himself to be efficient during his provisional or temporary period. Many provisional officers refused higher commissions as Reserve or emergency officers (during the officers training camps) solely to further their chances of being assigned to a Regular Army unit, most of which were then or soon thereafter, at the front in France. And they have been penalized for following this advice in all classification and consideration since then.

The Regular Navy has no men in the same status of provisional or emergency officers because they were taken care of by that Department under Public, No. 243, Sixty-sixth Congress, second session: "That all officers of the Naval Reserve force and temporary officers (latter being equivalent of provisional officers of the Navy) of the Navy who have heretofore incurred or may hereafter incur physical disability in line of duty shall be eligible for retirement under the same conditions as now provided by law for officers of the Regular Navy who have incurred physical disability in the line of duty.

It has been ascertained certain officials of the War Department and the Veterans' Administration have authenticated, reviewed, and acknowledged that the disabilities of some of these officers were incurred during World War service, but that they could not be considered under existing regulations of those departments. They advised: (a) That a special act of Congress would be necessary; (b) that the Veterans' Administration be applied to for compensation (under the classification of an enlisted man) until the situation could be remedied by an act of Congress.

The Veterans' Administration, under existing regulations, have shown every consideration in authenticating, adjudging, and rating the disabilities of these officers as incurred during World War service.

This unfortunate situation, in which provisional officers find themselves without any proper or definite status, was due to a rather technical decision of the Comptroller General on February 28, 1929—to the effect that provisional officers were not eligible under the requirements of the Emergency Officers' Retirement Act—an interpretation not foreseen nor contemplated in the original act of May 24, 1928.

An example of the inequalities caused by this decision follows:

Case A: Captain A entered the officers training camp in 1917 and was commissioned an emergency officer therefrom. On the following day he was tendered and accepted a commission in the Regular Army, and remained a Regular officer until he left the service as a captain in the Regular Army. In 1928 he was rated 30 percent permanent disability due to service in the Regular Army, and according to decision of the Comptroller General (A24496–A25514) was granted retired pay under the Emergency Officers' Retirement Act.

Case B: Captain B was commissioned provisionally in the Regular Army in 1916. In 1917 he was granted an emergency commission as captain, his regular rank and commission remaining in abeyance until his discharge from emergency commission in 1920, when he reverted to his rank in the Regular Army. He was disabled in the service and honorably discharged in 1922 as captain, while his application for the Regular Army was pending. In 1928 he was rated 34 percent permanently disabled due to service, and he was granted compensation at the rate of $34 per month. Captain B is denied retirement.

The situation still exists at present—that these officers are barred from any classification or consideration as officers under current regulations of the War Department and the Veterans' Administration. By this it is meant, they have not been considered as officers, or they would be entitled to retirement as Regular or emergency officers. And to say the least, they have not even been considered as enlisted men, or they would necessarily be entitled to adjusted-compensation certificates.

Since the above-mentioned Comptroller General's decision, various bills have been discussed in the House and Senate Committees on Military Affairs because the need of this legislation has been acknowledged. Due to the pressure of other emergency legislation during the depression, final passage of a bill to remedy this condition, has not been successful to date. Senator SHEPPARD, Chairman of the Senate Committee on Military Affairs, introduced a bill, S. 1595, during the Seventy-third Congress, and it passed the Senate on April 25, 1934, but failed of action in the House of Representatives before adjournment. He has again introduced an identical bill, S. 2265, in the present session of Congress, and it has been reported favorably by the Senate Committee on Military Affairs. A similar bill, H. R. 7150, has been introduced by Representative THOMASON, of Texas, in the House of Representatives.

It has been suggested by those interested in this legislation that all former provisional officers now in civil life immediately communicate with their service organizations and representatives, as well as their Congressmen, toward the end that this legislation may be advanced to final enactment.

PERMISSION TO ADDRESS THE HOUSE

Mr. COCHRAN. Mr. Speaker, on yesterday a man by the name of Babcock appeared before a House committee attacking a law that bears my name, the law relating to employment of husband and wife. During the course of his testimony he accused Government employees of living together, ignoring a wedding ceremony.

Mr. Speaker, I ask unanimous consent to proceed for 5 minutes to answer the statement made by this man Babcock who claims to speak for Government employees but who I know does not properly express their views.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the message sent broadcast yesterday in the form of testimony before a House committee by E. Claude Babcock, president of the American Federation of Government Employees, to the effect that due to the law affecting the employment of husband and wife, which provides that when a reduction in force is ordered, either the husband or wife must leave the service before an employee is dismissed where both husband and wife are not employed, was causing employees to lead immoral lives, was an insult to every single man and woman in the Government service and should not go unchallenged.

Babcock pictured girls coming to Washington who, without the protection of a home, soon find themselves in love, and fearing dismissal if married, agree to live together as husband and wife, simply overlooking marriage. Such a statement is, in my opinion, insidious camouflage. If couples are living together as he says, it is not because of the law Babcock would repeal, for if the inclination was there, all the laws that could be enacted would not prevent it nor would the repeal of any law be the cure. Where one such case might be found, you will find thousands of ladies, young and old, in the Government service too honorable to even think of being a party to such a condition. In their name I resent his statement.

I wonder if Mr. Babcock has given thought to the mental anguish he has caused, not only to the ladies employed by the Government but to their families back home. Can he not picture the mother back home on her knees praying to the good Lord to protect her girl and guard her against such a situation? Men have been tarred and feathered in this country for saying less about honorable women than Babcock said yesterday. Unless he cites specific instances, his is a general indictment.

I want now to send a message back home, not only to the mothers, but to the other relatives and friends of the women employed here. I say to them, that while a case might be found here and there, such a condition might be found any place in the land, the mothers and friends can rest assured that if it does exist there are only a few and that your daughter and your friend is leading a proper life. To stoop so low as Babcock did in order to secure the passage of legislation is inexcusable.

Babcock should be removed from the office he holds for slandering the good men and women employed in the Government service, and I hope the women will have the courage to resent his statements, even if the men do not.

Babcock looks at but one side of the picture. He would, if a reduction in force was necessary, be willing to see the man who has a wife and five children at home furloughed, while both a husband and wife would be retained. My viewpoint is that it is better to have earning power in two homes, even though the income be reduced in one, than to have all the earning power in one home and no earning power in the other.

There are around a million employees in the Government service, and Babcock speaks the view of but a few—those who have a selfish interest and who might, when a reduction is ordered, be furloughed.

Yes, the law does affect the merit system, but not in the way Babcock would have you believe. If one of the married persons holding key positions in the Government were furloughed, there would be a chance for advancement for the worker whose spouse is not employed by the Government.

I have plenty of information on this subject, which will be used at the proper time, if necessary. With millions of our constituents out of employment and on the relief rolls you

can rest assured this law will not be repealed. On the contrary, what the Congress should do is to put teeth in it.

Babcock has in no way helped the organization he represents. [Applause.]

NAVY DEPARTMENT APPROPRIATION BILL, 1936

Mr. CARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes; and, pending that, I ask unanimous consent that general debate be limited to 8 hours, the debate already had upon yesterday and the debate that is to follow to be balanced and divided equally between the gentleman from Michigan [Mr. McLEOD] and myself.

Mr. McLEOD. Mr. Speaker, reserving the right to object, may I inquire how much time the gentleman from Kentucky [Mr. CARY] has consumed and how much time we have consumed over here?

The SPEAKER. Is the request of the gentleman from Kentucky [Mr. CARY] for 8 hours in addition to what has been heretofore used?

Mr. CARY. My request is for 8 hours in addition, but the time is to be balanced as between the two sides. We on this side have used more time than the gentleman from Michigan; therefore he will have more time out of the additional 8 hours.

The SPEAKER. The gentleman from Kentucky [Mr. CARY] has consumed 2 hours and 29 minutes, and the gentleman from Michigan [Mr. McLEOD] has consumed 1 hour and 36 minutes.

Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7672, with Mr. McCORMACK in the chair.

The Clerk read the title of the bill.

Mr. McLEOD. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, when I arrived in the Chamber yesterday there certainly were evidences of considerable excitement. We were informed that the stage was all set and that we were to be treated to an administration speech castigating New England, to be delivered by the "lord high executioner" of the Democratic Party, the overnight great exponent of the textile industry, the gentleman from North Carolina [Mr. WARREN].

In his customary forceful manner, he read a carefully prepared and vituperative sectional address directed against my part of the country. He then flattered me with a personal reference, calling me the "Jeremiah of New England", although I am known in my district as the greatest of all optimists and I find, as I consult my scrapbook, that I am frequently referred to as even a bit of a humorist. I am extremely sorry that this has not dawned upon the conscience of some of my real Democratic friends on the other side of the aisle.

While the fact cannot be gainsaid that Jeremiah was a prophet of misfortunes, he was a true and not a false prophet. And the Lord spoke with him. On one occasion very early in his story we find these words:

> And the word of the Lord came unto me the second time, saying, "What seest thou?" And I said, "I see a seething pot; and the face thereof is toward the north."

Certainly that prophecy was fulfilled yesterday.

Well, I am willing to accept the role and will paraphrase another of Jeremiah's remarks. "Turn, O backsliding children of Israel." Turn, O backsliding children of Jefferson and the other great Democratic prophets of former days. Unless you do, there will indeed be wailing and gnashing of teeth in 1936 and great lamentations for the mistakes which have been made and the betrayal of the faith which has occurred. How long must this land mourn and the herbs of the field wither—or be plowed under—because of the wickedness of those who dwell therein? The beasts and swine are consumed, also. Behold the children of Democracy straying from the path pointed out to them by their fathers, to worship the false alphabets of the "brain trust."

Oh, how unfortunate, how disheartening to the textile industry that speech was; disheartening, surely, even to the industry in his own State. Can anyone think that he represented the real thought of the great textile industry therein? Certainly it, too, is suffering equally from the devastating effects of this processing tax.

Let it be fully understood that at no time has a Representative from New England fought against this tax with the purpose of taking away any of the advantages that might accrue to the farmer therefrom. We constantly read in the newspapers of New England that its people rejoice in any benefits that the farmer can secure and that they have even criticized but little the payment of a bonus to farmers for not raising cotton. We merely desire that this money be paid to agriculture out of something in the nature of a general tax and not a super sales tax levied upon a few selected commodities.

New England has needed the benefit of a tariff in order to compete in something like equal footing with foreign industries. The processing tax is not for this purpose primarily. It is rather a purely experimental method of endeavoring to help the farmers to realize at least the cost of production. In the scathing speech of the gentleman from North Carolina few facts were presented which were not fully understood before, but it displayed the animus which has existed so long and been so often expressed toward my own section of the country.

The housewife who buys pork at 35 cents a pound will be heard from sooner or later, and then you will understand what I mean by a super sales tax put on a few selected articles and perhaps be ready to listen to the Jeremiah, Senator GEORGE, whose voice was raised in the Senate the other day and whose amendment, which provided that this fee might be taken from the $5,000,000,000 that is to be raised by a general taxation program in the future, was adopted. We all know the answer that was made to him by the administration.

At no time have we claimed, as the gentleman tried to assert, that the processing tax is the whole cause, or even the principal cause, of the troubles now affecting the entire textile industry. The devaluation of the dollar, which sent prices of cotton from 6 cents to 11 cents, plus the N. R. A. costs, which added perhaps 5 cents more, are also contributing factors. Then the processing tax was added, providing the final straw. To raise the price of a commodity artificially more than 100 percent in so short a time was bound to create a sales resistance which has resulted in overloaded stocks on hand and a necessary curtailment in production, resulting in unemployment. This situation must be felt almost as acutely in the mills of North Carolina as in those of New England.

The gentleman tried to explain or excuse this tax by telling you yesterday how very little this added to the cost of material per yard, but he could not confuse anyone, for even his own constituents know that the price of overalls and all cotton fabrics has been nearly doubled during the past 2 years.

At no time have we claimed that this tax was even the main trouble, but we do claim that this is the one thing left to this Congress where we, as a legislative body, can effect relief and, perhaps, remove this last straw which has had the effect of creating a tremendous sales resistance to the products of this industry. So do not say that we have laid too much stress on this one thing. Far from it. At these various meetings to which the gentleman referred many other matters were freely and frankly discussed as creating serious difficulties in the carrying on of this industry.

The gentleman demanded to know why we have been unable to keep our mills in New England. He threw that ques-

tion at us with great emphasis and apparently in ridicule and with personal enjoyment. Every schoolboy knows the answer to that question. As far back as we can remember his section has enjoyed the benefits of cheap labor. The most unfortunate chapter in our national history was written in breaking the shackles of such cheap labor. Of late years, and even today under the code, it still manages to enjoy that tremendous advantage. With proper pride New England can say that it has, for many years, been able to meet and overcome this disadvantage through sheer efficiency. It is, however, a matter of shame to us that in this great fight for equal opportunity much northern capital has gone into the South, lending additional strength to that competition, and many New England textile operators have also moved their plants there, in order to take advantage of these labor conditions. And to make our fight still more difficult, it is feared that there will be those who will secretly endeavor to retain such conditions in the code for their own profit.

How does the gentleman from North Carolina dare to taunt New England, which has so long paid much higher wages to labor and, in addition, enacted many humanitarian laws to make life for the employees more bearable and the expense of which fell upon the employer? Is he, indeed, proud that his State could bait away our industries by the low wages paid to women and children? Is he, indeed, proud of the system of tenantry so largely obtaining in his own section? Compare the situation of the textile employee of his locality with what has, at least, been that of those in New England, where labor has been able to own their own dwelling houses without fear of eviction and have the happiness that comes from the enjoyment of a home free from the dictates and whims of an employer. To taunt New England in this matter; to suggest that labor conditions in the South have been, and are, what they should be, and by implication to suggest that we ought to go backward to similar conditions in order to retain our mills is not an argument such as should win the plaudits of his hearers.

Let us hope that the ovation given him by the Members of his own party and, to my surprise, joined in by some of the Members of his own party from New England, could only have been an expression of appreciation of the gentleman's forensic ability rather than an approval of his views. As I have said, the stage was set. The gentleman had a good audience. New England was to be excoriated by a man exceptionally capable of caustic expression. Eagerness showed on the countenances of his colleagues. They knew that he could be counted on to do a good job. He has demonstrated this on many occasions. Recently he gave a truly remarkable performance in this respect when the bill to provide additional clerk hire, sponsored by his own colleagues, was before the House. On that particular occasion you did not applaud him so much, although he really did a much neater job. Then, as yesterday, he refused to yield, except to carry out that clever scheme of yielding for a motion that was bound to kill the bill in question.

I greatly admire his ability and his ingenuity, but an analytical reading of his speech of yesterday makes me feel that it failed to achieve the result which he desired. His motive and the sectional feeling expressed were alike too obvious and too unfortunate. However, when he had finished it must have pleased him mightily to hear the great applause which followed. As he walked up the aisle among his admirers, I could not help but think of the old story of Mr. Hooley. Since the gentleman was so biting in his references to a number of us, surely he can take no offense if I offer a pleasantry at this time. Describing his rise to political fame, after his election as mayor, this Mr. Hooley said, "Whin I came to this country, a poor immigrant lad, I got a job diggin' sewers and everybody called me Pat. Thin I got to be boss of the gang and they called me Mr. Hooley. Later I was elected to the city council and they called me the Honorable Mr. Hooley. Finally I was chosen mayor of me great city, and the following Sunday, purposely late, carrying me cane and silk hat and with me large family behind me, I entered the church, and just as I did so the choir and entire congregation rose and started to sing 'Hooley, Hooley, Hooley, Lord God Almighty.'" I am wondering if the gentleman really does enjoy the thought that the textile industries in New England seem to be dying while those of North Carolina remain alive. Such an apparent feeling on his part recalls to my mind the story of the two colored men who met after a period of 5 years, during which both had been married. Said the first, "Mose, what sort of a gal did you all git?" Mose replied, "She am an angel." Whereupon, the other exclaimed, "Boy, yo' suttainly am lucky! Mine's still alive."

Now, I wish at this time to ask, Mr. Chairman, that I may revise and extend my remarks. I desire to place in the RECORD at this point a fairly brief letter about the harassing feature of trying to reclaim from the Government the processing tax, when drawbacks may be allowed under the law. It is almost too much for many mills to bear.

I also want to put in the RECORD a few of the lamentations of those other Jeremiahs, Senator GLASS and Senator BYRD. We think they truly represent Virginia on the very matters in which our sweet songster from Roanoke has so seriously differed from them, in his great loyalty to this administration. Let us recall, too, the speeches of Senator BAILEY, of North Carolina, Senator GEORGE, of Georgia, Senator TYDINGS, of Maryland, and many other stanch members of the majority party.

I may also wish to insert a few statements by Governor Talmadge, of Georgia. I shall not inflict upon you anything Senator LONG may have said [laughter], but shall refer to these other Jeremiahs of the Democratic Party, earnestly exhorting their own colleagues and lamenting, not jokingly, as I often do. I believe in stating things forcefully, so that the facts may receive attention, but nobody can see more of the humorous side of some political debates than I. Certainly I shall expect that a good natured reception will be given any remarks that I may make today.

A FEW EXCERPTS FROM YOUR OWN JEREMIAHS

A Democratic Governor of the Democratic State of Georgia raises his voice against Government spending and the destructive policies of the "brain stormers" at Washington.

"Let the follies go on", said he; "it won't last much longer."

"The real fight in this country", he declared, "is Americanism versus communism, mixed up with some kind of crazy 'gimme.'"

"We cannot go on running the Government on hot air," said Senator TYDINGS, "on money pulled down from the heavens, which the taxpayers will have to pay back."

And he warned the administration against counting on support at the polls if it continued its reckless experimentation and wasteful expenditures.

"Before another year shall have gone", said he, "there may not be the large Democratic majority here and in other places which we have enjoyed."

LAVISH SPENDING HIT

Senator BYRD criticized the lavish spending of public funds, saying that never in the history of the country has there been such wide-spread spending to "control the opinions of the people."

He referred to the Federal bureaus as "kingly" in their dealings with the public. He said the taxing power of the Congress had been given to these bureaus.

BYRD took the Government to task for going into business in competition with private industry, and advised that the administration look to ways and means of increasing consumption of farm products and reestablishment of export trade.

Even the King of England, in the old days of more absolute monarchy, could not enter uninvited the cabin of his poorest subject, and yet many of these officeholders, attired in plain clothes, exercise more power under a straw hat than did the king of old adorned with a jeweled crown.

Decrying the reckless outlay of Federal credit, Senator ADAMS, Democrat, of Colorado, a banker in private life, declared the existing Federal debt of twenty-eight thousand millions would be swelled to forty billions by this and pending bills.

He turned on its author, Senator BANKHEAD, Democrat, of Alabama, warning:

"You can't save the Alabama tenant farmers without saving those in Colorado and other States. To provide for all of them would require $10,000,000,000."

Senator GLASS. Every State and nearly every community in every State, including my own home town, has put itself in servitude to the Federal Government, has put itself under some inextricable obligation to the Federal Government to such an extent that some of the miserable little bureaucrats here in Washington have had the insolence to threaten States with withdrawal of so-called

"Federal aid" unless those States would go to the extraordinary expense of summoning special sessions of their legislatures, and give these bureaucrats some more of their funds.

I also insert a statement by former President Coolidge:

The centralization of power in Washington, which nearly all Members of Congress deplore in their speech and then support by their votes, is steadily increasing. The farmer, who was the shining example of sturdy independence, has intrusted the Government with finding him a market. Now the wage earner is to look to the same source to find employment. Individual self-reliance is disappearing.

A revolution is taking place which will leave the people dependent upon the Government and place the Government where it must decide questions that are far better left to the people to decide for themselves. Finding markets will develop into fixing prices and finding employment will develop into fixing wages. In default of furnishing markets and employment the Government must pay a bounty or a dole.

Those who look with apprehension on these tendencies do not lack humanity but are influenced by the belief that the result of such measures will be to deprive the people of character and liberty.

I wish to repeat that if the textile industries within the gentleman's State are still living it is chiefly due to the benefits of unfair competition and that we, the Congress, shall have utterly failed in our plain duty if we do not create different conditions which shall provide fair play to all sections within the second greatest industry in our country.

The following is quoted from the New Bedford (Mass.) Times:

MISERY STALKS COMMUNITIES

It requires no stretching of the imagination to see what the closing of textile mills means to New England. The first victim is the worker. He or she is out of a job. No work, no pay; no pay, no money to buy food, clothes, or coal, to pay rent, or buy gasoline. Merchants can't sell goods; savings accounts dwindle; insurance policies are cashed in and all kinds of difficulties follow.

Landlords can't collect rents, real-estate men can't sell houses, and auto dealers can't sell cars. Property owners can't pay taxes, and eventually the town can't pay firemen, policemen, and school teachers.

Sickness, poverty, and misery stalk a community that once was a good town in which thousands lived, worked, and prospered.

That's why this problem is not simply the mill owner's problem. Under the conditions prevailing today it is the problem of everybody in the community from the mayor to the humblest citizen.

These remarks were made in my own city recently—a city where many textile plants are today being dismantled. A city where there are as many patriotic citizens as in any other on the face of the earth.

Visit that city and view the public improvements that those public-spirited citizens have provided for the enjoyment of its people. They probably have not, except in rare cases, received a dividend from the cotton mills for some time. Since they almost despair of receiving assistance through our great Government in Washington, these stockholders think they might as well cash in and get what little remains, instead of going on for years and losing money more and more, which is bound to happen unless prompt relief is afforded this industry.

It is thought by some that these mills will be transported to the South. No; they are going to Argentina and other South American countries.

Now, I want to make a few remarks on the Japanese situation, into which, the gentleman from North Carolina stated yesterday, the President was looking in connection with these other problems. I rejoice that we can now go before such a committee, but let us hope that the investigation will not stretch into weeks and then end by holding an autopsy.

We want action and we want it now. It would seem that our Secretary of State and our administration do not wish to take the same measures against Japan that Great Britain and certain other nations are taking. I call your attention to the following:

QUOTATIONS FROM CAPT. DUDLEY W. KNOX, RETIRED, UNITED STATES NAVY, "JAPAN'S DRIVE FOR WORLD TRADE"

Strong opposition to the new commercial menace, stalking out of the Far East, must continue indefinitely from its very gravity. Already Japan has practically driven western competitors out of the Chinese market for manufactured goods, and has made remarkable gains at the expense of trade rivals in other parts of the world also. In the year 1932 the volume of her exports increased approximately as follows: To Asia, 60 percent; Europe, 30 percent; North America, 28 percent; Central and South America, 220 percent; Africa, 95 percent; and Oceania, 75 percent.

There seems to be no prospect of a let-up because Japanese production costs and selling prices are extremely low; their nearby sources of raw materials are ample; their industrialization is modern and on a quantity-production basis; they have their own shipping to take goods to market cheaper than is possible by other nationalities, and their Government not only encourages and freely subsidizes all forms of industry on a large scale but also manipulates national currency as necessary to take full advantage of this important factor in international business.

The ability of western nations to meet the competition is still further hampered by the Japanese practice of organizing their foreign commerce into vast and highly integrated trusts, which in effect are backed by the Government. A single group, such as the Mitsui interests, for example, may finance, control, and coordinate every phase of the cotton-goods industry. Their own buyers will purchase raw cotton in Texas, let us say. Their own ships will deliver the cotton to their own wharves and warehouses at a Japanese port. Other subsidiaries will haul it to the factory, manufacture it into cloth, transport it again by land and sea to many foreign markets, and there sell it. All will be financed by their own bank and insured by their own insurance company.

At the moment Britain is about to restrict Japanese imports into the home country and her colonies by means of tariffs, quotas, or embargoes. In this the cooperation of the Dominions is to be sought and doubtless to a large extent will be realized. The move promises to be successful in cutting off a large proportion of the existing Japanese foreign trade, while at the same time it offers little opportunity for retaliation because Japan normally buys so little from England or the Empire. The principal exception to this is Australian wool, which Japan imports in large quantities, and the prospect of losing this wool market may well operate to keep Australia from giving Britain support in the trade war.

I urge you to read the following in regard to the harassing effect on our mills produced by the collection of refunds:

No provision can be found protecting processors (mills) or owners of fabric against irreparable loss in case the tax is suspended or reduced, but only in case the tax is wholly terminated. The possibilities of this thing make it imperative for Senators and Congressmen who are active in this matter to see what they are doing. It is satisfactory to urge action looking toward the termination of the tax, but to work for suspension or reduction of the tax will do more harm than good—will create chaotic merchandising, conditions the likes of which have never been experienced in the cotton-goods industry. In the hands of mills (producers or processors) and in the hands of merchants, wholesalers, retailers, and bag men are hundreds of millions of yards of cotton fabrics all carrying anywhere from 4.5 to 5.5 cents per pound tax (4.2 cents "upped" by the amount of waste in conversion from lint cotton to fabric), and all of whom paid millions to the Government in floor-stock taxes. None of this is returnable unless the tax is wholly terminated. If it is reduced, no proportional amount equal to the reduction is returnable to owners of fabric. And yet, at the first instant that a proclamation suspending or reducing the tax went into effect, millions of pounds of fabric would have to be marked down and sold or invoiced at lower prices equal to the amount that the tax was lowered or suspended. Many mills with large stocks of cloth on hand, produced in anticipation of demand which has not materialized as yet, and produced for stock to keep working forces intact and labor occupied, would be bankrupt or their capital structures seriously impaired by their losses. The only parties who could escape serious losses through a suspension or reduction in the tax are those mills which have no stocks on hand, which is the rare condition to be found. Even when the tax is wholly terminated, in which case claims for refund of floor stocks are in order, a firm will probably have to wait a year or more for its money from the Treasury Department. This wait alone will impair the capital of many mills.

If you want to know what happens when the tax is suspended or refunded, refer to Secretary Wallace's proclamation of June 1934, suspending tax on certain large-size bags and the compensatory taxes on paper and jute. The latter went off immediately the proclamation became effective, since the tax was levied at the time paper and jute were converted into bags. However, the tax which was supposed to be suspended when cotton cloth was converted into bags goes right on. This is because the tax was collected when raw cotton was converted into fabric. The tax is imbedded in the price of the fabric. To get it back the firm has to file a claim for refund. It was months (along about October or November 1934) before the Treasury Department got out the necessary forms and regulations to file claim for refund, and to date only a relatively few thousand dollars has been refunded, although perfected claims are running into hundreds of thousands at tremendous cost to the mills. The effect of the proclamation, instead of helping cotton and cotton fabrics, has been just the opposite. It has hurt cotton. Why? Because the compensatory taxes on paper and jute ceased last June, but the tax on cotton, though refundable, goes right on, throwing the prices of these competing staples more out of line than before. Of what avail if consumers wait for, not months, but what looks like years, to get their refunds, to which they are entitled?

Despite the law and the amendment which covers the matter of rebate of floor-stock tax when, and if, the tax is terminated, sus-

pended or reduced, it can be seen what this one uncertainty is doing to the industry. It is a nightmare and unquestionably is slowing down trade. The desire is to be as clear of stocks as possible when the tax goes off.

Is the Treasury Department going to require an affidavit of tax payment to support every item in a floor-stock inventory? This requirement alone has slowed down refunds to manufacturers from 6 months to 1 year in acting under Wallace's proclamation of June 12, 1934. If they are going to require such an affidavit, thousands of wholesalers, retailers, and converters will be cheated out of the refund they are legally entitled to, because they will be unable to comply, the fabrics having lost their identity; for example, a single carload of cotton fabric going to a manufacturer or to a wholesaler may be split into hundreds of smaller shipments, going to retailers or in some other disposition.

Even though the tax may not be suspended or reduced, the uncertainty is ever present; and a clear-cut outline by Wallace and the Treasury Department as to how they intend to handle this situation when it does arise will ease the minds of thousands of buyers all over the country and give them the assurance they want, so they can go ahead and buy and stock goods in the normal course instead of running stocks down to nothing. Of course, it backs up on the mills. They are holding the bag, and when normal distribution is disrupted their stocks pile up and the mill closes.

The gentleman from North Carolina [Mr. WARREN] said yesterday that the processing tax had no effect whatever on imports or exports. Think of that for a foolish statement. Every added cost to the manufactured article serves, of course, to prevent our competing with the foreigner selling his goods here or abroad. As far as Japan is concerned the situation is more startling. At the moment, Great Britain is about to restrict Japanese imports into her home country, and she is going to ask Australia to join her, even although Japan buys a great deal of wool from Australia. In the United States today there are 37,000,000 spindles, but 4,000,000 are idle. Japan has 9,000,000 spindles and exports 2,000,000,000 yards. The United States has 30,000,000 spindles and exports only one-fifth of a billion or 200,000,000 yards. And Japan is going into South America, from which we buy a great deal, and she has captured our markets, has captured the British markets, and is now insisting on a parity in naval strength to protect those markets in which she has achieved such astounding success. The Japanese matter is more serious than the gentleman would like us to believe. Just the so-called "little amount" that is now being exported to this country has a most depressing effect on prices. It affects the entire price structure. Your wife or mine will buy a Japanese article for 50 cents, and their neighbor will shop a long time before she will pay double for a similar article. It is not alone in the textile field that Japan is troubling us and this problem of her imports to us should be met courageously. While it is true that we sell her much raw cotton, we well understand the bargaining which she is carrying on today in procuring raw cotton from other countries. We know that in India she has even captured the home market, and in order to do that she must have bargained, or made concessions. We know something about what can be done by way of tricky performances in the matter of monetary exchange.

Mr. Chairman, I shall not much longer inflict my voice upon the Committee, but shall extend my remarks in the RECORD.

Mr. SEARS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. No. I am like the gentleman from North Carolina [Mr. WARREN]. The only successful method is apparently not to have a speech punctured and challenged during the making. I have always yielded, and I have always welcomed interruptions, but on this occasion I must refuse. In closing, do I have to apologize for or defend New England—New England which has given so much to the entire country, not only men of the pioneer type but of her wealth, taking great risks to build up your various industries all over this country? She has paid enormous taxes by comparison with most other States. You know that men of thrift and industry live there. Our people have always worked and saved. They have not had other people to wait upon them. They have not had cheap labor. The young men in our section were not brought up to go hunting and fishing all the time, and to be gentlemen to be waited upon. Our whalers went to the farthest corners of the earth and made a little money, and when that industry ended they were willing to experiment and invest in the textile industry. In those days how happy the South was that New England did it! New England has given over much to our country, and in spite of Secretary Wallace's sarcasm, she is not now whining. I do hope that we from New England are able to state her case properly. I do not wish to be political or partisan in these matters, but you gentlemen on the other side well know that in speaking from the floor we sometimes indulge in remarks rather taunting the other side. Yesterday the speech of the gentleman from North Carolina [Mr. WARREN] was carefully prepared and skillfully read. Seemingly it met with the approbation of a great political party, but to me it gave evidence of too much satisfaction over the thought that New England's mills could not compete with the conditions existing in other parts of the country. So I have now taken my turn to rise here to plead and to protest with all the power I possess, to the end that greatly needed relief may be afforded to this great but stricken industry, whether located in the North or in the South. [Applause.]

Mr. CARY. Mr. Chairman, I yield 30 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. PARSONS. Mr. Chairman, will the gentleman from Virginia yield?

Mr. WOODRUM. Mr. Chairman, the gentleman from Illinois has a statement of a minute or two to make, and I am glad to yield to him.

Mr. PARSONS. Mr. Chairman, we have often heard it said that no news is good news; but the best news that we have had in a long time—in fact, for the last 2 years—was in the morning's paper, when we read that Frank Walker is to be named by the President to handle the moneys and allotments as a kind of clearing house under the public-works bill. Mr. Walker, from Montana and New York, is one of the most astute business men in the United States. The President, the administration, and the country are to be congratulated on the appointment of Mr. Walker to make a clearing house in the allocation of these funds.

I congratulate the President, and I think the membership on this side of the aisle and the membership on the other side of the aisle will agree that the President has made one of the most wonderful appointments at this time that he has made since he came into power. [Applause.]

I thank the gentleman from Virginia for allowing me this moment.

Mr. WOODRUM. Mr. Chairman, I ask that I be notified when I have consumed 25 minutes.

Mr. Chairman, after persistence, I have finally been able, as the gentleman from Massachusetts just said, to have the honor of making a few remarks to my colleagues in the House. I had rather hoped that 12 years of service in the House, under circumstances which I thought were courteous and friendly to opponents as well as Members of my own party, might have entitled me to the kindly consideration of the gentlemen of the minority; but, exercising the privilege they had, they objected to my speaking in the House, and I am very glad to speak in the committee. I excuse the gentlemen, though. I do not hold it against them. I rather sympathize with them, for I have noticed of late with considerable apprehension some very alarming symptoms manifesting themselves in the conduct and in the antics of the Kentucky colonel from New York [Mr. SNELL] and the distinguished and amiable rear admiral from Massachusetts [Mr. MARTIN]. I do not believe it is a serious malady, however. I think I have diagnosed it. In fact, when I was a little kid I often used to have that same trouble, especially when I had stolen out and partaken a little too freely of green apples. I recommend to the gentlemen the same dose that my mother gave me, Jamaica ginger and castor oil. That will make you feel better. [Laughter and applause.]

Now, Mr. Chairman, on the 6th day of April the distinguished Senator from Iowa [Mr. DICKINSON] a former colleague in the House, a personal friend and a most amiable gentleman, went down to the city of Roanoke in my State, in my home city, and appeared before a most delightful and cultured audience, and there delivered what many people believe was his keynote address in his campaign for the Republican nomination for President in 1936. He chose as the

subject of his address the phrase that "The old Democratic donkey ain't what it used to be."

I rise now for the purpose of saying that to the extent of the title of his address we are in perfect accord, because in truth and in fact the old Democratic donkey "ain't what it used to be." It used to be the emblem of defeat and minority. Today it is the insignia of victory and progress. No more is it the stupid, slow-moving, long-eared beast of burden, noted principally for its ability to kick and emit jackassical brays, but in this new day, with undaunted courage, with steadfast determination, it bears upon its broad back the burdens of a stricken people; and it marches on, surely if slowly, to the day of deliverance when in this land of political liberty there shall also be economic freedom and social justice.

This new Democratic donkey is emblematic of a new thought, a new era, a new party, a new order. It has seen and caught the inspiration from the dawning light of a new era and is answering the call to duty of a new social and economic order.

Forward is the watchword. Domestic tranquility and national security is its objective. It typefies a new party, a rejuvenated party, an inspired party, a party that dares, if you please, to destroy so-called "ancient landmarks" when those ancient landmarks are but tombstones of a social and economic order that have brought only disappointment and despair. We are living in a world of rapid changes. It is a far cry, my colleagues, back to the day of Thomas Jefferson and Alexander Hamilton. Economic social conditions are different. The problems of government and the necessity for government are different. The people are different. It is a different world. Swiftly the moving hand of progress has left its impress upon the social and economic life of our country. The patriot fathers who labored so well to lay the foundations of this Government could not have imagined in their moments of wildest speculation a social and economic order such as we face today.

Those fundamentals have not changed. Thomas Jefferson, the patriot saint of the Democratic Party, fought for the rights of the masses of the people. He laid down the gage of battle to those who denied to every man an equality of opportunity. He fought that battle upon the terms, on the issues, and with the implements of warfare at hand in his day. The battle still rages. The fundamental principles involved are still here. The objective is the same, though the implements of warfare and the ethics of conflict have changed.

It is very strange to me that there are many highly patriotic citizens today who will concede that it is highly desirable that there should be revolutionizing changes in the social and economic order, yet will not agree that there can be any departure from the old precepts of government. In their way of thinking there can be no virtue in anything new. To their minds, a principle of government must be hoary with age in order to be dependable and virtuous. These very delightful and estimable citizens, politically speaking, are still living in the days of hoop skirts and bustles. The wheels of progress have passed on and left them behind. They cannot find it in their hearts to accept the new order. What is this new order? Is it really a departure from the fundamentals of government as our forefathers conceived them? I do not think it is. I think it is a determination on the part of the present leadership of our Nation to meet fairly and squarely facts and issues that exist today and apply the necessary remedies in the present emergency and to endeavor, if possible, to build safeguards for the future.

In his address at Roanoke, the distinguished Senator laid great stress in quoting from the Democratic platform and from the campaign utterances of the President, particularly as it related to the promise to curtail expenses of government. The speaker made the most of this. He held the President personally responsible for everything. In fact, I am not so sure that he did not, at least to his own satisfaction, prove that the Democrats were responsible for the depression. What candidate Roosevelt said or what candidate Hoover said does not interest the American people today nearly so much as what President Roosevelt is trying to accomplish. It is interesting, however, if we are going to dig back into the past and measure actions by words to apply the rule to both of the candidates. At the particular moment, I am reminded of a very eloquent and impassioned deliverance made by Mr. Hoover on August 11, 1928, at Palo Alto, Calif., when he accepted the Republican nomination for President in a memorable campaign in which he was so overwhelmingly elected. Here is what candidate Hoover said:

> Unemployment in the sense of distress is widely disappearing. * * * We, in America today, are nearer the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but given a chance to go forward with the policies of the last 8 years we shall soon, with the help of God, be in sight of the day when poverty will be banished from this Nation. There is no guarantee against poverty equal to a job for every man. That is the primary purpose of the economic policies we advocate.

I do not have the time nor is it necessary to remind you what happened. Mr. Hoover was elected overwhelmingly. Undoubtedly he went forward with the policies of the preceding 8 years. You know the result.

Another prophet has just appeared in the political horizon in the form of Mr. Roger W. Babson, a great economist. Just a few days ago in an address in New York he advocated giving to United States Senators full salaries for life. In characteristic fashion he condemned everything that is happening, warned us that revolution was impending, and in true Babsonian fashion called down the wrath of the universe upon the Democratic Party. The vaporings of this great Republican economist are not very impressive, however, when we remember some of his previous prognostications. This gentleman also made some prophecies in 1928. In an address to the National Business Congress at Wellesley Hills, Mass., he made the following statement:

> If Smith should be elected with a Democratic Congress we are almost certain to have a resulting business depression in 1929. * * * The election of Hoover and a Republican Congress should result in continued prosperity for 1929.

Again on December 26, 1930, in one of his syndicated interviews, he made the following prophecy:

> In a big way 1931 can be described as a year of opportunities. In 1929 we were living in a palace with a powder mine in the cellar. In 1931 we may feel sure that we are living in a poorhouse with a gold mine in the cellar.

And again on May 9, 1931, the following:

> Statistics show clearly that business reached its low point in December of last year. Since then there has been a steady but constant improvement. Everything indicates that general business has turned the corner. * * * I go further and say that 1931 should offer the greatest opportunities of any year for generations.

His present apprehensions will be treated just about as seriously by the American people as they were in those other days.

As a Democrat, I am interested in party success, but first of all I am interested in the welfare of my country. I sincerely believe that the American people made no mistake when they called to national leadership Franklin D. Roosevelt. I believe I voice the sentiments of an overwhelming majority of the American people when I say they still have confidence in his high sincerity of purpose and his devout determination to serve his country in a great tragic hour. I do not object to strong opposition to the present policies of the administration. The very safety of our country demands that we have perfect freedom of speech, and that we be not afraid to speak our sentiments. It is wholesome for the country to have a strong minority viewpoint, and one of the tragedies of the present moment is that our good friends in the opposition party, while loud in their criticism, have no leadership, no plan, and nothing whatever to offer in the place of what the President is trying to do. Before the country will take our Republican friends seriously, there is one inquiry which I believe they will have to answer, and that is this: If you know so well now what is the matter

with the country and what ought to be done to straighten it out, then why did you not during those 12 years, in which you had complete control of the Government, at least prevent the happening of this great catastrophe? Why do you not tell us how the hungry, the destitute, and the aged may be cared for if the present plan is not the proper way? Why do you not tell us how to relieve unemployment and put these millions of men back to work if the President's plan is not a good one? I know what your answer would be. You will talk about a balanced Federal Budget and a return of confidence. All of this is devoutly to be desired, but talk of a balanced Budget and theories of government and constitutional limitations will not meet the very practical problems with which the President is wrestling.

I do not mean to say that errors have not been made. More often than not, however, they have been errors of administration rather than inherent defects in the plan of operation. We have sought to profit by those errors. The present administration has not hesitated to change its course of action when such a change seemed necessary or desirable to carry out the objective. We Democrats do not deny that we are human and that we make mistakes. It is only our friends, the Republicans, who are perfect and who are all-wise. How happy, however, we are today that under the wise and courageous leadership of our President we move forward. In these strenuous times the President deserves to have, certainly from the members of his own party, their cordial and sympathetic support and good wishes. [Applause.]

Mr. Chairman, time does not permit any lengthy or detailed description of the various relief measures put into operation by the administration. May I say at the outset that, speaking entirely for myself, I have viewed with some considerable disappointment and apprehension the operation of some of these measures? I voted for them, however, feeling that the emergency justified some degree of experimentation and with complete confidence in the good judgment of the President to profit by experience and to correct errors wherever they might appear. The administration has not claimed, nor do I claim, perfection for all of these efforts; but I do claim that the President has made and is making an honest and a courageous effort to meet the situation as it has developed and that he is entitled to the support of the country, and especially is he entitled to the good wishes and the sympathetic cooperation of the members of his own party.

The President and his administration face today probably the most unique situation that has ever developed in the history of our country. The shafts of sharp criticism and bitter arraignment are leveled at him by his political opponents. Certain groups and elements of so-called "big business" are now bitterly resenting what they term "too much Government interference", notwithstanding the fact that a short time ago when they were flat, they were very anxious and willing to have Government assistance. In addition, there are distinguished and highly patriotic members of his own party who are most unhappy over the trend of events. Against this array, the President has to contend on the other side wtih those vociferous elements who are willing to take advantage of the unsettled condition of affairs and who would fan into a red flame the passions and emotions of our people by holding up before them all sorts of fantastic and visionary schemes. These various elements are opposing the President and his policies but for widely different and separated motives. They meet, however, upon one common ground. That is, in many instances they make the task of recovery forces much more difficult. One group opposes him because he is too radical, another group because he is too conservative. There is, though, I do believe over and above these particular groups an overwhelming sentiment in this country today that has unbounded confidence in the integrity, the high purpose, and the ability of our President to succeed. [Applause.] It might be possible to destroy this administration and its policies. If that is done, then I ask you, what next? No party, no plan, no leader has yet appeared upon the political horizon who offers the hope of success that we may find in our Chief Executive. There is only one figure on the political horizon today around which there is any earthly hope of building permanent recovery. That is Franklin D. Roosevelt.

The N. R. A. has been the target of bitter denunciation in many quarters. There are others who tell us it has done good. Undoubtedly, there is a happy medium that should be struck, and an effort should be made to salvage and save its beneficial qualities and to throw into the discard those policies and operations which have had only the effect of annoying and pestering the average small business man.

AGRICULTURE

Every responsible statistical statement that can be found shows that for the first time in a decade agriculture shows signs of recuperating. The policies of the administration with reference to agriculture have also been the subject of severe criticism, and some of it has no doubt been merited, but undoubtedly the President and his advisors will have the discernment and the good judgment to know what part of this program has been beneficial and what part detrimental.

Farm cash income from marketings of crops and livestock in the entire United States was $4,328,000,000 in 1932, $4,889,000,000 in 1933, and $5,534,000,000 in 1934.

In addition to this income from marketings, farmers participating in A. A. A. commodity-control programs received cash income in the form of benefit and rental payments of $161,734,000 in 1933 and $555,782,000 in 1934. Total farm cash income for 1934 was thus $6,090,000,000, as contrasted to $4,328,000,000 in 1932.

In the State of Virginia farm cash income rose from $61,000,000 in 1932 to $100,000,000 in 1934, a gain of 64 percent.

Figures by commodities for 1934 are not yet available, but the difference even between the 1932 and the 1933 income from certain of the most important crops in Virginia is a striking one.

The 1932 Virginia production of tobacco was worth $4,744,000; the 1933 production, $12,416,000. The 1932 Virginia production of potatoes was worth $4,237,000; the 1933 production, $6,429,000. The 1932 Virginia production of apples was worth $4,065,000; the 1933 production, $5,192,000. The total value of crops produced in Virginia in 1932 was $29,454,000; the total value of the 1933 production was $46,191,000, plus $782,000 of rental and benefit payments on wheat and cotton adjustment contracts.

These changes in farm income are reflected in the decline in farmer bankruptcies for the entire United States from 5,917 in 1933 to 4,716 in 1934, a decline of 20 percent.

The extent to which increased farm purchasing power made it possible for farmers to buy the city-made goods that they need in order to operate their farm as a business and their farm as a home appears in the figures for sales of the great mail-order houses. The monthly average sales of these firms, whose customers are largely in rural areas, were $38,345,000 in 1932, $39,775,000 in 1933, $49,640,000 in 1934.

New automobile registrations tell a similar story. In 1932, 1,277,000 new cars were registered in the United States. In 1933, 1,740,000; in 1934, 2,292,000. In Virginia the figures were 25,000 in 1932 and 40,000 in 1934, an increase of 60 percent.

The importance of the farm market is shown by the increase of advertising lineage in farm journals in 1934, as compared with 1933. The change was, in the East, 30 percent; in the Middle West, 29 percent; in the Southwest, 56 percent; in the Far West, 32 percent.

The revival of farm purchasing power has been a boon to the cities as well as the farms. A study recently made by the Agricultural Adjustment Administration of car-lot shipments over four railroads from the industrial States of the Northeast to the agricultural States of the Southeast shows that shipments during the 12 months ending July 1, 1934, were 38.8 percent greater than shipments in the preceding 12 months. That is to say, in the year following the inauguration of the A. A. A. cotton and tobacco-control programs, car-lot shipments of industrial commodities increased by 816,302,238 pounds.

These are a few of the figures which show what has happened to agriculture during the first 2 years of the new deal as contrasted to the last year of the "old deal." They show the extent to which the farmer is working back to his rightful place as a member of the American economic community, and they indicate to what extent the cities have benefited from his doing so.

FARM CREDIT ADMINISTRATION

By refinancing farmers' debts on a sound basis the Farm Credit Administration has helped to stop the tide of foreclosures, which 2 years ago were piling up in practically every farming community in the country. The heavy burden of farm-mortgage indebtedness has been lightened and at the same time, in addition to refinancing farm mortgages, a complete system of credit for the farmer, including short-term loans as well as long-term mortgage loans, has been set up and placed in operation.

Here are the total figures: Over $2,600,000,000 has been loaned to farmers and farmers' cooperative organizations during the past 2 years. Of this total approximately $1,615-,000,000 represented farm-mortgage loans, $780,000,000 short-term production credit, and $205,000,000 has been loaned to farmers' cooperative marketing and purchasing organizations.

Over 450,000 farmers have obtained long-term mortgage loans to refinance their debts. In short, more farmers have gotten the benefits of long-term land bank and land bank commissioner loans during the past 2 years than the number who had loans in May 1933, after 17 years of operation of the Federal land banks. These farmers, thousands of whom have been saved from foreclosure, pay a lower rate of interest on these loans than they did on their old debts. The loans are made for long periods up to thirty-odd years, repayable in small annual or semiannual installments. The loans are based on normal values, giving the farmer a chance to work out of debt.

In addition to helping thousands of farmers save their homes and farms, the Farm Credit Administration has relieved the credit situation in other ways. Commercial banks, for instance, have received almost $400,000,000 in liquidation of mortgages and notes owed by farmers who have been refinanced. Thousands of creditors to whom farmers owed money have strengthened their financial position through liquidation of mortgages, notes, and charge accounts. Over 3 percent of the money loaned by the land banks and the commissioner has been used to pay State and county taxes owed by farmers.

Under the Farm Credit Administration for the first time in our history a complete system for making short-term loans has been set up. Today farmers in every section are within comparatively short distance of a local production credit association which makes short-term loans suited to the farmers' needs. Altogether there are over 560 of these associations providing a permanent source of production credit. By means of these cooperative organizations a farmer can use his crops and chattels as bankable assets for short-term money. These associations are now in the midst of the spring financing season and their services to farmers are rapidly increasing. Since January 1 over 100,000 farmers have obtained loans to finance this season's crops and livestock.

The Farm Credit Administration has also established a system of 13 banks for cooperatives—a central bank in Washington and 12 district banks. These institutions provide a needed source of credit for farmers' associations which market farm products and purchase farm supplies cooperatively.

The Federal land banks, the production credit associations, and the banks for cooperatives are all cooperative institutions. Every farmer or farmers' organization which obtains credit takes a share in the cooperative financing business. In this way a farmer-owner and farmer-controlled credit system is being built up.

Although the permanent institutions under the Farm Credit Administration have been capitalized entirely or in part by Government funds, the major portion of their loans is obtained through the sale of securities to the investing public.

F. E. R. A.

The Federal Emergency Relief Administration under Harry L. Hopkins has provided $2,315,610,317 worth of relief to the needy and destitute victims of the depression and drought in the 23 months since its creation by President Roosevelt in May 1933.

When the F. E. R. A. was established, the small amount of relief being extended throughout the country was in many sections on a starvation basis. The F. E. R. A. has raised the standard of relief to amounts more nearly adequate.

It is virtually impossible to overestimate the importance of the change that the F. E. R. A. has wrought in the methods of extending relief. It has succeeded in swinging relief giving throughout the country away from direct relief to a great program of work relief. There are now two and a half million heads of families working for their relief allowances. This has effectively minimized the deterioration of morale among the jobless workers. It has maintained work habits and given to the country a wealth of useful results from the hundreds of thousands of work projects that have been done for public benefit.

It has brought about more adequate relief for the sufferers.

It has encouraged and increased the proportion of work relief, rather than direct relief or the dole.

It has made agreements with the States for a greater State share of participation in paying the costs of relief.

As the unit of Government through which American citizens have expressed their conviction that they are their brothers' keepers under distress, I believe that we can write F. E. R. A.'s functions and activities into the history of this depression as a tremendous job well done. It has handled its duties in an American way. It has fed and clothed and sheltered and provided medical care for the needy. That was what it was created to do; and I believe what I said in the beginning—in handling the more than $2,000,000,000 of relief funds during its 23 months of hard-working life, the F. E. R. A. has provided the country with exactly that much worth of relief.

Eight hundred thousand American homes have been refinanced and saved to their owners because of the financial assistance rendered by the Government under this administration. Many business enterprises have been saved, jobs made secure for workmen, and the wheels of progress kept moving because of financial assistance rendered through the medium of the Reconstruction Finance Corporation. The banks of our country were saved and untold loss prevented by the timely and courageous intervention of the President and his policies. All of this idea of the Government lending money is contrary to our orthodox precepts, but is there a man among us who will have the hardihood to say that it has not been justified?

The President is now in the act of announcing the administration's policies with reference to the work-relief program. The country awaits this pronouncement with keen anticipation. His announced determination to transfer able-bodied men from relief rolls to gainful employment met with a spontaneous response from the National Legislature, as well as from the people. We have given the President a great instrumentality of war against unemployment. It is now up to him.

The vicissitudes of old age and dependency and the hazards of unemployment will be met by the passage ultimately of the President's social-security bill. For the first time in the history of the Nation this vital sociological problem has been courageously acknowledged and met. The bill as passed by the House is not a perfect bill, but again we shall have to profit by our experience and remedy and correct defects as and when they appear. Mr. Speaker, I do not feel disposed to prolong this discussion or encumber the RECORD with a great statement of statistics. Everyone knows conditions are better. We know, however, that the fight is not yet won.

Mr. Chairman, I reiterate, in closing, that the Democratic donkey is not what it used to be, but may I say in all good nature to the distinguished Senator from Iowa that the good old G. O. P. elephant has not changed a bit. It is just exactly what it has always been. If there is any virtue in that, then he is certainly entitled to all of the comfort and consolation that comes with that knowledge. I will admit that its appearance is perhaps not quite so formidable. It is not quite so sleek, and perhaps not so well nourished, as in those other days, but by nature it is just the same. It stands for exactly what it has always stood for. It is emblematic of the same party policies and principles. It still thinks more about a balanced Budget than it does about sufficient diet for hungry people. Its objective is still to protect and to promote special privileges and interests. It is just the same old elephant, representing the same old party, which the people of this country so emphatically repudiated in 1932. It reminds us of Harding, Coolidge, and Hoover.

Recently, in another body, the very charming and lovable Senator from Maryland [Mr. TYDINGS], in the course of a very impassioned discussion of present-day policies, made this very interesting statement:

> I predict that unless we about face and walk back toward sanity, we will rue the day, and that we will realize that silence was not the part of friendship, the part of patriotism, or the way to assist in getting out of the depression.

I can agree with much of the sentiment that prompted this distinguished Democrat to hold out a warning to his party, and to my party, that we are perhaps approaching or passing through the most critical period of our responsibility to the American people; that we shall surely be held accountable for the public trust that has been placed in our hands, and that the time has come for us to proceed with caution and care; but when the Senator tells me to about face, and to walk back toward sanity, then I am unable to follow his logic or reasoning. Where am I going to walk, and where will I find the sanity? Surely he would not have me go back to March 3, 1933? Surely, he does not mean that this sanity will be found in the dark, cloudy days of Harding, or in those beautiful sunlit days of Coolidge, when smug complacency and eloquent silence were mistaken for wisdom. Surely, he would not have me turn back my steps to the fateful days of the Hoover administration, when a succession of economic earthquakes precipitated us into an abyss of despair and hopelessness. Ah, my friends, we do not move backward; we move forward!

Very recently there came from the press of the Macmillan Co. a volume by Mr. Ogden Mills, former Member of the House of Representatives and Secretary of the Treasury under Mr. Hoover. The title of the volume is "What of Tomorrow?" Mr. Mills asks the very interesting question, "Where do we go from here?" The American people may not be able at the moment to definitely and accurately tell him just where we are going. They can, however, give him a pretty accurate description of the tragic excursion into the land of economic disaster from which we are just now emerging. They can also give him the name of the party and its leaders who were our conductors on this pilgrimage.

I do not claim to have prophetic vision or to be able to tear aside the veil that separates the present from the future and to prophecy with accuracy what is going to happen to us. I do not know. I do not know whether permanent recovery is just over the brow of the hill straight ahead or in the far distant future. I do not know whether the road shall take us farther to the left or whether there must be a sharp turn to the right. Of one thing, however, I am definitely and positively sure: That is, that economic solidarity and domestic tranquillity, which are the havens of our refuge, are before and not behind us. There can be no turning back to the old order of things or its discredited leaders. Of that I am sure; and, though I do not know how long the journey may be, nor whither the road shall lead us, yet I do know we are headed in the right direction. [Applause.]

May I say, in conclusion, wth all of the sincere earnestness of which I am capable, that there are many things which have happened and that are happening which are not in full accord with my own ideas. I think this is true of every man in the House. Errors have been made, many of them administrative errors. We try to profit by those errors and change our course when conditions show that we should change it; but today there is no plan, no leader, no idea, no constructive movement in America to take us out of this depression except that which is headed by our administration. [Applause.] I devoutly believe that there is only one man today upon the political horizon in America around which a recovery program could be builded, and that is Franklin D. Roosevelt. [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, the gentleman from Virginia, who just preceded me, one of the Democratic leaders of the House, said he did not know where "we", referring to the Democratic Party, were going, but his intimation was that we were on our way.

There is nothing new nor startling in his statement. Not only the people at large, but the members, the leaders, of his own party have been laboring under the same difficulty, and there is nothing strange in that when we consider the inconsistent policies they originate and follow.

But, even as Republicans, there is no reason why, looking toward the future, even though it be the distant future, we should be pessimistic. Our faith in the people of our country, in their good sense, their honesty, their industry, their thrift, and their patriotism, is such that we may be quite sure that, even the Democratic Party, with all of its unfortunate "noble experiments", its method of governing by the adoption and use, at the expense of the taxpayer, of every fantastic idea, simply because it is something new, will never be able to permanently class us, as a Nation, with the inhabitants of Russia and similar peoples, even though it has traveled far on the road.

As in the days which have passed, those dark days in the history of our country, the spirit of rugged individualism, which you affect to despise, will prove to be the balance wheel, the gyroscope, to keep us on our course, placing us once more in the vanguard of that march toward the goal where liberty is secure and there is justice for all. The history of the Democratic Party as a party shows little, if anything, which has even tended toward the attainment of that end.

The gentleman also said that the Republican Party was the party of special privilege. The charge, if made against the party as a whole, is unfounded. If by it he meant that at times and on occasion special interests had profited while it was in power, the charge is true. Equally true is it that every party, when in power has had those within its ranks, attracted there quite naturally by the opportunity which only a winning party can give, who have sought and obtained for themselves and their friends unjustifiable advantages.

But never before, so far as my recollection serves, has a great national party had as its national committeeman a member of the Cabinet, as a dispenser of Federal patronage. Never before in the history of the Nation has there been a party which granted so many special privileges to so many different classes as has the Democratic Party since the 1932 election.

Cotton farmers, the hog and corn raisers and growers, the tobacco farmers, and class after class have been granted special inducements, ostensibly to benefit the business in which the particular group was engaged or relieve the handicap from which it was suffering, but used, practically and effectively, for the purchase of votes.

If there is anyone that you have missed in your attempts to purchase votes, to buy elections, except, of course, the veterans in their application for the bonus, memory fails me.

Oh, the gentleman was right when he said, referring to the donkey as the party emblem, "She ain't what she used to be." We agree with you. We know, as do you, that in the olden days the Democratic Party was a party of principle.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. We know it was a party which came out, in its party platform, for something, made a declaration of principles, during the campaign fought for those principles, and, after the election was over, made an honest, earnest endeavor to put them into effect. It was a party which came out on the floor of the House here and advocated a single measure at a time and fought for that measure on its merits. It was a party of which anyone might be proud to be a member, for it at least had sincerity of conviction and honesty of purpose.

No; you are right. The Democratic Party "ain't what she used to be." You put out a platform in 1932 which contained a statement of sound, progressive principles, which appealed to all true Americans. Subsequent actions indicate that some, at least, never intended it as a declaration of principles, but merely as a bid for votes. Your candidates went up and down the country promising fulfillment of your party platform. Your candidate for the Presidency promised the people, in return for their votes, a balancing of the Budget, a lessening of governmental expenses, freedom from interference of bureaucrats, a sound currency, and, through his spokesmen, no inflation.

Sound money? We all knew what that meant. It meant the payment of the Government's obligations in the manner specified on the Government's currency and in the Government's bonds. But, after hundreds of millions of new promises had been issued, promises to pay in gold, within a few short months those promises were solemnly repudiated.

"She ain't what she used to be!" Right you are. It "used to be" that honesty was the best policy; it was the best policy in private life; it was never dreamed that a government could, or would, even think of anything else. But you, as a party, after so bitterly and scornfully condemning the nations of Europe which repudiated their war debts, have adopted the Kaiser's thought that a government's promise is only "a scrap of paper." You have deliberately, by almost a unanimous vote, under the guise of "an emergency", betrayed your own people, taken from them the gold which they owned, and now brag of the "profit" so made at their expense. You have increased the Nation's book wealth by taking the property of the individual, represented by the gold which he lawfully held, until you made of such holding a crime.

While the books of every State contain laws making it a criminal offense to hold out an inducement to obtain a vote or to influence voters, before the last election you caused to be spent, did you not, hundreds of thousands of dollars, the very purpose of which was to return members of your party to power? Today your party leaders are telling the States that if they wish to share in the distribution of Federal funds, to obtain the benefit of money appropriated for the relief of suffering humanity, they must mold their legislation in accordance with your pattern.

Now, as you bring in bills, is it not true that many of them are drafted with their vote-catching possibilities in view? Is not every one of them a bid for more votes?

The gentleman said, "We are marching on", and in substance he added, "But I do not know to where." Sure, you are marching on. And, if you have your way, you are marching on to inflation, to national bankruptcy, are you not? And, perhaps, national bankruptcy will clear the air, and then once more we can settle down to that principle which your President declared to be absolutely necessary—the balancing of the Budget and the living, nationally, within our income.

If you wish to know something about your party, never mind listening to what Republicans say. They doubtless are prejudiced, ill-advised, or misinformed. But go over to the other side—go over to the Senate and give ear to CARTER GLASS, to Senator TYDINGS, to Senator BAILEY, Democrats all, patriotic, each placing country before party, each pleading with you to return to sanity. Read what former Governor Ritchie, Al Smith, the present Governor of Georgia—yes, or the gentleman from Georgia sitting here in the House [Mr. COX]—what any of these gentleman has to say of your own shortcomings.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Connecticut?

Mr. HOFFMAN. I heard him, Mr. Chairman. No, thank you. [Laughter.]

The CHAIRMAN. The gentleman declines to yield.

Mr. HOFFMAN. Every time you come in here with a bill, what is its purpose? What is it? Do you bring in a bill for one particular thing, for one proposition? Take this last social-security bill you brought in—a little of good, but that little of good all wrapped up with a whole lot of other things, giving to the administration at the other end of the Avenue more authority, more power, all looking toward one purpose—the placing of legislative authority in the hands of the executive department, an increase in the power of the National Government, an attempt to batter down and make subservient the governments of the States, every move a step toward dictatorial power in one man's hands. Almost five billions for one man to spend. You know what it means. Answer to your conscience.

This you all know to be true. Member after Member on that side, as on our own, said of this legislation, "I do not like it; I do not believe in it; I do not want to vote for it." And then, when it came to a vote, all but a lonely 33 swallowed the mess and voted for it. [Laughter.] You took it, yes, rubber-stamp boys. Is it not too bad? Am I not right?

Mr. DUNN of Mississippi. No.

Mr. HOFFMAN. You will not even acknowledge it.

Mr. DUNN of Mississippi. Certainly not.

Mr. HOFFMAN. You take orders always and follow what comes down here from the other end of the Avenue.

The gentleman from Virginia further said that it was the Republican position that there is no virtue in anything new. The Democratic position is that there is no virtue in anything old—honesty, work, thrift, saving for old age, and living within one's income—wipe it all out; it is old, therefore of no value. That seems to be your thought.

Your idea is, if a man has a dollar, take it away from him and give it to someone else. That is your policy, and has been ever since the beginning of the session and during the last session, too—a pale pink version of HUEY LONG'S scheme of sharing the wealth.

And this is a strange thing—with cotton mills in North and South closing because of the laws which you have passed, with the textile industries on the verge of a complete collapse, yesterday a gentleman stood up here and told us about the benefits of the triple A, forgetting evidently that Secretary Wallace not so very long ago said that the triple A was only "a political expediency." What hypocrisy! Something announced as a great new principle, a part of the magic new deal, something to help the "underprivileged" to lead "the more abundant life", and then, after it had been tried and found to be a failure, the gentleman who wet-nurses it tells us that, after all, it was only "a political expediency"—a frank, if a breath-taking, confession.

"She ain't what she used to be"—the old Democratic mule—I'll say "she ain't." She used to be honest; she used to be sincere and honorable; she used to fight her battles for the things she wanted, for the things she believed in, but today she eats the feed that is brought down to her from the other end of the Avenue and she likes it. [Laughter and applause.]

Mr. McLEOD. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman and Members of the Committee. I regret that I did not hear all of the able speech of the gentleman from Virginia [Mr. WOODRUM]. I think it is perfectly proper that a defense should be made of the administration on the floor of the House of Representatives. I know of no better or more proper place to discuss the issues before the country or of an abler spokesman for the

new-deal policies. I am not here to criticize him, and there is no reason in the world why the gentleman should not take the floor and make a partisan speech. That is his right, and there ought to be more of them so that we can analyze the issues and know what the Democrats believe are the issues, what you take pride in, and what you claim you have accomplished for the best interests and welfare of the American people.

So far on this side we have been unable to find out what you have done to restore confidence and put American wage earners back to work, or even what you claim you have done. With statements of the kind just made we can join issue.

I did not hear the entire speech of the gentleman from Virginia, but I understand he attacked a Republican Senator who made a speech recently at Roanoke, Va., I assume a partisan speech, upholding the Republicans and criticizing the new-deal administration. Of course, that was his right. Senator DICKINSON, of Iowa, had a right to go to Roanoke, as I am going to Woodstock, Va., tomorrow night. I expect that I shall make a partisan speech and that I will point out the failures, the break-downs, and the broken promises of this administration.

But let me point out that it is not the Republicans who are criticizing the administration in the severest manner and in the bitterest terms. What about the two United States Senators from the State of Virginia, from the very State that the gentleman comes from—who have repeatedly denounced the A. A. A. and the N. R. A. They attacked them more vigorously and far more bitterly than any Republican has ever dared to denounce them.

I refer to the radio speech a few nights ago by Senator BYRD against the A. A. A. and the recent speech of Senator GLASS against the N. R. A. There seems to be some difference of opinion between the gentlemen from Virginia who made the laudatory speech today and his own two Senators from Virginia. It seems to me as if there was a conflict between them on the accomplishments of the administration and to what the real issues are.

And that is not all. The gentleman referred to the distinguished Senator from Maryland, Senator TYDINGS. He has at least the courage of his convictions as to the N. R. A. and the A. A. A., and stated within the last week that they were the greatest monstrosities ever imposed upon the American people.

Governor Talmadge, Governor of the great State of Georgia, almost the adopted State of the President, issued a statement only yesterday that it would be the greatest calamity to the country if the President is renominated by the Democratic Party. I will not refer to Senator LONG, for he has a habit of speaking for himself. We could answer every argument presented here by the gentleman from Virginia [Mr. WOODRUM] out of the mouths of prominent Democrats, and yet he spent most of his speech on a partisan denunciation of the Republican Party as having been responsible for these attacks upon the administration. Let me say as one Republican, and I think speaking for all, that we have no apology to offer for opposing the administration's new-deal policies where they failed, for exposing them, for criticizing them, and for condemning them. We believe it is not only our right but our duty to show to the American people the failure and break-down of these unsound, unworkable, and socialistic policies.

For 2 years we have been in the midst of Government by propaganda and ballyhoo, with hundreds of paid publicity agents, paid out of the Treasury of the United States, getting out news every hour of the day, making up news in defense of the new-deal administration, and getting it over the radio to the people back home, swamping them with misinformation and propaganda and trying to make them believe that Roosevelt and recovery are synonymous. And what do we find? We find a million and a half more unemployed today than there were a year ago, we find the breakdown of both the A. A. A. and the N. R. A. We find the people are impoverished, we find destruction of business confidence, and no consistent economic policy except to pile debt upon debt and borrow billions, more billions, and still more billions without regard to the day of reckoning and of the inevitable inflation, chaos, ruin, and bankruptcy. We find that in the North as well as in the South a great industry, the second greatest in the United States, the textile industry, is shouting from the housetops for relief because if the visionary free-trade policies of the Secretary of State, these long-distance economic free-trade policies, are put into effect, the factories of the North and the South will be shut down and millions more will be unemployed. The gentleman from Virginia says that we do not know where we are going. That is apparent, of course, by this time to the American people. No Democrat knows where we are going but they say, "We are not going back." We are not going back to what? To 1926? Does not the gentleman from Virginia know that the main policy of the Democratic Party as enunciated on the floor of this House time after time has been to get back to the price levels of 1926, under the Calvin Coolidge administration? It is about time that the Republicans on this side of the House also changed from the defensive and took up the offensive, because we have nothing to apologize for from 1921 to 1929.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield. My time is limited.

Mr. PARSONS. I will get the gentleman more time.

Mr. MARTIN of Massachusetts. Mr. Chairman, I insist that the gentleman be permitted to proceed in order.

The CHAIRMAN. The gentleman from New York declines to yield.

Mr. PARSONS. I ask the gentleman if he will yield if I get him more time.

Mr. FISH. Yes; if the gentleman will get me some extra time.

Mr. PARSONS. I shall do it.

Mr. FISH. But the gentleman cannot guarantee it, so I cannot yield. Get the time and I will yield.

Mr. MARTIN of Massachusetts. Mr. Chairman, the gentleman is entitled to proceed in order.

The CHAIRMAN. The Chair will preserve the gentleman's right and all other rights. The gentleman engaged in the colloquy voluntarily with the gentleman from Illinois, and the Chair is not responsible for that. The Chair has protected the gentleman.

Mr. FISH. I am not complaining. I will protect my own rights. Between 1921 and 1929 what happened? Under the sound policies of the Republican Party business confidence was restored, American labor was employed, employed at the highest standard of wages and living ever known in this country or in any country in the history of the world. Why? Because of the sound policies of the Republican Party.

Mr. PARSONS. Now will the gentleman yield?

Mr. FISH. Because the Budget was balanced.

Mr. PARSONS. Will the gentleman yield?

Mr. FISH. Get me the extra time and I will yield. Because the Budget was balanced, the national debt reduced, because business men knew what money was worth, and as a result confidence pervaded the land from one end of the country to the other, which put American labor to work, and the Lord knows there is not a thinking man or woman in America today who would not like to go back to the prosperous times of 1926 when American labor was employed and received wages such as were paid at no other time or in no other nation in history. What is lacking today is confidence, without which there can be no employment of labor or business profits.

Mr. PARSONS. Mr. Chairman, will the gentleman yield now?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Illinois.

Mr. FISH. Only if he will get me extra time.

Mr. PARSONS. I will get the gentleman 5 minutes.

Mr. FISH. Very well, I yield.

Mr. PARSONS. The gentleman says that from 1921 to 1929 the people were satisfied. The gentleman has been describing conditions that existed from 1926 to 1929. Will the gentleman tell the House just what happened during

that period and what happened from January 1, 1929, to March 4, 1932?

Mr. FISH. Certainly, I shall be very glad to. For all those years, 1921 to 1929, American labor was employed and the factories were going full blast.

Mr. PARSONS. What about the 10,000,000 people out of employment between 1929 and 1932?

Mr. FISH. I am very glad the gentleman asked that question. I say again to the Members on the Republican side we should change from the defensive to the offensive. Here is what happened.

The Republicans have nothing to apologize for. We gave the people a veritable surplus or overabundance of prosperity between 1921 and 1929. Because of our sound policies we have always been the party of prosperity, and it is beginning to look as if there will be no more prosperity in America until the Republican Party is returned to power. The American people under three Republican administrations, Democrats and Republicans alike, with the money they made under those administrations, became wasteful and extravagant, buying two or three automobiles instead of one, and so on. Not only were they wasteful and extravagant but they speculated and gambled with the money they made under those administrations, to get rich overnight, without any work whatever, from the bank president to the office boy. Was there a Democrat anywhere in the country back in 1929 who cried "Halt!"? Was there anyone who said "We must stop these upward prices"? Not one. The only spokesman of the Democratic Party, the fiscal agent of the Democratic Party, Prof. Irving Fisher, of Yale University, said at the end of 1929, "We have not yet reached the peak. We have entered a new era of high prices, which are definitely upward." He was the spokesman, and has been for many years in the past, of the Democratic Party. There was not a soul in 1929 on the Democratic side of this House who cried "Halt!" It was because the American people, Republicans and Democrats alike, who abused the wealth they had made under those administrations, threw it away, gambled and speculated, which made for the enormous inflation that sooner or later, as we look back, had to crash of its own weight. It did not stop at normalcy but went on down into the depths; and when it came, the Republican President in power suggested the only possible remedy.

Mr. PARSONS. Will the gentleman yield now?

Mr. FISH. I do not yield.

Mr. MILLARD. Mr. Chairman, a point of order. The gentleman does not yield.

Mr. PARSONS. I propose to get the gentleman some additional time.

Mr. MARTIN of Massachusetts. Mr. Chairman, let us have order.

The CHAIRMAN. There is no point of order involved. The gentleman from New York has the floor, and he declines to yield.

Mr. PARSONS. The gentleman has promised to yield if I could get him more time. I will be glad to get him additional time.

The CHAIRMAN. The gentleman declines to yield. The gentleman having the floor has control of his own time.

Mr. FISH. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 17 minutes remaining.

Mr. FISH. So the crash came, and the Republican President then in power in the White House, with a Democratic House of Representatives, urged upon the Congress certain sound constructive legislation——

Mr. BULWINKLE. Will the gentleman yield?

Mr. FISH. No. I cannot yield. The gentleman from Virginia [Mr. WOODRUM] did not yield.

Based upon the experience of the past; and practically all those recommendations were thrown out of the window by a Democratic Congress, who, not like the Republican Party in the past, which has always placed the country above partisanship, turned down President Hoover's recommendations. The Republican Party followed Woodrow Wilson throughout the war, right to the end of the war, but when he asked for a Democratic Congress, then that was too much, and we gave him a Republican Congress. We supported this administration at the outset. For the first 3 months practically every Republican on our side voted for the recommendations of this administration, on a temporary emergency basis. But that was not so with the Democratic Congress under the Hoover administration in 1930. They threw out of the window every single sound, constructive measure suggested by him to relieve the unemployment situation except one, and that was the Reconstruction Finance Corporation Act, under which money was to be loaned on sound collateral. The Democrats took that and have used that vehicle to loan $8,000,000,000, and that has done more to stabilize industry, to preserve credit, to save credit from total collapse, to rehabilitate the banks and save the railroads, insurance companies, and business generally than all the panaceas and "brain trust" experiments of the new-deal administration combined. [Applause.]

Now, let the Republicans be fair. This new-deal administration—let us not call it Democratic—came into power on a sound platform pledged to reduce by 25 percent the running expenditures of the Government, to preserve sound money at all hazards, to stop borrowing and to stop deficits, to reduce the number of commissions, and lastly to balance the Budget. Every single one of those planks, I say to you Republicans, could be and should be supported by our party, and I would like to see them in the next Republican platform. If they are in the platform, the Republican Members of Congress will uphold them and adhere to them, instead of repudiating them, as the Democrats have done.

Mr. O'CONNOR. Will the gentleman yield?

Mr. FISH. Yes.

Mr. O'CONNOR. The gentleman probably will have some part in writing the next platform if he is the candidate for President. He is my candidate.

Mr. FISH. I thank the gentleman for the great honor of representing Tammany Hall. I have never been so flattered as being endorsed by Tammany Hall. [Laughter.]

Let us be fair. The Democrats came into power upon that platform. They were elected by the American people upon a sound platform. The American people in the depression wanted a change. They voted for President Roosevelt by an overwhelming majority. They wished him to succeed. For the first 3 months of his administration, adhering to the sound principles of his platform, he gave an admirable administration. He tried to balance the Budget. He tried to put into effect the sound policies of his platform. He had at least 90 percent of the American people with him after the first 2 or 3 months, and they believed that President Roosevelt was a Moses almost divinely sent to lead them out of the economic wilderness and back to prosperity and the reemployment of 10,000,000 loyal and industrious American wage earners. That was the hope of all of our people. Then all of a sudden something happened. That is what the gentleman from Virginia was talking about. The "new dealers" changed all their policies. They repudiated practically every important plank in their party platform and every principle of Jeffersonian Democracy. President Roosevelt appointed to office, often to key positions, a lot of radicals, socialists, and "new dealers" to experiment upon the American people and to produce a new social and economic order. That is what the gentleman from Virginia was talking about—a new social and economic order. They said that everything was wrong and rotten and corrupt in the past; all the experience and wisdom of the past must be scrapped. For what? For some form of socialism or communism of the left, or Hitlerism or fascism of the right; something imported from abroad; some foreign policies for a new economic and social order, where they have all failed, were to be substituted for our American system. Our economic and industrial system based upon private initiative and reasonable profit and free labor is to be scrapped by this new-deal administration; and you ask us to remain silent on our side and see those institutions of ours, political and economic, see our American system destroyed by the "new dealers", many of whom have

never voted the Democratic ticket in their lives, and a new economic and social order substituted based on Government ownership, regimentation, collectivism, a crushing bureaucracy, and state socialism.

Let me ask you Jeffersonian Democrats, especially the Jeffersonian Democrats of Virginia, what it is the Jeffersonian Democrats have fought for all these years, for more than 135 years, fearlessly, without fear or favor, win or lose, but the rights and liberties of the individual under the Constitution, for State rights, for national economy, against the concentration of power in the Federal Government and against the use of this centralized power to interfere with the rights and liberties of individuals and of business? This was the Democratic creed until the "new dealers" came in; and, as an illustration, I am reminded of a story said to have been told by Abraham Lincoln of two men with their overcoats on who got into a fight and fought so hard they fought into each other's overcoat. That is what has happened between the Republican and Democratic Parties; the Democratic Party has fought so hard that it has fought itself into the Republican overcoat of centralized government; but not stopping there, it has gone way, way, way beyond into collectivism, regimentation, bureaucracy, and finally state socialism, getting as far away as they possibly could from the fundamental principles of Thomas Jefferson.

Only this morning I appeared before a committee of this House in behalf of a bill I introduced to erect an equestrian statue to Gen. Robert E. Lee in Arlington. The bill was reported out unanimously. As I spoke before that committee I was reminded of the fact that Gen. Robert E. Lee and the rest of the southerners fought in that war for a certain principle which they believed to be right under the Constitution. That principle was nothing more nor less than State sovereignty, the rights of the States; and let me say to you that this new-deal—not Democratic—administration has done more not only to trample upon the principles of Thomas Jefferson but to destroy State rights and the respect for State rights than all the Republican administrations since the Civil War. I wish to God there could be some revival among the Jeffersonian Democrats who still in their hearts must have a lingering faith in State rights, whether it be through Governor Talmadge, of Georgia, or some other Democrat. There is more need today for a revival of Jeffersonian Democracy than there was 75 years ago, more need for someone to speak for the rights and the interests of the States than ever before. If it is not done soon, the new-deal administration will have burned State rights so deep that there can be no hope of resurrecting them.

From the "new dealers" today we can expect just one thing: Repudiation of platform, repudiation of the principles of Thomas Jefferson, and, above all, a trampling in the mud of any reference of any kind to the sovereignty of the States.

Mr. Chairman, I rose today to join the chorus in regard to the deplorable textile and cotton situation. I find my time rapidly going; so I shall just touch upon the main points and I shall begin by reversing my speech in order to follow up another peculiar inconsistency of the Democratic Party. It is so inconsistent that it almost becomes consistent with the policies that are now being practiced by the Democratic Party. For many years the Democratic Party has claimed to be the low-tariff party, or the free-trade party; to be the party of the consumer, the party that stood for the protection of the consumer. What has happened? For the first time in history a new-deal Democratic administration comes into power and with its advent it levies processing taxes on the necessities of life, on cotton and foodstuffs against the consumer, a tax which is nothing more than a tariff directed against the consumers within the 48 States. Up to now as between the States we have been a free-trade country of 48 free States with no economic barriers between them. Along comes the new-deal Democratic free-trade administration and erects tariff barriers within our States; and, above all, against the American consumers on foodstuffs and the necessities of life. If this be not inconsistent with low-tariff principles, there is no such thing as inconsistency.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield. The Members have heard and will hear much more in regard to the textile and cotton industries and the sad plight at the present time. Had I the time I would like to go into more of the details of the situation. I shall, however, refer to an angle of it which has not been presented in the House, an angle which affects the textile States, North and South. That is the export trade. Two years ago the Philippines were our greatest single export market for cotton goods from both the North and the South. Two years ago when this administration came into power the United States had 75 percent of the cotton-goods market of the Philippines and Japan 25 percent. Today Japan has 75 percent and we have 25 percent. If these long-distance economic policies of our free-trade Secretary of State are put into effect for another year, we shall have no cotton-goods export trade to the Philippines and Japan will have it all. That was our single greatest market; and, mind you, we bought from the Philippines, and still buy, 85 percent of all their products. When it came to the question of protecting our textile trade with the Philippines, the Philippine Congress, desiring our goodwill, desiring to trade with us, offered to impose a quota so as to protect and continue our trade in textiles. They sent their proposal over here but the State Department turned thumbs down on it. To my way of thinking, this was almost a treasonable act. It certainly is the most ruinous act I have known of in the many years I have been here. It deliberately defeated the attempts of the Filipinos themselves to protect our second greatest industry, it destroyed our biggest market, and it permitted the Japanese laborer, paid 20 cents a day, not only to come in and compete with us but to take the Philippine market away from us, the market of a country under our own control and from which we buy 85 percent of their goods.

It is inconceivable to me. Can you imagine that Great Britain would permit a thing like that, with her imperial conferences, her "trade quotas", and preferences to her own colonies, as well as the countries affiliated and associated with her? But here under this new-deal administration within the last 6 months the State Department has refused the offer of the Philippine government to protect the textile trade and has lost that market to American industry and wage earners. How long will American labor permit a free-trade Secretary of State to sacrifice their jobs for the benefit of Japanese labor on the altar of free-trade and long-distance economic and visionary policies?

Further, in reply to the gentleman from Virginia, who said that the cotton farmers were benefiting by the increased price of cotton, may I say that, of course, the cotton producers getting 12 cents are benefiting, but as they are benefiting to that amount they are losing the world market in cotton to the South and increasing unemployment through the reduction of 25 percent of the crops among the southern people engaged in planting, harvesting, ginning, compressing, transporting, shipping, and in warehouses and affiliated industries. Millions of southerners are being ruined for the temporary benefit and permanent loss of a few cotton farmers.

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FISH. Mr. Chairman, I believe we on this side, and particularly those of us of the North, are as much interested in the prosperity of the South as are the people from the South. The cotton and textile situation affects the entire Nation. It is self-evident that if you peg the price of cotton at 12 cents for the temporary benefit of some cotton producers and cotton farmers you will lose the world market. You have lost 50 percent of it in the last year. You will lose the other 50 percent of it in the next year and a half. Is

that not a national issue? It is not a partisan issue. We do not grow cotton in the North, but we are interested in our country, and we are interested in your not committing economic suicide and losing the world markets in cotton. As you have lost 3,000,000 bales, Brazil, Egypt, China, North Africa, and India have increased their production 3,000,000 bales in 1 year. They can increase it another 3,000,000 bales in the next 2 years, and then you will lose every bale of cotton you have been shipping in the past, the greatest wealth of the South, bringing ruin, destruction, and desolation on the Southland. Is that not a problem and an evil for all of us to fight against? Are we going to follow these "new dealers", who, on account of their selfish purposes and pride, have refused to see the errors of their ways, who have refused to admit their failures and insist on going serenely on to economic suicide because they want to save their faces and prefer to gamble away the wealth and welfare of the southern people? I say to you from the South that we of the North are with you in any proposition that is for the welfare and interest of this country of ours. If you persist in the present ruinous and short-sighted policy you are going to lose the entire cotton market of the world and bring untold suffering and financial ruin to the cotton States. [Applause.]

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman, I regret exceedingly to note that the majority of the "minute men" from New England, representing the Boston tea party, have decided to retire. Perhaps they are out getting some additional ammunition. The trouble with New England, Mr. Chairman, is they have been able to control the Republican administration so long that recently it dawned upon the Representatives of that great section of the country that perhaps they could get the southern textile mills to join with them and take charge of the Democratic administration.

I want to state to my friends from New England that it will take more than misleading propaganda to change the course of President Roosevelt, who is determined to see to it that forgotten agriculture gets a square deal.

Much has been said recently on the floor of this House and in the press against the agricultural program and especially the processing tax. Many of these statements are absolutely misleading and without foundation of fact. The purpose of the Agricultural Adjustment Act, which was introduced by me, was to place agriculture on an equal basis with tariff-protected industry. The processing tax is nothing but an indirect tariff or what you might term a "bounty." The purpose of the Bankhead Control Act was to do for the farmers that which they have never been able to do for themselves because they are unorganized, namely, bring about an orderly controlled production in line with demand. I want to ask if there is anything wrong with either of these programs? Industry receives a tariff at the expense of the consuming public, and when they have an overproduction or even an indication of an overproduction they immediately slow down and even close down, as they are now doing in many instances, so as to adjust their output in line with the demand for their products.

It has been charged on the floor of the House during the past few weeks by those representing the New England textile mills and by the gentleman who preceded me, Mr. FISH, of New York, that the processing tax is destroying the textile mills of New England and of the South. Prior to 1933 we had no processing tax, yet many of the textile mills of New England and of the South commenced to slow down and close their factories. I would be glad if the gentleman will tell me why these mills closed at that time.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I want to ask the gentleman a question first.

Mr. FULMER. I will be glad to have an answer to my question.

Mr. MARTIN of Massachusetts. May I ask the gentleman if he thinks the processing tax is helping the textile industry?

Mr. FULMER. In answer to the gentleman, will state that it is my firm belief that a proper investigation will show that this tax is not hurting the industry. I would like to know if the gentleman will join with me in making a thorough investigation in order to ascertain the real facts as to whether or not the textile industry is not responsible for its trouble at this time. I make the charge that you will find that overproduction, unreasonable salaries, and profits are responsible for the trouble that you are complaining about. The information that I have is true, that is, extra profits are being added because of the processing tax not only by the textile mills but by their selling agents in New York, by manufacturers of cotton garments, and by retailers. I am also informed that the operations under the N. R. A. code has considerable to do with the price on cotton goods.

Mr. MARTIN of Massachusetts. Will the gentleman yield in order to answer the question?

Mr. FULMER. I refuse to yield further.

Mr. Chairman, under the Bankhead Control Act, because we are reducing production in an orderly manner, we are told that we are losing our foreign markets. Now, I want to deny these unwarranted charges, because the facts will not bear them out.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. FULMER. Not right now. May I ask the gentleman if he and the other Representatives of New England will join with me in going into a thorough investigation?

Mr. MARTIN of Massachusetts. That is the question I want to answer.

Mr. FULMER. I will be glad to have the gentleman answer the question.

Mr. MARTIN of Massachusetts. May I say to the gentleman that I will be glad to participate in any investigation which will go thoroughly into the cotton-textile industry as a whole, including the growing of cotton. I would not want the investigation to be so long delayed that when we get a report there will be no textile industry left. Does the gentleman not agree with me?

Mr. FULMER. I agree with the gentleman that we ought to have a thorough investigation, and we should have it promptly.

Mr. MARTIN of Massachusetts. And in the meantime we should give relief to the cotton-textile industry.

Mr. FULMER. I am willing to give to the great textile industry of this country any relief we may be able to give to them, but I am not willing to take the processing tax off or stop orderly control for the present, and put farmers back on a starvation basis.

Mr. Chairman, the time has come for a showdown, and I am willing to go to the last ditch in a thorough investigation from every angle that applies to the whole problem. This administration is entitled to the facts in that, as stated, much misinformation is being carried to the country by the press, by form letters, and even books that are now being printed on this subject. I am sure that our great President, who is leading this country out of poverty and misery with every possible opposition against him by the very people that are responsible for the serious condition that was brought about under a Republican administration, wants the real facts. The Congress of the United States and the people of this country are entitled to know the facts.

I am pleased to know that the gentleman, Mr. MARTIN, speaking for New England, will join with me in getting these facts.

Now, Mr. Chairman, I want to have read in my time a resolution which I am introducing today in order to get the actual facts.

The CHAIRMAN. Without objection, the Clerk will read the resolution referred to.

The Clerk read as follows:

Joint resolution authorizing and directing a congressional committee to investigate and report to both Houses of Congress with respect to the nature, source, and truth of the various statements and charges which have been and are being made concerning the effect of the cotton-processing tax.

Whereas it has recently been and is being widely charged that the cotton-processing tax imposed under the Agricultural Adjustment Act is the sole or principal or an important cause of the alleged existing economic depression and disturbance of the cotton-textile industry; and

Whereas wide-spread and concerted efforts have been and are being made to secure the repeal of such tax; and

Whereas statements have been and are being widely disseminated among cotton-textile workers and cotton farmers with the object of inducing them to believe that such tax is responsible in whole or in part for unemployment and low wages among such workers and for inadequate returns to producers of cotton; and

Whereas it has been and is being charged that such tax has resulted in the increased importation of foreign cotton products and the consequent displacement of domestic by foreign cotton products; and

Whereas it has been and is being further charged that such tax has resulted in reduced consumption of cotton products: Therefore be it

Resolved, etc., That a special committee of 10 Congressmen, 5 of whom shall be Senators appointed by the President of the Senate and 5 of whom shall be Representatives appointed by the Speaker of the House of Representatives, is hereby authorized and directed to investigate and report, as soon as practicable, upon the following matters:

First. The nature, source or sources, and effect of the aforesaid charges, efforts, and statements, and the manner in which such aforesaid efforts to secure the repeal of the processing tax are being made and carried out;

Second. The effect of the cotton-processing tax imposed under the Agricultural Adjustment Act upon the volume of consumption of cotton products during the period since the initial imposition of such tax and the probable effect of such tax upon such consumption in the future;

Third. The effect of such tax upon the importation and exportation of cotton and cotton products;

Fourth. The effect of such tax upon the volume of employment and wage rates among cotton-textile workers;

Fifth. The effect of such tax upon the income of cotton producers;

Sixth. The effect of such tax upon the margin of profit of manufacturers and processors of ginned cotton and distributors of cotton products;

Seventh. The probable results, which may be expected to follow from the removal or reduction in the rate of such tax, upon the various factors, circumstances, and subjects of investigation described in the paragraphs of this resolution nos. 2 to 6, inclusive;

Eighth. The effect of the capital structure of and the scale of executive salaries in the cotton-textile industry and in cotton-textile trade associations, and of the methods employed in the distribution of cotton products, upon the price and volume of consumption of cotton products; and

Ninth. Any other factors relevant to the determination of the economic incidence and results of the cotton-processing tax growing out of the above inquiries.

SEC. 2. The committee provided for in section 1 of this resolution is directed to present an interim report to the Congress on June 1, 1935, describing the status of its investigations hereunder, and a final report not later than February 1, 1936.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000, which shall be available for expenditure as the committee may direct for expenses and all necessary disbursements in carrying out this resolution.

SEC. 4. The Department of Agriculture, the National Recovery Administration, and all other agencies of the Government are hereby directed to cooperate with the committee in the above inquiries to the fullest extent possible.

SEC. 5. The committee, or any subcommittee thereof, may hold such hearings, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, and take such testimony as may be necessary to carry out this resolution. No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify or produce evidence, documentary or otherwise, before the committee in obedience to a subpena issued by it: *Provided,* That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying. The committee may sit and act at such times and places during the sessions and recesses of the Seventy-fourth Congress, employ such clerical and other assistants, and make such expenditures as it deems advisable.

Mr. FULMER. Mr. Chairman, prior to 1933, when the textile mills of New England, and a great many of the mills in the South, as well as the steel industry of this country and practically all other industries, were slowing down and closing down, we did not hear any complaint or criticism. It was thought to be good business on the part of those who owned these industries to do this. I want to tell you now that it was brought about because of overproduction and, as usual, as they are now doing, they began to reduce production to fit demand. In the meantime they discharged thousands of textile workers, forcing them to enlist on relief rolls and for Red Cross relief.

What happened to the farmers of this country? Many of them did not know about the crash or the results that were to follow and they continued to produce, placing themselves in a position to feed and clothe the world, so to speak. In 1929, when cotton was selling at 19½ cents, farmers were happy. Then the mills commenced to close, refusing to buy their products. During this time, following a decline in the price of these products, the textile mills continued to hold up their prices and many of these mills continued to make profits.

Cotton declined from 19½ cents down to 5 cents, corn to 20 cents, and wheat to 30 cents, destroying 75 percent of the purchasing power of the farmers of the West and of the South. Whoever heard of any of these well-organized industries or business generally reducing their prices 75 percent?

Who ever heard of a $20 suit of clothes selling for $5, or a $5 pair of shoes selling for $1.25?

Immediately after the crash the New England textile industry and all of these other industries came rushing to Congress asking for an increase in tariffs. Tariffs did not go down, they went up, and during 1930 a Republican administration passed a tariff bill increasing tariff rates to the highest point ever carried in any tariff bill, virtually building a tariff wall around this country. I want to say to you who represent New England, and to you, my friends, that this tariff bill has done more to destroy imports and exports than anything that we have ever done before or since the election of Mr. Roosevelt.

Mr. Anderson, an ex-Member of this Congress, came before our committee, the Agricultural Committee, sometime ago in behalf of the flour-milling industry. He stated that he represented 95 percent of the milling industry in the United States. It is his business to lobby in Washington and appear before the Agricultural Committee for the purpose of trying to defeat any type of legislation that might be considered in the interest of the agricultural interests of this country. On being questioned, he stated that after the crash in 1929 his industries commenced slowing down, naturally refusing to buy the farmers' wheat that declined to the low level of 30 cents a bushel. He further stated that during that time they maintained prices that yielded a profit. Although he was opposing amendments to the Agricultural Adjustment Act, it was clear from his statement that his industries had made more profits under the processing program than they did prior to this program. Farmers receiving 30 cents for wheat not only lost their purchasing power but were losing their farms in that they were unable to pay taxes and interest.

I think, Mr. MARTIN, when we have this investigation, you will find that at the time the processing tax was put into effect and at the time the N. R. A. went into operation the gentleman's mills and the mills of the South, as well as the wholesale merchants and retailers, marked up their merchandise on hand, thereby making millions at the expense of the consuming public. Textile mills in New England that had been closed for sometime wiped the cobwebs from their spindles and proceeded to take advantage of the textile code under the N. R. A., which was written by the representatives of the large textile mills, all of which has helped to bring about the serious condition that these mill owners find themselves in at this time. They are slowing down and many of them are closing down for the sole purpose of checking overproduction, as they did prior to 1933.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield for a comment on his resolution?

Mr. FULMER. Not now.

For the first time in the history of this country, under Mr. Roosevelt, a man who is more interested in humanity than he is in the nobility of those who possess the wealth of this country, we have placed the agricultural interests on a parity with industry. For 10 years prior to the time of Mr. Roosevelt's election I served in this Congress on the Committee on Agriculture with men representing the agricultural West. They voted the Republican ticket all these years under a promise that they would be given an agricultural program, and finally we succeeded in passing the equalization-fee bill that was sponsored by these people. I voted for it because I believed it would help the situation, only to have it vetoed by Mr. Coolidge and, in the second instance, by Mr. Hoover.

The Republican administration gave us a Farm Board, which attempted to increase farm prices without any control over production, in line with the rubber scheme and the Brazilian coffee scheme, which failed as did these other schemes. I stated in a speech on the floor of the House when the Farm Board legislation was up for consideration that without controlled production it would be just like putting that much money in a rat hole.

After Mr. Roosevelt's election, farmers found that we had a surplus of 13,000,000 bales of cotton, a supply for 1 year without planting any cotton in 1933. The thing that I cannot understand as a farmer and as a business man is why it is good business for industry and business to control their activities and wrong for farmers to adjust their production.

When the tariff policy was instituted, over 100 years ago, it was said by someone at that time, "If you do not provide a bounty for agriculture, the time will come when you will find agriculture bled to death." I want to tell you now that prior to 1933 this condition had been brought about. Although industry, banking, and business had no interference at that time, they hesitated—in most cases closed down. The Republican administration was largely controlled by these well-organized groups. They got practically everything they asked for. Speculation and monopolistic price fixing went unchecked. We had during that period on the stock exchange what was known as the "Coolidge and Hoover boom." Millions of worthless foreign stocks and bonds were unloaded on an innocent investing public. The purchasing power of the people was bled white. Now we are told that industry, banking, and business is hesitating because of what the present administration is doing. Yet every report that you get and every paper that you pick up you read of increased profits, extra dividends, and increased sales.

It has been stated on the floor of the House and in the press that these complaints are coming from a combination of the New England and Southern textile cotton mills.

I believe that I have as many cotton mills in my district in South Carolina as there are in any district in the United States. I believe I am in a much better position to speak for the cotton mills in my district than those who represent New England; and I want to say to you who represent the great New England section of this country, that you are not going to find the cotton mills of the South going along with you to destroy an administration that for the first time in the history of this Republic has been willing to give to every class of people equal rights. Some cotton-mill representative from New England some days ago stated that the farmers of New England were not receiving any benefits from Mr. Roosevelt's program. May I state, neither are my farmers or the farmers of the South getting any benefits from your tariff policy. All of these years they have paid millions to the protected interests of this country, but have been forced to sell their products on an open, unprotected market at a world-basis price.

This unfair scheme has brought poverty to the South and has made tenants and share-croppers out of my people, as will be shown by the figures that I am placing in the RECORD at this point.

Percentage of all farms operated by tenants, 1930 census

	Percent
Mississippi	72.2
Georgia	68.2
Louisiana	66.6
South Carolina	65.1

Percentage of all farms operated by tenants, 1930 census—Cont.

Alabama	64.7
Arkansas	63.0
Oklahoma	61.5
Texas	60.9
North Carolina	49.2
Iowa	47.3
Nebraska	47.1
Tennessee	46.2
South Dakota	44.6
Illinois	43.1
Kansas	42.4
Kentucky	35.9
North Dakota	35.1
Missouri	34.8
Colorado	34.5
Delaware	33.8
Minnesota	31.1
Indiana	30.1
Florida	28.4
Virginia	28.1
Maryland	26.5
Ohio	26.3
Idaho	25.3
Montana	24.5
Wyoming	22.0
New Mexico	20.2
West Virginia	18.6
Wisconsin	18.2
California	18.0
Oregon	17.8
Washington	17.0
Arizona	16.4
Pennsylvania	15.9
New Jersey	15.6
Michigan	15.5
New York	13.2
Nevada	12.9
Rhode Island	12.5
Utah	12.2
Vermont	9.7
Connecticut	6.2
Massachusetts	5.6
New Hampshire	5.3
Maine	4.5

Take a look at these figures and you will see that only about 25 to 35 percent of the farmers in the South own their lands while in New England only 5 to 12 percent do not own their lands. I have heard my good friend, Mr. TREADWAY, stand up on that side and plead for tariffs and more tariffs. I have heard him say, "America for Americans." Yet today the mail of this country is going through every post office in the United States tied with jute string imported from India at the expense of the textile mills and the cotton farmers of the South. I have tried for the last 5 years to pass a net-weight cotton bill whereby we might be able to use cotton bagging in covering cotton instead of jute, and the Representatives from Massachusetts, and those who have jute mills in their districts, have opposed and have defeated the passage of the bill. This is the only cotton country in the world that sells cotton on a gross-weight basis. This is the only cotton country in the world that covers cotton with old heavy, wasteful, and disgraceful jute bagging. Jute is imported from India, but they do not use this old heavy jute in covering their cotton.

I have a bill now pending before the Ways and Means Committee proposing a tariff on jute. I challenge you who are talking about the loss of our foreign markets to join with me in passing this bill and thereby preserve our own markets for cotton farmers and the textile industry. We would be able to market and consume 3,000,000 more bales of cotton right here in the United States which is being taken away from us by India and the jute interests. The textile mills of New England are calling long and loud for an increased tariff on foreign textiles, but I have not heard a word about a tariff on jute. You state India is increasing her cotton production and that we are losing our exports to India. Why are you willing to let India take our cotton market and in the meantime refuse to stop the importation of jute?

Now, it is stated that the Bankhead control bill is destroying our foreign markets. In 1921, 1922, and 1923 we only produced 9,000,000 bales of cotton annually. That was brought about because of a severe bollweevil infestation—a production of only 27,000,000 bales in 3 years. It was stated at

that time that America was losing her foreign markets. Did we? In 1923 and 1924 the farmers received an average of 28½ cents for cotton.

In 1924 farmers increased their production three and one-half million bales, and the price fell from 28½ cents to 6 cents per pound.

In 1926, when the purchasing power of this country and all foreign countries was at its height, our farmers produced 18,000,000 bales, the largest cotton crop ever produced in this country.

Immediately, because of overproduction, the price declined from 19½ cents to 12½ cents. For this fine, splendid crop of cotton of 18,000,000 bales the farmers of the South received $200,000,000 less than they received for the 10,000,000-bale cotton crop. In other words, instead of being compensated for the extra labor, fertilizer, and the extra acres planted in cotton, they were penalized $200,000,000.

(The time of Mr. FULMER having expired, he was given 5 minutes more.)

Mr. FULMER. In the beginning of 1933 we had a surplus of 13,000,000 bales of cotton, a sufficient amount of cotton, as stated, to take care of the demand, both our market and our foreign markets, without producing a bale of cotton in 1933.

Under the program of 1933 we plowed under 4,000,000 bales of cotton. In 1934 we held the production down to around 10,000,000 bales. If we are able to control production this year around 11,000,000 bales, at the end of this year we will have produced 33,000,000 bales during the controlled program. We will have produced 6,000,000 bales more during the 3 years of orderly control than we did during the 3 years of boll-weevil control.

We did not lose the market when the production went down to 27,000,000 bales during the 3 years of boll-weevil control. I want to ask you, my friends, what would have happened to farmers, textile mills, and business generally had we not plowed under 4,000,000 bales in 1933 and if we had produced a normal crop in 1934 around twelve to fifteen million bales?

My friends, why are we losing our foreign markets? There are three outstanding reasons: First, the tariff wall built around this country in 1930 by a Republican administration in the interest of industry that practically prevents the importation of foreign goods; in the second place, foreign countries have not the cash purchasing power, and in that they are unable to buy our cotton on a credit as they used to do the reason for the loss of our foreign markets is simple; third, the standard of the United States currency and that of foreign countries all being on a different standard has as much as anything else to do with exporting and importing.

Who pays the processing tax? Textile mills tell you that they do. This is not true. Textile mills simply act as collecting agents for the Government and, like the tariff, it is passed on to the consuming public.

Now, much has been said about the tax increasing prices on cotton goods. It has been stated because of this tremendous burden consumers are refusing to buy cotton goods. I contend, and so does the Secretary of Agriculture, that if textile mills and the various handlers of cotton goods would be fair with the consuming public the added price on account of the tax would not be a burden on consumers.

Here is the trouble, my friends, and that is one of the things we want to find out about under the investigation proposed by me. Mr. McCuen, a cotton merchant in Greenville, S. C., stated some time ago that the added cost would not amount to much by adding the 4.2 cents on a pound of cotton, but we have a selling agency in New York, manufacturers of cotton goods, wholesale and retail merchants, and until all of these added on their profits the price is too high for the consuming public.

Why should you add anything after adding the 4.2 cents? That is exactly what we want to find out in this investigation, about the manner of adding profits by all handlers of cotton goods after the lint cotton has been manufactured by the textile mills. Farmers have no selling agents. Each individual farmer does his own selling and has to take the other fellow's price on that which he produces. When a bale of cotton is placed on the market immediately the cotton buyers commence to pounce upon it and each and every one of them secures a sample and makes a profit, and after it passes into the hands of the mill, and then on through their selling agents, manufacturers, wholesalers, and retailers, their profits are added. I tell you the time has come when we should pass legislation whereby we may be able to establish an up-to-date marketing and distributing system for farmers—a system that will give to farmers and consumers some bargaining power and some say about the prices they receive and the prices they have to pay. The spread between what farmers receive and the price that consumers have to pay, in a great many instances, is simply highway robbery on the part of many middlemen, many of which are nothing more or less than real parasites sapping the very lifeblood out of both producer and consumer.

I have the deepest regard for the very valuable Members of Congress from that great southern State, Georgia, but I am humiliated to read in the newspapers that Governor Talmadge of that State is ranting all over the State and into other States against the President of the United States and his administration.

Mr. McCuen, who resides in Greenville, S. C., in the district represented by that able statesman, my colleague Mr. MCSWAIN, stated some days ago in the Greenville Observer, a paper that carries but little else than ridicule for the agricultural program and the processing tax, that "Party loyalty meant everything, but it was more important to save the cotton textile industry than to reelect Franklin D. Roosevelt." I am sure that the statement of this cotton merchant who makes his profits per bale—more bales, more profits—sounds like sweet music in the ears of the people who reside in New England and in the ears of the Republican Party. I am very happy that Mr. McCuen does not live in my district.

Mr. Chairman, this Nation has a productive capacity, men, material, and knowledge sufficient to double the production that we have at this time and I believe if we would expand production in an orderly manner, a balanced production, it would do more to bring about recovery than anything we have done up to this time. We all know that the unbalanced production prior to 1933 brought about the serious depression in which we find ourselves. I believe that although the generation ahead of me and during my own time we have submitted to this monopolistic price fixing, tariff benefits for the well-organized and well-financed groups at the expense of agriculture and the consuming public, centralizing the wealth of the country in the hands of the few will not be tolerated by the young manhood and young womanhood of this and future generations.

In closing may I state that I am glad that we have a President who is in sympathy with a square deal, one who will lead us out of the predicament we were carried into under a Republican administration. [Applause.]

Mr. CARY. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY. Mr. Chairman, the impression has gone abroad, at least in New England, that the present dire straits of the New England textile industry can be attributed to the Democratic Party and its policies. I deny that in toto. I know something about the textile situation in New England and its history. I come from a small town in Massachusetts that had as its primary industry a textile mill. Back in the 1920's that textile industry folded up, never to open its doors again, throwing thousands of my fellow townsmen out of work. That was not during any Democratic administration, but while a Republican President and a Republican Congress were in power.

I might say in discussing the causes of the present straits in the textile industry, one cause has been overlooked. Industries in my town have failed because of this one cause which has not been discussed. It was crooked stock promotions, a situation that the Republican Party did nothing

about. Here was the situation and the line-up. For illustration, an industry in my town would be worth, say, $1,000,000. A similar industry in some other town would be worth $1,000,000. A stock promoter would come along and say to both of the individuals who owned these industries, "Let us get together and capitalize, not on the honest basis of $2,000,000, but upon a fictitious, watered-stock basis of $3,000,000." The results were far-reaching, of course. Not only was the public cheated and defrauded, but so was the poor employee who, trying to earn a dividend for the owners on that dishonest valuation, was up against a hopeless task. The result was that industries in my town staggered along for a time and of course finally came to a halt and folded up, and thousands of those employed in those industries were thrown out of work.

I say to you and to the Republican Party that they took no steps to correct that situation during three administrations of the Republican Party, and that the Democratic Party, my party, did something, which, had it been done by the Republicans would have cured that situation. We have now, under President Roosevelt, a Securities Commission which would never have allowed those stock promoters to have watered the stock in those industries, or have permitted them to get together in such crooked deals. The Securities Commission, created under President Roosevelt, demands that before you can issue stock there must be an honest dollar's worth of value behind every dollar's worth of stock issued.

I would like to discuss some other causes which throw light on why factories in my section of the country have either failed or gone to other States. We, in Massachusetts and in New England generally, have a high concept of labor. We believe that labor is worthy of its hire. We believe that labor has a dignity, and we treat the laborers in our State with the same dignity we accord members of professions, manufacturers, and business men.

We were pioneers in giving to labor a decent wage, that would enable them to enjoy decent living conditions. We gave to them minimum hours of work. We abolished child labor. We gave to them decent conditions under which to work. Of course, when we tried to compete with other States where they allowed child labor, where they allowed children to be exploited in order to bring a few dollars into the hands of manufacturers, where they had starvation wages, where they had long hours, we could not compete. That is another cause for our industries moving out of New England.

I am here to plead the cause of the manufacturers in the textile industry who stayed in New England, who felt that they owed an obligation to the generations of working men and women who had contributed so faithfully and loyally to the upbuilding of their industries. These hardy men had a sympathetic attitude toward their employees. They did not consider the laborer a mere commodity, but felt that he had an imagination, a soul, and feelings which they were bound to consider and respect. They have stayed on bravely fighting against circumstances over which they have little or no control, and deserve the highest commendation from all right-thinking people.

Imagine my surprise and indignation, therefore, when I read that our Secretary of Agriculture, Mr. Wallace, made a speech in Brunswick, Maine, at Bowdoin College, in which he termed these men "whiners", and asserted that they were getting flabby and had no "guts." The newspapers stated that Secretary Wallace had left his manuscript in Boston. I am of the opinion that, with the manuscript, he left his good judgment and good manners. He ought to appreciate that these are fearful and distracting times; that he occupies the dignified position of a member of the Cabinet, with great power for good or evil. He should stop talking like a moving-picture football coach who is giving a "pep" talk to undergraduates.

We of New England resent his arrogance, and on behalf of the textile-mill owners of my acquaintance who are finding it increasingly difficult to survive, I say to Secretary Wallace their problem should be of grave concern to him as a public servant.

Now, I would like to say something about what this administration has done for the textile industry of New England. I have told you about the high standard which Massachusetts and New England has set up, its hours of employment, minimum wages, abolition of child labor, pioneering in that field. Our administration instituted the N. R. A. The N. R. A. is nothing more than putting into effect throughout the entire country what has existed in Massachusetts and New England. Therefore, I say that we most certainly are glad to support the N. R. A., because it raises prevailing wages, because it acknowledges that the workman is entitled to a living wage, because it abolishes child labor. For those reasons we are for the N. R. A. There are certain administrative features that we do not favor, but we believe in its principle.

Mr. MARCANTONIO. The gentleman, of course, does not agree with the interpretation placed on the N. R. A. by Mr. Donald Richberg, does he?

Mr. CASEY. I have not heard of that interpretation.

Mr. MARCANTONIO. I mean his interpretation of 7 (a) in the automobile case.

Mr. CASEY. I do not know about that interpretation.

Now, I would like to address myself for a few moments to the processing tax. I am against a processing tax in any industry in any field, on general principles. I feel that the processing tax lays too much of a burden upon a particular few. For example, in Massachusetts the cotton-textile industry paid something like $21,000,000 last year in processing tax. That industry is staggering along trying to keep its head above water. It cannot bear that processing tax. I am not opposed to the farmer having help if he needs relief. I believe he does need relief, but I think it should be in the form of general taxation, rather than by putting a burden upon an industry that can ill afford to bear it at this time. It should be abolished.

Japanese imports cannot be dismissed by the statement that they represent but 1 percent of the total consumption of the goods in this country. That does not really meet the issue. The important thing about imports from Japan is that they are increasing.

In January we imported more goods from Japan than in the entire preceding 12 months. In February we imported more than in January. More important than that is the fact that when you introduce cheap-coolie Japanese-labor products into this American country of ours you get a price so low that it depresses prices in that entire field. I say that is the chief evil of Japanese imports. I hope that that situation will be controlled so that we do not have to make our American workmen compete with the type of labor in Japan.

There are other causes. I believe that under the N. R. A. there should be a uniform 40 hours in the industry. There has been 50 percent overproduction in the cotton business. There should be a uniform 40 hours so that production may be cut down; but I have faith in my President. I have faith in my administration. I hope and I believe that this committee appointed by my President will consider these problems carefully and, after giving them due consideration, will prescribe remedies and put those remedies into effect. [Applause.]

Mr. GRISWOLD. Will the gentleman yield?

Mr. CASEY. I yield.

Mr. GRISWOLD. Does not the gentleman realize that according to the testimony before the Committee on Labor some of his New England manufacturers are largely responsible for the importation of these goods? They manufacture them in their own plants, operated by themselves, and ship them in here in competition with your New England employees.

Mr. CASEY. There may be some of that, but I do not think it is very wide-spread.

Mr. GRISWOLD. I refer the gentleman to the testimony of the General Electric Co.

Mr. CASEY. Mr. Chairman, I yield back the balance of my time.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Yesterday, Mr. Chairman, the gentleman from North Carolina [Mr. WARREN] addressed most of his extremely bitter, sectional attack at me. I have in my hand a portion of a Democratic paper published last evening in Lowell, Mass., and in the headlines which appeared in that paper last night are the following:

Representative ROGERS flayed by North Carolinian in House speech.

Mr. Chairman, you know very well that the Democrats in Lowell, Mass., are smart enough to realize that that speech, apparently inspired by the administration, was a direct separating of the North from the South. In other words, Mr. Chairman, the administration apparently is willing to give up its Democratic votes in New England to try to secure votes of the southern farmers and southern manufacturers and southern laborers; but, Mr. Chairman, not even the workers in the mills in the gentleman's State of North Carolina are fooled. I am so sorry the gentleman from North Carolina [Mr. WARREN] has brought politics and sectionalism into a Nation-wide problem. His bitter sectionalism and unjust misleading statements, I should think, would prove very embarrassing to him. He was as silent as a closed mill about the problem of the present distress in the manufacturing plans in his own State and other Southern States.

The gentleman neglected to say in his bitter speech that his mills of North Carolina, the mills of the South, are closing. There is just as great agitation among the manufacturers and workers of the South to be relieved of the burden of the processing tax as there is among the workers and the people of all New England. I know whereof I speak. I have heard from people in Southern States. I have heard from the workers in the raw-cotton industry. Southern Members in the Senate from the South have dared to raise their voices. The Senator from Georgia offered a way to lift the burden of the processing tax from the manufacturer, to pay the cotton farmer if he needs a processing tax. He suggested it should be paid out of the relief fund. The gentleman from North Carolina [Mr. WARREN] neglected to tell that to the House. The gentleman from North Carolina spoke in his misleading and sectional speech of the fact that New England industry had failed or was failing on account of obsolete machinery and obsolete methods. And the gentleman would not yield when he made these misleading statements. Four times I requested him to yield.

Mr. Chairman, I should have thought the gentleman from North Carolina would have had a feeling of shame to bring to the pitiless public gaze the real reason for the moving of those mills from the North to the South. The Members of Congress know just as well as every man and woman who is in the textile industry knows that those mills moved South because the southerners paid low wages, worked their people long hours, and worked little children. They also gave them concessions in rents, heat, and light; but by far the greatest reason for moving was the low labor cost. How could the North, no matter how efficient, compete with those conditions? Massachusetts blazed the trail for the shorter hour week and better labor conditions. There are in the South today, too, Mr. Chairman, obsolete mills. There are some mills in the North, of course. Mr. Chairman, do you realize that when the southerners bought the northern mills they bought the machinery? Some of that was obsolete, and the southern mills operated with obsolete machinery.

Briefly, let us go back over the history of the New England textile industry. Everyone who knows about it realizes that at the beginning of the Wilson administration, under the lower tariff, the industry began to decline. Then came the war, which made the spindles turn to produce materials to carry on the conflict. After the war the southern companies, with their low wages, competed against the northern companies. The schedule which Mr. WARREN cited the other day indicates the effect of this. Many a manufacturer of the South would like to do away with the N. R. A. so he could go back to paying even lower wages again.

Let us be fair, Mr. Member from North Carolina, in our statements. Not one word of sectionalism had I uttered in any statement over the radio or in any statement on the floor of the House—not one word of party politics. I realize perfectly, just as you do, that the North today is suffering as a result of the unfair wage differential under the N. R. A. I attended a huge mass meeting of New England labor in Massachusetts when I was there at Easter; there was not a man or woman there who did not want the elimination of this wage differential, the difference of a dollar in the lowest bracket. They know very well, just as you do, that in many instances in the South the minimum wage is the maximum.

Of course, the North is handicapped in this respect; but, Mr. Chairman, today I am speaking of the national aspect of the case, as I have every time I have spoken before. The North, the South, the East, and the West wish that the cancer which is eating away the very vitals of the textile industry be removed.

I have never stated, as the gentleman from North Carolina indicated, that industry would boom if the processing tax were removed; that is not the only reason for the depressed state of the textile industry, but it would make an enormous difference. I have spoken before of Japanese competition. How many Members realize today that more than half the cotton produced in the world last year was produced outside of the United States? We all know that the United States exported less cotton by 2,525,000 bales in the first 8 months of this year than ever before.

We all know that hundreds of thousands of bales less of cotton were consumed in this country in the past 8 months. The cotton farmer knows that he is losing his market for his goods; the 9,000,000 people who work in raw cotton realize this same fact. The people in America today are beginning to wake up to the fact that Brazil is exporting 800,000 more bales of cotton than ever before; that Russia has 1,000,000 bales more exportable cotton than ever before; that Argentina is to grow cotton; and that Japan herself is growing cotton. Think well upon the fact that Japan is taking our market in the Philippine Islands and Latin America.

Does the gentleman from North Carolina realize that if the northern mills are killed, as he seems to wish, and only the mills in the South left in operation, that in order to compete with the Japanese cotton goods that are coming in, the operatives in the mills of the South might be paid the low wages of Japan? The little Japanese girls work in the mills for only 25 cents a day. Think of it! Anybody who has done any marketing in a big way realizes that the market price is always the cheap price.

The total consumption of Japanese goods in this country, of course, is relatively small when compared with the entire consumption of cotton goods. But if now, as is the case, 30 percent of the market of a certain class of goods is taken by Japan, with the tremendous increase occurring each month, it means that in a short time that special type of goods will not be produced in this country; and the gentleman from North Carolina either did not know or forgot that these goods compete far more with the cotton goods made in North Carolina and the Southern States than they do with the cotton cloth made in our own New England States; but here again, of course, the low cotton price always affects the market, whether it is in the identical class of cotton goods or not.

I was amazed when the gentleman in his speech tried to throw dust in the eyes of the people with his humor, with his sectionalism, that he entirely forgot the cause of the workers in the cotton mills of his own State. The fallacy of his argument, so far as the cotton farmer is concerned, is apparent. How can the cotton farmer sell his goods if the mills are closed and there is no market for them?

Mr. Chairman and members of the Democratic side, yesterday I appealed to you to join me in urging the President to appoint on his Cabinet committee to consider this vital situation a cotton farmer, a man who makes his living growing cotton; but not a man has responded. I telegraphed the President today, knowing a telegram would reach him immediately, and made the request. I am interested in every State in the Union. My friends, I know your people of the South and the West perhaps better than I know some of

you, although I have worked with you since 1925. I have seen your people in sorrow and in distress. I know how fine they are. I know of the self-sacrifice of the people of Arkansas during the war, when they went without wheat in order to send it to France to help win the war. New Englanders are fine, too. They are all worthy of assistance.

I had previously made the request of the President that a manufacturer and a textile worker be put upon that board. Cabinet members are very busy, and they need the advice of people who are trained in the industry, if they are going to do justice.

The gentleman from North Carolina [Mr. WARREN] spoke of a dead President. He said, "It was keep cool with Coolidge", but the workers thought it was "Keep cold with Coolidge." President Coolidge's record speaks for itself.

Mr. Chairman, may I say right here, and the Members know this as well as I do, the people of the United States in those days had confidence, most of them, to get work somewhere if they wanted it.

The gentleman from North Carolina said I never "chirped", as he expressed it, or raised my voice to help the industry in those days. If the gentleman from North Carolina had been on the floor, he would have heard me many times raise my voice in behalf of a tariff to protect the industry—in fact, all the industries. He would have heard me ask aid for my farmers. He would have known, if he had read the newspapers, that many times I went to Republican Presidents to ask assistance for my people. It makes no difference to me whether a President is a Republican or a Democrat; if it is a matter affecting my district or my country, I go to him and make the appeal. I went early to President Roosevelt in this matter. With the wide powers that President Roosevelt has today, he is the only person to whom we can appeal. Have done with sectionalism. Mr. Chairman, let the North live; let the South live. Let the workers of this great country have work and let the country prosper. [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, about this hour of the afternoon the Congress is reminiscent of a Wednesday night prayer meeting. It requires a high degree of faith and devotion to sit through all of the speeches that occur in general debate, and for those whose devotion keeps them here at this hour I have only admiration and respect.

I want to address myself to the devoted Members this afternoon for a little while on a question that does not involve any particular controversy and it involves no consideration of politics or of partisanship. I refer to the question of immigration, naturalization, and deportation.

When George Washington was President of the United States we had approximately 3,900,000 people. From that day to this, through the operation of forces that we might very well characterize as centrifugal, this country has become an expanded, far-flung country of approximately 126,000,000 people. When I refer to the centrifugal force that was operative in expanding the frontier of this country, may I say it operates a good deal like one of those centrifugal wringers in a washing machine. The clothes are put in to be washed, the switch is turned on, and the container inside turns around, swirling the water away from the center, thereby drying the clothes. This same force was operative in picking up people on the Atlantic seaboard 150 years ago and just spreading them out everywhere in this pioneer country of ours. Then, when the frontier closed, the centrifugal force, instead of working away from the center, became a kind of centripetal force and worked toward the center and gave us such great metropolises as Chicago, Detroit, and San Francisco. They picked up all of these folk that lived out in little disintegrated communities everywhere in the West, the South, and Northwest, and flung them into one center, which became the beehives known as the "modern cities."

Mr. Chairman, it is a long cry from George Washington to Franklin Delano Roosevelt and from a population of 3,900,000 people to a populaion of 126,000,000. Perhaps for purposes of clarifying some of the issues and some of the controversies that arise in connection with problems of immigration and naturalization at the present time, it is necessary to examine some of these fundamental forces in order to get this picture squarely in mind.

I would say first of all that the largest factor in the population of this country was the excess of births over deaths. In 1916, if I remember correctly, the excess was approximately 315,000. In 1927 we reached a peak of births over deaths of approximately 915,000. This is not very far short of a million. In other words, the excess of births over deaths was almost a million in 1927. This indicates the accretion of new blood to the population that expanded this country.

The second factor consisted of the folks who came from foreign shores to America. We wanted them in the early days. Here were millions and hundreds of millions of acres that had to be peopled. Just fancy, the State of Texas is almost as large as Germany; yet it has only five or six million people as compared with 63,000,000 people in Germany. We had land. We had vast areas. We wanted to grow. We wanted to reach a certain kind of national maturity. We wanted new seed. We welcomed people to the world's greatest melting pot. So we welcomed these folks who lived in foreign countries. We beckoned to them to come over here. Between these accretions of excess births and the immigrant population that came from foreign shores, we gradually became a country of 125,000,000 people.

Mr. Chairman, if I recall the figures correctly, from 1820 to 1870 we gained approximately seven and a half million new people from other countries. From 1870 to 1900 we gained approximately 12,000,000. From 1900 to 1920 we gained approximately 15,000,000. They were coming in at the rate of seven or eight hundred thousand per year until in 1918, because of the war and because of the restrictions that had been imposed, the immigration gradually tapered off, and I think in that year dropped down to 18,000.

Then because of restrictions that have been imposed since that time, it has not increased very much, and I believe, as a matter of fact, last year we had a net loss when the emigration and the immigration were counterbalanced.

Now, for the purpose of clarity, because some of these controversial questions are going to come on this floor again from the Committee on Immigration and Naturalization, let us first of all have a clear picture as to what constitutes an immigrant. It might be said, very generally, that anyone who comes from a point outside of the United States, who is not a member of a diplomatic or ministerial family, who does not come here for the purpose of working under a treaty, who is not in transit through this country, and probably a few more may be considered as immigrants.

A lot of these people want to come to America at the present time and I am very happy to say that somehow we have become nationally conscious of this problem and the time is not far distant when the Committee on Immigration and Naturalization is going to be one of the most important and outstanding committees of the House. There are certain things that, manifestly, make us conscious of this problem. In the first place, we have ten or eleven million people out of work. Obviously, we do not like to see anybody come from foreign shores and displace one of our own people and take away from him a job and the incident bread and butter that goes along with it.

Secondly, we have these problems of subversive doctrine, preaching the destruction of our institutions and our form of government, setting themselves up resolutely against the maintenance of law and order.

These are the things that have gradually come up, and coupled with the desire of those who have a deep and abiding interest in this country to maintain a certain purity of the social structure, it has made us immigration conscious. It started in a rather aggravated way back in 1913 and gathered momentum as we went along to 1924. As you recall, they set up the so-called "National Origins Act", which limited the number of people that could come from foreign shores. If I remember correctly, the first quota was

around 357,000 and along in 1923, 1924, 1925, and 1926, we virtually received the full quota from foreign shores. Then, in 1927 the quota was reduced to 150,000, which, when finally corrected, amounted to just a little over that amount.

However, the State Department has been operating under a kind of temporary order, which provides that the consuls in various foreign countries should not, and cannot in reality, issue a visa to anyone who wants to come to this country unless he can satisfy this provision that we call the public-charge requirement. If he attempts to come here and does not have sufficient funds or the assurance of a job quite outside of the pale of contract labor, the consuls are operating on a program whereby they refuse to give a visa to these people, and this is the only thing at the present time that is stopping a great influx of people from other countries. But this is not our real problem at the present time. Our problem is not concerned so much with those who come in under the quota, because by legislation we can cancel the quota altogether, but our problem is concerned more nearly with those who come in under a nonquota status, and this includes virtually all the people residing in the countries in the Western Hemisphere. They belong to the nonquota group and therefore are admissable into the United States of America.

[Here the gavel fell].

Mr. McLEOD. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. DIRKSEN. This is the reason we are having a problem at the present time. If you want to see a rather illuminating sight, go up to Detroit and watch the folks coming back and forth across the Canadian line over the Ambassador Bridge, or you might go down on the Rio Grande border and watch the Mexican peons coming into this country, or watch the folks who come in from Central and South America. They are the so-called "nonquota immigrants."

Today our problem is concerned with swapping the man from Central America for the man who used to come in from Italy or Germany, and, perhaps, swapping the man who lives in Canada for those who formerly came in from England and Norway and Sweden and Denmark.

Our problem today, therefore, is the nonquota rather than the quota problem.

As I see this immigration problem, and for the purpose of getting it clearly in the minds of the Members who are later to be called upon to vote on some of these controversial issues, let me say to you that the problem is divided into three parts: First, there is the problem of those who come from foreign shores. This is immigration. The next problem concerns those who are already here, but who have not been really absorbed into the body politic and who have not assimilated American ideals and traditions. This is the problem of naturalization. Finally, there is the problem of getting rid of those who have violated their right to be here, if they ever had such right, and involves those who are willing to take the benefits and not the burdens that go along with living in the United States of America.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the distinguished gentleman from Missouri.

Mr. SHORT. Is it not also true that the number of undesirable aliens who have been deported from the United States during the past 2 years has been greatly reduced in comparison with the number deported in the 2 or 3 previous years?

Mr. DIRKSEN. That is quite true; and when we consider that in connection with the decrease in the total number of immigrants, it means an even larger percentage than that indicated by the Labor Department and by the State Department.

However, to continue for a moment with this matter of immigration and naturalization and deportation, let me say that, as I conceive it, the first and most important thing is that we get a consciousness of the fact that this country has become of age. You know some years ago—perhaps 10 years ago—Andre Siegfried, a French observer and critical writer, came to America and made a considerable tour of this country and then sat down to record his observations. He included them in a book called "America Becomes of Age."

Even at that time he points out very distinctly this problem and says the time will come when we are going to have to close our borders and then solve our problems on some other kind of basis than that which obtained in the years when we stood out there beside the Statue of Liberty with open arms welcoming people from foreign shores. We had no unemployment problem at that time. We had none of these subversive influences that have operated through the social structure in the last few years. These are things that have become aggravated within the last few years, and so, more and more, our interest and attention to this immigration problem will be emphasized.

Secondly, there is the problem of absorbing the people who are here. Do you gentlemen realize that we have almost 6,000,000 aliens in this country who are not citizens of the United States? Think of that! A host of reasons are assigned why they are not citizens. A great many have been here for 30 or 40 years who have not taken the trouble to become citizens. I have heard witnesses come before our committee and say that they came here when they were of mature age, that the mind had lost its facility to adapt itself to a new kind of language and new customs, they were just a little bit shy and modest about court procedure, and they had a host of reasons as to why they were not naturalized. Be that as it may, I still believe it becomes absolutely necessary to assimilate all those people, to make them citizens, to make them appreciate the responsibilities of citizenship. If necessary, then let us cast aside all of the fees necessary, let us make it just as easy as possible for those who are now here, so that the day will not be far distant when we can say that these 6,000,000 who are now aliens and who are living and doing business and earning a livelihood in our country will subscribe to the same flag and the same Constitution and the same laws and the same doctrines to which you and I, as citizens, subscribe. It seems to me that one of the profitable things that we could do in this country is to designate a naturalization week or a naturalization month, and then have patriotic societies address themselves vigorously and militantly to that problem, instead of just scattering our efforts and constantly talking about it. It requires a program. We have to go out into the highways and byways and find them, we have to attract them into schools of citizenship, and show some spirit of welcome. We have to carefully and gradually pilot them through the Federal courts and make them citizens, and then the second part of our program is solved, the problem of naturalization.

Then, there is the third part of this program, and that is the problem of deportation. There are lots of things for which people can be deported, but there are lots of things for which they cannot be deported at the present time under the law as it now exists. This law is so abstruse and confusing that I do not believe half the members of the Immigration Committee understand what it is all about. But this thing we do know, and that is that we are doing a kind of repairing and patchwork business on the laws that have been passed in the last 20 or 25 years dealing with that problem. What we do in the Immigration Committee at the present time is throw back to the mistakes made in the last generation and come up from behind and stick a patch on the statute here and another patch on a statute there in the hope of doing some good. I remember 2 years ago we thought we would develop a comprehensive program along this line, and we were advised by the State and Labor Departments that they were doing that very thing. That is 2 years ago, and, if my memory serves me correctly, we have not gotten a report from the State or the Labor Department yet on that problem. So, this House committee will have to address itself to that matter the best it knows how, but instead of a lot of patchwork it seems to me the whole immigration and naturalization subject should be revamped and codified, so that there is some semblance of pattern to these laws.

Getting back to these deportables, on whom so much attention is lavished in the newspapers at the present time, here are those who can be deported from the United States: One convicted of narcotic violation, after termination of prison sentence. If he is in prison for violating the narcotic law, you cannot reach him there and get him out and send him back where he belongs. Rather, we have to feed him and care for him in one of our prisons on which we are spending $500,000 for repairs and maintenance annually. I say, let us reach in there and get him out and send him back where he belongs. We cannot afford to be sympathetic or soft-hearted about that thing, especially when we deal with people who peddle dope and ruin the physical vitality and robustness of some of our best people. You will remember years ago when Wallace Reid was one of the popular moving-picture idols. These dope peddlers reduced him to a pile of physical junk because of the dope that he bought from them, but when we catch somebody of that kind and put him in prison for a limited time, under the present law we cannot reach in and take him out and send him back where he belongs. Since many aliens have been mixed up in that kind of a racket, it is high time that so important a matter as this have the deliberate attention of the Congress.

Second, those who at the time of entry or thereafter became anarchists, those who advise, teach, and advocate and oppose all forms of organized government, those who advise or teach or advocate, or are members of a group which teach these subversive doctrines, and those who donate to an organization that teaches these doctrines are deportable. Along with them, deportables include any alien who illegally entered, who at the time of entry belonged to an excludable class, who advocates the destruction of property or anarchy, or the overthrow of government, and an host of others who are included. But the singular thing is that we have not been able to put our hands on a lot of these gangsters and gun toters in the large cities. Unless some moral turpitude is involved, they go about in their stick-up business and racketeering business and we have not been able to touch them under the law. Therefore, when I say it is patchwork I mean that our immigration laws are a patchwork, and that they should be recodified, because we are standing on the threshold of some new concept of what nationalism and patriotism means. When I say that I am no flag waver, I am no sentimentalist, I try to look at it in a broad and practical way.

By way of recapitulation, let me summarize this problem as I see it. Once upon a time, we had ample land, ample room, and wanted folks to come to this country. Through excess births over deaths and through immigration, we became a country of 125,000,000 people. Our civilization and our economics and social structure became complicated, and as a result of the war and its incidental problems we inherited unemployment, radicalism, labor troubles, criminal activities and a tendency on the part of aliens toward subversive doctrines.

To limit the number who came over, we invoked the National Origins Act which reduced the number of quota immigrants to about 150,000. Through the operation of a ruling of the State Department, nobody can come to this country who might possibly become a public charge and the proof against such likelihood rests on the immigrant.

We do not, however, touch the problem of deserting alien seamen, the problem of stowaways, the problem of visitors who come over here and fail to go back at the expiration of their permits, and the problem of nonquota immigrants. These constitute the back door to the immigration question and for the protection of American labor it becomes increasingly necessary to close the back door and prevent influx of immigrants from countries in the Northern Hemisphere. Until we reach a state of normalcy, let us stop further immigration and give our own citizens a chance at the few jobs that are now available.

Secondly, let us absorb the aliens who are now legally here. They want to become citizens. Let us meet them half-way. Let us put on a drive to make them citizens and give them an appreciation of what it means to live in the greatest Nation in the world, despite the depression and its incidental problems.

Finally, let us rid ourselves of the aliens who are undesirable. Today we have gangsters and mobsters, narcotic peddlers and rum runners, bootleggers and bandits who are aliens and who have been a most disturbing influence upon the peace and order of our people. The easy and the facile way is to get rid of them and send them back from whence they came without sentimentality or sob stuff.

We are no longer a country in knee pants. We have reached our maturity and it is high time this matter was receiving most serious attention.

So long as we have eleven or twelve million people out of work, let us bar the door until they have had a chance to find jobs. They are our own people, and our first obligation is to them. That will dispose of the immigration problem.

Let us take the five or six million aliens in our country who are now aliens and bring them into citizenship. Let us develop in them the spirit and the traditions and the idealism of this country. That will dispose of the naturalization problem.

And finally, let us gather up those who have violated the hospitality and the freedom and the laws of this country and send them back to whence they came, without any "ifs", "ands", or provisos. That will dispose of the deportation problem.

The problem and its definite solution stands before us. It is neither difficult nor abstruse. All it requires is a bit of good old-fashioned, red-blooded action. For the time being, let us keep out additional aliens, assimilate those who are here, and deport those who should not be here.

Mr. CARY. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, I am going to talk about a new subject—about the bill that is before the Committee for consideration. To my mind it is extremely regretable that a bill of this great importance and consequence has received scant consideration in the last 2 days.

In his remarks yesterday, the gentleman from Kentucky [Mr. CARY], on page 6229 of the RECORD, expressed a doubt as to the accuracy of my statement that the United States has been spending far more money on its Navy since the Washington Conference than any other country. I quote below figures taken from page 941 of the 1935 World Almanac. These figures are official as gathered by the United States Government. I leave off the odd dollars:

Expenditures, by years	United States	Great Britain	France	Japan
1923	$346,000,000	$315,000,000	$31,000,000	$137,000,000
1924	328,000,000	281,000,000	43,000,000	196,000,000
1925	323,000,000	271,000,000	40,000,000	124,000,000
1926	317,000,000	327,000,000	49,000,000	112,000,000
1927	320,000,000	281,000,000	72,000,000	119,000,000
1928	336,000,000	282,000,000	96,000,000	127,000,000
1929	366,000,000	278,000,000	99,000,000	130,000,000
1930	375,000,000	271,000,000	64,000,000	130,000,000
1931	357,000,000	281,000,000	134,000,000	131,000,000
1932	353,000,000	250,000,000	109,000,000	104,000,000
1933	349,000,000	245,000,000	94,000,000	146,000,000
1934	282,000,000	260,000,000	106,000,000	201,000,000
Total	4,052,000,000	3,342,000,000	937,000,000	1,657,000,000

It will be seen that, with the exception of the year 1926, the United States spent much more money than Great Britain, whose possessions are scattered over the wide world, and we spent two and one-half times as much as Japan spent.

Mr. CARY. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. CARY. Is it not true that we got a great deal less Navy for our money than other countries by reason of the fact that labor is cheaper, material is cheaper in other countries, and it cost us more to build in this country than in foreign countries? While we have spent more money we actually have not got as much for our money.

Mr. BIERMANN. I do not know whether that is true or not, I never heard any testimony nor have I seen any evidence of those facts.

Mr. CARY. The gentleman does know, as a matter of fact, that the labor and living conditions and the standard of living is very much different in other countries than it is in ours; that wages are higher here and the cost of material is more.

Mr. BIERMANN. If that is so, why do we ship our manufactured articles to foreign countries for sale? We can manufacture farm machinery, sewing machines, automobiles, and other things cheaper in this country than they can be manufactured in foreign countries; and I am not sure but that the same thing applies to battleships.

Mr. DITTER. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. DITTER. Has the gentleman taken into consideration the subsistence provided by foreign countries and the comparison of subsistence for the enlisted personnel of the armed forces of this country and foreign countries? If the gentleman's statistics are worth anything, it seems to me it would be well to point out the character of subsistence provided for the armed forces in this country as compared with subsistence provided for by other countries.

Mr. BIERMANN. I think that investigation would better be carried on by the committee of which the gentleman is a member.

Mr. DITTER. If the gentleman will yield further, I hope his original statement as to the scant consideration the bill has received was not directed to the Subcommittee on Appropriations.

For 6 weeks this committee, under the very able leadership of the distinguished gentleman from Kentucky [Mr. CARY] inquired into the requirements of the Naval Establishment. I can say to the gentleman, with no undue compliment to the gentleman who is chairman of that committee, that no committee chairman ever worked more zealously and faithfully than your colleague, the gentleman from Kentucky [Mr. CARY].

Mr. BIERMANN. I do not doubt that at all. Is the gentleman in control of the time on that side? I do not mind being interrupted, but I would like to get my statement in. It so happens that mine is the first talk that has been made against this bill, and the second talk of any kind that has been made on the bill. I appreciate what the gentleman from Pennsylvania has said regarding your committee, but the unfortunate part of it is that the vote is not going to be by that subcommittee. The vote is going to be by 435 Members of this House, and, with all due respect to them, I think the gentleman will agree with me that the average Member knows nothing whatever about this bill.

Mr. DITTER. Will the gentleman yield for a further statement?

Mr. BIERMANN. Yes; I yield.

Mr. DITTER. If the gentleman is present tomorrow, I hope to be able to give him some figures that I believe will carry out substantially the declaration that I have made with respect to the subsistence provided for the personnel in the armed forces here, as compared with the armed forces in other countries.

Mr. CARY. And especially is that true relative to pay.

Mr. BIERMANN. I will be glad to have those figures.

For the current fiscal year, our appropriations are given as $284,000,000, but to keep the record straight, it should be taken into account that in the 1934 and 1935 years the Navy received more than $317,000,000 out of the emergency funds, this according to the testimony of Admiral Richardson on page 277 of the hearings on this bill.

To my mind there is only one big question involved in the consideration of this bill: Is it necessary to appropriate $457,000,000 for 1 year's expenses for our Navy? If the proponents of this measure cannot prove that necessity, they cannot make out a case for this enormous expenditure.

In yesterday's debate the gentleman from Kentucky [Mr. CARY] told us that he wanted the United States Navy to be mistress of the Seven Seas, and in the next breath he told us that the expenditures contemplated in this bill are for defense only. I challenge him or any other member of this committee to prove that our national defense demands the amount of expenditures contemplated in this bill.

Against whom are we going to defend ourselves with our Navy? No one, of course, will contend that any other navy or any other two navies in the world are anywhere near equal to that of the United States, except those of Great Britain and Japan. The most extreme alarmists will not tell us that we are in danger from Great Britain. Then the whole case simmers down to Japan, and the whole question in considering the merits of this bill is, "Are these expenditures justifiable as a preparation for defense against Japan?" There are 5,000 miles of water between Japan and our western coast. I do not believe that a member of this committee can produce any testimony that will lend the slightest support to a theory that Japan could attack our western coast with any prospect of the smallest kind of success.

Mr. DREWRY. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. DREWRY. If the gentleman thinks that $327,000,000 is too much to be appropriated for the upkeep of our Navy, what sum does the gentleman have in mind should be appropriated and in what way should that sum be spent? Has the gentleman directed his attention to that?

Mr. BIERMANN. Oh, that is an involved question. I think that question should rather be directed to a member of the committee.

Mr. DREWRY. Well, the committee did direct its attention to that for 6 weeks and brought in its report.

Mr. BIERMANN. When the gentleman asks me to say in what places these reductions should be made, of course, he is asking me a question that he knows I am not able to answer, because this bill, this report, and the hearings on this bill have just been available only for about 24 hours. Surely the gentleman would not expect me, with my limited ability, to go into a thousand pages of printed matter in 24 hours and find out exactly where reductions should be made.

Mr. DREWRY. I did not expect the gentleman to be able to answer it, and that is the reason I called it to the gentleman's attention.

Mr. BIERMANN. But he wanted to ascribe a different reason for my failure to answer than the real reason. I do not believe there is any ground in the present situation for requiring this Government to spend $172,000,000 more on its Navy next year than it spends during the current fiscal year.

On page 77 of the hearings the navies of the United States and Japan are compared as follows, as of November 1, 1934: United States, 358 ships, 1,089,775 tons; Japan, 220 ships, 756,561 tons.

Will any member of the committee say that our 358 ships of more than a million tons cannot defend our western coast against Japan's 220 ships of 750,000 tons?

I ask members of the committee to cite us a case in modern history where a navy has taken a major land fortification. I ask them to name a single case in modern history where a belligerent has landed any considerable number of troops on a hostile shore. Great Britain, with her great Navy, failed with frightful losses at Gallipoli in the World War.

Mr. DITTER. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. DITTER. Will the gentleman also make an observation as to the value of the navies of the Allied forces during the World War with respect to Germany's position? Is the gentleman of the opinion that the naval force of the Allies was of any value in its conflict with the Central Powers?

Mr. BIERMANN. Yes; of tremendous value, but it was not the kind of value that would prove the proposition that the United States is in danger from any other navy.

The Navy of Great Britain, with the help of the Navy of the United States and France, took no German port. They landed no hostile forces on German soil. I do not know that they even landed a hostile shot on any German soil.

Mr. DITTER. May I say further to the gentleman that it was not a part of the program to land such forces on German soil, but the gentleman will certainly acknowledge that the armed forces of the Allies, including the United States, were certainly protected and their cause advanced by the efficiency of the naval forces?

Mr. BIERMANN. I do not doubt that at all; but I wish that tomorrow the distinguished gentleman in his speech would try to draw a lesson from the use of those navies against Germany, to prove his proposition that the United States is in danger from any foreign country.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. MARCANTONIO. I suppose the gentleman from Pennsylvania [Mr. DITTER] is going to tell us that the Battle of Jutland determined the victory of the World War? That would be the logical conclusion from the statement he just made.

Mr. BIERMANN. It seems to me it would not be demanding too much of the members of this committee or the proponents of this bill, if they are going to argue that the United States is in danger from some foreign country, that they pick out some instance in the World War to lend some color to that kind of belief.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. CHRISTIANSON. I simply rise to make the observation that the value of the Navy during the World War was to protect the men and munitions of war that we sent over to Europe. We are not going to do that again; so we will not need the Navy for that purpose.

Mr. BIERMANN. Exactly. I thank the gentleman for his observation.

Japan's population was 64,000,000 in 1930. Ours was twice that number. In wealth, natural resources, and material for carrying on warfare, we are many times as strong as Japan. To contend that Japan could successfully make war on us over 5,000 miles of ocean is so fantastic as to be ridiculous.

During more than 30 years, to my personal knowledge, the militarists and jingoes of this country have used the Japanese scare as an excuse for huge appropriations. The Japanese scare is the only excuse in the backs of the heads of the Members who will vote for this measure.

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. DITTER. If the gentleman will permit the observation, the gentleman has been here long enough to know that it is not the usual practice to have an appropriation bill out among the membership and make the membership vulnerable to the attacks of those who might be interested in the appropriation long before the consideration of the bill. That is correct, is it not?

Mr. BIERMANN. I think that is correct.

Mr. DITTER. So the criticism directed against the present naval appropriation bill does not apply alone to this bill but might apply to all appropriation bills.

Mr. BIERMANN. I am not talking about the general appropriation bills of the House. I made the statement that I regretted very much that this bill has not been considered by the general membership of the House, and I cited these facts to prove that proposition. I meant no aspersion on the committee.

Mr. DITTER. But the gentleman will admit also that he has had the opportunity of studying the bill during the entire time of general debate. This is true, is it not?

Mr. BIERMANN. I think that is true if the gentleman will admit that a Member has nothing at all to do except to study some bill that may happen to be before the House.

Mr. DITTER. And the gentleman will have time to study the bill before it is read under the 5-minute rule, which will probably be a matter of 3 days.

Mr. BIERMANN. But my point is that at a time when we are about to appropriate $172,000,000 more for the Navy than we did in the previous year and about to adopt a policy which will mean an annual appropriation for the Navy of $555,000,000, the general membership of the House ought to know these facts and have an opportunity to study them before they are called upon to pass on the bill; and there ought to be more than just a few Members here to listen to the debate.

Mr. DITTER. Will the gentleman yield for this further observation?

Mr. BIERMANN. I will yield, provided the gentleman can get me more time.

Mr. DITTER. If the gentleman will compare the Members present on his own side of the aisle with those present on this side of the aisle, I think he will see that he should direct his criticism against the Democratic membership rather than against the Republican membership.

Mr. MAVERICK. Mr. Chairman, will the gentleman please deduct the Farmer-Laborites and the Progressives?

Mr. CHRISTIANSON. Mr. Chairman, if the gentleman will yield, the criticism of the gentleman with reference to the method of bringing in this bill applies to all appropriation bills. They should be before the Members in sufficient time for them to study the bills, and attack such provisions as should be attacked. This would be a salutary policy for safeguarding the interests of the taxpayers.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. For a very brief question.

Mr. COCHRAN. Were we to follow the policy our friend has just suggested, would we not be flooded with letters and telegrams protesting against this or that item in the bill?

Mr. BIERMANN. Yes; I think that would be especially true with regard to the pending bill.

Mr. COCHRAN. They would not be satisfied with the appropriation provided in the bill but would want more.

Mr. BIERMANN. No; I think they would want two-thirds taken off.

Mr. MAVERICK. The gentleman does not mean he is afraid of public opinion, does he?

Mr. COCHRAN. I certainly believe in the right of public opinion, but the gentleman knows we would be flooded with telegrams had the bill been reported out 2 weeks ago.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BIERMANN. I regret very much that this bill has not been considered more by the general Membership of the House. Up until 12:30 yesterday noon no copy of the bill and no copy of the report was available to the Membership of this House. Yet we are going to be asked to vote for an appropriation of $457,000,000 in a day or two, and I mean no reflection on the Membership of this House when I say that the very great majority of the Members will vote on this measure without an adequate understanding of what it carries with it. If this bill passes and becomes law, it will mean that we shall appropriate for the 1936 fiscal year more than $920,000,000 for our Army and our Navy. If the emergency funds are used to supplement these figures, as they were in 1934 and 1935, it is reasonable to say that during the next fiscal year, we shall spend on our Army and Navy more than a billion dollars.

The Seventy-third and the Seventy-fourth Congresses have appropriated vast sums of money. The defense for these appropriations largely has been that they were made to meet a great economic emergency. That emergency, we hope and believe, will be temporary, but this appropriation, if it is adopted, embarks us upon a tremendous permanent policy of enormous public expenditures for the Navy.

On pages 53 and 54 of the hearings, Admiral Standley sets out in detail the expense of maintaining our Navy at the so-called "treaty strength" after we shall have attained it in 1941. He declares that it will cost our Government $555,146,641 every year to maintain our Navy and to replace overage ships. That is more money than Great Britain and

Japan combined are spending on their Navies. It is more money than it cost for all the running expenses of our Government in any peace year before 1904. It is more than twice as much as it cost to run our Government so recently as 1880.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield for a brief question.

Mr. KELLER. The gentleman has told us how much we are spending on preparedness. Will the gentleman tell us also how much we are spending on panics and depressions?

Mr. BIERMANN. I do not have that in this speech.

A short time ago I received an inquiry from Luther College in my home town of Decorah, Iowa, as to what fraction of our governmental expenditures are devoted to the payment of past wars and in preparation for expected wars in the future. I analyzed the expenditures for the fiscal year ending June 30, 1934, and I found in that year more than 69 percent of the ordinary running expenses of our Government were devoted to past and future wars. I ask unanimous consent at this point that I may be permitted to insert in my remarks a copy of my reply to Luther College.

The CHAIRMAN (Mrs. NORTON). Is there objection to the request of the gentleman from Iowa?

There was no objection.

The letter referred to follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 15, 1935.

LUTHER COLLEGE,
Decorah, Iowa.

GENTLEMEN: If we consider the ordinary expenses of the Federal Government, during the past fiscal year which ended June 30, 1934, the expenditures on past wars and preparation for expected wars in the future accounted for more than 69 percent of the expenditures of the United States Government.

The total ordinary expenditures of the United States Government for the fiscal year ending June 30, 1934, were $3,100,914,534.14.

The expenditure on wars past and future were as follows:

Army	$205,305,921.93
Navy	274,388,386.06
Veterans' Administration	506,549,454.14
Bonus certificates	50,000,000.00
Interest on debt	756,617,126.73
Public-debt retirement	359,490,900.00
Total expenditures on past and future wars	2,152,351,788.86

Expenditure on legislative, executive, and judicial branches of the Government, all civil departments, all independent offices, civil-service retirement funds, etc., were $948,562,745.28.

The total expenditures for the Federal Government for the year ending June 30, 1934, including relief and other emergency expenditures were $7,105,050,084.95.

Among the emergency expenditures were:

Army	$38,023,229.37
Navy	22,640,904.90
Veterans' Administration	401,033.60
Total	61,065,167.87

The total expenditures on wars past and future out of the ordinary and the emergency expenditures for the year ending June 30, 1934, were $2,213,416,956.63.

In other words, wars past and future, accounted for more than 31 percent even of the grant total of our Government's expenditures including the emergency expenditures.

Sincerely yours,

FRED BIERMANN.

Mr. BIERMANN. For the 14 years, 1922 to 1935, our Government spent more than $11,000,000,000 on "preparedness." It is evident to the most casual thinker that that sort of expenditure cannot continue without having a demoralizing effect upon the other activities of our Government or actually leading this Nation into bankruptcy.

The proponents of this bill will not be able to show during this debate that there is any reasonable excuse for spending a billion dollars on "preparedness" this year and in engaging to spend continuously approximately $555,000,000 each year on maintaining our Navy.

I am sure that if the Members of this House had had the opportunity to study this bill and its consequences, it would stand no chance whatsoever of being approved by the House. I sometimes wonder that we have wandered so far from the principles upon which this Republic was founded George Washington, the greatest of all Americans, warned this country against "overgrown military establishments", because "under any form of government they are inauspicious to liberty and they are to be regarded as being particularly hostile to republican liberty." Jefferson, Hamilton, and Franklin expressed similar feelings.

The Congress of the United States will before long have to return to the fundamental principles upon which this Republic rests or the Republic itself is going to perish. I know of no finer service to his country that any Member of this House could render in the remainder of this session than to cast his vote against this bill.

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we are discussing the practicability of increasing our Navy for the purpose of national defense. I think this is a matter which should be well considered, but I am greatly of the opinion that we should give equal consideration to the proposition that in our national defense we want to do only those things that will protect our own shores; that we are not so much interested in aggression or strife on foreign shores. I think we need more friendships than battleships. I think that if an increase is needed in any branch of our service it is in the Air Service. It is my feeling that we are confronted today with greater possibilities of destruction from within our own country than we are by aggression from without; and it is to this feature of our national welfare that I wish to address my remarks at this particular time.

I call the attention of the Members of the House to the promises made to the American people in two planks of the Democratic platform. I shall insert at this point the preamble of the Democratic platform:

The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated, and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

This has not been the results so far under this Democratic rule of our country.

The Democratic platform further states:

We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference, reciprocal tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

I want to call the Members' attention to the fact that in the Democratic Party platform of 1932 they make this further statement:

We condemn the Hawley-Smoot Tariff Law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created international economic hostilities, destroyed international trade, driven our factories into foreign countries, robbed the American farmer of his foreign markets, and increased the cost of production.

I want to rise to defend that which they condemn, and I want to condemn that which the Democratic plank refers to as the thing they are trying to see inculcated into American life. Why do I want to do this? Because it is doing the opposite from what they claimed it was going to do. If you will read the Democratic platform and the promises that they made to the American people when that platform was adopted, and when the present President of the United States stated, "I am for it 100 percent", you will see that never in the history of America were promises made which were so flagrantly violated, promises that were so much broken as were these.

May I read a letter that I received from a manufacturing concern which employs 423 men? They are condemning the reciprocal tariff and the fact that the Democratic Party does not protect American industry. I want to say to the Members that foreign countries are now bidding and bidding strong for American industry. If we continue along the policies that the Democratic Party is now pursuing, we will

have less industry in operation and more people out of work than ever before. The industries of this country will leave America and go to Canada and other foreign countries, because those countries will give them greater protection than they receive in this country. I quote:

In order to be prepared for the worst, our company has deemed it wise to make some investigation of a new site, possibly outside the United States of America, where manufacturing could be carried on under somewhere near normal restrictions, regulations, etc.

It will be of interest to you to know that one of the places we have had brought to our attention is in the Province of Quebec, Canada. We have never heard of the Canadians being accused of permitting sweat-shop wages and conditions to obtain, or that the Canadians paid wages so low that decent living conditions could not be maintained. We quote, therefore, from letter received from the Southern Canada Power Co., of Montreal, touching the general situation of wages and particularly wages for female workers:

"There are no minimum-wage laws in effect for male help; nor limitations as to hours. The general practice throughout our district is a 55-hour week, and overtime is paid for at the standard day rate.

"For female help there have been minimum wages in effect for some time for certain lines of trade, and, as you know, this question is receiving considerable attention at the present time. I discussed the matter with the Government official in charge, who informed me that regulations have not been put into printed form recently because of the changes that are being made. Stated briefly, however, the situation is that there is a minimum wage of $6 per week for female workers in our territory outside of Montreal which rises to $10 per week at the end of 2 years' experience for qualified workers. The Department recognizes that there are some girls who could never earn $10 per week in competition, and a strict enforcement of a rule that a girl with 2 years' experience had to be paid not less than $10 per week would make it impossible for some girls to get work. There is a provision made, therefore, that 70 percent of the total female working force must be paid not less than $10 per week, 20 percent of the force may be paid not less than $8 per week, and the remaining 10 percent not less than $6 per week."

You will note that the Canadian authorities very wisely recognize that it is perfectly right and proper to pay lower wages in the small country towns, outlying districts, etc., than in the great cities like Toronto and Montreal.

This is one of the fundamental weaknesses of the N. R. A. We in the small town of ——— have to pay the same wages as we would have to pay if our factories were located outside of New York City, our chief market.

I am hopeful that in some way, in the face of all kinds of unreasonable union labor demands for uniformity, it will be possible to continue manufacturing in this country and to pay a prevailing wage rate dependent upon the rate of wages paid in the community in which the place of employment may be located. If present regulations are continued under the N. R. A., there can be but little question but that industrial establishments located now in the small country towns will gravitate toward the cities because the chief advantage of locating in the small towns, namely, a cheaper and more abundant labor supply, has been destroyed.

Also, if across the border in Canada we can hire men for 20 cents per hour but here are compelled to pay a minimum of 35 cents per hour, and we can hire in Canada female labor for as low as $6 per week while we are compelled to pay $12, unless a very high protective tariff is put into effect at once it will mean two things: 1. Manufacturers will seek establishments in Canada, or 2. They will go out of business altogether and the Canadians will take over the markets.

Doubtless you are fully aware of the keen competition that we are meeting with at the present time from the cheap-labor countries like Japan, Germany, and Czechoslovakia, where employers are not restricted as to wages or hours of labor; yet up to this time our Government has not seen fit to protect American industry, which is subject to all the provisions of the N. R. A., from the cheap labor of these countries. This is one of the big factors which is keeping men on the unemployed list. We cannot buy our merchandise abroad and keep men employed here.

I also quote from another letter which I received, the following:

In woodworking there is a high percentage of labor in the finished product. In the industries that are continuing, carrying on, developing, prospering, like automobiles, there is a low percentage of labor in the finished product. An automobile has 18 percent; in our work it runs from 30 to 60 percent. Therefore when a wage is raised arbitrarily it falls with particular severity on all industries where there is a high percentage of labor content. This usually means the small industries.

One other thing: Wood-working industries are usually located in small towns for two reasons: 1. A cheaper labor supply due to the lower cost of living in the country towns, and 2. That they may be near a source of supply for their raw material—lumber and wood.

When the codes require that woodworking pay the same wage rate as is paid in the cities they are denying the wood-working industry the benefits of their geographic location and placing upon them an additional burden, namely, that of transportation. Our chief market, for example, is New York City. After our merchandise is completed it is necessary to truck from here to New York. This is a considerable item of expense a continuance of which is justified only if there is some compensation in way of lower wage rates or cheaper raw material.

Not content with imposing uniform wage rates on all parts of the country, the Government is going one step farther in the reciprocal-trade agreements in which the small industries suffer by having the tariff removed or reduced. At present there is under consideration at Washington a reciprocal agreement with Canada.

In former years American factories manufactured practically all the brush handles used in Canada. The Canadians put on a tariff making this impossible and factories, one at St. John, New Brunswick, and the other at Gravenhurst, Ontario, are now making the handles used there. In addition, the Gravenhurst factory is now furnishing practically all the handles used by a company at Newark, N. J.

Just how it is in the least fair or a good business policy to impose a higher-wage and shorter-hour arrangement and all the other burdens of the code on the American manufacturers of wood products and other industries as well and then reduce the tariff now in effect so as to make it easier for the Canadian manufacturers to enter the American market is a question difficult to answer.

Wood-working factories over the country are encountering financial difficulties on all sides.

Mr. Chairman, when the Chief Executive of the United States made his inaugural address he said to the American people: "We are going to give you those things which will make everybody happy and which will cause everyone to feel joyous, and that will give you a new and abundant life." I think the President of the United States was sincere when he made the statement, but I believe that he is being so ill-advised today that things are becoming confused. They do not know what they are doing. I decided some time ago to criticize where criticism was due. May I say to the members of the Democratic Party that if you permit to continue the program that has been started by the President of the United States, we in this country will discover in a very short time that instead of helping the country to be a better place to live in, conditions will be the worst that this country has ever known. This is because the President of the United States is not carrying out the promises that he made to the people in his platform. If you will read the platform, then take notice of what he is trying to do and what he is trying to have this Congress enact into law, you will find there is no comparison between promises and accomplishments. He is doing the opposite from what he promised. Why? Why is he doing it?

I say in all sincerity and with the utmost desire to stop some of this program that is leading us into utter failure and ruin that we must not continue the movements that are going on today. They are dangerous because we are making regular bureaucrats out of our departments. We are making them departments that are going to rule or ruin, and the freedom of the American people enjoyed under the Constitution of the United States is going to fade away from the American people, and the freedom that you and I have enjoyed will be no more. Instead there will be a millstone around the necks of the coming generation on account of a great national debt, and because we are permitting ourselves to be hamstrung by regulations that are impossible to be met by the people in our generation and in future generations, we are setting up the greatest of dictatorships, we are doing away with constitutional government, we are destroying all vestige of the government that made this the greatest Nation on the face of the earth.

We should get rid of the professors and the untrained youths without experience who are writing the administration bills that you are passing here in the House of Representatives. Thank goodness the Senate is a buffer at least for some radical measures, but it is not strong enough to stop some of the wild legislation proposed by the administration. Restore confidence in the hearts of the American people. Return to constitutional government, and do so at once, before it is too late.

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, when I speak today about this Navy bill, I want it understood first that I am not criticizing the members of the committee, nor am I

criticizing their policy. I am a member of the Military Affairs Committee, and I know what committee chairmen and committee members have to do. I would not come into court with clean hands if I criticized them for the bill they have brought out. However, I have certain objections to this bill. One is an objection to the enormous and staggering amount of money which will burden so heavily the American people. That has been covered. I shall not make any specific statement on that feature, except the thought of so huge an amount, coupled with some of our policies, may lead us into war, and this is horrifying.

I have another small objection, and that is the increase in the number of midshipmen at the United States Naval Academy. I want the committee to fully explain why an increased number of midshipmen is necessary at Annapolis. We have colleges all over the country that can give the boys training; after some service in the Navy they could be efficient officers. It is true of the Army, so why not the Navy? The military and naval authorities want to get enough boys so that they can put them in a sort of iron foundry and pour the hot youthful metal into casts, then dump them out and put them into the service of the Army and Navy, to think, talk, and act only with a military education; and even after these young men leave Annapolis they have to go to universities to study marine engineering and various other subjects.

I have another objection, not to this bill particularly but to some of the naval policies. That is, that our admirals pay too much attention to foreign policies. What business is it of theirs?

The State Department is in charge of foreign policy, and under the able direction of Secretary Cordell Hull. The State Department has the Foreign Relations Department and the Diplomatic Service and are well able to do their part. Let the admirals stay on their ships where they belong.

Now, what is an admiral? I do not ask this in a demagogic or mean sort of way, but he is a more or less glorified policeman of the United States, who is supposed to protect our borders and not have anything to do with foreign policy. Like policemen, they should do their duty and keep their mouths shut. We have signed the Kellogg Pact, but what do they do? They get out a book every year on "naval policy", which is really foreign policy, and they say:

To maintain the Navy in sufficient strength to support the national policies and for commerce and to guard the continental and overseas possessions of the United States.

I do not object to this, except we have renounced war as an instrument. We did this in the Kellogg Pact, and we have done it time after time. Then they also request a development of the Navy to the maximum in battle strength, and to control the sea—which, of course, means all the seas—and for defense. They are always talking about battle strength and talking about warfare; the implications are that we are sure to go to war. I am now going to read a few of the things that the gentleman from Kentucky [Mr. CARY] said:

To my mind there is but one course for us to pursue, and that is to maintain an Army that is unequaled.

An army that is unequaled! Russia has an army of 15,000,000 men, so the gentleman from Kentucky [Mr. CARY] did not mean that.

A navy that will be the mistress of the Seven Seas.

I went over to the Library, having forgotten my geography, and I looked in the Almanac and I find that that means the Atlantic, the Pacific, and the Indian Oceans, the China Sea, the Arctic, the Antarctic Oceans, and the Baltic Sea; so he did not mean that either. In other words, the thing I object to with respect to our military and naval appropriations is the false psychology of our grandeur—the grandeur of the United States. The idea is we are the biggest cock of the walk. What I want to do is to be purely defensive and talk defensive, because as a big cock of the walk we might get knocked off. I prefer that we be really defensive, not offensive, either in national habits or in manners.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield to the distinguished gentleman from Georgia.

Mr. VINSON of Georgia. Is it not the object and purpose of the Washington Treaty and the London Treaty to be merely defensive?

Mr. MAVERICK. I think so, but I do not know enough about that to state.

Mr. VINSON of Georgia. Does not the gentleman know there is no effort being made by this Government to go beyond the provisions of those treaties, and therefore everything in this bill is defensive, is it not?

Mr. MAVERICK. Yes; I think the material part is defensive, but I do not like this psychology of war. I was talking about war psychology and the meddling habits of admirals.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. CHRISTIANSON. Nevertheless, it is true that these treaties do insure to the United States a Navy as large as any other in the world under the 5–5–3 ratio.

Mr. MAVERICK. Of course; and we are going the limit, apparently, spending huge sums, and talking too much about war.

Mr. VINSON of Georgia. Does not the gentleman think this country should have a navy equal to that of Great Britain?

Mr. CHRISTIANSON. I do not think we need as large a navy as Great Britain, because we do not maintain a world-wide empire as does Britain. Furthermore, we are self-contained. We are not living on a little island that has to receive all of its raw materials from the five continents of the earth.

Mr. VINSON of Georgia. Then the gentleman is of the opinion that the defense of this country must be dependent upon the peace and good will of other nations and not our own defense?

Mr. MAVERICK. You gentlemen are taking too much of my time.

Mr. CHRISTIANSON. I would like to answer that question.

Mr. VINSON of Georgia. I would like to have an answer.

Mr. MAVERICK. I do not know how large a navy we ought to have, but I know we are spending a lot of money, and I know that there is a fundamental question involved in our international policy. It involves domestic policies also, and I know this much, and I am not saying this for any Republican to feel happy over, but I am saying it from the viewpoint of a liberal. What are we doing with our money? We want to have a subsidy for our merchant ships. A shipbuilding concern builds a million-dollar ship; then we are to spend $400,000 of Government money, or the taxpayers' money, as a part of that subsidy and then subsidize the employees. Then we spend the rest of our money on relief, and for the Army and the Navy. We must have relief, but it is certainly not satisfying to self-respecting Americans. We need more economic thought and less military thought.

I say, as an economic principle, and as a matter of international policy, this is foolish. I think the money we spend should be spent on things that are productive for this Nation.

Now, where is the bill on the Tennessee Valley Authority? Where is the holding-company bill? Where are the fundamental problems that we had before us and that the Democrats promised the people of the United States? Are we going to scuttle the Tennessee Valley, or let the Republicans do that?

Are we going to throw the Wagner labor-disputes bill in the trash can? Are we going to forget all of the fundamental issues before us and spend all of our time building an army and a navy, making subsidies that do not profit the Nation, spending relief money, which only keeps people alive and, in other words, spending all our money on nonproductive pursuits? What are we here for anyway?

The people of America expect us to do something besides spend money on nonproductive pursuits. The Tennessee Valley Authority is one of the greatest things and most constructive ideas ever originated in this country. It will bring a higher standard of living to millions of people, and when the Government spends money on T. V. A., it is productive money, where you get money back, where you give cheaper electric rates, decent wages, and help people to live like human beings; whereas, the money we are spending may be necessary but certainly cannot be termed money spent for a constructive purpose.

We have vital legislation which we should pass and have not passed. There is no trouble about huge appropriations for nonproductive purposes, but all of the really constructive, forward-looking, humane bills lie molding in pigeonholes.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. VINSON of Georgia. The Democratic Party promised the people a navy up to treaty strength, and the gentleman has no objection to that?

Mr. MAVERICK. In that particular respect, I am not familiar.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. BIERMANN. I would like the gentleman from Georgia to find that in the Democratic platform. The Democratic platform in 1932 denounced the Republican administration for spending about $700,000,000 on the Army and Navy combined and here we are committed to a policy of spending over $1,000,000,000!

Mr. VINSON of Georgia. If the gentleman will become familiar with the Democratic Party, he will find it has always stood for adequate national defense, and an adequate national defense in this instance means a treaty navy.

Mr. MAVERICK. Mr. Chairman, I do not want to yield any more, if it is all right with these gentlemen. Everybody is for defense; let us not argue about that.

I believe every Member of this House has exactly the same idea. I think every Republican, Democrat, Farmer-Laborite, or Progressive wants to have national defense, and I may say that I believe every Member of Congress is entirely conscientious, but we must admit some committeemen want Congress to spend too much money and we may differ on methods.

I simply wanted to make these observations and to state that I have introduced in the House today, and I ask unanimous consent that a copy of this may appear in the RECORD, House Joint Resolution 259, which states in effect that if we are going to be a defensive nation, that we must be a defensive nation.

The title of the resolution states—

To define a national policy of peace and neutrality; to prohibit certain transactions with belligerent nations; to protect American sovereignty, and for other purposes.

Now, Mr. Chairman, in the last war we went into the war, I think, because British propaganda was better than German propaganda and probably because the British had a better navy and Germany was blockaded, and further because we thereby loaned our money to the Allies.

Now, there are two theories with respect to this. One of them is to have such a gigantic navy that we can trade at will with all the belligerents and our manufacturers can get temporarily rich and we can issue bonds which the taxpayers of the United States can pay, and then we can go "busted" afterward just as we did in this war.

What did we get out of the last war? Death and destruction, unpaid debts, almost financial ruin which may yet lead to it, hatred, greed, selfishness, broken morale, starvation.

I want to stay out of war. I do not say anything against defense, but I am against this war psychology and I am against the idea of being the big cock of the walk.

I know about the Kellogg Pact, but this resolution, which I hope you gentlemen will read tomorrow, goes into all the details and has been studied by 10 or 12 distinguished international lawyers, and I may say it is a well-written document, because I did not write it all myself. I got a lot of help on it. The resolution states first:

It is hereby declared to be the policy of the United States that the United States maintain peace and good will to all nations.

What is wrong with that?

This, of course, is not going to stop any war, but it may help with the other provisions. Then the resolution goes on with a definition of a belligerent foreign nation, a prohibition on contracts and loans, and provides that we cannot lend money to other nations engaged in war or sell them munitions, and then it puts a limitation on exports and shipping. It hits at the causes of the last war; it is a move to keep us out of another.

Mr. Chairman, as I see it today, the whole world, just as the distinguished gentleman from Kentucky said, is in a maelstrom of horror. They are getting ready for war. I hope this Nation defends itself but does not needlessly send its boys off to be killed in another war on foreign fields. I hope that in our desire to be a defensive nation we do not become an offensive nation, and I would like for the gentlemen on the Naval Affairs Committee and on the Appropriations Committee to tell me all about the Navy and why it is not sufficient to protect our property from the Aleutian Islands to Hawaii and down to the Panama Canal, and if that is not enough, why is it necessary to have ships to go all over the world.

The segment or area that I have mentioned seems to me to be entirely enough for defensive purposes in the Pacific. If we actually have to have a Navy big enough to control and go into all the "Seven Seas", and to be the mistress of all of these seas, it will have to be much bigger even than the present Navy. Why do we want to dabble into other people's business all over the world? We have a homogeneous continent, and it is quite proper that we should protect all of our own country or territorial possessions and the Panama Canal. But that is enough, and it seems to me that we are going beyond that.

Some day we are going to have to stop spending all our money on preparedness for war, for subsidies, for relief that is not relief, and for all kinds of enterprises which are merely tax burdens and do not help in any way in the productive enterprises of this Nation or of its industries, its commerce, and agriculture. It is certain that we would not spend as much money on schools, it is certain that the expenditure of this money is not properly called "constructive." So I hope that the gentlemen on the Naval Affairs Committee and the Appropriations Committee will give full reasons for these expenditures and will tell us how this Nation, with all these great expenditures, can get back on a productive basis, eliminate unemployment, educate our children, and live with a decent standard of living.

[Here the gavel fell.]

Mr. MAVERICK asked and was given permission to revise and extend his remarks and to include therein the joint resolution referred to, which is as follows:

[House of Representatives, H. J. Res. 259, 74th Cong., 1st sess.]

Joint resolution to define a national policy of peace and neutrality, to prohibit certain transactions with belligerent nations, to protect American sovereignty, and for other purposes

Whereas the United States should maintain its neutrality in the event of armed conflict between foreign nations; and

Whereas the United States should, prior to any such armed conflict, define by law its policies in such event; and

Whereas the United States should, prior to any such armed conflict, prescribe by law the provisions applicable to its nationals and others in such event: Therefore be it

Resolved, etc., That—

DECLARATION OF POLICY

SECTION 1. (a) It is hereby declared to be the policy of the United States that the United States maintain peace and good will to all nations.

(b) It is further declared to be the policy of the United States that the military and naval forces of the United States shall not be used in aid of or against any foreign nation except to protect

the United States and places subject to its territorial jurisdiction against armed invasion thereof, and that no part of the military or naval forces of the United States shall be transported to or used upon the soil of any foreign nation for the purpose of engaging on behalf of or against any foreign nation in armed conflict.

INFORMATION TO FOREIGN NATIONS

SEC. 2. The President is authorized and requested, by such messages as he may deem appropriate, to inform foreign nations of the policy and provisions of this joint resolution.

DEFINITION OF BELLIGERENT FOREIGN NATION

SEC. 3. For the purposes of this joint resolution—

(a) The term "belligerent foreign nation" shall mean any foreign nation which has declared war against any other foreign nation, any foreign nation which is engaged in armed conflict with any other foreign nation, and any foreign nation which the President of the United States determines and proclaims is engaged in armed conflict with any other foreign nation; and

(b) No such foreign nation shall be deemed a belligerent foreign nation after such nation has, by declaration of peace or otherwise, terminated the state of war or armed conflict existing between it and all other nations and the President of the United States has so proclaimed.

PROHIBITION ON CONTRACTS AND LOANS

SEC. 4. (a) Neither the United States nor any State, Territory, District, or possession of the United States, or political subdivision thereof, or any citizen of the United States, or partnership, association, or corporation organized under the laws of the United States or of any State, Territory, District, or possession of the United States, or political subdivision thereof shall:

(1) Enter into any contract with any belligerent foreign nation, or national thereof, to furnish, or furnish such belligerent foreign nation, or national thereof, any munitions of war or article declared to be contraband of war by it or by any foreign nation with which such belligerent foreign nation is engaged in armed conflict; or

(2) Make any loan or otherwise extend credit to any belligerent foreign nation or national thereof, or acquire, during the time such nation is a belligerent foreign nation, any evidence of indebtedness of such belligerent foreign nation or any national thereof issued during the time such nation is a belligerent foreign nation.

(b) This section shall not apply to any extension, renewal, or adjustment of indebtedness existing prior to the time when any such foreign nation became a belligerent foreign nation if the Securities and Exchange Commission approves such transaction as a bona fide business transaction not entered into for the purpose of evading this section.

PROHIBITION ON ENFORCEMENT OF OBLIGATIONS

SEC. 5. (a) No court of the United States shall have jurisdiction of any cause of action arising out of any transaction entered into in violation of section 4.

(b) No agency or executive department of the United States Government shall recognize the validity of any transaction entered into in violation of section 4 or enter into negotiations or representations with any foreign nation or national thereof for the enforcement of the terms of or remedies in connection with any such transaction.

LIMITATIONS ON EXPORT AND SHIPPING

SEC. 6. (a) There shall not be exported from the United States or any place subject to the jurisdiction thereof, directly or indirectly, to any belligerent foreign nation or national thereof any munitions of war or any article declared to be contraband of war by such belligerent foreign nation or by any foreign nation with which such belligerent foreign nation is engaged in armed conflict.

(b) No military vessel or military aircraft or armed vessel or armed aircraft of a belligerent foreign nation shall navigate the waters or air space of the United States or any place subject to the jurisdiction thereof, nor shall any such vessel or aircraft be allowed entry (except in case of distress) to or clearance from any port of the United States or place subject to the jurisdiction thereof.

(c) No vessel or aircraft registered under the laws of any belligerent foreign nation shall navigate the waters or air space of the United States or any place subject to the jurisdiction thereof if any vessel or aircraft registered under the laws of such belligerent foreign nation has been authorized or permitted by such belligerent foreign nation to fly the American flag.

(d) No vessel of American registry shall be chartered to or used for the purposes of any belligerent foreign nation or national thereof and for violation of this subsection, in addition to other penalties, the registration of such vessel shall be canceled.

SERVICE OF CITIZENS OF UNITED STATES IN ARMED FORCES

SEC. 7. Any citizen of the United States who enlists for military or naval service in or remains in the military or naval service of any belligerent foreign nation shall be deprived of any right or protection based upon his American citizenship.

PASSPORTS FOR TRAVEL IN BELLIGERENT AREAS

SEC. 8. No passport shall be issued to any cititzen of the United States for travel in any belligerent foreign nation, or in any area in which the President deems military or naval operations are or may be carried on by any belligerent foreign nation, except under such rules and regulations as the President shall prescribe.

RECRUITING IN UNITED STATES

SEC. 9. No individual, partnership, association, or corporation shall engage in the United States or in any place subject to the jurisdiction thereof in recruiting or procuring individuals for the military or naval service of any belligerent foreign nation.

PENALTIES

SEC. 10. Any individual, partnership, association, or corporation violating the provisions of sections 4, 6, 8, or 9 of this joint resolution shall, upon conviction thereof, be punished by a fine of not exceeding $100,000 or imprisonment for not more than 5 years, or both.

Mr. CARY. Madam Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Madam Chairman, I want to take a few minutes' time to express a kick that some of my people have against the New York Navy Yard. The matter I am complaining of is set forth in the hearings on page 914 and continuing through to page 924.

In my district in Ohio there is a concern by the name of the Sandusky Foundry Machine Co. that manufactures propeller-shaft sleeves for the Navy. It has been engaged in that business for a good many years. It is not the only business of that kind in the United States, for, as a matter of fact, the hearings reveal that there are six competitors in that line of business.

The business was founded on patents issued to a man by the name of Mr. Millspaugh. For a good many years his company, now the Sandusky Foundry Machine Co., did all the business of that kind with the United States Navy.

Quite some time ago the patents expired, and there are a number of competitors now engaged in the business. To show the relation of this business to the Navy, I want to read briefly from the hearings:

Mr. LAKE. Our company until 1920 supplied all the sleeves that were manufactured for all the navy-yard vessels.

Mr. DITTER. Up to what time did you continue to supply any sleeves for the Navy direct? I do not mean for private yards.

Mr. LAKE. Up to 1932.

Mr. DITTER. Was there any complaint at any time lodged by the Department of the Navy with respect to the quality of the product you were putting out?

Mr. LAKE. No, sir.

Mr. DITTER. Was any complaint lodged with respect to the prices they were paying for the product they secured from you?

Mr. LAKE. No, sir.

Now, I am not finding any fault with the navy yard as a competitor engaged in this line of business. We do not claim that we have a right to the business just because these people are private contractors. We do claim, however, that we have a right to do the business if we are the lowest bidder.

The Navy Department advertises for bids. They get the bids from competitors, from these private people who submit bids. Then the Navy comes in and puts in a secret bid after they know what the other bids are and get the business because they stand behind the law that is set forth by Mr. Cary on page 917 of the hearings, as follows:

And no part of the moneys herein appropriated for the Naval Establishment or herein made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government navy yards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary of the Navy, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. DITTER. The gentleman will also allow the further observation that the same conditions do not prevail in making up cost prices at the navy yard as prevailed in this instance so far as a private company is concerned.

Mr. FIESINGER. I was coming to that, and I will say that the observation of the distinguished gentleman from Pennsylvania [Mr. DITTER] is exactly correct, and I thank him for the same, and further permit me to say that I, in company with Mr. Lake, have made vigorous protest to the responsible Navy heads about this practice, and Mr. Lake has made protest during former administrations, and the Navy heads have uniformly recognized the justice of these protests, but claimed they were powerless under the above-quoted law, except one former Secretary of the Navy did rule that putting

in secret bids by the navy yards was an unfair practice. That is not the only unfair practice the navy yard is responsible for. The business of making these cylinders is a highly specialized business. It was developed with great care and expense. The incident I speak of goes back to 1920, and I quote again from Mr. Lake's testimony at the hearings:

He said:

We were at that time manufacturing and selling centrifugally cast gun-recoil cylinder liners. We had been manufacturing them for some years, and the New York Navy Yard wrote us a letter asking if one of their officers would be permitted to visit our foundry in order to see how we made those castings. When we went into it with them we believed that their curiosity had been aroused because of the high quality of the product that we made. They told us that all they wanted to do was to make some small bushings for the use of the navy yard in its own work. We prophesied at that time that if they built a machine, which some of them were talking about, it would not be long before they would be in the game with both feet.

Well, Mr. Lake's predictions came true. The New York Navy Yard is in the business with both feet and is now engaged in monstrously unfair competition. Not, let me say, on price, because their costs are higher than these private manufacturers' prices, product delivered to the navy yard, but because they put in secret bids after the other bids are in and then put in fictitious prices. The hearings which I have alluded to, develop the story about these practices, and time does not permit me to repeat them here. There is, however, a more important point, which concerns the national interests. During time of war the Nation will need all of these highly specialized manufacturers, for during the last war they had to operate 24 hours a day. If the navy yard persists in its practices, it will put these private manufacturers out of business, and if war comes—and I hope it will never come, but if it does come—the Navy will be unable to supply the needs, and then there will be no one else to manufacture these much-needed things.

In conclusion, and in the national interest, I hope the committee will see fit to amend or accept an amendment to the paragraph of the bill above quoted so that the practices I have complained of will be stopped. And to those of us interested in labor, permit me to say that these manufacturers pay the best of wages, and so far as the company which is located in my home city is concerned, it signed the President's code within 24 hours after it was promulgated and has been meticulous in its observance ever since.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, in my 10 minutes, I am not going to address myself to any particular important feature of the bill. I prefer to wait until the bill is read under the 5-minute rule. However, at this time, I take the opportunity of calling to the attention of Members present, and I hope to the country at large, a very illuminating item which appears on page 61 of the hearings, and which reads as follows:

Admiral STANDLEY. I will take up next the item covering "Navy activities abroad", including relief work, since the last hearing.

Then the items are listed until he comes down to no. 5 and in item no. 5 we find the following:

5. Yangtze Patrol: Communism and banditry in Szechuan, Hunan, Kueichou, and other Yangtze River Provinces have continued to demand the presence of the Yangtze Patrol, which affords protection to Americans in the Yangtze Valley between Chungking and Shanghai. The landing of a party from one of the gunboats at Foochow in conjunction with other nationalities undoubtedly did much to maintain the peace of that city during the Fukien rebellion.

I thought it was the unusual prerogative of my good friend from New York [Mr. DICKSTEIN] to defend the United States against communism, but I see the Navy Department is competing with the activities of the Committee on Immigration and Naturalization. In other words, we have now made it our business not only to protect the United States, through Mr. DICKSTEIN, against communism, but we have seen to it that it is our naval policy to protect China against communism.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. DICKSTEIN. The gentleman from New York never attempts to defend any other nation against communism but his own.

Mr. MARCANTONIO. Then the gentleman agrees with me that the Navy should not be competing with the gentleman from New York, in China?

Mr. DICKSTEIN. The Navy should mind its own business and look after the United States.

Mr. MARCANTONIO. I agree with the gentleman that the Navy should mind its own business. I certainly do not criticize the gentleman from New York [Mr. DICKSTEIN] for resenting the competition which the Navy has given him on the subject of communism. He has an exclusive monopoly on that business. The hearings do not indicate how many ships we have in China protecting China from Chinese communism, and also, incidentally, from rebellions. We are determined that China can no longer have a rebellion of its own. Pretty soon we will be sending the Navy there, I suppose, to keep the Chinese pigtails within a certain length, and to keep their chop sticks not too particularly thick. I do not know why the hearings do not disclose how many ships we have down there, but I submit to gentlemen of the committee on both sides of the House that that is important. I had to get the information from one of the clerks of the committee. I find we have six gunboats in China today, and that for 1934 these gunboats cost the United States $676,031.49. Right here, I think that the gentlemen of the committee who have been preaching naval defense, who have been saying these enormous expenditures are absolutely and vitally necessary, will find opportunity to economize to a certain extent.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. CHRISTIANSON. And does the gentleman not think it conceivable that those same gunboats might get us into international complications?

Mr. MARCANTONIO. Not only that, but what might also happen is this. One of these days if some Japanese started to shoot down some Chinese, and one of these American gunboats should get in the way and the gunboat is sunk, it would not be a question of remembering the *Maine*, but it would be a question of remembering one of the Yangtze gunboats. Patriotic fervor will rise high and we will find the United States in another war. It may be argued of course that we need these ships over there to protect our missionaries. Nobody will say that we need them to protect the Standard Oil interests or other commercial interests. Of course not. They always give us a holier-than-thou defense.

Mr. KNUTE HILL. Did Livingston in Africa need any protection from the British Navy when he was down there as a missionary?

Mr. MARCANTONIO. Not that I know of.

Mr. KNUTE HILL. Then why should our missionaries need any protection from the Navy?

Mr. MARCANTONIO. I should like to say this on the question of missionaries. I think they are splendid people, with high ideals; but what would the people in your district say if, some one of these days, a group of Chinese mandarins, in order to square themselves and salve their guilty consciences before their gods should get together and collect a fund and send some Chinese missionaries to Minnesota, say, or up into my district to reform and convert the Christians to the religion of the Chinese? I know what would happen in my district. The surgeons in the hospitals in my district would be busy sewing up Chinese scalps. Then I suppose, once that would happen, the Chinese Government would be justified in sending some gunboats up the East River to bombard us. I think we ought to stop being silly about this matter and revert, for instance, to the policy as contained in a statement of President Roosevelt and also in a statement of the Secretary of State.

The Secretary of State on December 19, 1933, said as follows:

Under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty or other internal affairs or processes of the government of other nations. No government need fear any invasion on the part of the United States under the Roosevelt administration.

Then we have the statement of the President himself on December 28, 1933. At a dinner of the Woodrow Wilson Foundation, President Roosevelt declared as follows:

The definite policy of the United States from now on is one opposed to armed intervention. The maintenance of constitutional government in other nations is not, after all, a sacred obligation devolving upon the United States alone.

In view of that statement of policy on the part of President Roosevelt, in view of that statement of policy on the part of the Secretary of State—and I presume they meant what they said when they said it—I submit that we could very well save $676,031.49 by taking those gunboats and sending them back home where they belong. I am not interested in making China safe from communism. I am not interested in protecting sellers of religion or sellers of products. I am not interested in those who go to China for huge profits. They take the profits; let them take the risks. I am interested in minding our own business and protecting the American youth by keeping out of war.

Mr. DITTER. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. DITTER. The gentleman certainly would take no exception to sending good Republican missionaries into Democratic districts for the purpose of securing salvation for them?

Mr. MARCANTONIO. No; not at all. At the same time I wish those Republican missionaries that go over there would not advocate sending patrols over to China, and I do hope that the gentlemen on the Republican side will help me when I offer an amendment on this subject tomorrow. I also hope that the Republican missionaries will not need gunboats to protect them in the campaign of 1936.

Mr. DITTER. Will the gentleman yield further?

Mr. MARCANTONIO. I yield.

Mr. DITTER. The gentleman will certainly admit that the same good purposes would prevail as prevail with the missionaries that are sent abroad?

Mr. MARCANTONIO. Once in a while, despite their good purposes, they chop off their heads. I hope that will not happen to my Republican colleagues.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. VINSON of Georgia. The gentleman has no doubt made a careful study of this bill. I judge from his remarks that he has no other criticism to offer to the bill?

Mr. MARCANTONIO. Oh, yes. I will offer a lot of criticisms to this bill under the 5-minute rule, because I do not want to be so presumptuous as to discuss an important subject like this before such a large gathering of the Membership of this House, to wit, 24 Members present. [Laughter.]

[Here the gavel fell.]

Mr. CARY. Madam Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Madam Chairman, two things impressed me greatly in the discussion that has taken place here today. The first one is that most of the gentlemen whom I have heard talk on this subject would have us believe that our great difficulty at the present time and in the past has been due to the costs of war and the terrible cost of preparedness. They would have us believe that that is our principal difficulty. That is not true at all. The costs of war as compared with our other costs are so small that I am going to give you a few figures out of my recollection, but which you will find practically correct when you check up on them. Our trouble is not the cost of war. Our trouble is the cost of panics and the depressions which inevitably follow them.

The total cost of the World War to the United States was twenty-six and one-half billion dollars.

The cost to this country in the loss of wages alone to the wage earners since October 23, 1929, the day the panic broke, is $65,000,000,000, nearly two and a half times the entire cost of the World War to this country. The cost to the people of this country in the loss on stocks and bonds on the stock exchanges of America during that same period is $95,000,000,000. The cost to the American people of other property losses since that time is another $120,000,000,000. Those three items alone, in dollars and cents, amount to $280,000,000,000, more than 10 times the cost of the World War to this country.

I am not for war. I believe in peace as much as any man in this House, maybe more, because it has been my necessity to study what war has cost in the broadest possible sense; but I am not going to delude myself nor sit here idly any longer and permit a misunderstanding of our difficulties. Our difficulties are not the costs of war nor the cost of preparedness. They are the costs of our panics and our depressions, and we are doing nothing about it. That is the misfortune of it.

The second subject I want to take up with you is this: Our strategists on the floor of this House sit here and tell you that the proper strategy in case of war is to sit down and stay at home. Just defend our shores from outside attack. The man who undertakes to advise this body to adopt such a policy as that ought, out of respect to himself as well as out of respect to this body, to enter into the study of and get some understanding of what military strategy means, what such a policy might bring upon us; because whoever makes a statement like that never has read, never has studied, never has had any great desire to study the facts of history that stick out under the nose of every man who has studied it. I issue that as a challenge to any man on the floor of this House who wants to take up the other side of it. The truth of the matter is, America has from the very beginning, stood for the things that were American; has stood for American interests in China the same as every place else. America has always stood for the rights of her citizens wherever they may have been. The facts are that America is going to go on doing that, and if it is necessary to send more gunboats to China or any place else to protect American interests, we will send them. The American people will be behind us to a man when we do it.

The pacifists in this country are good hearted, lovable people who abhor war, as I do when it can be avoided, but who overlook the fact that there are things even worse than war. But I do not know of a single one who can stand up and defend the proposition to outlaw war. I have never heard a single speech in my life that in good common sense successfully defended that misleading slogan; and if any man on the floor of the House believes he can defend it, I shall be delighted to debate that proposition with him. Because America is America—is our Nation, yours and mine, with national rights, national interests, and national obligations to defend those rights, protect those interests, and we are going to do what America ought to do, no matter what it costs. [Applause.]

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I am unable to see any possible reason why we should expend an appropriation of $457,000,000 in peace times for the maintenance of the Navy. If war is not contemplated, there is no occasion to continue building up our Navy. Under our agreements with nearly every nation on the globe, we will not declare war against any nation. Other nations have more than once declared agreements nothing more or less than scraps of paper, but our standing among the nations of the world cannot be maintained as a nation of honor and integrity if we, too, must resort to dishonorable repudiation of solemn promises duly made and entered into in writing.

Here is the solemn obligation we entered into on August 27, 1928. The document is known as "a general pact for the renunciation of war", commonly called the "Kellogg Pact." In all 64 nations agreed to this pact.

Mr. Chairman, at this point I ask unanimous consent to insert in my remarks the text of the pact, which does not cover more than two short pages.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The matter referred to follows:

GENERAL PACT FOR THE RENUNCIATION OF WAR.—SIGNED AT PARIS AUGUST 27, 1928

The President of the German Reich, the President of the United States of America, His Majesty the King of the Belgians, the President of the French Republic, His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, His Majesty the King of Italy, His Majesty the Emperor of Japan, the President of the Republic of Poland, the President of the Czechoslovak Republic,

Deeply sensible of their solemn duty to promote the welfare of mankind;

Persuaded that the time has come when a frank renunciation of war as an instrument of national policy should be made to the end that the peaceful and friendly relations now existing between their peoples may be perpetuated;

Convinced that all changes in their relations with one another should be sought only by pacific means and be the result of a peaceful and orderly process, and that any signatory Power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this Treaty;

Hopeful that, encouraged by their example, all the other nations of the world will join in this humane endeavor and by adhering to the present Treaty as soon as it comes into force bring their peoples within the scope of its beneficent provisions, thus uniting the civilized nations of the world in a common renunciation of war as an instrument of their national policy;

Have decided to conclude a Treaty and for that purpose have appointed as their respective Plenipotentiaries:

The President of the German Reich:
Dr Gustav Stresemann, Minister for Foreign Affairs;
The President of the United States of America:
The Honorable Frank B. Kellogg, Secretary of State;
His Majesty the King of the Belgians:
Mr. Paul Hymans, Minister for Foreign Affairs, Minister of State;
The President of the French Republic:
Mr. Aristide Briand, Minister for Foreign Affairs;
His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India:
For Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League of Nations:
The Right Honourable Lord Cushendun, Chancellor of the Duchy of Lancaster, Acting Secretary of State for Foreign Affairs;
For the Dominion of Canada:
The Right Honourable William Lyon Mackenzie King, Prime Minister and Minister for External Affairs;
For the Commonwealth of Australia:
The Honourable Alexander John McLachlan, Member of the Executive Federal Council;
For the Dominion of New Zealand:
The Honourable Sir Christopher James Parr, High Commissioner for New Zealand in Great Britain;
For the Union of South Africa:
The Honourable Jacobus Stephanus Smit, High Commissioner for the Union of South Africa in Great Britain;
For the Irish Free State:
Mr. William Thomas Cosgrave, President of the Executive Council;
For India:
The Right Honourable Lord Cushendun, Chancellor of the Duchy of Lancaster, Acting Secretary of State for Foreign Affairs;
His Majesty the King of Italy:
Count Gaetano Manzoni, his Ambassador Extraordinary and Plenipotentiary at Paris.
His Majesty the Emperor of Japan:
Count Uchida, Privy Councillor;
The President of the Republic of Poland:
Mr. A. Zaleski, Minister for Foreign Affairs;
The President of the Czechoslovak Republic:
Dr Eduard Benès, Minister for Foreign Affairs;

who, having communicated to one another their full powers found in good and due form have agreed upon the following articles:

ARTICLE 1

The High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

ARTICLE 2

The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

ARTICLE 3

The present Treaty shall be ratified by the High Contracting Parties named in the Preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at Washington.

This Treaty shall, when it has come into effect as prescribed in the preceding paragraph, remain open as long as may be necessary for adherence by all the other Powers of the world. Every instrument evidencing the adherence of a Power shall be deposited at Washington and the Treaty shall immediately upon such deposit become effective as between the Power thus adhering and the other Powers parties hereto.

It shall be the duty of the Government of the United States to furnish each Government named in the Preamble and every Government subsequently adhering to this Treaty with a certified copy of the Treaty and of every instrument of ratification or adherence. It shall also be the duty of the Government of the United States telegraphically to notify such Governments immediately upon the deposit with it of each instrument of ratification or adherence.

In faith whereof the respective Plenipotentiaries have signed this Treaty in the French and English languages both texts having equal force, and hereunto affix their seals.

Done at Paris, the twenty-seventh day of August in the year one thousand nine hundred and twenty-eight.

[SEAL]	GUSTAV STRESEMANN	[SEAL]	J. S. SMIT
[SEAL]	FRANK B. KELLOGG	[SEAL]	LIAM T. MACCOSGAIR
[SEAL]	PAUL HYMANS	[SEAL]	CUSHENDUN
[SEAL]	ARI BRIAND	[SEAL]	G. MANZONI
[SEAL]	CUSHENDUN	[SEAL]	UCHIDA
[SEAL]	W. L. MACKENZIE KING	[SEAL]	AUGUST ZALESKI
[SEAL]	A. J. MCLACHLAN	[SEAL]	DR. EDUARD BENES
[SEAL]	C. J. PARR		

Mr. BURDICK. Articles 1 and 2 are the ones which settle the war business. Article 1:

The high contracting parties solemnly declare in the name of their respective peoples that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another.

Article 2:

The high contracting parties agree that the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they may be, which may arise among them shall never be sought except by pacific means.

If we intend to adhere to this agreement, just in what way will a bigger Navy help us?

I cannot conceive of any substantial benefits accruing to the mass of the American people from increasing our Navy. I name the following possible benefits:

First. It can give some assurance of protection to the war minded of this Nation, who know now that they do not intend at the proper time to abide by the Paris Pact. It will give security to the munition makers and their associates.

Second. It will be a source of revenue for manufacturers of war munitions.

Third. It will develop employment for those who are called in to build ships.

Fourth. It will furnish an operating field for graduates of the Naval Academy.

I list as among the disadvantages of an increased Navy the following:

First. Increase of taxes at a time when we cannot pay the taxes we now owe.

Second. Under the administration policy of financing the Government the funds to increase the Navy will be borrowed. We will go still farther into debt, when everyone knows that publicly and privately we now owe over twice as much as we are worth and more than we can ever pay.

Third. The Navy is valueless as an instrument of international commerce, and in war time our battleships will probably be run up some river, out of danger, as they were in the last war. Under the improvements of modern science a fleet of battleships can be put out of existence in a few minutes.

Fourth. The flourish of a fleet of battleships by this country is nothing more than a demonstration of power and encourages rather than discourages other nations to build more battleships; further than that, fleet demonstrations are an invitation to war.

Fifth. This program of increased building of battleships is nothing more or less than an absolute waste at a time when we have 20,000,000 people on public relief and as many more receiving private relief.

Sixth. A big navy is the dream of munitions makers—they are for it; they want it—and for the reason that it means "profits for them."

Seventh. Before the munition makers can cause the American people to repudiate the Kellogg Pact and influence Congress to illegally declare war every battleship built in the next 4 years will be obsolete and the money wasted.

No war is justified as far as this country is concerned but a defense war. A war in which we are defending our own shores against the invasion of some other power. I am not a pacifist, I believe in defending this country, and I believe in being always ready to defend it. I believe in peace at all times, even if we have to fight for it. The greatest defense which this or any other country can have for its self-protection is the defense of food. That is the instrument that wins wars. It is not our Navy nor our Army, it is food and the disposition of the people to want to defend this country. Does anyone think starving people, starving in the very government which they are asked to defend, are the kind of soldiers who will want to defend this country?

I have asked this Congress to pay the feed and seed loans of the farmers out of the Army and Navy appropriations, because I know from an intimate knowledge of history that the greatest element of national defense any country can have is an inexhaustible supply of food. The farmers are doing this work. We should have food supplies on hand, segregated, for defensive purposes, to be used in time of defensive warfare and in times of drought, flood, or other devastating causes over which we have, at this time, no control. Can anyone in this House say that to supply destitute farmers with seed and feed is not in defense of this country? Can anyone in the House say that it is better to build battleships that cost $50,000,000 each, and let a whole State go seedless, or having furnished seed, take the homes away from the farmers because they cannot pay the bill?

We have, after much wrangling and effort, secured an appropriation of $60,000,000 for seed to relieve the destitute farmers of the Nation. How much have we expended for them—loaned them with a first mortgage on every acre, as compared with the expenditures under this bill? We have, through great effort, loaned them the price of less than two useless battleships, that cannot add to our benefit in peace times or defend us in war.

As this bill comes before this House it is an extravagant and unnecessary expenditure of public funds, and I reserve the right to vote "no" at the conclusion of this debate.

Mr. McLEOD. Mr. Chairman, I yield 12 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, 18 years ago we undertook "a war to end war", 7 years ago we pledged 44 nations to outlaw war as a means of settling international differences, and this year we demonstrate the sincerity of our past professions by voting nearly $1,000,000,000 to prepare the Nation for the next war.

So strong is our present determination to let the world know that we have turned our backs on all pacific intentions that we miss no opportunity to show our contempt for those idealists who still dream of peace. Recently, when the Secretary of War visited Philadelphia to spread preparedness propaganda, two young Quakers were presumptuous enough to engage in some harmless counterpropaganda, and were put in jail as a warning to others who might be disposed to take the Sermon on the Mount and other peace literature too seriously.

Secretary Dern was quoted as having said on that occasion that the United States Army is "microscopic" and comparable with the armies of Turkey and Portugal. We have been told in the course of the present debate that our Navy is inadequate and inferior.

If we are unprepared, in comparison with other nations, whose fault is it? Where does the responsibility lie? Surely not with Congress, for the funds it has appropriated for national defense exceed those provided by any other Government.

In 1930 our expenditures for the Army and Navy aggregated $727,000,000; those of Russia, $579,000,000; those of Great Britain, $535,000,000; those of France, $455,000,000; those of Italy, $258,000,000; and those of Japan, $232,000,000. Our expenditures were more than three times those of our neighbor across the Pacific.

From 1913 to 1930 our expenditures for preparedness trebled, and next year we purpose to spend $200,000,000 more than in 1930 and almost four times as much as during the last year before the beginning of the World War.

The gentleman from Pennsylvania explained that it was necessary for us to spend more for preparedness than other nations because it costs us more to maintain armies and navies on account of the higher wages that we pay. That may be true so far as personnel expense is concerned, but should not be true in the building of armaments, for a nation that can undersell others in automobiles, farm implements, and those things which are built by machinery, should be able to produce guns and ships as cheaply as any other.

If we could assume that expanding our military and naval armaments actually increased our security, there might be some justification for what we are doing, but there is no foundation for such an assumption. Preparedness is relative. If nations were to forego battleships and submarines, airplanes and tanks, machine guns and poison gases, and go back to fighting with sticks, they would be relatively as strong as they are today if they distributed the sticks in proportion to the effectiveness of their present weapons; and if a nation provided each fighting man with 2 sticks instead of 1 it would not thereby improve its position if every other nation likewise gave each man 2 sticks. Last year we passed the Vinson navy bill. Almost immediately Japan countered by announcing an enlarged program, as did Great Britain. After we have built the ships authorized by the Vinson bill we shall probably find our increased strength neutralized by comparable additions to the fleets of other naval powers.

Recent developments in Germany demonstrate the folly of the race of armaments. The Treaty of Versailles, one of the most stupid state papers of all time, decreed the disarming of Germany. Germany's consent to the agreement was won by the promise that other nations would reduce their forces, in anticipation of a day of virtual disarmament throughout the world. Germany's former enemies not only failed to keep their promise, but increased their armies and navies. Chancellor Hitler was on solid ground when he declared that the failure of other signatory nations to keep their promises absolved Germany from keeping hers.

The competition in arms has made the Treaty of Versailles a scrap of paper; it has brought Europe to the brink of another crisis. Instead of preventing war it has again, as always in the past, become provocative of war. The late Allies are now confronted with a dilemma which they might have avoided by keeping their pledge to disarm; they must either acquiesce in Germany's scrapping of the treaty or accept the responsibility of starting another war to enforce it.

Against what enemy are we preparing? Whom do we fear? Is it Japan? There has never been any likelihood of a war with Japan, and there is none now if we will mind our own business and keep our fleet in our own waters.

I know that I speak the thought of millions of American people when I say that I wish the President would reconsider his decision to put on a big Navy show in the Pacific this summer. It can do no good, and it may result in much international ill will. The man who has a chip on his shoulder, or carries a big stick, sometimes gets what he invites. If we want war, the surest way to get it is to make a vulgar display of our strength.

Japan is not looking for trouble. She does not want a war with us. Last January the Japanese foreign minister, in a speech before the Diet, declared, "There exists no question between the two countries which is intrinsically difficult of amicable solution." Japan can have no territorial designs in this hemisphere. Why should she want to take California away from the retired Iowa farmers who own it, when there are lands several thousand miles nearer home that do not need irrigation? Why should the Japanese have designs on Hawaii or the Philippines, which are already

crowded, when the Asiatic mainland has millions of square miles of sparsely populated territory capable of yielding all the raw materials they will need for all time to come?

If Japan needs land in Asia and proceeds to take it, how can we consistently object? We got our own Manchukuo from Mexico a little less than 100 years ago! If Japan wants to play the part of "dog in the manger" in the Far East, we can hardly protest without expecting to be asked how a Monroe Doctrine is wicked in the Orient and altruistic in the Occident.

There is not much likelihood that we shall get into trouble in the Far East, or elsewhere, if we will get rid of our Messiah complex and decide to concern ourselves exclusively with our own affairs. It is not our job to police the world. It is not our job to wage "wars for humanity" or wars to "make the world safe for democracy." It is our job to make things so tolerable within our own borders that it will not be necessary to divert the attention of the people from their troubles at home by executing naval maneuvers in the Pacific. [Applause.]

Mr. Chairman, there are millions of thoughtful people in this country who deplore the readiness of this Congress to increase military and naval appropriations, who deplore the failure of the President to follow the example of his predecessors in urging the nations to abandon this wild race of death, who deplore the diversion of hundreds of millions of dollars voted for relief to the building of implements of war.

They deplore this diversion not only because it presents a provocative challenge to other nations but because it constitutes a base surrender to the Executive of powers which, in the development of Anglo-Saxon liberty, the law-making and tax-levying branch of the Government captured only after a prolonged and bitter struggle.

The institutions we have, the checks and balances we have established, represent the gains of a hard-fought contest extending over a thousand years. Zealously our fathers guarded the prerogative they had exacted from reluctant kings. The power to levy taxes and to appropriate money for armies and ships was the lever by which the people lifted, first one stone and then another, into the structure of free government. By acquiescing when the Executive diverts relief funds into his war chest, we have reversed the process by which democracy came into being.

You, sincere Democrats, who came to this House with such high hopes and buoyant enthusiasm 2 years ago, must have experienced a great disillusionment. Every effort to bring the nations together for the accomplishment of the disarmament promised at Versailles abandoned; appropriations for preparation for war lifted above all peace-time records; abject surrender to the President of the exclusive power of Congress to determine military and naval budgets; young men put in jail for advocating peace; an apparent willingness to join the jingoes and patrioteers of every nation in the mad rush into the next war—the war to destroy civilization—that is a record to make men and angels weep. [Applause.]

Mr. CARY. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, several weeks ago I sat on the floor of this House and received a verbal spanking for consorting with Members on the minority side and the various other parties in a discussion of proposed legislation and things in which we are interested. I was told at the time that the thing for me to do as a good Democrat was to follow the leadership of the Democratic Party. I more or less made up my mind that perhaps I should do that as long as the Democratic Party continued to do the things I thought they should.

Now, I am a little bit upset after what I heard on the floor today. It is my opinion, or at least my understanding, that the administration is in favor of the retention or extension of the N. R. A. But I heard it attacked by a Member from this side. From the applause that came as the result of the remark that was made I believe the Republican Party, or those who are here, at least, are opposed to that extension. It was the chairman of my own committee who said he is not in favor of the retention of the N. R. A. I grant him the right to stand by his own convictions. I think he should. Is it possible, then, that I too every once in a while may get away from the leadership under which I am serving? I think so, and I think I can come back again to my political creed, namely, to stand with anybody that stands right; to stand with them while they are right, and to part with them when they go wrong.

Mr. Chairman, I am not entirely sure about this naval bill. I know that in general our naval policy and program have been provided for by past legislation, and I know also that to carry this particular program into effect it is going to be necessary to appropriate this money. I have heard enough of the hearings of the Naval Affairs Committee to know that is true. At the same time, $450,000,000 sounds like an awful lot of money to me. It did, at least, until I heard the gentleman from Illinois refer to billions and hundreds of billions.

Perhaps I may be talking about piker sums. But I wonder what could be done with $450,000,000. What could our public school system do with this much money?

Is it possible that the Federal Government could come to the aid of the public schools, so that Dr. Studebaker's prediction that 3,500,000 school children will be denied educational training after this month shall not become a reality? Approximately one teacher in every three is now paid less than $750 per year. Nearly 40 percent received less than $1,000 and over 15 percent received less than $700 in 1926, when the same average salary level existed as at present. Nearly one-fifth are in the ranks of the unemployed. Thousands are unable to take post-graduate work and other special training necessary to meet average growing educational demands. How many teachers are there whose salaries have been unpaid for many months? How many have completely exhausted such small savings as they have been able to make? How many have only part-time employment? How many are unable to meet the cost of needed medical care and are forced to maintain high standards of continuous service under severe physical hardships? To what extent could we remedy these conditions with $450,000,000? We have an insufficient number of school buildings. Thousands are poorly equipped, understaffed, or overcrowded. Many are antiquated, insanitary, or unsafe. Many children are handicapped or deprived of schooling through inability to buy required textbooks. Schools are closing. Many others will have to close. Last fall only two States in the Union opened all their schools, and had not the National Government come to the aid of education it would have been set back a generation. As it is, 22,600 schools closed last term. Five hundred and sixty-three million dollars was cut from education. State budgets reduced varied from 25 to 40 percent; city budgets, 75 percent. My own State of California has been one of the most-favored States, yet this is her record:

School expenditures reduced 27.54 percent. Elementary enrollment has increased 14,200, but elementary teachers have been reduced 1,045. High school increase has been 29,102, while the number of teachers has been reduced 1,209. California is one of the brightest educational spots in the Nation. It is so because of the desperate fight of the friends of education 2 years ago. If it remains so, its friends must be continuously on the alert. But what could not our schools do with a sum comparable at least to $450,000,000? This bill we are discussing is a pretty big bill. It takes in a lot of other things besides money that have not been mentioned as yet. For instance, what effect is this bill going to have on our international relations and on other countries that note how much money we are spending on our Navy? Will not other nations start building, too? Is it a naval race we are in?

And in this connection I want to add my expression of regret to the decision of the administration to stage naval maneuvers in the Northern Pacific.

Here is something else to consider. How much of the money is going to be wasted? We heard from the committee investigating armaments over in the other wing of the Capitol that there is considerable collusion between the

different companies in getting this money. How much is going to be wasted? Will we get our money's worth?

Mr. Chairman, I am very much in favor of the Government spending money, and I will vote for all those measures that call upon the Government to spend money in order to put people to work, but I want the Government to get its money's worth; I want it to get back dollar for dollar what it pays out of the taxpayers' money. Will we get $450,000,000 worth of value out of this appropriation?

I wonder also if we should not give consideration to other remarks made on the floor on the subject of the school system of the country? Is it not time to begin to appropriate some money from the National Treasury to assist the school system in the United States before we appropriate money for armies and navies? I also wonder what effect this is going to have on those people in the United States who are very much opposed to war, as has been evidenced by the fact a lot of students all over the country have been holding antiwar strikes. Perhaps we should take those people into consideration and give some thought to their opinion. They will go to the extent of resorting to violence themselves to insist upon the fact they are opposed to violence. We have had in different colleges and high schools throughout the country in the last few months violence of all kinds and descriptions by these kids who are protesting against what they see or what they think they see as the rapid descent of the United States into the war-scare attitude.

I want to tell you about the antiwar strike in the Los Angeles Junior College. It was just like all the rest of the strikes up to a certain point. The students left their classes and went out on the campus to have a meeting. One of the professors stood in front of the student speaker and blew on a tin whistle. Now, I grant any teacher the right to make a fool of himself, but a full-grown man blowing on a tin whistle, in my opinion, turns the privilege into license. What a spectacle he must have been with his bulging cheeks and reddening face.

I wonder sometimes how school men can expect to get any kind of respect from their students when they pull such asinine tricks as this. But the whistle did not work so the professor called the cops. A plain-clothes man, assertedly an officer, grabbed a night stick and started weilding it right and left. He hit two girls. Both of them were knocked unconscious and had to be carried from the campus. Then a riot started—it should have. Can any man on this floor justify the action of this plug-ugly? How much more sensible it would have been if the authorities had just told the students to go ahead and hold their meeting and when it was over to come back to class. Do you suppose the two girls, when they regained consciousness, were any better patriots as a result of the bumps on their heads?

Now, what will those young people think about spending $450,000,000 for war material in face of their protests when their schools are closed or they have to go to school without sufficient equipment or their teachers tell them day after day, " We have not been paid this month ", or " We have not been paid for the last 3 months." Those young people are citizens. Give their views some consideration.

Mr. Chairman, before we commit ourselves completely, I want to know how much effect the propaganda that was spread in the newspapers had to do with the so-called " Vinson bill " of 2 years ago and with the appropriation bill this year. I remember, although I was not a Member of the House, that during the time the Vinson bill was before Congress a certain publisher every day carried pictures of the horrors of war and above the pictures he said, " The only way to prevent the horrors of war is by preparedness."

Every day this same kind of propaganda appeared in the papers. Then the Vinson bill passed, and then there was no more propaganda. We did not see any more pictures on the horrors of war. You know as well as I do there was only one reason for it, and that was to help put over that big Navy bill. How much does propaganda enter into this bill? As far as I am concerned, I think this is the biggest item for you to turn your attention to with respect to this particular bill. Propaganda is always used to put over something of this nature, and when I speak of propaganda I speak not only of that directed to the subject of naval preparation. This same publisher, and I refer to William Randolph Hearst, and his string of papers over the country, and in my district, has been showing pictures of Russians that have been starving to death all over Russia. At the same time he is carrying in the other columns of his paper the most damnable attack upon the public-school system that we have had to withstand for years.

He is trying to convince the American public that teachers in the public-school system, and in the institutions of higher learning, are indoctrinating their students with what he refers to as subversive propaganda. He is evidently trying to prove that teachers seek to overthrow our Government and establish in its place the Russian system. Hence the pictures of starving Russians. In this connection, I remember well the pictures made on the different movie lots of transients seeking entry into California just prior to the gubernatorial election race last fall.

Hearst is going into the colleges with snoopers; he is sending hired men in there as spies to see if they cannot get some teacher in an unguarded moment to say something that will give the Hearst papers an excuse to attack them for their beliefs. He tries to get them to say that there are some things of the Socialist dogma or the Communist belief that the teacher believes in.

Something like this happened at Syracuse and Columbia. He sent a couple of reporters masquerading as prospective students into these schools. They led different teachers into discussions. Then some chance remark was twisted as only Mr. Hearst can twist it to make it appear that these men were teaching Marxist doctrines. He put this in his papers and sent it to the American people to read. Quite naturally, they immediately said, " What are the teachers doing, teaching our children communism? "

A man by the name of Walgreen up in Chicago evidently read a lot of this stuff. His niece, a student at Chicago, in a breakfast conversation with her uncle, told him some of the things she was learning about our economic order. Mr. Walgreen withdrew his niece from the university and called the president of that school a Communist. Now, Mr. Walgreen, like the professor, has a right to be foolish, but he did not have the right to condemn the whole Universtiy of Chicago as a communistic institution.

What is causing this attack on the schools? I do not know that anybody in a sane moment would refer to Mr. Hearst as an outstanding patriot. I do not believe that he is particularly interested in the people who are going to these schools. My own opinion is that this is part of the propaganda that is being put together to cut down on the amount of money that is to be spent in the form of taxation to build up these schools.

I think he is going into this to prevent the sentiment that has led students, not only high-school but college students and teachers and older people, to protest against warfare. It is almost axiomatic that Mr. Hearst is one of the greatest exponents of the desirability of war. He has put on some wars before. Let me ask you a question. Just exactly what should a teacher in a school teach?—and, remember, the few people who are listening here today will not find any more patriotic people in the world than the public-school teachers and the college teachers. They have given considerable study to the economic difficulties that we are in, and are beginning to say that something is wrong with the economic order or the open-market system that makes it necessary that the conditions we are experiencing today should continue to exist.

According to Julien Huxley, one aim of education should be to teach people to discard the unconscious prejudices that their social environments impress upon them. Charles Beard says that teaching ought to be a scholarly, balanced presentation of the facts. Ex-Superintendent Dorsey, of Los Angeles, used to tell teachers:

We must please the business men; otherwise they will not vote to keep our schools going.

Various organizations try to force teachers to indoctrinate children with correct views. They go further and try to suppress as radical or prejudiced any contrary views a teacher may hold. If they are successful, education will become a process of memorizing shibboleths, going through outward forms of patriotism, such as flag salutes and oaths of allegiance, and learning to render blind, unthinking obedience to the behests of a small minority, who have taken upon themselves an un-American censorship of the speech and ideas of all of their fellow citizens.

Teachers are too likely to accept the best families' condescension, the business man's contempt, and the community's "he's only a teacher" attitude as valid appraisals of themselves. Teachers, like other human beings, are extremely sensitive to community opinion. They want the community's respect and good will. Often they compromise with their own best instincts and their intelligence in order to win the good opinion of men whose good opinion they know has no value. Before the schools can assume leadership the teachers in them must be freed from control by the ideology, the prejudices, the conventionalities of the community he is now urged to lead.

The creation of a better social order requires critical analysis, great faith, intense labor, and trained intelligence. Our schools are indispensable in the cultivation of these qualities. The creation of such an order also involves change. This would necessarily disturb powerful elements which benefit from the old order. It is these elements that control the schools, and they have always opposed change. They seek to use the schools to "develop character", to instill "respect for law and order", to make "good citizens", and to teach "patriotism", but, when analyzed, these terms all mean to the interested groups unquestioning acceptance of things as they are. Men who control the schools object to teachers who stimulate thought and create critical attitudes. Teachers may express views on questions that do not matter, but on anything that does affect vital interests the schools must be "neutral", which means that they may and inevitably do support present conditions but must not criticize or try to improve them.

One superintendent who prides himself on the freedom in his schools recently protested vigorously against freedom for teachers to use the classroom to impose their biases and prejudices upon children. He fails to realize that his own views and the views of his teachers, whose ideas he regards as safe, are merely, in turn, their biases and prejudices. Who, after all, is not prejudiced by his background and experience? Yet history has often proved that it was the prejudice of an extremist and not the orthodoxy of the multitude that posterity regarded as truth. The only freedom that matters is the freedom that allows others to express views you know are dangerous or untrue. The very essence of freedom is belief in the power of truth, if left free, to overcome error. This makes wrong views harmless—yes, even serviceable—in determining and strengthening right views. Children trained under teachers who are not free will not suddenly attain freedom themselves by graduation into adulthood. Only children subjected from early childhood to the conflicts and buffetings of the perpetual conflict of truth and error will ever live free lives. The dangers inherent in lack of freedom for the teacher are infinitely worse for the child than the most dangerous ideas a free teacher may express to him.

Hypocrisy is called "proper professional conduct." If one instills unconventional views into children, that is "indoctrination." If one indoctrinates children, as most teachers do most of the time, with conventional attitudes, it is called "teaching." Educators do not even know what they mean by "education"—whether it means indoctrination with community prejudices, indoctrination with what left-wing educators want children to believe, drilling children in textbook learning, or finally creating a new generation themselves capable of intellectual integrity and independent thinking.

More and more teachers today are throwing off their fears and saying, "We must teach these children how to live in the environment in which they will find themselves."

When they talk that way Mr. Hearst says that they, the teachers, are Communists, that they are threatening the overthrow of the Government. I have had 10 years experience as a high-school teacher. I resigned my job as a high-school teacher to come here, I have dealt with young people and being pretty close to their own age, they talk rather openly to me. I have stood in front of graduating classes year after year, and after listening an entire semester to what I had to say they asked me, "Now, we are graduating, what are we going to do? Is there going to be a job for us? Is this a land of equal opportunity under our economic system?" What could I tell them? They had seen their parents out of work for 2 or 3, or 4 or 5 years. Do you think they would pay any attention to me if I said to them, "Yes, under our open-market system all you have to do is to graduate from school, apply for a job and you will have one." They had seen their parents out of work. They had seen other boys graduate from school and they knew they did not get anything to do. Do you think they would listen to those time-worn platitudes about equal opportunity. I told these children that there was not a place for them, that they were a surplus generation, that the country did not need them because it had too many unemployed. Do you think I was trying to wreck the Government or that I was a Communist or a Socialist or something of that kind? And yet that is what Mr. Hearst calls communism.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield for a question?

Mr. SCOTT. I do not have very much time and I would rather not yield.

Mr. DICKSTEIN. I think the gentleman is going rather far in saying that because he did that the Hearst papers would class him as a Communist. Is it not a fact that we found a number of teachers in our schools were teaching the philosophy of Karl Marx and the philosophy of Hitler and the philosophy of nazi-ism?

Mr. SCOTT. Undoubtedly.

Mr. DICKSTEIN. Then why do you not give him some credit for doing some real American work? I do not agree with everything that is charged, but I say that he is an outstanding American and that he has rendered some service to the country by exposing some of the people connected with our school system.

Mr. SCOTT. But why indict the whole public-school system and all the universities and bring all of that criticism on the schools by putting this stuff in the papers? You see it every day. I grant you there are some who are overenthusiastic and go to extreme lengths, but that is not the way to get at this particular problem—to attack the whole school system.

Mr. MARCANTONIO. As a school teacher with all your experience, does the gentleman believe it would hurt our children if somebody did mention Karl Marx in the classroom? They would not get measles from it.

Mr. SCOTT. Not at all.

Mr. ZIONCHECK. Does not the gentleman from California think that the attempt to abridge the right of freedom of speech and assemblage is laying the foundation for a dictatorship in this country?

Mr. SCOTT. Absolutely. We have a bill offered here in Congress to force the school teachers to take an oath to support and defend the Constitution of the United States. Why pick out the school teachers to make them do that? I do not believe I know a single teacher in this country that would not gladly take the oath to support the Constitution. I did it when I started to teach school. They have a law like that in California.

But why pick out the school teachers? It is the same thing as walking up to a man and saying, "Are you a gentleman?" If he says, "I do not think I am obliged to answer that question", must we then tell him that he cannot teach in the public schools of this country unless he says, "I am a gentleman"?

Teachers are willing to support the Constitution, but why pick them out as a group? It is a condemnation of the entire teaching profession. If Congress makes them take

an oath to support the Constitution at this particular time, it is a condemnation of the entire profession. You blacken the school-teaching profession by even offering a bill of that kind in this House.

Before I finish let me serve notice that in the near future I expect to again take the floor to tell more of the Fascist activities of the man whom several hundred college students, by resolution, condemned as public enemy no. 1, and the students of Michigan hanged in effigy, and about whom Dr. Charles Beard said:

In the course of the past 50 years I have talked with Presidents of the United States, Senators, Justices of the Supreme Court, Members of the House of Representatives, Governors, mayors, bankers, editors, college presidents (including that great scholar and thinker, Charles W. Eliot), leading men of science, Nobel prize winners in science and letters, and I have never found one single person who for talents and character commands the respect of the American people, who has not agreed with me that William Randolph Hearst has pandered to depraved tastes and has been an enemy of everything that is noblest and best in our American tradition. Alfred Smith—a true friend of public education—added to his many deserved laurels when before a cheering multitude in New York City he defied Mr. Hearst. The answer of the people of New York was final and conclusive.

There is not a cesspool of vice and crime which Hearst has not raked and exploited for money-making purposes. No person with intellectual honesty or moral integrity will touch him with a 10-foot pole for any purpose or to gain any end. Unless those who represent American scholarship, science, and the right of a free people to discuss public questions freely stand together against his insidious influences, he will assassinate them individually by every method known to yellow journalism—only cowards can be intimidated by Hearst.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I want to voice my protest against this appropriation, because I recollect that when we had the Army appropriation bill up we tried to get a roll call on it, and we could not get sufficient Members to rise and ask for a roll call.

I am apprehensive lest the same thing may occur when it comes time to vote on this bill. I want my people to know where I stand on it. Inasmuch as I am afraid that we cannot get a roll call, I am taking this opportunity to let them know that I am against it.

The reason why I am against this bill is threefold. First, because of our national financial situation. Second, because we want more money for the public schools, and I agree with my colleague, Mr. SCOTT, of California, fully in that respect.

Third, because I feel that the amount we have appropriated for old-age pensions, dependent children, and for crippled children is insufficient and inadequate, and we ought to have some of this money appropriated here in order to meet more appropriations for social security.

What is the situation in regard to the present national financial affairs? Taking the report of the committee, we have four items: The War Department appropriation bill, which has already been signed, carries $402,000,000, and $135,000,000 more from the Public Works bill; $38,098,000 for the Navy Public Works bill; $488,000,000 for the Navy appropriation, making a total of $1,063,098,000 to date. If this were all, it would be bad enough, but this is not all.

There will be more coming after this has been disposed of and the result will be that before we get through there will probably be a couple of hundred million dollars more. It will mean a total of somewhere between $1,250,000,000 and $1,300,000,000, and that in the face of the chairman's statement made yesterday, appearing on page 6231 of the CONGRESSIONAL RECORD:

The total indebtedness at the close of the fiscal year 1936, the Budget has estimated, will be $44,239,000,000.

Why, the interest rate on that alone will amount to a billion dollars a year, and in face of that we are here considering the passage of a bill which almost doubles the appropriation of last year. We are told by the same gentleman in his statement, and it was a thorough and exhaustive statement, that in order to get our appropriation up to the full treaty strength of the Navy it will cost $550,000,000 a year, and that is our objective. He also said on page 6231 of the CONGRESSIONAL RECORD, and this amazed me:

Not a single penny of the increase may be said to be influenced by any thought of the imminence of war.

Who is it, then, that we are preparing against? Is it against this crew that the annointed and self-appointed defender of the faith, William Randolph Hearst, is preaching about every day to the millions of his circulation? Who is there in this House who has enough faith and confidence in Hearst to take him as a guide, in patriotism, Americanism, or anything else? I for one would no more think of following Hearst's lead in that respect, or any other respect, than I would that of Mussolini, Hitler, or Stalin over in Russia. They are all in the same class; they all belong to the same group. All that Hearst is trying to do is to raise enough dust so as to be ready to become the Fascist leader when fascism comes, if he can possibly bring it about.

But my argument is not to talk about Hearst. I would need an hour or two, if I were going into that subject, to tell all that could be told about him. My object is more particularly to refer to the social-security bill, in which I feel we should have several hundreds of millions of dollars, and I think that we should get those several hundreds of millions of dollars by taking them out of the appropriations for the Army and the Navy. We are giving them entirely too much. My thought is to take away two or three hundred million dollars from those appropriations and raise the benefit for old age from $15 a month to $50 a month. But the aged are not all we must safeguard. In addition to them, we have 9,000,000 children for whom something ought to be done, and for whom we have done next to nothing. I feel that it is entirely unjustifiable to spend such vast appropriations as these and be so niggardly in our social-security program.

In addition to that, I again call the attention of the Members of the House to our public-school situation. The gentleman from Oklahoma [Mr. LEE] introduced a bill—and that bill was introduced some months ago—appropriating $30,000,000 for the public schools so that they might open this last term of the school year. That bill has not come out of committee, and I venture the assertion that it does not come out this year. Why do we need $30,000,000 for the schools? Because one-eighth of the school children of this country are now deprived of an opportunity to attend school; because the schools have been closed for lack of funds.

Yet in the face of that situation involving only $30,000,000, the price of one cruiser, we are allowing one-eighth of our school population to go without schools. Teachers are getting $24 a month salary, on which they are supposed to support themselves as respectable citizens of their community and hold up their heads even though some of them have had to go on relief. One hundred million dollars in back salaries are owed to the school teachers of this country. What are we doing for them? All we are doing for them is demanding of them that they take an oath of allegiance, because Hearst says they should. Why not make the lawyers take an oath of allegiance, why not the doctors and the dentists, why not ministers, priests and rabbis, why not newspaper publishers, why not everybody else just as much as the school teachers? I see no reason why we should not. Why not fingerprint them at the same time? Then we would have a good opportunity to run them all down if there were any aliens that "snuck" into the country while we were not looking. Some Members forget that our parents were aliens, and they have become excellent citizens. The thing that appeals to me in all this discussion is this: I have not much use for the witch burners who throw up their hands in holy horror about communism—superpatriots, who place the stamp of approval upon themselves and condemn everybody else. My advice to those gentlemen is to spend less time shouting "communism" and more time seeking out and removing the causes of communism.

I prophesy that when the Democratic relief money goes to work and these poor, homeless, unclothed, unfed unfortu-

nates get jobs three-fourths of them will become Democrats at the next election, stop men like Morgan from making hundreds of millions at home while they support an alien government abroad and evade their just share of the tax burden of the United States; stop war profiteers from making vast fortunes coined from the ebbing blood of our boys, gasping their last breath on the battlefield. Stop these glaring inequalities and communism would wither and die. Continue them and no man can foretell the consequences. Out in my country we do not know what a Communist is and we care less. We have no interest in communism. We do not need it at all. If you talk to a farmer out in the Mississippi Valley about communism he would laugh at you. Why? Because he has never had any contact with it; because he has more pressing problems; because he is interested in getting the cost of production for what he raises; because he has his family to provide for; because he has taxes to pay and the interest on his mortgage to meet. Because he faces the realities of life, stern and stark realities, and not nonessentials which do not concern him in the least. [Applause.]

[Here the gavel fell.]

Mr. ZIONCHECK. Will the gentleman yield?

Mr. CARY. I yield myself 1 minute to answer the gentleman from Washington.

Mr. ZIONCHECK. Under the increase in the Navy, will alternate ships in this increase apply in navy yards and in private yards?

Mr. CARY. Yes. You will find that in the hearings that matter was brought out fully and that that division will be lived up to.

Mr. ZIONCHECK. Is that in Admiral Land's testimony?

Mr. CARY. Yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7672, the Navy Department appropriation bill, and had come to no resolution thereon.

AMERICAN RETAIL FEDERATION

Mr. COCHRAN. Mr. Speaker, there have appeared in the public press in the last few days drastic statements with reference to the organization of a superlobby, the largest lobby that this country has ever known, to bring pressure to bear upon Congress and its Members.

I ask unanimous consent for the immediate consideration of a resolution—House Resolution 203—which I have sent to the Clerk's desk.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the immediate consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 203

Whereas the Associated Press on April 16, 1935, and the New York Times of April 17, 1935, reported that a superlobby to be known as the "American Retail Federation" was recently formed to promote the business of chain stores throughout the United States and to influence the actions of Members of Congress with reference to legislation affecting chain stores and their holding companies; and

Whereas one Louis E. Kirstien, of Filene's Department Store, in Boston, Mass., one Clarence O. Sherrill, who was a high-salaried vice president of the Kroger Grocery & Baking Co., of Cincinnati, Ohio, and one Harold R. Young, chief Washington representative for the National Retail Dry Goods Association, are purported to be the organizers thereof, with the understanding that said Clarence O. Sherrill will be the president and active head of said superlobby, with direct responsibility for conducting its propaganda and lobbying activities in the city of Washington, D. C., before the United States Congress and the committees thereof; and

Whereas it is stated in the public press that the executive committee of this superlobby, which has been named the "American Retail Federation" is to be composed of officers and directors of the principal gigantic retailing establishments of the Nation, dealing primarily in the fundamental necessities of everyday life, as follows: Louis E. Kirstien, representing E. A. Filene & Co., of Boston, Mass.; Lessing J. Rosenwald, chairman of the board of Sears, Roebuck & Co.; Fred Lazarus, Jr., of F. & R. Lazarus & Co., of Columbus, Ohio; Percy S. Straus, representing R. H. Macy & Co., of New York City; C. W. Kress, of S. H. Kress & Co., of New York City; Albert H. Morrill, president of the Kroger Grocery & Baking Co., of Cincinnati, Ohio; George M. Gales, president of the Louis K. Liggett Co., of New York City; John A. Hartford, president of the Great Atlantic & Pacific Tea Co., of New York City; and

Whereas it is apparent that said American Retail Federation is organized for the purpose of increasing the profits of big business through lobbying tactics, designed to prevent small businesses from securing competitive opportunities, equal to those enjoyed by corporations representing vast aggregations of capital; and

Whereas it is apparent that the achievement of any or all of the purposes of said American Retail Federation will react to the detriment of the farmer, the wage earner, and the consumer on the one hand, and will serve to injure the employers of labor and the laboring man on the other hand; and

Whereas the said superlobby has already opened palatial headquarters in the city of Washington, D. C., and has attempted, and is now attempting, to force and coerce thousands of small retail merchants, dealing in the necessities of life, into the ranks of this superlobby, so that it may thereafter hold out to Members of Congress and to others in the Government that it represents a completely centralized and authentic voice for all retailers of the Nation; and

Whereas the following national associations of retailers, whose executive committees and boards of directors are in almost every case controlled by representatives of large corporations, are already listed in the public press as having already offered or pledged their support to the superlobby plans of the American Retail Federation, to wit: The National Association of Retail Clothiers; National Retail Dry Goods Association; National Association of Retail Grocers; National Retail Furniture Association; National Retail Hardware Association; American National Retail Jewelers Association; National Association of Retail Druggists; National Shoe Retailers Association; Limited Price Variety Stores Association, Inc.; Mail Order Association of America, Inc.; National Council of Shoe Retailers; National Retail Association of Music Merchants; Food and Grocery Chain Stores of America, Inc. An invitation will be extended this week to the International Grocers Alliance of Chicago, a cooperative organization of grocers; and

Whereas the gigantic sum of $750,000 has already been pledged or contributed to this superlobby by the greatest aggregation of rich and powerful department stores and chain stores of America ever brought together for the purpose of directly or indirectly nullifying the effects of the N. R. A., the A. A. A., the Sherman Act, the Clayton Act, and other antitrust laws now on the statute books of this Nation, and by propaganda and other methods inimical to the public welfare to attempt to control and influence the Congress of the United States in its legislative deliberations; and

Whereas it is further reported that this superlobby, the American Retail Federation, is now proceeding upon a plan designed to force the small independent retail merchants of America, engaged in the sale of the necessities of everyday life, to contribute an additional $2,000,000 annually to the funds available to this organization in its lobbying activities, and for the further purpose of permitting it to disseminate propaganda among the consumers and producers of the United States; and

Whereas it is inimical to the welfare of the citizens of the United States to permit the organization and functioning of such a superlobby, designed for the purpose of intimidating and influencing Members of Congress through direct and subversive lobbying activities, as well as through coercing hundreds of thousands of underpaid employees throughout the Nation to flood the respective Members of the United States Congress with letters, petitions, and propaganda designed to improperly and untruthfully represent the public sentiment of the respective constituencies of said Members of the Congress: Now, therefore, be it

Resolved, That a special committee of seven, to be named by the Speaker, be created and hereby is authorized and directed to investigate the aforesaid American Retail Federation, its capitalization, its membership, its objectives, the sources of its funds, its financial connections, and its officers and agents, and to investigate the record of stock dividends, officers' salaries, profits, interlocking directorates and banking affiliations of all corporations directly affiliated with, or contributing to, the said American Retail Federation; and be it further

Resolved, For the purpose of this resolution the committee, or any subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places in the United States, whether or not the House is sitting, has recessed, or has adjourned, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books and documents, to administer such oaths, and take such testimony as it deems necessary and advisable.

The SPEAKER. Is there objection to the consideration of the resolution?

Mr. WARREN. Reserving the right to object, may I ask the gentleman if this carries any appropriation?

Mr. COCHRAN. It does not.

Mr. WARREN. How much are you going to spend?

Mr. COCHRAN. I do not know anything about who the Speaker will appoint or what they will want, but I think the investigation should be concluded in 2 weeks.

Mr. WARREN. Of course, the gentleman from Missouri is a member of the Committee on Accounts.

Mr. COCHRAN. I can assure the gentleman it will take very little money, if any.

Mr. WARREN. Of course, I know nothing about the matter except what I have just heard.

Mr. ZIONCHECK. Reserving the right to object, it is my understanding that the Chairman of the Committee on Accounts has made the statement heretofore that at no time has any legislation come about from one of those investigating committees. Is that true?

Mr. WARREN. I would not say at no time, but I say that in my opinion 95 percent of these investigations are absolutely worthless and nothing has been accomplished by them.

Mr. TABER. Reserving the right to object, Mr. Speaker, would the gentleman from Missouri kindly tell us what this outfit is and something about it, because I never heard of it?

Mr. COCHRAN. Yes. It is composed of mail-order houses and chain stores of the United States. They have selected Colonel Sherrill to head their superlobby in Washington. They are going to try to coerce and bring into their organization all national retail organizations. It has been published in the New York Times and all over the country. The claim is made that they have $750,000 already to start on. I will say to the gentleman this is simply to get some information as to this matter. We should be able to complete it in 2 or 3 weeks, with hardly any cost to the Congress at all. It might stop a repetition of what we have just gone through with in connection with the utility-holding bill. This superlobby announces that its purpose is to bring pressure to bear upon Congress and its committees in connection with pending legislation.

Mr. TABER. It is some super N. R. A., organized by these chain stores, is it?

Mr. COCHRAN. Well, the gentleman knows what the chain stores and the mail-order houses do to the individual merchant. They are not getting into this business for their health. I think it is the duty of this House to find out what they intend to do and let the people of the country know about it.

Mr. TABER. Has this resolution been to the Committee on Rules?

Mr. COCHRAN. It has not.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. TABER. Mr. Speaker, I think I shall object. I do not know anything about it, and it ought to go to a committee.

CONSTRUCTION OF CERTAIN MUNICIPAL BUILDINGS, DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes, with House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey? [After a pause.] The Chair hears none, and appoints the following conferees: Mrs. NORTON, Mr. ELLENBOGEN, and Mr. DIRKSEN.

NAVY DEPARTMENT APPROPRIATION BILL, 1936

Mr. CARY. Mr. Speaker, this morning we arranged for 8 hours of general debate on the Navy Department appropriation bill, which has been under consideration throughout the day. There are so many requests for time on both sides that we shall need a little more time.

Mr. Speaker, I ask unanimous consent, therefore, that the time for general debate be extended 1 hour, to be equally divided and controlled by the gentleman from Michigan [Mr. McLEOD] and myself.

Mr. BIERMANN. Mr. Speaker, reserving the right to object, I would like to ask the distinguished chairman of the subcommittee if during that hour some member of the committee will tell us against what nation we are preparing by the expenditure of this $457,000,000?

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

WASHINGTON—THE FARMER

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD an article entitled "Washington—the Farmer", by Maurice J. Connor, of Omaha, Nebr.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Midwest Wool Growers News of Mar. 11, 1935]

WASHINGTON, THE FARMER—THE FATHER OF OUR COUNTRY WAS ONE OF THE MOST SUCCESSFUL AGRICULTURISTS OF HIS TIME, A MAN KEENLY INTERESTED IN HIS GREAT ESTATE AND SHEEP—HE LAID DOWN A TRAIL ALL SHOULD FOLLOW

By Maurice J. Connor, attorney at law, Omaha

If ever farmers, wool growers, livestock breeders, gardeners, arbor culturists, agricultural economists, and all other soil-loving people of America decide to set aside 1 day of the year in grateful tribute and solemn observance to that most essential and indispensable of all human occupations, agriculture, that day should be the 22d of February.

Because it was on that day in 1732, at the little town of Wakefield, Westmoreland County, Va., a merciful Providence gave to a handful of long-suffering, long-abused royal colonies George Washington, a farmer, who hazarded all that he had, and all that he hoped for in this life, that those sovereign-ridden colonies might be free and mold themselves into a Union, which, within 161 years, has bloomed and blossomed into, if not the greatest, one of the greatest and wealthiest nations of ancient and modern times, demonstrating the Athenian and Roman classical theory that an organized society, when popularly, faithfully, and vigilantly administered, is the most successful and lasting form of government on this earth.

A GRATEFUL PEOPLE

In his day a loving and thankful people elected George Washington their first President, then reelected him, and down through all the years between the millions who have, and the millions who now are, enjoying the fruits of his relentless labors and sacrifices, in perpetuation of that early devotion, unanimously proclaim him "Father of His Country."

But all this glorious renown of hallowed memory in the life of Washington concerns his fame and accomplishments as a warrior and a statesman. Had George Washington not been drawn into the vortex of the American Revolution, if we are to judge from his immense holdings, 70,000 acres in Virginia (exclusive of the 40,000-acre congressional reward for military services), and the capital he possessed with which to finance his operations, and if we are to judge from a careful perusal of an exhaustive, priceless legacy which he has bequeathed to posterity in the form of books of accounts, notes, correspondence, documentary evidences, he nevertheless would have a just claim to the distinction of first patron of husbandry in colonial times.

When Washington was 27 years old, in 1758, he took his newly married, devoted Martha to his estate on the Potomac and settled down to the occupation of a farmer; from that date until 1775, 17 years, he was exclusively engaged in the most improved forms and methods of agriculture of the day. He was a book collector, had an extensive library, and kept an enthusiastic communication with such men as Arthur Young and Sir John Anderson, the two most noted writers and authorities on rural life and improved farm practices at that time in Europe.

HEART ALWAYS AT HIS FARM

During the 24 years that followed, from 1775 to 1799, 8 were spent on the battle line, 8 in the Presidency, and 8 were also devoted to his all-absorbing operations, studies, and experiments in the field of agriculture. Washington's love and interest, in home- and farm-life values never diminished during his campaigns. We find him in the springtime sending orders to his manager, Anderson, in letters penned while in sight of the enemy, how and when to break ground and to prepare seed bed, what seed best suited to certain characters of soil, especially clovers and sanfoin that should follow every 2 crops of corn, wheat, and barley to replenish fertility; timothy and clover that must be sown on meadows and ditches and to avoid overgrazing of pastures.

In autumn, when and how to harvest and store crops. In winter, how to feed and care for livestock, to repair buildings and equipments. In another, he advised how to handle and improve the quality of his herds and flock. One letter to Lund Washington directing additions to be made, and hurried, at Mount Vernon. Another letter to him on planting shade trees and shrubbery about the premises.

But, returning to the years of actual activities at Mount Vernon, Washington was neither cad nor snob. He was delighted when called "Farmer Washington." He longed to be considered the best farmer in America, and even while President classed himself as a planter. At 40 years he was 6 feet 2 inches in height, weighed 210 pounds, sandy haired, blue eyes, large hands and feet, and rarely ill.

He was a shrewd trader as well as a big farmer. He ran a distillery, a grist mill, and even a ferry. He sold flour, feed, and liquor. He divided his plantation into five farms, each with a name, placed an overseer in charge of each, and exacted a thorough accounting from them. He practiced the strictest economy. He had more than 300 slaves. He raised enormous crops and fed and clothed everyone on his place. He liked horse racing, he raised excellent horses, he raced them, and loved to ride them. He liked company, played cards, held house parties, rode far and near to dances in the neighborhood. He was a lavish entertainer. His home was the Mecca for famous visitors from other colonies and foreign countries. La Fayette, during his second tour, made a long visit with Washington. He had one of the finest herds of black cattle in the country.

PROUD OF HIS SHEEP

But there was one branch of livestock of which Washington was especially fond and proud, and that was his sheep. He was the leading breeder and flockmaster in Virginia, and preached the gospel of sheep husbandry everywhere. According to his voluminous letters and notes, Washington maintained that sheep were by far the most profitable of all farm animals, yielding on the scantiest fare three most valuable crops every year—lamb, wool, and the richest of fertilizers.

He also contended that every sheep bore several grades of wool and as such that all fleeces should be graded and marketed accordingly, for two reasons, so that the farmer might obtain the most for the care and quality of wool, and also that our own manufacturers might successfully compete with the fine woolens and broadcloths of Europe. At his first inauguration he was the proudest man in the assemblage when he wore his woolen suit grown by an American sheep, sheared by an American farmer, and made by an American manufacturer, Hon. Jeremiah Wadsworth, of Hartford, Conn.

Washington's flock numbered 800 to 1,000. He spared no pains or money to procure the finest ewes in the Colonies and abroad; he was very partial to Bakewell and Persian rams. He labored long and successfully to produce a dual-purpose creature, one that would grow the heaviest fleece with longest staple, on the smoothest and largest frame possible, and it was his flock which in later years formed the foundation stock of one of the most noted breeds in the country, the Arlington sheep.

LOOK BACK 160 YEARS

My fellow countrymen, during these trying times, don't be too impatient. Just stop and consider these few high lights in the life of an American farmer which history claims for her own. In 8 years with the aid of his poorly maintained, loyal, home-loving neighbors, and foreign friends he wore down, whipped, and drove into the sea one of the best equipped, best trained armies of Europe. In 8 more years, by the magnetic power of his sublime character, he drew the scattered American Colonies around him and welded them into a confederation, on a foundation so enduring, that today it sustains a world power.

And then, obeying the still small voice of that one love nearest his heart, he noiselessly, sweetly, and beautifully returned to his home, his fields, and his flocks. His estate was valued at over $5,000,000, an immense fortune for his day, which will "page him" through the files of time as a genius in business.

He had only two enemies, the tyrant and the scandalmonger, because he left nothing for them to prey upon. His earthly glories were concluded December 14, 1799—those of his faithful Martha 3 years later, on their farm at Mount Vernon, Va., where both still live!

Truly, it can always be said, What a soldier! What a founder! What a farmer! Yes, what a man was our beloved Washington!

AMERICAN RETAIL FEDERATION

Mr. COCHRAN. Mr. Speaker, the gentleman from New York has withdrawn his objection to the consideration of House Resolution 203, which I brought up a few moments ago.

Mr. Speaker, I renew my request for the present consideration of House Resolution 203, authorizing an investigation with respect to the American Retail Federation.

The SPEAKER. Is there objection to the present consideration of the resolution? It has already been reported.

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

(Mr. MARCANTONIO asked and was given permission to revise and extend his remarks.)

HOUR OF MEETING

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SILVER JUBILEE OF THE KING OF GREAT BRITAIN

The SPEAKER laid before the House the following communication from the Secretary of State:

DEPARTMENT OF STATE,
Washington, April 23, 1935.

The Honorable JOSEPH W. BYRNS,
Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: I am sending you herewith copy of a letter which I have received from His Excellency the Ambassador of Great Britain stating that a celebration of the King's Silver Jubilee will be held at the National Cathedral on Monday morning, May 6, at 11 o'clock, and requesting the good offices of the Department of State in notifying different branches of the Government that, so far as seats are available, American officials will be welcomed. It may be noted in this connection that the tickets are not limited strictly to the officials of the House of Representatives and their wives, but may also be used by relatives and friends, generally keeping in mind the number of tickets allotted to the House of Representatives.

If you will be so good as to have Mr. A. F. H. Wiggin, First Secretary of the British Embassy, informed not later than Monday, April 29, as to the total number of seats desired, they will be sent to you for such distribution as you may desire.

Sincerely yours,

CORDELL HULL.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FERNANDEZ for 10 days on account of serious illness in family.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7054. An act to provide for the protection of land resources against soil erosion, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1209. An act to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii; and

S. 1610. An act authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7054. An act to provide for the protection of land resources against soil erosion, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 33 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Thursday, April 25, 1935, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

311. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, United States Senate, for the fiscal year 1936, in the sum of $2,500 (H. Doc. No. 165); to the Committee on Appropriations and ordered to be printed.

312. A letter from the Secretary of the Treasury, transmitting draft of a proposed bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of New Hampshire: Committee on Military Affairs. H. R. 7022. A bill to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps and frontier air-defense bases generally; with amendment (Rept. No. 755). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 2218. An act for the relief of Elsie Segar; with amendment (Rept. No. 754). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 1702. A bill for the relief of the Hermosa-Redondo Hospital, C. Max Anderson, Julian O. Wilke, Curtis A. Wherry, Hollie B. Murray, Ruth M. Laird, Sigrid I. Olsen, and Stella S. Guy; with amendment (Rept. No. 756). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2319. A bill for the relief of Oswald Orlando; with amendment (Rept. No. 757). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 2432. A bill for the relief of the Weis-Patterson Lumber Co., Inc.; with amendment (Rept. No. 758). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 2982. A bill for the relief of Sarah Shelton; with amendment (Rept. No. 759). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 3164. A bill for the relief of the Allegheny Forging Co.; with amendment (Rept. No. 760). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 3759. A bill for the relief of E. H. Jennings; with amendment (Rept. No. 761). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 3943. A bill for the relief of D. E. Wooldridge; with amendment (Rept. No. 762). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 4038. A bill for the relief of M. P. Creath; with amendment (Rept. No. 763). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 4256. A bill for the relief of Anna Caporaso; with amendment (Rept. No. 764). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4846. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Marine Corps for the value of personal effects lost, damaged, or destroyed by fire at the Marine Barracks, Quantico, Va., on October 5, 1930; with amendment (Rept. No. 765). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4852. A bill to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army; with amendment (Rept. No. 766). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4999. A bill for the relief of Marie Linsenmeyer; with amendment (Rept. No. 767). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 5127. A bill for the relief of D. E. Sweinhart; with amendment (Rept. No. 768). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5750. A bill for the relief of Mary Brown Raley; with amendment (Rept. No. 769). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5781. A bill for the relief of the widow and next of kin of James J. Curran; with amendment (Rept. No. 770). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5790. A bill for the relief of certain creditors of J. R. & J. A. Whelan, Inc.; with amendment (Rept. No. 771). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. S. 239. An act for the relief of the Barlow-Moore Tobacco Co.; with amendment (Rept. No. 772). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 365. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller; with amendment (Rept. No. 773). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 428. An act authorizing adjustment of the claim of Korber Realty, Inc.; without amendment (Rept. No. 774). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. S. 475. An act for the relief of Mrs. George F. Freeman; without amendment (Rept. No. 775). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 538. An act for the relief of H. Kaminski & Co., Kaminski Hardware Co., and the Carolina Hardware Co.; without amendment (Rept. No. 776). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 814. An act for the relief of John Mulhern; without amendment (Rept. No. 777). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 884. An act for the relief of Lt. Comdr. G. C. Manning; with amendment (Rept. No. 778). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 951. An act for the relief of Mrs. Guy A. McConoha; without amendment (Rept. No. 779). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 952. An act for the relief of Zelma Halverson; without amendment (Rept. No. 780). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1054. An act authorizing adjustment of the claim of White Bros. & Co.; without amendment (Rept. No. 781). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1099. An act for the relief of Ethel G. Remington; without amendment (Rept. No. 782). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. S. 1328. An act for the relief of the Snare & Triest Co., now Frederick Snare Corporation; without amendment (Rept. No. 783). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1498. An act for the relief of Robert D. Baldwin; without amendment (Rept. No. 784). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1499. An act for the relief of Robert J. Enochs; with amendment (Rept. No. 785). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1566. An act for the relief of Carl C. Christensen; without amendment (Rept. No. 786). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1872. An act for the relief of Guy Clatterbuck; without amendment (Rept. No. 787). Referred to the Committee of the Whole House.

CHANGE OF RESIDENCE

Under clause 2 of rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill

(H. R. 7606) for the relief of Maj. Edwin F. Ely, Capt. Reyburn Engles, and others, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LAMNECK: A bill (H. R. 7709) to provide time credits for substitute laborers in the Post Office when appointed as regular laborer; to the Committee on the Post Office and Post Roads.

By Mr. DUFFEY of Ohio: A bill (H. R. 7710) to reduce the amount of interest and additions to the tax in certain cases under the income-tax laws; to the Committee on Ways and Means.

By Mr. RAMSPECK: A bill (H. R. 7711) to provide for the compiling and publishing of the Official Register of the United States; to the Committee on Printing.

By Mr. COCHRAN: A bill (H. R. 7712) to change the name of the Department of the Interior and to coordinate certain governmental functions; to the Committee on Expenditures in the Executive Departments.

By Mr. JONES: A bill (H. R. 7713) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. GASSAWAY: A bill (H. R. 7714) authorizing an appropriation for payment to the Sac and Fox Tribe of Indians in the State of Oklahoma; to the Committee on Indian Affairs.

By Mr. DINGELL: A bill (H. R. 7715) to provide for the construction of a metal-clad airship for the United States Navy; to the Committee on Naval Affairs.

By Mr. SANDERS of Louisiana: A bill (H. R. 7716) to compensate those persons afflicted with Hansen's disease (leprosy) who are patients isolated in the United States Marine Hospital, Carville, La., and to the legal dependents of such patients; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7717) to amend the act of February 10, 1920, as amended, relating to the loaning of Army rifles to organizations of former soldiers, sailors, or marines; to the Committee on Military Affairs.

By Mr. MAVERICK: Joint resolution (H. J. Res. 259) to define a national policy of peace and neutrality; to prohibit certain transactions with belligerent nations; to protect American sovereignty; and for other purposes; to the Committee on Foreign Affairs.

By Mr. DIMOND: Joint resolution (H. J. Res. 260) authorizing a preliminary examination or survey of Homer Harbor, Kachemak Bay, Alaska; to the Committee on Rivers and Harbors.

By Mr. FULMER: Joint resolution (H. J. Res. 261) authorizing and directing a congressional committee to investigate and report to both Houses of Congress with respect to the nature, source, and truth of the various statements and charges which have been and are being made concerning the effect of the cotton-processing tax; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida, urging the passage of the necessary legislation to authorize the United States Government to accept as a gift from the city of Palatka, Fla., the Palatka Ravine Azalea Gardens; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CROWTHER: A bill (H. R. 7718) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Angelo DeSotto; to the Committee on Claims.

By Mr. DUFFEY of Ohio: A bill (H. R. 7719) for the relief of Winifred A. Ballou, widow of Justin G. Ballou; to the Committee on World War Veterans' Legislation.

Also; a bill (H. R. 7720) for the relief of Winifred A. Ballou, widow of Justin G. Ballou; to the Committee on War Claims.

By Mr. FORD of California: A bill (H. R. 7721) for the relief of Bogustas De Kartowski; to the Committee on Military Affairs.

By Mr. GAMBRILL: A bill (H. R. 7722) for the relief of Robert Wolfe; to the Committee on Naval Affairs.

By Mr. SNYDER: A bill (H. R. 7723) granting an increase of pension to Mary C. Pearson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7724) granting an increase of pension to Hester H. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7725) granting an increase of pension to Melissa D. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7726) granting an increase of pension to Mary E. Wetmiller; to the Committee on Invalid Pensions.

By Mr. TONRY: A bill (H. R. 7727) to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc.; to the Committee on War Claims.

Also, a bill (H. R. 7728) for the relief of Barnett Klass; to the Committee on Military Affairs.

By Mr. ZIONCHECK: A bill (H. R. 7729) granting a pension to Leonard Claud Huntington; to the Committee on Pensions.

By Mr. ZIMMERMAN: A bill (H. R. 7730) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the estate of C. D. Matthews; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7436½. By Mr. ROGERS of Oklahoma: Petition headed by G. Pearce, of Jonesville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7437. Also, petition headed by Harry D. Jacobs, of Crossville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7438. Also, petition headed by J. F. Farmer, of Asheville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7439. Also, petition headed by J. H. Holmes, of Clinton, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7440. Also, petition headed by Charles F. Buschick, of Wauconda, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7441. Also, petition headed by William Weir, of Cutler, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7442. Also, petition headed by Henry F. Cain, resident of the county of Gwinnett, in the State of Georgia, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7443. Also, petition headed by S. Hughes, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7444. Also, petition headed by William M. Shelley, resident of the county of Gwinnett, in the State of Georgia,

favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7445. Also, petition headed by William Cornwell, of Gibson City, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7446. Also, petition headed by M. A. Bicknell, of Chanute, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7447. Also, petition headed by Oscar Calles, of Gibson City, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7448. Also, petition headed by Albert Graham, of Buechel, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7449. Also, petition headed by R. Cunningham, of Fernbank, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7450. Also, petition headed by M. L. Hardin, of Quinton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7451. Also, petition headed by John R. Alison, of Alvin, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7452. Also, petition headed by John Pierce, of Mattoon, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7453. Also, petition headed by E. Garrett, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7454. Also, petition headed by B. J. Tally, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7455. Also, petition headed by William Key, of Parrish, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7456. Also, petition headed by F. Clark, of Chicago, Ill., favoring House bill 2856, by Congresman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7457. Also, petition headed by C. C. Greer, of Milam, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7458. Also, petition headed by J. Maxwell, of Selmer, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7459. Also, petition headed by M. Jewell, of Lexington, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7460. Also, petition headed by A. L. Brown, of Amory, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7461. Also, petition headed by W. A. Medlin, of Concord, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7462. Also, petition headed by George White, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7463. Also, petition headed by E. Shellabarger, of Herrick, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7464. Also, petition headed by Edward Pace, of Nash, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7465. Also, petition headed by William E. Essman, of Waldron, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7466. Also, petition headed by J. R. Jones, of Wake Forest, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7467. Also, petition headed by John Colbert, of Coahoma, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7468. Also, petition headed by John C. Jeter, of Benton, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7469. Also, petition headed by Edward Bailey, of Metcalf, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7470. Also, petition headed by M. Nathan, of Wilmington, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7471. Also, petition headed by George Price, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7472. Also, petition headed by Walter Williams, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7473. Also, petition headed by Pete Bruner, of Benton, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7474. Also, petition headed by John Rominski, of Junction City, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7475. Also, petition headed by Elmo Redding, of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7476. Also, petition headed by A. J. Smiley, of Fredonia, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7477. Also, petition headed by Jesse Furline, of Elkmont, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7478. Also, petition headed by Joseph M. Barnhardt, of Concord, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7479. Also, petition headed by Joseph Kann, of Haywood, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7480. Also, petition headed by E. E. Murphy, of Port Orange, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7481. Also, petition headed by Rev. J. H. Williams, of Clarksdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7482. Also, petition headed by George H. Wanamaker, of New Hyde Park, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7483. By Mr. BELL: Petition and resolution of the Kansas City Restaurant Association, relating to extension of the National Industrial Recovery Act; to the Committee on Ways and Means.

7484. By Mr. BUCKLER of Minnesota: Petition of L. Jensen, president, and Edward D. Rydeen, secretary-manager of the board of directors of the Cooperative Creamery Association, of Clearbrook, Minn., praying for the passage of legislation taxing all oleomargarine not less than 5 cents per pound; to the Committee on Ways and Means.

7485. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing the Wagner labor-disputes bill; to the Committee on Labor.

7486. By Mr. KRAMER: Resolution of the California Newspaper Publishers Association, relating to the recently adopted policy of the United States Post Office Department permitting circular advertising, etc.; to the Committee on the Post Office and Post Roads.

7487. Also, petition headed by A. Bainsence, of Los Angeles, Calif., favoring House bill 5541, by Congresswoman VIRGINIA E. JENCKES, relative to the prominent display of the United States flag on all public buildings; to the Committee on Public Buildings and Grounds.

7488. Also, petition headed by Perry G. Wingate, of Los Angeles, Calif., favoring House bill 6995, by Congressman SMITH of Washington, relative to the Spanish War Veterans; to the Committee on Pensions.

7489. Also, resolution of the Fresno County Chamber of Commerce, relating to throttling the development of flax plantings in the State of California, etc.; to the Committee on Agriculture.

7490. Also, resolution of the board of supervisors, county of Los Angeles, Los Angeles, Calif., requesting Board of Engineers for Rivers and Harbors, War Department of the United States, to immediately inaugurate and make study of flood-control problems of Federal Government and county of Los Angeles, and to propose and promote appropriate public-works projects for control of flood and storm waters; to the Committee on Appropriations.

7491. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress of the United States to exempt fuel alcohol from Federal tax; to the Committee on Ways and Means.

7492. By Mr. LUNDEEN: Petition of the Minnesota State Legislature, urging Congress to adopt a universal service act and conscript capital as well as man power to take profits out of war; to the Committee on Military Affairs.

7493. Also, petition of the conservation commission of the State of Minnesota, urging passage of a bill (H. R. 6914) to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes; to the Committee on Agriculture.

7494. Also, petition of the Tri-State Association of Ice Industries (Minnesota, South Dakota, North Dakota), urging the continuation of the National Recovery Act; to the Committee on Ways and Means.

7495. Also, petition of the Vestry of the Church of St. John the Evangelist, of St. Paul, Minn., urging amendment to House bill 4120 and Senate bill 1130 so as to provide that the same shall not apply to employees for whom an adequate pension-fund system already exists, providing the benefits of said existing pension system at least equal the benefits contemplated by the proposed bill; to the Committee on Ways and Means.

7496. Also, petition of the City Council of St. Paul, Minn., urging adequate unemployment-insurance legislation; to the Committee on Ways and Means.

7497. Also, petition of Russell Gaylord Auxiliary, No. 159, of Minneapolis, Minn., Veterans of Foreign Wars, urging the enactment of House bill 2897; to the Committee on the Judiciary.

7498. By Mr. McLAUGHLIN: Petition memorializing the Congress of the United States to exempt fuel alcohol from Federal tax; to the Committee on Ways and Means.

7499. By Mr. STEFAN: Resolution adopted by the Nebraska House of Represenatives, memorializing the Congress of the United States to exempt fuel alcohol from Federal tax; to the Committee on Ways and Means.

7500. By the SPEAKER: Petition of the Townsend Old Age Pension League of Maryland, Baltimore, Md.; to the Committee on Ways and Means.

7501. Also, petition of the Joint Action Committee for Genuine Social Insurance, Philadelphia, Pa.; to the Committee on Ways and Means.

7502. Also, petition of the Mater Dolorosa Holy Name Society of New Orleans, La.; to the Committee on Foreign Affairs.

7503. Also, petition of the National Cottonseed Products Association, Memphis, Tenn.; to the Committee on Ways and Means.

7504. Also, petition of the Nevada Home Labor Association, Reno, Nev.; to the Committee on Expenditures in the Executive Departments.

7505. Also, petition of the Greene County Chamber of Commerce, Greenville, Tenn.; to the Committee on Ways and Means.

7506. Also, petition of the John Barry Division, Ancient Order of Hibernians; to the Committee on Foreign Affairs.

7507. By Mr. EKWALL: Petition of residents of Portland, Oreg., advocating the enactment of legislation to abolish and prohibit the nefarious discriminatory practice of manufacturers granting special secret rebates and discounts to the so-called "chain stores", mail-order houses, and other syndicates operating in opposition to the independent business interests of the country, regardless of the pretext or subterfuge under which such discounts, rebates, or other special privileges and benefits may be granted; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, APRIL 25, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 24, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. NORTON, Mr. ELLENBOGEN, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H. J. Res. 254) providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1209. An act to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii; and

S. 1610. An act authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina.

SERVICE IN CELEBRATION OF KING GEORGE'S SILVER JUBILEE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, relative to a service to be held at the National Cathedral in Washington, D. C., on the morning of Monday, May 6, in celebration of the Silver Jubilee of King George V of Great Britain, which, with the accompanying copy of letter from His Excellency the Honorable Sir Ronald C. Lindsay, Ambassador of Great Britain, was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, April 23, 1935.

The VICE PRESIDENT,
United States Senate.

MY DEAR MR. VICE PRESIDENT: I am sending to you herewith copy of a letter which I have received from His Excellency the Ambassador of Great Britain stating that a celebration of the King's Silver Jubilee will be held at the National Cathedral on Monday morning, May 6, at 11 o'clock, and requesting the good offices of the Department of State in notifying different branches of the Government that so far as seats are available American officials will be welcomed. It may be noted in this connection that the tickets are not limited strictly to the officials of the Senate and their wives but may also be used by relatives and friends, generally keeping in mind the number of tickets allotted to the Senate.

If you will be so good as to have Mr. A. F. H. Wiggin, First Secretary of the British Embassy, informed not later than Monday, April 29, as to the total number of seats desired, they will be sent to you for such distribution as you may desire.

Sincerely yours,

CORDELL HULL.

BRITISH EMBASSY,
Washington, April 17, 1935.

The Honorable CORDELL HULL,
Secretary of State of the United States,
Washington, D. C.

MY DEAR MR. SECRETARY OF STATE: Bishop Freeman has most generously invited me to use the National Cathedral for a service which we are holding on the morning of Monday, May 6, in celebration of the King's Silver Jubilee—an offer which I have gratefully accepted.

This service, which will start at 11 a. m. and last approximately 35 minutes, will be official only insofar as British subjects are concerned. No formal invitations will be issued. Uniform will be worn by British subjects only.

I need not say, however, that any Americans who might care to come of their own accord privately and unofficially would be very welcome, and that we should feel highly honored by their presence.

I fully appreciate the fact that a large proportion of the official world will in any case be precluded by their duties from attending an informal celebration of this character at such an hour. Perhaps, however, in such cases wives, relatives, or immediate friends, in some instances, might care to come, within the limits of the seating available.

In order to insure that any who do honor our service with their presence should have suitable seating, it has been suggested to me that we should provisionally reserve the first 17 rows of the right side of the main block of seats in the cathedral for their accommodation. As there are 9 seats in each row, this makes a total of 153 seats in all.

The tentative proposal is that these rows of seats might perhaps be placed at the disposal of the Government services quite impersonally in the following order and proportions:

	Rows	*Seats*
Supreme Court	2	18
Cabinet and other leaders of the administration	3	27
Senate	3	27
House of Representatives	3	27
State Department	1	9
War, Navy, and other departments	4	36
Government of the District of Columbia	1	9

It would be of the greatest assistance if your Division of Protocol would be so good as to help us in bringing this suggestion quite unofficially to the attention of these departments.

I would suggest, finally, that to save trouble the tickets required should be sent direct by the Embassy to the various departments concerned for distribution on an intimation from the competent official in each department. Such intimations could be addressed by telephone or otherwise to the first secretary of the Embassy. I should be grateful if they could be received here as soon as may be conveniently possible, at the latest by the end of the month.

Believe me, my dear Secretary of State,
Yours sincerely,

R. C. LINDSAY.

MARCH REPORT OF THE RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, a report of the activities and expenditures of the corporation for March 1935, together with a statement of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from the Central Council of District Clubs (Federated Civic Clubs of Ramsey County), St. Paul, Minn., praying for the enactment of the so-called "Frazier-Lemke farm mortgage relief bill", which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate petitions of several citizens of the States of North Carolina and North Dakota, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

Mr. WALSH presented resolutions adopted by the Board of Selectmen of North Andover, the Turn Verein of Lawrence, and the City Councils of Lowell and Revere, all in the State of Massachusetts, favoring the repeal of the processing tax on cotton manufactures, and the taking of adequate measures for the protection of the textile industry, which were referred to the Committee on Agriculture and Forestry.

He also presented letters in the nature of petitions from Local Union No. 2401, of Charlton City, and Local Union No. 2325, of North Oxford, both of the United Textile Workers of America, in the State of Massachusetts, praying for the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work week bill", which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Retail Drug Trade Authority for the Sixth Congressional District of Massachusetts (Beverly, Mass.), favoring the extension of the National Industrial Recovery Act, and the strengthening of the code of fair competition for the retail drug trade, which was referred to the Committee on Finance.

He also presented resolutions adopted by Branch No. 182, of Lowell, and Branch No. 340, of Revere, both of the Workmen's Sick and Death Benefit Fund, in the State of Massachusetts, favoring the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which were referred to the Committee on Finance.

He also presented resolutions adopted by the Boston (Mass.) Section of the National Council of Jewish Women, favoring the enactment of economic-security legislation, which were referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from the Marlborough (Mass.) Chamber of Commerce, remonstrating against the enactment of sales-tax legislation, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Springfield (Mass.) Chamber of Commerce, protesting against the enactment of the so-called "Wheeler-Rayburn public-utility regulation bill", which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Springfield (Mass.) Chamber of Commerce, protesting against the enactment of the so-called "Wagner labor-disputes bill",

which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a memorial from the traffic manager of the American Tissue Mills, of Holyoke, Mass., remonstrating against the enactment of pending railroad legislation that would tend to increase freight rates and the cost of commodities, which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

He also presented a letter from the Westfield (Mass.) Chamber of Commerce, relative to the bill (S. 1631) to amend the Interstate Commerce Act, as amended, and for other purposes, and opposing various changes made therein in the existing law, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Washington (D. C.) Federation of Churches, opposing the proposed holding of United States fleet maneuvers in the Pacific Ocean, which was referred to the Committee on Naval Affairs.

He also presented a letter in the nature of a memorial from the Fitchburg (Mass.) Chamber of Commerce, remonstrating against the enactment of the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by Aerie No. 941, of Elmira, and Aerie No. 1031, of Mount Vernon, both of the Fraternal Order of Eagles, in the State of New York, favoring the enactment of Senate bill 1130 and House bill 4142, providing Federal monetary assistance to the States paying old-age pensions, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Bronx County (N. Y.) Pharmaceutical Association, favoring the extension of the National Industrial Recovery Act, with particular reference to the unfair-trade and loss-limitation provisions of the Retail Drug Code, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of the State of New York, remonstrating against the enactment of legislation threatening to civil liberties, which was referred to the Committee on the Judiciary.

He also presented a telegram from Hon. Louis A. Cuvillier, a member of the New York State Legislature, embodying a concurrent resolution submitted by him in the assembly of that legislature, favoring the prompt enactment of Federal legislation setting up emergency relief boards for home and work relief in every county throughout the Nation, which was ordered to lie on the table.

PREVENTION OF LYNCHING

Mr. WAGNER presented a letter addressed to him by the national secretary of the Women's International League for Peace and Freedom, enclosing copy of a letter addressed to the President of the United States by the international secretary of that league, which, with the accompanying paper, was ordered to lie on the table and to be printed in the RECORD, as follows:

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM,
Washington, D. C., April 22, 1935.

DEAR SENATOR: We are attaching a letter written to the President on November 15, 1934, by the international secretary of the Women's International League for Peace and Freedom, who is an American citizen.

We believe that she has raised one of the most important questions in regard to a Federal antilynching bill, which everyone traveling in Europe becomes aware of only too quickly. We ask your serious consideration of this legislation from an international point of view.

Respectfully yours,

DOROTHY DETZER,
National Secretary.

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM,
Geneva, November 15, 1934.

To the PRESIDENT OF THE UNITED STATES,
White House, Washington, D. C.

DEAR MR. ROOSEVELT: I am writing you not as an American citizen, which I am, but as the international secretary of this organization represented not only in the United States but in most of the important countries.

It is our principle and belief, on which we consistently act, that all questions of humanity are the concern of men and women everywhere and not only in the country immediately in question.

We, therefore, desire to lay before you our deep concern in the whole matter of lynching, as it occurs sporadically in the United States, and in the specially flagrant case reported recently in Marianna, Fla.

The discredit abroad brought upon the whole country by such occurrences must be, and doubtless is, present to the American mind, even if only very imperfectly realized as to its extent and intensity.

But it is not on this ground that we appeal to you, Mr. President, to use your personal influence to insure that every possible means to put an end to lynching is employed to the utmost. It is not for us to present any idea of our own how this should be done.

We do, however, want to point out that, apart even from the question of human suffering, every example of lawlessness and violence in one country reacts in every other, and intensifies existing tendencies to resort to intolerance, cruelty, and tyranny.

The Nazi justifies his persecution of Jews by reference to the American attitude to Negroes; and the abuses in concentration camps and prisons, which shame mankind, are interrelated with excesses in other countries.

Yours very sincerely,

EMILY G. BALCH,
Honorary International Secretary.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, reported it with amendments and submitted a report (No. 550) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2616) for the relief of the estate of Joseph Y. Underwood, reported it with amendments and submitted a report (No. 551) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 2644) for the relief of the estate of Harry F. Stern, reported it with an amendment and submitted a report (No. 552) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof, reported it without amendment.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 94) establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes, reported it with amendments and submitted a report (No. 553) thereon.

He also, from the same committee, to which was referred the joint resolution (H. J. Res. 147) authorizing the erection of a monument to Grover Cleveland in Washington, D. C., reported it with an amendment.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 24th instant that committee presented to the President of the United States the following enrolled bills:

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths;

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award;

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; and

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND:

A bill (S. 2676) to require contractors with the Government to pay fair wages, and for other purposes; to the Committee on Education and Labor.

A bill (S. 2677) to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt"; to the Committee on the Library.

By Mr. DICKINSON:

A bill (S. 2678) granting a pension to John H. Epperson; to the Committee on Pensions.

By Mr. McADOO:

A bill (S. 2679) granting a pension to William Henry Kelly; to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 2680) to authorize an increase in the annual appropriation for books for the adult blind; to the Committee on Education and Labor.

By Mr. GIBSON:

A bill (S. 2681) to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes; to the Committee on Commerce.

By Mr. WALSH:

A bill (S. 2682) for the relief of Chief Carpenter William F. Twitchell, United States Navy; to the Committee on Naval Affairs.

By Mr. THOMAS of Utah:

A bill (S. 2683) to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps, and frontier air-defense bases generally (with an accompanying paper); to the Committee on Military Affairs.

By Mr. MURPHY:

A bill (S. 2684) to amend section 4747 of the Revised Statutes to provide for the exemption of certain pensions from taxation; to the Committee on Finance.

By Mr. OVERTON:

A bill (S. 2865) to authorize a preliminary examination and survey of Bayou Dupre, La.; and

A bill (S. 2686) to authorize a preliminary examination and survey of Grand Bayou Pass, La.; to the Committee on Commerce.

By Mr. WAGNER:

A joint resolution (S. J. Res. 108) to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935; to the Committee on Foreign Relations.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 254) providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings, was read twice by its title and referred to the Committee on Public Buildings and Grounds.

CHANGE OF REFERENCE

Mr. COPELAND. Mr. President, I ask unanimous consent that the Committee on Finance may be discharged from the further consideration of the bill (S. 1763) to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930, and that it be referred to the Committee on Civil Service. So far as I know there has been no adverse report on the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. METCALF submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

HEARINGS BEFORE COMMITTEE ON POST OFFICES AND POST ROADS

Mr. McKELLAR submitted the following resolution (S. Res. 121), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Post Offices and Post Roads, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

NEW YORK STATE UNEMPLOYMENT INSURANCE

Mr. WAGNER. Mr. President, I have received with considerable gratification a telegram from the Governor of my State, which I ask may be read at the desk and printed in the RECORD.

The VICE PRESIDENT. Without objection, the telegram will be read.

The legislative clerk read as follows:

Hon. ROBERT F. WAGNER,
United States Senate:

I know you will be deeply interested in learning that I have just signed the unemployment-insurance bill which was passed by the legislature on my recommendation. I am sure you will be happy that our State has once again taken the lead in progressive social legislation. It is my earnest hope that the benefits of unemployment insurance will soon be made available by Congress to the people of the whole Nation.

(Signed) HERBERT H. LEHMAN.

EXCERPTS FROM LECTURE ON THE FORGOTTEN MAN

Mr. TOWNSEND, Mr. President, I ask leave to have printed in the RECORD a few excerpts from Prof. William Graham Sumner's celebrated lecture entitled "The Forgotten Man", which was delivered at Yale in 1883.

What he has to say is so very pertinent and so very clear as bearing on our present political and economic conditions that I believe this material should be given widest possible circulation.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Let us put down now the cold, hard fact and look at it just as it is. There is no device whatever to be invented for securing happiness without industry, economy, and virtue. * * *

Now, who is the "forgotten man"? He is the simple, honest laborer, ready to earn his living by productive work. We pass him by because he is independent, self-supporting, and asks no favors. He does not appeal to the emotions or excite the sentiments. He only wants to make a contract and fulfill it, with respect on both sides and favor on neither side. He must get his living out of the capital of the country. The larger the capital is, the better living he can get. Every particle of capital which is wasted on the vicious, the idle, and the shiftless is so much taken from the capital available to reward the independent and productive laborer. * * * In these last years I have read hundreds of articles and heard scores of sermons and speeches which were really glorifications of the good-for-nothing, as if these were the charge of society, recommended by right reason to its care and protection. We are addressed all the time as if those who are respectable were to blame because some are not so. * * * The silly popular notion is that the beggars live at the expense of the rich, but the truth is that those who eat and produce not live at the expense of those who labor and produce. * * *

I want to call to mind the "forgotten man", because, in this case also, if we recall him and go to look for him, we shall find him patiently and perseveringly, manfully and independently struggling against adverse circumstances without complaining or begging. If, then, we are led to heed the groaning and complaining of others and to take measures for helping these others, we shall, before we know it, push down this man who is trying to help himself. * * *

We all seem to be under the delusion that the rich pay the taxes. Taxes are not thrown upon the consumers with any such directness and completeness as is sometimes assumed; but that, in ordinary states of the market, taxes on houses fall, for the most part, on the tenants, and that taxes on commodities fall, for the most part, on the consumers, is beyond question. * * * Who pays for it? Undoubtedly the people who have not been guilty of folly, vice, or recklessness. Out of nothing comes nothing. We cannot collect taxes from people who produce nothing and save nothing. The people who have something to tax must be those who have produced and saved. * * *

By jobbery I mean the constantly apparent effort to win wealth, not by honest and independent production but by some sort of a scheme for extorting other people's product from them. A large part of our legislation consists in making a job for somebody. Public buildings are jobs—not always, but in most cases. The

buildings are not needed at all or are costly far beyond what is useful or even decently luxurious. Internal improvements are jobs. * * * The silver miners, finding that their product is losing value in the market, get the Government to go into the market as a great buyer in the hope of sustaining the price. * * * We are called upon to squander twenty millions on swamps and creeks; from twenty to sixty-six millions on the Mississippi River; one hundred millions in pension—and there is now a demand for another hundred million beyond that. This is the great plan of all living on each other. The pensions in England used to be given to aristocrats who had political power, in order to corrupt them. Here the pensions are given to the great Democratic mass who have the political power, in order to corrupt them. We have 100,000 Federal officeholders, and I do not know how many State and municipal officeholders.

[NOTE.—At the beginning of 1935 the number of regular Federal Government employees was probably more than 1,100,000, while State and local public employees of all sorts were probably in excess of 2,300,000. This makes a total of around 3,500,000 of regular public employees who, with their immediate dependents probably constitute at least ten to twelve million of our population. In addition there were 3,100,000 employed by the Government on "emergency" work of various sorts. This makes a total of around 6,500,000 adults who are now directly on Government pay rolls and who, with their immediate dependents, probably constitute at least 20,000,000 of our population. At the same date there were upward of 3,000,000 more "cases" receiving direct relief from the Government without doing any work. These, with their immediate families, constitute at least 12,000,000 more of our population. Also, most of the farmers in the United States, who, with their families, constitute one-fourth of the population, or upward of 30,000,000, are receiving subsidies or payments from the Government, usually for restricting production. Through these various groups it appears that the Public Treasury is now wholly or in part, and directly or indirectly, taking care of more than 60,000,000 people, or virtually one-half of our entire population.]

Or course, public officers are necessary and it is an economical organization of society to set apart some of its members for civil functions, but if the number of persons drawn from production and supported by the producers while engaged in civil functions is in undue proportion to the total population, there is economic loss. If public offices are treated as spoils or benefices or sinecures, then they are jobs and only constitute part of the pillage. * * *

On every hand you find this jobbery. The Government is to give every man a pension, and every man an office, and every man a tax to raise the price of his product, and to clean out every man's creek for him, and to buy all his unsalable property, and to provide him with plenty of currency to pay his debts, and to educate his children, and to give him the use of a library and a park and a museum and a gallery of pictures. On every side the doors of waste and extravagance stand open; and spend, squander, plunder, and grab are the watchwords. We grumble some about it and talk about the greed of corporations and the power of capital and the wickedness of stock gambling. Yet we elect the legislators who do all this work. Of course, we should never think of blaming ourselves for electing men to represent and govern us, who, if I may use a slang expression, "give us away." What man ever blamed himself for his misfortune? We groan about monopolies and talk about more laws to prevent the wrongs done by chartered corporations. Who made the charters? Our representatives. Who elected such representatives? We did. How can we get bad lawmakers to make a law which shall prevent bad lawmakers from making a bad law? That is, really, what we are trying to do. If we are a free, self-governing people, all our misfortunes come right home to ourselves and we can blame nobody else. * * *

Now comes the question, Who pays for it all? The system of plundering each other soon destroys all that it deals with. It produces nothing. Wealth comes only from production, and all that the wrangling grabbers, loafers, and jobbers get to deal with comes from somebody's toil and sacrifice. Who, then, is he who provides it all? Go and find him and you will have once more before you the forgotten man. You will find him hard at work because he has a great many to support. * * * The forgotten man is delving away in patient industry, supporting his family, paying his taxes, casting his vote, supporting the church and the school, reading his newspaper, and cheering for the politician of his admiration, but he is the only one for whom there is no provision in the great scramble and the big divide.

Such is the forgotten man. He works, he votes, generally he prays; but he always pays—yes; above all, he pays. * * * He is a commonplace man. He gives no trouble. He excites no admiration. He is not in any way a hero (like a popular orator); or a problem (like tramps and outcasts); nor notorious (like criminals); nor an object of sentiment (like the poor and weak); nor a burden (like paupers and loafers); nor an object out of which social capital may be made (like the beneficiaries of church and State charities); nor an object for charitable aid and protection (like animals treated with cruelty); nor one over whom sentimental economists and statesmen can parade their fine sentiments (like inefficient workmen and shiftless artisans). Therefore, he is forgotten. All the burdens fall on him or on her, for it is time to remember that the forgotten man is not seldom a woman. * * *

It is plain enough that the forgotten man and the forgotten woman are the very life and substance of society. They are the ones who ought to be first and always remembered. They are always forgotten by sentimentalists, philanthropists, reformers, enthusiasts, and every description of speculator in sociology, political economy, or political science. * * * If it is desired to bring about social improvements, bring us a scheme for relieving the forgotten man of some of his burdens. He is our productive force which we are wasting. Let us stop wasting his force. Then we shall have a clean and simple gain for the whole society. The forgotten man is weighted down with the cost and burden of the schemes for making everybody happy, with the cost of public beneficence, with the support of all the loafers, with the loss of all the economic quackery, with the cost of all the jobs. Let us remember him a little while. Let us take some of the burdens off him. Let us turn our pity on him instead of on the good for nothing. It will be only justice to him, and society will greatly gain by it. * * * Certainly the philanthropists and sentimentalists have kept our attention for a long time on the nasty, shiftless, criminal, whining, crawling, and good-for-nothing people as if they alone deserved our attention.

The forgotten man is never a pauper. He almost always has a little capital, because it belongs to the character of the man to save something. He never has more than a little. He is, therefore, poor in the popular sense, although in the correct sense he is not so. I have said already that if you learn to look for the forgotten man and to care for him, you will be very skeptical toward all philanthropic and humanitarian schemes. It is clear now that the interest of the forgotten man and the interest of "the poor", "the weak", and the other petted classes are in antagonism. In fact, the warning to you to look for the forgotten man comes the minute that the orator or writer begins to talk about the poor man. That minute the forgotten man is in danger of a new assault, and if you intend to meddle in the matter at all, then is the minute for you to look about for him and to give him your aid. Hence, if you care for the forgotten man, you will be sure to be charged with not caring for the poor. Whatever you do for any of the petted classes wastes capital. If you do anything for the forgotten man, you must secure him his earnings and savings; that is, you legislate for the security of capital and for its free employment; you must oppose paper money, wildcat banking and usury laws, and you must maintain the inviolability of contracts. Hence you must be prepared to be told that you favor the capitalist class, the enemy of the poor man.

What the forgotten man really wants is true liberty. * * * It follows that the forgotten man, who is hard at work at home, has to pay both ways. * * * Now, since we, the people, are the state, whenever there is any work to be done or expense to be paid, and since the petted classes and the criminals and the jobbers cost and do not pay, it is they who are in the position of the child, and it is the forgotten man who is the parent. What the forgotten man needs, therefore, is that we come to a clearer understanding of liberty, and to a more complete realization of it. Every step which we win in liberty will set the forgotten man free from some of his burdens and allow him to use his powers for himself and for the commonwealth.

OPTICAL INSTRUMENTS IN THE WORLD WAR

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Dr. Arthur Louis Day, Director of the Geophysical Laboratory, Carnegie Institution, before the Society of the Genesee, at Washington, D. C., January 23, 1935, which, I think, will be of general interest.

There being no objection, the address is as follows:

There is always a certain romance about war stories which not only lends to them attractiveness but often insures to them a longer life than is granted to those who shared in the incidents themselves. Stories from the front have dominated our firesides for some 15 years since the close of the Great War and are even more welcome today than at the beginning. Stories from behind the lines, so to speak, are less common and are perhaps somewhat lacking in dramatic quality. Notwithstanding this, the atmosphere was not less tense nor was concerted effort anywhere more vigorously put forth than in the organization far from the front which determined and supplied the needs of our troops. The share in this great organization which fell to the lot of our guest of honor this evening was the manufacture of optical glass and optical instruments of high precision for the control of gunfire. Regarding optical-instrument manufacture, whether for war or other purposes, no word of mine can add anything to the brilliance of the record of the Bausch & Lomb Optical Co. through two long generations.

I suppose there are few in the audience this evening to whom optical glass has significant meaning. For this reason I may perhaps review briefly the counsels and actions of a small group of men gathered in Washington in late March of 1917, after it had become apparent that this country might be drawn into the Great European War. In this group were members of the General Staff of the Army, a few officials of Government bureaus, and a number of scientific men—in all perhaps 20 persons, few of whom had been together before. To these men a very brief and very startling story was told—told in bare fact and in short sentences, with the atmosphere becoming more highly charged with every moment. The civilian members of the group had probably no other background through which to appraise the situation there presented than the stories of the Civil War, where the enemy and his fortifications could be plainly seen and artillery fire was directed point-blank from the gun emplacement at an earthwork in plain view and rarely more than 3,000 yards away. The Great European War,

which had been going on for 3 years, had already developed a wholly different technique. The objectives of heavy gunfire were never in plain view, ranges had increased to 10 or 12 miles, and unless extreme precision could be attained such effort must obviously be wasted.

Thus bluntly were we made to see that unless a number of optical instruments—gun sights, range finders, periscopes, field glasses—and these of the highest precision, could be had quickly, our effort at the front, if we should enter the war, could be of but little help. These instruments were not then available, at least not in quantity, and some of you will doubtless remember the call which was sent out soon after for the loan of all field glasses suitable for officers' use.

Optical instruments meant optical glass, and optical glass is by far the most refined product of the glassmaker's art. How were we to obtain optical glass of suitable quality and quantity for the production of fire-control instruments, and could our officers in the field be furnished with these instruments in time to be of service at the front? Such were the preliminary deliberations of this group.

A canvass was immediately instituted by the Naval Consulting Board, by the General Munitions Board, and by the National Research Council to ascertain the actual situation which then confronted us. The results were ominous; optical glass before this war was not an American product; most of it had been imported from enemy countries, some from our allies. Stocks of this glass in the hands of American instrument makers were practically at zero, because of the fact that during 3 years they had accepted contracts from the Canadian Government and from the British field service and our stock was completely exhausted. It was difficult even to obtain samples of it. And so in April of 1917 when we entered the war there was practically no optical glass available, and without it plainly there could be no fire-control instruments unless our allies could provide them.

Our courage stirred again, however, when two evidences of forethought came to light. As early as 1912 Mr. William Bausch had recognized as a matter of business expediency that an optical industry in the United States could not safely depend for its most indispensable raw material upon foreign sources alone. He had in fact built a small plant and had made some attempts to produce optical glass. Unfortunately the building burned down soon after, with but a small record of accomplishment. In 1914, however, when the European war had precipitated the catastrophe by cutting off the foreign supply almost completely, the plant was rebuilt and further experimentation begun. In this plan experience accumulated under the energetic direction of Mr. William Bausch until by 1917 certain glasses could be dependably made, but the total capacity of the plant, assuming complete success, was no more than 2,000 pounds per month, while the war need which we confronted in that fateful April amounted to 2,000 pounds per day.

Some few others were found who foresaw during the years between 1914 and 1917 insuperable embarrassment to the business of lens making as soon as the existing supply of foreign-made glass should be exhausted. None of their efforts had yet yielded glass of a quality equal to Government standards (except the Bausch & Lomb Co., first named), but there was encouragement in the thought that they were at work.

There was also another difficulty, prosaic perhaps, but insistent. Optical glass must be melted in clay pots which must be reasonably free from iron, for the presence of iron means low transparency, even when present in quantities no greater than a few tenths of 1 percent. Pots of this quality had been made in this country, but always from German clay, and German clay also was no longer available. American clays were abundant but comparatively untried and their properties unknown.

On further limitation and the situation which confronted our military authorities in April of 1917 will be plainly before you. For the optical instruments required by the Government to control its gunfire on the sea and at the front, 9 different varieties of optical glass were necessary, and but 2 of these had ever been successfully made in this country at any time. The seven others remained enshrouded in mystery.

This final limitation brings us face to face with a further difficulty realized by but few people then or now. Optical-glass manufacture is inherently a secret industry, regarding which at the time of the war almost no authentic information had ever been printed. In France it was a Government monopoly, in England practically so. In Germany the industry was virtually concentrated in a single firm whose secrets were its own. Optical-glass formulas were never allowed to become known even within the plant in which it was made. It used to be said in Europe, with some humor but perhaps more of bitter realism, that such formulas were never written down except on the inside of a man's shirt, which was the only thing he never parted with. In the face of this array of discouragements the outlook for a supply of this indispensable part of our war equipment was not bright.

To meet this situation scientists with some knowledge of silicate chemistry (but, of course, no knowledge of optical-glass making) were called upon to help as early as April 12, 1917. Two groups were formed, one from the Carnegie Geophysical Laboratory in Washington, which was to associate itself with the Bausch & Lomb Co. in an effort to extend and perfect its output, another from the Bureau of Standards, which was to operate in part in its own Pittsburgh laboratory (to which the Government contributed $75,000) and in part of the Charleroi plant of the Pittsburgh Plate Glass Co. To each of these groups of collaborators was assigned the task of providing one-half of the requirements of both Army and Navy in the shortest possible time.

This is not the place to record the tears and the blood sweating which were the chief output of the following months, but suffice it to say that the Bausch & Lomb Co., at the end of 4 months, was successfully producing all of the varieties of glass necessary for the Government service, and had multiplied its total output by 4. At the end of the year 1917 this output had increased to 40,000 pounds per month, properly apportioned among the varieties needed.

The Pittsburgh group had not been equally successful and no glass was yet available from that source.

Early in 1918 a reorganization occurred in Washington which brought into existence the War Industries Board and the now famous "dollar-a-year man." This Board was a very strong body and its pressure was immediately felt in this as in most other war industries. One of its early decisions was that the group which had so far succeeded at Rochester should be divided and assigned to two other plants, the Spencer Lens Co. at Buffalo and the Charleroi plant of the Pittsburgh Plate Glass Co. Without entering too intimately upon the details of these additional burdens and experiences, equally harrowing, particularly at the Charleroi plant, which, though very large, was never intended for the precise control necessary in optical-glass manufacture, it may be sufficient to say that eventually these efforts also succeeded; and at the time when our troops in the field were ready for service at the front to take their active share in the crucial fighting of 1918, the optical-glass supply of the United States was substantially equal to the demand for it.

One or two incidents will bring into this picture our distinguished guest of honor this evening. A sudden demand was presented to the War Industries Board to prepare an entirely new glass for an entirely new purpose. Airplane activity had become so far developed and so indispensable that photographic mapping over enemy lines had become a most important responsibility of the Army staff in the field. This meant airplane cameras of wide sweep and extremely high precision—indeed, of a quality considerably beyond anything of the kind which had been attempted before. The necessary optical requirements for such lenses had been figured out, but it was not then known whether any glass could be made to meet these exacting requirements. The time was critical, the pressure high, and the need insistent. This situation was brought to the attention of Mr. Edward Bausch and his group with the simple statement that it must somehow be done. Mr. Bausch asked no questions and considered no details; his reply was simply that if it could be done he would do it. It proved to be the hardest task yet encountered, and it needed all of the inspiration which Mr. Bausch could bring to bear. The glass was a barium glass, thin as water when melted, and totally different in its behavior from any glass hitherto attempted. It soaked into the melting pots like coffee into a lump of sugar and ran out through the sides. In every detail it required totally different treatment from the glasses thus far developed. Nevertheless it was successfully made in 4 weeks' time, and it saw service at the front.

One further incident and I am done. Early in 1918, when it came to be realized by the War Industries Board that up to that time practically all of the glass available to the Government had come from the Bausch & Lomb Co., and the other group set up to produce an equal share had been unsuccessful, the present speaker was sent to Rochester with instructions to wield a battleax if necessary to increase that output to the limit. I entered Mr. Bausch's office that morning with some misgivings. His cooperation up to that time had known no limit, and in point of fact he was fulfilling every requirement which had been laid upon him. My proposal was that he prepare again to double his output and within 30 days. I shall never forget his reaction. He made no direct answer, but took with him a piece of chalk and let me into the glass plant. There he marked out on the floor with his own hand the vacant spaces which could be made to hold additional glass furnaces and gave orders for the immediate construction of those furnaces. No single question was raised. No moment was lost. It was a spirit to overcome all obstacles, and it did just that.

As a conclusion I may add very briefly that the total amount of glass made for the use of the American Army and Navy during the war was about 650,000 pounds, of which about 450,000 pounds were made under the immediate direction of Mr. Edward Bausch and his associates. And this was accomplished in spite of the fact that new sources of supply had to be found for every raw material used in order to insure its purity; new clays must be found and new processes developed for making the pots in which these could be melted; the mysteries of wholly secret processes must be unravelled, and that without any help whatever from our allies, who maintained monopolies of this art, even in spite of undoubted sabotage which occasionally cropped out, notwithstanding all precautions. All this was successfully accomplished under war pressure in time to be of service. It may even be mentioned that small quantities of optical glass were exported from this country to help out before the war was over. It must not be overlooked that Mr. Bausch alone has continued to manufacture optical glass since the war; he has kept alive the experience then gained so that our Army and Navy need never again be caught without "eyes" in its hour of need.

So long as war stories are told and the vital position of key industries for our defense is recognized, this country can never forget Mr. Edward Bausch, of Rochester.

PREVENTION OF LYNCHING

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado [Mr. COSTIGAN] that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. CONNALLY obtained the floor.

Mr. ROBINSON. I ask the Senator from Texas to yield to me in order that I may suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Arkansas?

Mr. CONNALLY. I yield.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Radcliffe
Bachman	Costigan	La Follette	Robinson
Bailey	Couzens	Lewis	Russell
Bankhead	Cutting	Logan	Schall
Barbour	Dickinson	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Bilbo	Donahey	McAdoo	Shipstead
Black	Duffy	McCarran	Smith
Bone	Fletcher	McGill	Steiwer
Borah	Frazier	McKellar	Thomas, Utah
Brown	Gerry	McNary	Townsend
Bulkley	Gibson	Metcalf	Trammell
Bulow	Glass	Minton	Truman
Burke	Gore	Moore	Vandenberg
Byrd	Guffey	Murphy	Van Nuys
Byrnes	Hale	Murray	Wagner
Capper	Harrison	Neely	Walsh
Caraway	Hastings	Norris	Wheeler
Carey	Hatch	O'Mahoney	White
Clark	Hayden	Overton	

Mr. LEWIS. I announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], the Senator from Georgia [Mr. GEORGE], and the Senator from Oklahoma [Mr. THOMAS] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from South Dakota [Mr. NORBECK] and the Senator from North Dakota [Mr. NYE] are necessarily absent.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. WAGNER. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield the floor for the purpose of enabling the Senator from New York to explain the bill, the consideration of which has been moved?

Mr. CONNALLY. That is agreeable to me.

The VICE PRESIDENT. The Senator from New York is recognized.

W. M. DUNCAN

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Tennessee?

Mr. WAGNER. I yield.

Mr. McKELLAR. I send to the desk two telegrams and ask that the clerk read them. They are short.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

NASHVILLE, TENN., *April 23, 1935.*

Senator K. D. MCKELLAR,
United States Senate, Washington, D. C.:

Those who know Will Duncan, including myself, deeply resent vicious attack made on him by Senator LONG. A cleaner, more competent, and more honorable man could not be found. It would be hard indeed to find a man more worthy and dependable to occupy the position he now fills. Would appreciate your defending Duncan to the limit if afforded an opportunity.

L. G. DURR.

NASHVILLE, TENN., *April 23, 1935.*

Hon. K. D. MCKELLAR,
Washington, D. C.:

Senator LONG'S attack today on W. M. Duncan, E. R. A. finance director for Tennessee, does great injustice to a citizen of high standing and efficient, honest public servant. Mr. Duncan is a member of an outstanding accounting firm in Nashville who number among their clients many leading business concerns, and he himself is a man of unquestioned integrity and has the full confidence of this community. Mr. Duncan did not solicit employment with either C. W. A. or E. R. A., but was asked in each instance to serve, his present connection being the direct result of a request from A. Ross Fox, regional field examiner F. E. R. A. Mr. Duncan is secretary of the Tennessee Society of Certified Public Accountants and a member of the American Institute of Accountants.

GEORGE H. ARMISTEAD, Sr.

Mr. McKELLAR. Mr. President, I desire to say in connection with the two telegrams that it will be recalled that the Senator from Louisiana [Mr. LONG] brought up the matter concerning Mr. Duncan several days ago by reading a report of a man by the name of Watson. These are voluntary telegrams. I did not know Mr. Duncan at the time the Senator from Louisiana was reading the report. I think I never had met him. At any rate, I did not recall him at the time and so stated. But I do know, very intimately, Mr. L. G. Durr and Mr. George H. Armistead, Sr. There are no two better men in my State or in any other State. Mr. George H. Armistead, Sr., is the editor of the Nashville Banner, one of the strongest newspapers in the State of Tennessee and one of the best-edited papers anywhere. Mr. Durr is one of the finest business men in Nashville and one of the best characters I know. I take pleasure in stating that, in my judgment, any man who meets the approval of these two gentlemen must be all right.

I notice that the Senator from Louisiana [Mr. LONG] is present this morning, and I think that he, as well as myself, will take pleasure in subscribing to the high character of Mr. Duncan and in admitting that a very great injustice was done him.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Louisiana?

Mr. WAGNER. Mr. President, I inquire if this discussion is going to result in a long debate?

Mr. LONG. I hope not. I hope the Senator will not allow me to be unjustly criticized without giving me an opportunity to reply.

Mr. WAGNER. Very well; I yield.

Mr. LONG. I did not attack Mr. Duncan. I never said a word against Mr. Duncan nor in favor of Mr. Duncan. What happened was that I rose on the floor of the Senate—and I want the Senator from Tennessee to look in the RECORD and see what I said—and read a letter written by the Federal Emergency Relief Regional Division Administrator, in which it was said that this man Duncan was incompetent, unfit, and allied with an unscrupulous political ring in Tennessee. I did that in order that the public might know that the Emergency Relief Administration was not talking about me alone. I do not have anything to do with them one way or the other. Although they still talk about me a little, yet I never have associated with them, will not associate with them, and will not have anything to do with them, topside nor bottom.

I happened accidentally to get hold of a letter written by these people, saying they went down to Tennessee and uncovered a diabolical, dirty political ring there which had a man named Duncan running the E. R. A., with another man by the name of Menzler, whom they alleged to be unscrupulous, inefficient, incompetent, and almost everything else they could think of. I submitted that public document and I defended Mr. Duncan. It will be found in the RECORD that I defended Mr. Duncan and I defended my friend from Tennessee. I defended the political organization of Tennessee, because I am on friendly terms with the politicians down there and want to remain on friendly terms with them.

What I want done now is to have a motion made by my friend from Tennessee—because it will be adopted if he makes it and will be defeated if I make it—to expel from the E. R. A. the man named Watson, who wrote that letter about Mr. Duncan. That is what we ought to do. The man Watson, who unjustly defamed the man Duncan and the politicians in Tennessee, should be put out of the administration, and now is the time to do it. Let us take action

and adopt a motion to keep this good man Duncan from having this kind of aspersions cast on his character from this quarter.

Mr. McKELLAR. Mr. President, will the Senator from New York yield for a further brief statement?

Mr. WAGNER. Very well.

Mr. McKELLAR. The trouble about the Senator from Louisiana having defended Mr. Duncan is that he read a report, or an alleged report, which very greatly reflected upon Mr. Duncan and other people of Tennessee. As I said, I did not know Mr. Duncan at the time at all, and I know him now only from what other people have said. I am confident the Senator's statement just made, that Mr. Duncan is a good man and that he was not attacking him, is true to the extent that Mr. Duncan is a good man; but when the Senator from Louisiana read that report it was an attack upon Mr. Duncan. I think the Senator ought not to have read the report reflecting on Mr. Duncan unless he had known something of what was back of it, which he did not.

Mr. LONG. Mr. President, I am trying to show that good men are being unnecessarily mired down by the various bureaucrats issuing such reports. They had one on me. As the Senator from Tennessee knows, it was bound to be unjust because I did not have anything to do with the administration of E. R. A. relief in Louisiana. I just wanted to show that these fellows go around the country and whenever they find a good man, like me or Duncan and others, they attack him.

Mr. McKELLAR. Mr. President, the Senator can protect himself when an unjust charge is made against him, but Mr. Duncan is an employee of the Government in Nashville, who does not have that opportunity on the Senate floor. I desire to say that, in my judgment, that attack, however indirectly made, was wholly unjust and unfair to a good man. I commend these telegrams in his defense.

I think the Senator from Louisiana ought to make an apology to Mr. Duncan.

Mr. LONG. From what I know of these Federal bureaus, any person attacked by their reports is due an apology.

Just a word further, if I may, with the permission of the Senator from New York [Mr. WAGNER].

Mr. WAGNER. I hope the Senator will not take very long.

Mr. LONG. The trouble with the Senator from Tennessee is that he is defending the very administrators who are attacking the man Duncan. The man Watson is a big high mogul running the E. R. A. relief. He is on record as saying that Duncan is a bad man connected with a worse set of men, and the Senator from Tennessee is offended, but he is not protecting his friend Duncan. He is allowing Watson to remain in office. There ought to be something done with the men who are running the E. R. A. in this manner.

Mr. McKELLAR. I do not know Mr. Watson. I never heard of him until the Senator read the alleged report made by him. I do not know anything about Mr. Watson and I do not care anything about Mr. Watson. The Senator brought into the discussion two people from Tennessee, and that is a very different proposition, because I shall defend at any time any good man from Tennessee. The letter the Senator read severely criticized Duncan. The other man whom the Senator mentioned, Simpson, is wholly unworthy, and the Senator was undertaking, as I thought, to defend this unworthy man, and I objected to the best of my ability then and I object now.

Mr. Simpson was an emergency relief administrator who was discharged, and I respect and uphold the relief authorities here for having done it. The letter the Senator from Louisiana read praised Simpson. I have nothing to do with Watson. I am not defending him. I believe him to have been wrong in praising Simpson, and even more wrong in criticizing Duncan.

Mr. LONG. Mr. President——

Mr. WAGNER. I decline to yield further at this time. I think I have been rather generous.

Mr. LONG. Will the Senator allow me to say about 20 words?

Mr. WAGNER. Very well; 20 words, and no more. I shall count them. [Laughter.]

Mr. LONG. The letter from a United States Government official to Duncan will be found on page 6133 of the CONGRESSIONAL RECORD. I shall join with my friend from Tennessee to see that the man Albert B. Watson, regional field examiner, is dismissed. With the influence which I have with the Roosevelt administration, I am satisfied it can be done. [Laughter.]

Mr. McKELLAR. Mr. President, I desire to ask the Senator where he got that letter? Where did the Senator get this remarkable letter from Watson? Did he get it officially? Does he know it to be a correct report? Does he know that Mr. Watson wrote the letter? Where did the Senator get the letter which he brings in here and uses as a basis for an attack upon citizens of my State?

Mr. WAGNER. Does the Senator from Louisiana decline to answer?

Mr. LONG. Oh, no; I am perfectly willing to answer the Senator.

Mr. WAGNER. How long does the Senator want?

Mr. LONG. Just a moment or two.

Mr. WAGNER. Mr. President, I think I shall decline to yield further at this time.

The VICE PRESIDENT. The Senator from New York declines to yield further.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. WAGNER. Mr. President, yesterday the Senate listened to what I regard as not only a very eloquent and brilliant address but a very convincing address by the Senator from Colorado [Mr. COSTIGAN]. He has left very little for me to add to the argument in support of the proposed legislation; so I shall content myself with giving, as briefly as possible, my reasons for introducing the measure in cooperation with the Senator from Colorado, and urging as strongly as I can its enactment into law.

Mr. President, the flight of time brings changes in laws, in manners, and in morals; but there is one birthright of Anglo-Saxon law that, dating from Magna Carta, should remain imperishable so long as civilization shall survive. That is the right of every man to a fair trial by his peers in order that he may escape punishment without proof of guilt. The crime of lynching, which punishes without trial and without conviction, is thus the most fundamental of all attacks upon our Government and our ideals of life.

Viewed even in its narrowest aspects, punishment without law means punishment of the innocent. Dr. George Fort Milton, a distinguished southerner and editor of the Chattanooga News, who served as chairman of the Southern Commission for the Study of Lynching, said of the 21 mob killings that occurred during 1930:

> Two of the 1930 mob victims were innocent of crime (they were not even accused), and there is grave doubt of the guilt of 11 others. In 6 of these 11 cases there is considerable doubt as to just what crimes, if any, were committed, and in the other 5 in which there is no question as to the crime committed there is considerable doubt as to whether the mob got the guilty man.

No less distressing than punishment of the innocent is the infliction of punishment out of all proportion to the crime. Of the 28 victims of lynchings during 1933, 15 were charged with only minor offenses. Of the 16 names upon the roll of infamy last year only 10 were even accused, much less proved guilty, of major crimes. Five were tortured for such trivial departures from good taste as writing an insulting note, using opprobrious language, fist fighting, talking disrespectfully, and stealing. To cap the climax, one unfortunate was shot during the sport of a man hunt for another.

I have heard the claim that horrible crimes provoke whole communities to uncontrollable bursts of passion; but this plea can never rectify the severe punishment of the trivial

offender, or the torture of the innocent. Besides, the passion which a civilized code of law recognizes is confined to the individual and is unpremeditated in inception and swift in execution. But the crime of lynching is all too frequently accompanied by planned and prolonged orgies of mob brutality that would have shocked the soldiers of the Inquisition.

We may read the lurid stories of the blood-lusty Roman tyrants without finding anything more horrible than the stories of whip, of lash, and of flaming brand that accompany our modern exhibitions of primitive torture. Even the hardened gladiator in the arena would customarily turn to his emperor for some sign that cruelty should cease; but there is no check when the fury of a maddened mob is unleashed upon its helpless victim.

But it is only when we turn from its individual to its social implications that we grasp the full menace of the crime of lynching. There is no concealing the fact that this practice is directed primarily against the members of a single race, which has suffered 503 of the 554 outrages inflicted since 1918. This discriminatory suspension of civil rights is breeding a terrible resentment among over 12,000,000 people of the United States, who live under and not apart from our Constitution and who have demonstrated their willingness to die heroically in its defense. The shadow of Judge Lynch is obscuring our proudest motto, "Equal justice under law."

I do not desire to harp even upon the effects of this injustice upon a single race. Violating all American principles, the crime of lynching is a defiant assault upon government itself. When the killing of George Armwood took place upon the Eastern Shore of Maryland the Governor and the State troops were helpless before the fury of the mob. The attorney general was threatened with death because he sought to obtain the arrest of the culprits. In another recent case the lynchers burned the courthouse itself. This destruction of a temple of justice was more than a concrete example of contempt for law. It was symbolic of the inconsistency between the concept of law and the practice of lawlessness.

There is no better evidence that lynching is an attack upon law than the claim boldly made by some of its apologists that it is necessary to cure the law's delay. What could be more grimly ironical than this lawless impatience with the slowness of the law? What could refute this contention more completely than the proof that since 1928 over half of the people lynched have been snatched from the custody of peace officers or dragged from the cells of battered jails where they were already in the hands of justice? What evidence is there that those so anxious to hasten the law have been eager to prosecute those who interfere with its processes?

This lawless practice is alarming not only because it oversteps the boundaries of government. It is particularly serious because it corrupts government and inoculates public officials with the virus of the mob. Not long ago a high executive extolled the mass killing of two men and promised executive pardon to anyone convicted of the crime. When representatives of the State condone the subordination of law to lawlessness, then, indeed, the time for remedy is at hand.

Even more significant is the effect upon the atmosphere breathed by the general public. When Claude Neal was tortured to death four to seven thousand people, responding to a 15-hour notice by wire, by radio, and by the press, gathered to watch the sport. Who can measure the lifelong effect of this spectacle upon the little children who were present at the scene, and who shrieked with crazed delight as they plunged their sharpened sticks into the burning flesh?

Events of this nature cannot be localized in their effects. We are living in a trying age. In every nation of the world force is now at war with reason, the reign of despotism is contending with the reign of law, while violence and persuasion are struggling for mastery. In such a period of flux, prejudice and hatred recognize no arbitrary bounds. It is but a short step from summary treatment of those suspected of crime to supression of every shade of economic or political opinion that disagrees with a transitory majority. A fire cannot be localized until it is extinguished.

The plea has been made that lynching can be ended by State action alone; but the plea crumbles under the weight of the facts that it must carry. There have been 5,071 lynchings in the United States since 1882, and 280 since 1922. Since the turn of the century only eight-tenths of 1 percent of these crimes have been followed by prosecutions, and in only 12 instances have convictions resulted.

Thirteen years ago, upon the theory that the States would stamp out the peril in their midst, the Senate refused to pass the Dyer antilynching bill. Since then only six States have passed laws to restrain lynching, and in only one of these States had the problem been a serious one.

Reliance upon local action alone is wrong in principle. How can local action alone prevent lynchings which occur just when sober public sentiment has become engulfed in the passions of the mob and when the agencies of law enforcement are prostrate or unwilling to intervene? One might as well expect an epidemic to cure itself, or by its own good will prevent its ravages from extending to other parts of the community. Federal assistance is imperative if lynching is to be stopped.

The bill which the Senator from Colorado [Mr. COSTIGAN] and I are sponsoring rests upon the foundation of State responsibility. Far from depriving the States of their obligation and power to preserve order, it gives them added incentives to do their duty. It is supplementary rather than exclusive in character. It provides that any State or local officer whose neglect of duty leads to the killing or injury of a person by a mob shall be punishable by a fine not exceeding $5,000, or by imprisonment not exceeding 5 years, or both. Similar penalties are provided for any officer who is derelict in his responsibility to apprehend and prosecute to a conclusion those who participate in these inhuman diversions. In addition, the bill carries the prospect of from 5 to 25 years' imprisonment for any officer who actually conspires with the mob in the pursuit of its illegal ends.

Secondly, the bill provides that those who have participated in a mob for the purpose of inflicting injury or death may be tried in the district courts of the United States. But such transfer from State to Federal forum is permissible only when State prosecuting agencies have failed or neglected to do their duty or when the jurors obtainable for service in the local courts are so strongly opposed to punishment that justice would be denied. Moreover, the Federal courts, when called into action, are to apply the State law. This makes it clear that the Federal Government is to extend its arm only when the State falls down. Every State can retain its autonomy simply by shouldering its responsibilities.

A very important provision of the bill is contained in section 5. This states that the county in which a person is seriously injured or put to death by a mob, by reason of the fact that officers of the State have been negligent in their duty to protect or punish, shall be liable to the injured person or his legal representative for a sum ranging from $2,000 to $10,000. Such a provision is neither novel nor unjust. Eleven States have already passed laws allowing recovery against the city or county in which a lynching occurs, and six of these allow redress in cases of injury as well. Similarly the United States has frequently paid indemnities to other sovereign powers in cases in which aliens have been killed in this country.

The preventive effects of such laws have been well demonstrated. According to an eminent authority, in not even one county which has been subjected to such a fine has a single additional lynching occurred, while the average for the whole State has declined sharply after each penalty. Uniform application of this principle on a Nation-wide scale should serve as a powerful deterrent and an exemplary influence.

The argument has been made that a Federal law would not end lynching. This might be dismissed flippantly by stating that the laws against homicide have not ended murder. But experience tells us that even the threat of a Federal antilynching law has proved effective. Until 1923

lynchings in the United States numbered above 60 every year. In that year, however, following the presentation of the Dyer bill to Congress in 1922, the number fell to 28; and in 1934, when the forerunner of the present bill was before Congress, lynchings practically stopped throughout the United States. But when it became apparent last June that the measure would not pass, a new flood of mob executions began, extending throughout the remainder of the year and chalking up three additional victims since January 1. There could be no better indication of the value of Federal action.

Precedents are at hand. In 1932 we enacted and in 1934 we strengthened the kidnaping law, although the States had been much more successful in preventing and punishing the offense of kidnaping than in dealing with a crime which cuts even more deeply into the roots of our institutions.

There remains only the question of whether this bill embodies a valid exercise of Federal power. The fourteenth amendment to our Constitution provides in section 1 that no State shall "deny to any person within its jurisdiction the equal protection of the laws"; and in section 5 that "Congress shall have power to enforce by appropriate legislation the provisions of this article."

It is true that the fourteenth amendment does not empower the Federal Government to deal with persons in the States who are acting in their individual capacities. It is well settled, however, that the national power may protect the Constitution from violation, not only by States as organic entities or by State laws but also by agents of the State who are derelict in their discretionary or ministerial duties. To hold otherwise would be to deny that, while laws form the framework of government, men are its flesh and blood. Thus, in *Home Telephone & Telegraph Co.* v. *Los Angeles* (227 U. S. 278 (1912)), Mr. Chief Justice White said:

> The provisions of the (fourteenth) amendment as conclusively fixed by previous decisions are generic in their terms, are addressed, of course, to the States, but also to every person, whether natural or judicial, who is the repository of State power.

There is ample precedent for Federal intervention when State officers deny constitutional rights. In *Ex Parte Virginia* (100 U. S. 339 (1879)), the Supreme Court of the United States upheld punishment of a State judge who violated a law forbidding discrimination between white and colored persons in the selection of juries. In *Tarrence* v. *Florida* (188 U. S. 519 (1902)), the background of the recent Scottsboro decision, the Court said that administrative discrimination against Negroes in the selection of jury panels was "as potential in creating a denial of equality of rights as a discrimination made by law." In *Yick Wo* v. *Hopkins* (118 U. S. 356 (1885)) the Court struck down the unequal enforcement of a statute that was fair upon its face.

When necessary the intervention of the Federal Government may extend to the intrusion of the Federal courts into the administration of State laws. In *Frank* v. *Mangum* (237 U. S. 309 (1914)) the question was raised whether the highest Federal court could act to set aside a conviction by a State where the outward form of State procedure had been observed while the substance of constitutional rights had been denied. Mr. Justice Holmes made the following classic statement:

> The argument for the appellee in substance is that the trial was in a court of competent jurisdiction, that it retains jurisdiction, although in fact it may be dominated by a mob, and that the ruling of the State court as to the fact of such domination cannot be reviewed. But the argument seems to us inconclusive. Whatever disagreement there may be as to the scope of the phrase "due process of law", there can be no doubt that it embraces the fundamental conception of a fair trial, with opportunity to be heard. Mob law does not become due process of law by securing the assent of a terrorized jury.
>
> We are not speaking of mere disorder, or mere irregularities in procedure, but of a case where the processes of justice are actually subverted. In such a case the Federal court has jurisdiction to issue the writ. The fact that the State court still has its general jurisdiction and is otherwise a competent court does not make it impossible to find that a jury has been subjected to intimidation in a particular case. The loss of jurisdiction is not general but particular, and proceeds from the control of a hostile influence.

Mr. Justice Holmes spoke in dissent, for the majority of the Court disagreed with him upon the facts. The present Chief Justice concurred in the Holmes opinion, and there can be no doubt that the words which I have quoted are an accurate expression of the law. In fact, in *Moore* v. *Dempsey* (261 U. S. 86) the Supreme Court held that a trial for murder in a State court where the jury was under the domination of the mob constituted a denial of due process of law and equal protection of the laws. The Court said:

> If the State, supplying no corrective process, carries into execution a judgment of death or imprisonment based upon a verdict thus produced by mob domination, the State deprives the accused of his life or liberty without due process of law. * * * If the case is that the whole proceeding is a mask, that counsel, jury, and judge were swept to the fatal end by an irresistible wave of public passion, and that the State courts failed to correct the wrong, neither perfection in the machinery for correction nor the possibility that the trial court and counsel saw no other way of avoiding an immediate outbreak of the mob can prevent this Court from securing to the petitioners their constitutional rights.

This case, of course, involved only the right of the Federal courts to set aside a verdict where prejudice against a defendant made the preservation of constitutional safeguards impossible. But the power must also exist in a second class of cases where the Constitution is ignored because of local prejudice in favor of an offender. Since a conviction can occur only by a trial in the court where conviction is rendered, this second class of cases requires the transfer of certain suits to the Federal courts upon proof of necessity. To that end, the present statute is directed.

This bill does not invade State rights. It interferes only with mob rule. Nowhere is the sentiment against lynching stronger, nowhere is the desire for Federal assistance in combatting the scourge within their midst more predominant than in those areas where lynching has reached its peak. Fifty-three million people, without regard to locality or walk of life, have united in pleading for the enactment of this Federal antilynching law. The sentiment for such a law is as wide-spread as the impulse of humanity; it is as deep-rooted as the spirit of Americanism; it is as imperishable as our Bill of Rights.

In the history of this country no campaign for civil justice has been waged in vain, and public opinion in the United States will never be satisfied until "Judge Lynch" is smothered under a heavy blanket of national resentment.

Mr. CONNALLY. Mr. President, on the motion to consider Senate bill 24, introduced by the Senator from Colorado [Mr. COSTIGAN] and the Senator from New York [Mr. WAGNER], I desire to submit some remarks. I accord to the Senator from Colorado and the Senator from New York the highest motives in presenting the bill and asking for its immediate consideration, and, if I may be permitted, I wish to say that I am as much opposed to lynching as is either the Senator from Colorado or the Senator from New York. As a prosecuting officer many years ago it became my official duty to undertake the prosecution of offenders and to see that all parties before the court not only had a fair trial but had the protection of the court until they were legally either adjudicated guilty or were liberated, and I stand now as I stood then. I am opposed to lynching in any form whatever. It is a crime which deserves punishment. Mr. President, lynching is murder, of course. It is murder whether committed by three men or more than three men, and it is likewise murder if committed by one man.

The bill before us, however, raises very serious issues, not issues of sentiment. We readily agree with the Senator from Colorado and the Senator from New York in condemning lawlessness in any form, at any time, by anyone who may participate in the commission of crime. But the bill which these Senators now ask the Senate to take up for consideration constitutes a wholly new departure from all our preconceived conceptions as to the responsibility of the States within their own proper sphere, and of the Federal Government, on the other hand.

This particular bill, Mr. President, in section 1 provides that—

> The phrase "mob or riotous assemblage", when used in this act, shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person in the custody of any peace officer or suspected of, charged with, or convicted of the commission of any crime.

Mr. President, is it not just as great a violation of the rights of the person involved whether he be murdered by three men or one man? Are not his rights as greatly invaded whether he is assaulted on the highways or in public places by two individuals or whether the injury is suffered at the hands of three individuals? The point I am undertaking to suggest is that if we shall adopt the philosophy and the theory of this bill it will amount eventually to turning over to the Federal Government the prosecution of all crime within the States.

The Senator from New York a moment ago invoked the broad principle that any State which did not, through its officers—not as a State, but through the unauthorized acts of its officers—either by willful act or by neglect, accord to all men the same kind of trial so far as its just results are concerned, ought to come within the sphere of this bill.

What would that involve, Mr. President? In a State court one defendant is tried and acquitted. In another court a defendant is tried and convicted. Would it not in the final analysis involve the question of the Federal Government examining every case which could be tried and determining whether in each particular case the State, through its process of trial, had come to a just or a final conclusion?

Mr. President, this bill is builded on the theory that the fourteenth amendment authorizes its enactment. It will not be contended by these distinguished Senators that there was anything in the Constitution prior to the adoption of the fourteenth amendment which would authorize legislation of this character, but they contend that because the fourteenth amendment was adopted its provisions authorize this proposed legislation.

Let us for the moment advert to the fourteenth amendment and ascertain just what was contemplated by the enactment of that constitutional provision. In order to understand the implication of the fourteenth amendment we must know something of the background and of the purpose actuating those who proposed and secured its adoption. At that time many of the States had laws making distinction between different classes of citizens, and the purpose of the fourteenth amendment was to provide that no State, as a State, should make distinctions between different classes of American citizens.

What does the fourteenth amendment provide? I hope I shall not weary the Senate, but it seems to me that now and then it is a good thing for Senators to go back to the Constitution, read it, meditate upon it, and contemplate the possibilities and the limitations and the restrictions, as well as the power which that great instrument contains. No other time is better than today. In times of crisis and in times of emergency, under the stress often of well-meaning purposes, the greatest strain is put upon the Constitution and governmental processes and today is such a time. There is criticism throughout the land that many of the measures we have adopted are perhaps beyond the constitutional authority. We cannot afford now to inquire into all of those processes——

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. I yield.

Mr. CLARK. Does not the Senator think that it is rather invidious to mention the Constitution on the day following the consideration for over a week of the bill which on yesterday was recommitted to the Committee on Agriculture and Forestry? It seems to me to be rather late in the day for Senators to be bringing up the subject of the Constitution.

Mr. CONNALLY. Mr. President, in this Republic, whatever our errors or our sins of commission or omission may have been in the past, I hope the time will never come when it can truthfully be said that it is too late to hold up the great charter of our Government, the great guaranties of the organic law, here in the Senate at least to admonish its Membership that we are still, in theory at least, bound by its provisions, just as we draw from it whatever authority we assume to exercise in this great Chamber.

Mr. CLARK. Mr. President, will the Senator yield for just one further remark?

Mr. CONNALLY. I gladly yield.

Mr. CLARK. I agree thoroughly with the last remark of the Senator from Texas, and yet I might have hoped that in the case of the measure which has been under consideration for the last week or 10 days in this body, leading up to the action taken on it yesterday, and in the case of other measures which have been before the Senate during the last 2 years, Members had shown as much assiduity in getting out their manuals and studying the Constitution and recalling the constitutional provisions as is shown whenever a suggestion is made that steps be taken to prevent what, by common consent, is an outrageous perversion of the law.

Mr. CONNALLY. Mr. President, the Senator from Missouri discloses to the Senate his great skill as a parliamentarian.

Just as one of the greatest tactical acts a shrewd lawyer can employ in the court room is to divert the attention of the court and jury, so one of the greatest pieces of strategy a parliamentarian can exercise is to divert the Senate from the immediate matter under consideration by holding up some other "horrible example" that has already transpired or is threatened in the future.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I shall yield in just a moment.

So today the Senator from Missouri is anxious to retry the question of the Bankhead bill which was before the Senate and which has already been disposed of for the present by being recommitted to the Committee on Agriculture and Forestry. I therefore suggest to the Senator, if he is now more concerned with the Bankhead bill than he is with the measure now proposed and pending before the Senate, that he hie himself to the Committee on Agriculture and Forestry and there debate the constitutional question which he now raises and fertilize the rich fields of the Agricultural Committee with his oratory and his constitutional arguments.

Mr. CLARK. Mr. President, will the Senator yield for just one further remark?

Mr. CONNALLY. I am glad to yield.

Mr. CLARK. I think the Senator from Texas is showing his superlative skill as a parliamentarian and as a dialectician by discussing the constitutionality of this measure, which, after all, is a proposition for the courts to determine, rather than discussing the merits of the proposition.

I have heard a great deal in past discussions on measures similar to the one now pending as to their constitutionality and have heard far-resounding and far-fetched theories of government expounded, but have heard very little about the merits of the proposition. It seems to me that the Senator from Texas is showing his superlative skill as a parliamentarian by discussing a very abstract proposition which, as I say, is, after all, for the courts to determine, rather than the merits of the bill which is now before the Senate.

Mr. CONNALLY. The Senator from Missouri, by his statements now, increases the high estimate which I placed upon his art and skill a little while ago. A few moments ago the Senator from Missouri was lamenting the fact that in the consideration of the Bankhead bill and other measures Senators had not gone back and consulted and pondered over and deliberated upon the Constitution of the United States.

Mr. CLARK. No, Mr. President, if the Senator will yield; what I was expressing was amazement at the fact that the first time in months we have heard of our old friend, the Constitution, from the Senator from Texas and from other Senators in this body is when an antilynching bill is brought into the Chamber.

Mr. CONNALLY. Oh, well, the Senator from Missouri in one breath complains that he has not been hearing the Constitution discussed and now he complains that it is being discussed at all. That is the implication from the

Senator's remarks. He asks, "Why have we not before heard of the Constitution?"

Mr. CLARK. Well, why have we not?

Mr. CONNALLY. I am going to tell the Senator. It is because the Senator and others like him have been so concerned with passing measures of a temporary and emergent character that they have probably not been concerned with a discussion of the Constitution. The Senator from Missouri has been lamenting that we have not heard the Constitution discussed, and now, when someone mentions the great charter of our constitutional Government, the Senator from Missouri, who is regretful that discussions of it have not rung through this Chamber for all these months, wants now to shoo it away; he says, "Let us hear no more of this old, outworn document! Why concern ourselves with something that was adopted 150 years ago? Those old fellows, James Madison, Alexander Hamilton, and George Washington, were very good men in their day and generation, but 150 summers have come and gone, 150 snows have descended upon their tombs and their graves, and why bring up in the Senate of the United States this old document which they formed and fashioned and gave to an infant republic?"

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I will not interrupt the Senator any more.

Mr. CONNALLY. I am glad to yield.

Mr. CLARK. I will say that I am glad to see my friend the Senator from Texas returning to the consideration of the Constitution. I am certain that the Senator from Texas, when I first knew him many years ago, had as high regard for the Constitution as had anybody else I have ever known, and I am glad to see him coming back to his pristine views; but I submit that it would appear with better grace if the process of return had been a little more gradual than the time between the action on the Bankhead bill yesterday and the Wagner-Costigan bill of today.

Mr. CONNALLY. The Senator pays me too great a compliment in saying that I have returned. I stand now where I have always stood.

Mr. CLARK. The Senator means on the bill which is under discussion.

Mr. CONNALLY. I stand now where I have always stood on the Constitution, about which we are talking. The Senator from Missouri says that constitutional questions are purely questions for the courts and not for the Senate. Mr. President, if that be the case, why lift our hands when we are sworn in as Senators and assume an obligation that we will defend and protect and uphold the Constitution of the United States?

I regard the Senate of the United States as being as much bound by the Constitution as are the courts bound by it. Is there anywhere a Senator or a citizen, either within these four walls or out yonder in the provinces, as no doubt the Senator from Missouri would regard the States, who either hears my voice now or may, in some unguarded moment, read my remarks in the RECORD——

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. Not at this time; I shall yield in a moment—who would say that the President of the United States in passing upon legislation, in exercising the high functions of his great office, should leave all questions as to the constitutionality of measures to the decision of the Supreme Court.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. Mr. President, I am at a loss to understand why the Senator from Texas should suggest that I regard the States as mere "provinces."

Mr. CONNALLY. I should have said "perhaps."

Mr. CLARK. I did not vote for the Economy Act; I did not vote for the N. R. A.; I did not vote for the A. A. A.; yesterday I was not intending to vote for the Bankhead bill; and I may say further that I do not intend to vote for the amendments to the A. A. A., all of which are measures designed to reduce the States to the status of provinces. The Senator from Texas can make his own explanation, but I do object to his imputing to me any disposition to regard the States as "provinces."

Mr. CONNALLY. Mr. President, I believe, in view of the Senator's remarks, and the tendency of his mind toward this proposed legislation, and my contention that the proposed legislation does devitalize the courts of the States, that I was warranted in making the reference to the fact that he probably regarded the States as provinces; but I withdraw that remark; I do not want to do any injustice to any Senator, and least of all to the Senator from Missouri.

Mr. President, I congratulate the Senator from Missouri upon his courage in voting against the various measures to which he has made reference. I am glad of the opportunity of furnishing the occasion for his being able to put into the RECORD these excerpts, which possibly may be of use to him in future political campaigns. If I have served the country and the democracy by contributing to that favorable result, I shall count myself most happy.

Mr. CLARK. Mr. President, if the Senator will yield for just one further remark, I thank the Senator, while he is putting into the RECORD statements which he thinks may serve him in the future in a political way, for permitting me the opportunity to express a few real heartfelt opinions.

Mr. CONNALLY. I am glad the Senator today has expressed his "heart-felt opinions." I had hoped that he had always done that here in the Senate, but I am glad to have them expressed today.

Now, Mr. President, returning to the point of my remarks to which I undertook to direct the attention of the Senate a moment ago, and to reply to the suggestion of the Senator from Missouri that the Senate and the House of Representatives should not concern themselves with the constitutionality of measures which come before them and that all constitutional questions should be remitted to the Federal courts and to the Supreme Court, let me say that I do not subscribe to that doctrine. I do not believe the great men who formed the Constitution ever contemplated that the Senate which they were creating and the House of Representatives which they were creating should close their eyes, put shutters on their minds, and ignore absolutely their conception and their construction of the Constitution and the limitations which that great document placed upon the rights of the people, both in order to protect them and to guarantee them against the invasion of those rights by the Federal Government or any of its agencies.

I conceive it to be the duty of every Senator, I conceive it to be the duty of every Member of the House, when any measure comes before him, first to examine at the bar of his own judgment and at the bar of his own conscience whether or not that measure is within the jurisdiction of the Congress under the terms of the Federal Constitution as it has been construed, not alone by the courts but as it has been construed by the Congress itself in years which have passed.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield further to the Senator from Missouri?

Mr. CONNALLY. I yield.

Mr. CLARK. Of course, I enunciated no such doctrine as the Senator from Texas has undertaken to put in my mouth. I agree thoroughly with the Senator from Texas that it is the business of Representatives and Senators, sworn on their oaths, as much as it is the duty of the judges of the Supreme Court and the inferior courts, to consider and examine the constitutionality of proposed laws before voting on them. All I was doing was to express again surprise that it is only when such a measure as this, having to do with a subject such as lynching, is submitted that the Constitution, long in retirement, is trotted out, its front repainted, its joints mended, and put in the forefront of the action.

Mr. CONNALLY. Mr. President, I am pained to hear the remark of the Senator from Missouri that the Constitution has long since been put in retirement. That may be the attitude of the Senator from Missouri, though I hope it is

not. It may be the attitude of some Senators, but I know it is not the attitude of a great many Senators.

This is not the first measure against which I have voted on the ground that we had no power under the Constitution to enact it. The Senator a moment ago adverted to the fact that he voted against the N. R. A.

Mr. CLARK. On that ground.

Mr. CONNALLY. If I may be permitted to class myself with such distinguished company, I, too, voted against the N. R. A., and one of the chief reasons why I voted against the N. R. A. was that I did not believe that under the commerce clause of the Constitution the Federal Government had the power to go into each community and deal with purely intrastate traffic, deal with barber shops, cleaning and dyeing establishments, garages, hotels, and other facilities of that character which are purely local, which do not produce any article of commerce that is shipped from one State to another, but which are purely service organizations and service industries.

So, Mr. President, if the Senator from Missouri is entitled to a Distinguished Service Cross for having voted against the N. R. A., I crave that I may at least be awarded a humble little ribbon to mark my comradeship with him in reverencing the Constitution of the United States.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. LOGAN. I have tried rather carefully to observe constitutional questions since I have been in the Senate. It appears to me that when a Senator is for a bill he can always find something in the Constitution which will justify its enactment, and therefore he concludes it is constitutional. But if he is against the bill, he can always find something in the Constitution which he believes renders it unconstitutional, and therefore he is against the bill. After all, we generally bring in the Constitution to support us in our opposition to a bill or in our support of a bill. Is not that true as to all the legislation which comes before us?

Mr. CONNALLY. The Senator from Kentucky makes a very sweeping charge. I should not go quite so far as does the Senator from Kentucky. He says he has found that in all cases when a Senator is for a bill he finds constitutional warrant for it, and when he is against a bill he likewise finds constitutional warrant for his position.

Mr. CLARK started to leave the Chamber.

Mr. CONNALLY. I regret that the Senator from Missouri sees fit to leave the Chamber just as I am coming to the most interesting part of the discussion.

Mr. CLARK. I thought the Senator had concluded the most interesting part of his remarks.

Mr. CONNALLY. That suggestion does not comport with the very high compliment the Senator paid me earlier. He suggests now that I have already concluded the most interesting part of the discussion; but since my remarks have heretofore been almost wholly devoted to a discussion of the Senator and his opinion, I am not surprised at all that he considers that the most interesting part of my remarks has been concluded.

Mr. CLARK. Naturally I agree to that suggestion. [Laughter.]

Mr. CONNALLY. I desire to have the RECORD show that while I should greatly deplore the absence of the Senator from Missouri I would not in any wise interfere with his convenience or comfort, and he is at liberty to depart.

Mr. CLARK. I should like to have the RECORD show that the Senator's remarks heretofore have been interesting, but if the Senator thinks he may come to more interesting matter, I desire to remain and hear him.

Mr. CONNALLY. I can relieve the Senator's embarrassment by stating that I expect now to discuss the constitutional questions, in which the Senator has shown so little interest. If I find it necessary or desirable to make any reference to him I shall do so when he shall have returned to the Chamber, in order that he may enjoy that particular portion of my remarks.

Mr. CLARK. The Senator's remarks on the Constitution will naturally be so weighty that I should prefer to read his remarks in the RECORD and have access to the law library when I consider them, rather than to consider them offhand during the debate of the Senate.

Mr. CONNALLY. I commend the Senator's desire for access to the law library as often and at as great length as it is possible for him to devote himself to it, because anyone who has shown, as he has by his remarks, a lack of appreciation of even a mention of the Constitution of the United States in this Chamber, certainly ought to consult not only that great document itself but some of its interpretations by the courts.

Mr. President, these remarks are submitted with great affection for the Senator from Missouri, but nevertheless with a feeling of sadness. I remember the Senator from Missouri when he was Parliamentarian in the House of Representatives. I remember then how he venerated and almost adored the Constitution of the United States. That was at a time when he was not dependent upon public favor for tenure of the office which he held. He held office by political appointment. He rendered distinguished service in that position.

No one was more gratified, either in the State of Missouri or beyond the confines of that great Commonwealth, than myself when he was elected to the United States Senate—elected at the end of a heated and interesting campaign, elected after the hurly-burly, the confusion, the tumult of contending factions. I regret, Mr. President, after these things have transpired, to find that one who in his youth was devoted to the Constitution, loved every line of that great old document, consulted it daily as he advised the House of Representatives and the Speaker with reference to rulings upon parliamentary questions, with his very soul saturated and permeated by its throbbing principles, after a few political campaigns sees fit to stand on the floor of the United States Senate and speak of the Constitution as an outworn document, one that should not be consulted by the Senate or the House, but should be relegated alone to the courts and the protection of the Supreme Court of the United States.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I shall in just a moment. Let me observe that when the Constitution of the United States comes to the point where its only defenders are in the Supreme Court, the Constitution and these institutions of ours will soon crumble and disappear. The Constitution, if it is to survive, ought to have the love and affection of every citizen who is capable of bearing arms, of every man who loves Anglo-Saxon institutions, of everyone who has the courage to stand up against the mob, against the fury and the prejudice and the passion of political campaigns, and to resist every movement engendered by expediency which would seek to weaken or to destroy the strength and the fortitude of its great fabrics.

I now yield to the Senator from Missouri.

Mr. CLARK. Mr. President, of course I thank, from the bottom of my heart, the distinguished Senator from Texas for his very kind personal remarks about myself, which are simply an evidence of the very sincere mutual esteem and even affection which developed between us many years ago, when the Senator from Texas was a Member of the House of Representatives and I was Parliamentarian of that body.

I hope, however, the Senator will not continue to put in my mouth words which I did not use. I do not wish to delay the Senator from Texas from the very weighty discussion of the Constitution, which he has been promising us for some time, but which he has been postponing by this discussion with me. All I have done in the course of this discussion was to express surprise, after listening to the Senator from Texas on the subject of the Bankhead tenant-farmer bill, and the oil bill, and the A. A. A. bill, and several other bills which have been before this body, to see, after long estrangement, my old friend the Senator from Texas and my old friend the Constitution of the United States suddenly appear arm in arm at the suggestion of an anti-lynching bill.

Mr. CONNALLY. Mr. President, the Senator from Missouri provoked such remarks as the Senator from Texas has made; and I hope the Senator from Texas has not been unfair. It is not his purpose to be unfair. The Senator from Missouri listened yesterday for some hours to the discussion by the Senator from Colorado [Mr. COSTIGAN] of the constitutionality of this measure. He listened, I assume, this morning to something like an hour's discussion of the constitutional and legal aspects of this bill by the distinguished Senator from New York [Mr. WAGNER]. It is a little curious that the Senator from Missouri should sit and listen and deliberate upon the arguments presented by these Senators on the Constitution and on the decisions of the United States Supreme Court, and then, when one for whom he professes such warm esteem and such marvelous affection essays to spend 30 minutes by the clock discussing the Constitution, the decisions of the Supreme Court, and the motion to take up this particular bill, that his soul should be so disturbed that he cannot tolerate the humble and feeble remarks which the Senator from Texas is undertaking to make to the Senate.

I forgive the Senator, though. I know how anxious he is to enact legislation. I realize that he believes in expeditious action on all these measures. I saw him only a few days ago, when the Bankhead bill was before the Senate, stand upon this floor and urge expedition, urge that prompt action be taken, notwithstanding he spent a considerable period of the Senate's time in proposing amendments, in urging motions, and in similar action.

Mr. CLARK. Mr. President, will the Senator yield on that point?

Mr. CONNALLY. I yield.

Mr. CLARK. The Senator will be unable to find in the RECORD that I consumed one moment of the Senate's time, that I discussed any amendment, or the bill itself, or made any motion, or spoke in support of any motion, other than on a question of order for about 2 minutes on yesterday afternoon.

Mr. CONNALLY. Did I say the Bankhead bill? I had in mind the Copeland pure-food bill, Mr. President. I beg the Senator's pardon. I had, in my own mind, reference to the Copeland pure-food bill. As I remember now, the Senator from Missouri was concerned with that bill. He was very much against it. He was opposed then to the Federal Government interfering with advertising with regard to pure foods and drugs.

Mr. CLARK. Mr. President, the Senator again is misstating my position, if he will yield to me.

Mr. CONNALLY. I yield. I do not wish to misstate the Senator's position.

Mr. CLARK. I took no such position. I am very much in favor of a pure food and drugs bill. I opposed certain phases of that bill, such as declaring that a crutch or an electrical apparatus for conditioning air in a room was a drug. I opposed such provisions as that after a regulation of the Secretary of Agriculture had been declared invalid by a court, the Secretary of Agriculture should have authority to put the very same measure into effect for 6 months as a temporary regulation. I opposed certain other provisions of the bill; but I have expressed my willingness and desire at all times to be in favor of a proper bill on that subject.

Mr. CONNALLY. Mr. President, I certainly do not wish to be unfair or even ungenerous to the Senator from Missouri. All I meant to observe was that he was concerned with that bill. He had a right to be. He had a right to oppose it as it was written, and he took up some of the time of the Senate in endeavoring to correct it and criticize it. I commend him for it.

Mr. President, this is the Senate of the United States. This is the place for criticism of legislation. This is the place to discuss legislation. This is the forum ordained by the great Republic under which we live to hammer out and fight out and discuss legislation; and no matter how humble that legislation may be, I, for one, am in favor of its thorough discussion. That is what I am contending for here today.

What I meant to suggest was that the Senator from Missouri, when he was discussing a pure-food bill, was opposed to the Federal Government going in and tinkering with some of the subjects dealt with in that bill. That was a violation of the Constitution. That was a rape of the great organic law; but when it comes to a bill like this, which overthrows the courts of Missouri and of other States in the Union, I am wondering why the Senator from Missouri should be so concerned that a Senator should rise and discuss the Constitution of the United States.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I regret, I may say, to appear in the attitude of assisting in a filibuster on this motion. I regret very much that I made the initial inquiry of the Senator from Texas. So far as I am concerned, I am quite content to let the exchange of compliments and other personalities between the Senator from Texas and myself now pass, if the Senator will proceed to the discussion of the constitutional question which he has been threatening for so long.

Mr. CONNALLY. I shall be very glad to proceed, and I should have long since proceeded, except for the necessity, in view of the inquiries of the Senator from Missouri, of vindicating the right of every Senator on this floor to discuss the Constitution and the decisions of the courts.

Mr. President, this is the Senate. This is not the same Chamber, but this is the same institution where Clay and Webster and Calhoun and Benton from Missouri itself fought out great constitutional issues and fashioned and shaped the public opinion of the people of the United States in a formative era in American life. Whenever the time comes that the representatives of the people on this floor or on the floor of the House of Representatives are not privileged to discuss at length, if need be, the Constitution of the United States, then indeed will this Republic be in peril.

Mr. GLASS. Mr. President, is the Senator from Texas talking about the same Constitution that Benton and Webster and Clay and Calhoun discussed?

Mr. CONNALLY. The Senator from Texas does not recognize two Constitutions. He is talking about one. I do not know what the Senator from Virginia adverts to. I am sure the Senator from Virginia is not in the same frame of mind as is the Senator from Missouri, and yet the incident illustrates how valuable it is that we should have in the Senate representatives of every type of thought as to constitutional construction and men with divergent views. The Senator from Virginia is devoted to the Constitution. He tries to cast his votes on the floor of the Senate in accordance with the Constitution; and I am sure he has no objection to the Constitution, as it applies to any pending measure, being discussed on this floor.

Mr. GLASS. Not in the least. I just wanted to know what Constitution the Senator was discussing.

Mr. CONNALLY. I am glad to enlighten the Senator from Virginia. The Constitution which the Senator is discussing is the one found within these leather covers, of which the Senator from Virginia is entitled to one copy; and if he does not already possess it, I shall be very glad to intercede with the Superintendent of Documents to obtain for him a copy of the Constitution.

Mr. LONG. Mr. President, a point of order.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The Senator from Louisiana will state it.

Mr. LONG. Ought not these irrelevant matters to be left out of this discussion? Senators will be talking about the Mother Goose Almanac before we get through. [Laughter.]

Mr. CONNALLY. The Senator says "these irrelevant matters." "These" is a very inclusive term. I am wondering if the Senator included what has just transpired. [Laughter.]

The Senator from Texas is not going to discuss the Mother Goose Almanac. He will leave that to the Senator from Louisiana, if he desires, or to other Senators who may be more interested in Mother Goose than in the Constitution

of the United States; and, speaking of Mother Goose, she has been one of the most prolific breeders in all the history of the world.

Now, Mr. President, I desire to discuss the fourteenth amendment, and what I conceive to be the lack of authority in the fourteenth amendment to permit the enactment of the pending bill.

This measure is based upon the theory that the Federal Government will not only hold responsible individuals within the States but it will hold responsible counties, municipalities, and political subdivisions, and will assess damages upon the counties and the subdivisions for the violation by individuals of the terms of this bill.

Mr. President, it will not now be contended that when the Constitution was originally formed it contained provisions authorizing such legislation as that now proposed. But it is said that when the fourteenth amendment was adopted authority was thereby granted for the legislation which is sponsored by the distinguished Senator from Colorado [Mr. COSTIGAN] and the distinguished Senator from New York [Mr. WAGNER].

I wish to congratulate these Senators for their courage in offering a measure which, according to the Senator from Alabama [Mr. BLACK], will include within the Federal authority labor disputes and riots arising out of labor difficulties.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. CONNALLY. In just a moment I shall yield. Recognizing the Senator from Colorado [Mr. COSTIGAN] as being one of the foremost representatives of the laboring men of the Union, and recalling that the Senator from New York [Mr. WAGNER] has toiled incessantly in behalf of the interests of the laboring men of the Union, I realize that it requires a high degree of courage and is an evidence of outstanding statesmanship when the Senator from Colorado and the Senator from New York present a bill to the Senate which would authorize bringing before the bar of Federal courts labor unions, or those who are opposed to labor unions, who may engage in riots or other clashes which may result in bloodshed or serious injury.

I yield to the Senator from Colorado.

Mr. COSTIGAN. It is certain that the Senator from Texas, who always endeavors to be accurate, has not purposely departed from the RECORD. A careful reading of the RECORD, however, will, I believe, convince him, as it did me, that the Senator from Alabama did not go so far as the Senator from Texas at the moment assumes he went. The Senator from Alabama suggested, after a brief colloquy, which was not concluded, that he thought some plausible excuse would be provided for a pretended drive against members of organized labor. The Senator from New York and I hold the opposite conviction.

I ought, perhaps, to add that in my own State—and I say this in view of the reference made by the able Senator from Texas to some of my experiences—the difficulties encountered by members of organized labor were largely not with Federal courts but with State courts and other State agencies. Nor do I think that experience differs very greatly from the experience of organized labor in other parts of the Union.

Mr. CONNALLY. Mr. President, I assure the Senator that I do not want to misrepresent him. I heard the colloquy here last evening, and I predicated my statement upon the assumption of the Senator from Alabama. The Senator from Alabama, as is well known, is also a great friend and representative of the interests of laboring man. I do him full justice, I believe, when I class him with the Senator from Colorado [Mr. COSTIGAN] and the Senator from New York [Mr. WAGNER]. The Senator from Alabama is anxious that labor unions be not included, and for that reason he pointed out that, under the bill of the Senator from New York and the Senator from Colorado, it would be possible for the Federal Government to take jurisdiction.

Let me suggest this to the Senator from Colorado. He said a moment ago that in the labor disputes in the State of Colorado the troubles the laboring man had experienced had been with the State courts. Of course they have been with the State courts and not with the Federal courts, because under the Constitution and under our present system the State alone has jurisdiction to try those charged with the offenses of riot and assault and murder. But once it is established by such a measure as the one we are discussing that the Federal Government has the right to intervene in any State whenever the State does not accord the same degree of trial and the same kind of trial to every individual, when that precedent is established, Mr. President, is there any reason why it should not extend to the men who belong to labor unions just as it extends to men who do not belong to labor unions?

Mr. President, I am opposed to the whole bill. I am opposed to taking it up. Let me ask the Senator from Colorado a question. If the doctrine is sound that the Federal Government should have jurisdiction to try any three or more men who act together and bring about the injury of an individual, or the death of an individual, then when three or more labor union men are engaged in an unlawful assemblage, or a riot, and do injury to some private individual, or take his life, why should they not be brought before the bar of judgment in a Federal court like every other citizen of this Republic?

Mr. COSTIGAN. Mr. President——

Mr. CONNALLY. Just a moment. I frequently vote, and always like to vote, in behalf of labor. There is no sanctity about membership in a labor union, however. It does not give any man a higher privilege than is enjoyed by every other citizen of this Republic. If this bill is to apply to ordinary citizens, three in number or more, then why should it not apply to every citizen regardless of whether be belongs to a labor union or belongs to that great mass of our citizenship who, outside of labor unions, toil and produce and consume throughout the Republic?

I yield to the Senator from Colorado.

Mr. COSTIGAN. Mr. President, the able Senator from Alabama [Mr. BLACK] is present, and, of course, can enlarge upon his suggestion of last evening.

What I originally rose to suggest was that the Senator from Texas had, quite inadvertently, of course, somewhat altered precisely what the Senator from Alabama stated at the time. This is the language of the Senator from Alabama as reported in this morning's RECORD, referring to the measure under consideration:

> It would certainly give to the peace officers a wonderful excuse for stating that they were afraid they would be tried and indicted in a Federal court.

That apparently is not the statement which the Senator from Texas understood the Senator from Alabama to make.

Mr. BLACK. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. In just a moment. I shall say to the Senator from Colorado that I did not undertake to reproduce word for word what the Senator from Alabama said, but I thought I would direct the Senator's attention to what the Senator from Alabama said so that he would know I was relying on the issue which the Senator from Alabama had raised. It may be that the Senator from Alabama was incorrect. It may be that I gave too broad an interpretation to his interruption. I certainly had no intention of misleading anyone, because I made specific reference to the fact that the Senator from Alabama had made the suggestion. I yield to the Senator from Alabama.

Mr. BLACK. Mr. President, I do not know exactly what statement was made today, but the question I asked was based upon my belief that the bill as it is written would give the greatest weapon to the opponents of labor organizations that has ever been extended to them since the beginning of the history of this Government.

I base my statement on this fact: I do not believe there is any lawyer who can read this bill and not be convinced that every time three or more members of a labor organization meet, when they are on a strike, and it can be charged that they have the intention of injuring somebody——

Mr. CONNALLY. Suppose they do injure somebody?

Mr. BLACK. And they also do injure somebody; they can then be tried in a Federal court.

This is the point I have in mind: For years and years and years the labor organizations have been seeking to deprive the Federal courts of that very jurisdiction.

Mr. CONNALLY. By injunction, the Senator means.

Mr. BLACK. Yes. It took many years for the Norris-LaGuardia bill to pass. The only jurisdiction which was had under that law was by contempt proceedings. I wish to state that I think the laboring men of this country have had no better friends in the Senate than the two Senators who offer the pending bill.

Mr. CONNALLY. I said so.

Mr. BLACK. Five minutes before I asked the question yesterday afternoon, was the first time, I should say, that I had read the bill since it came from the committee.

I was familiar with the fact that the fourteenth amendment to the Constitution was offered by those who desired to protect certain persons whom they thought might be injured on account of race. I knew there were very laudable motives behind a great many who supported the fourteenth amendment. Only recently, however, I have had sent to me, as has every other Senator, a little magazine called "the American Review", referring to corporate growth in this Nation; and I found that although the fourteenth amendment was intended to protect members of the colored race, it had served to protect not them, except in a very few instances, but it had served to protect corporate greed and cupidity. It had served, as we all know, to paralyze the arms of the States of the Union in their efforts to protect the people from corporate cupidity.

The figures are given in the magazine to which I referred, and show in the 20-year period from 1890 to 1910 that there were 529 cases involving the fourteenth amendment. I am reading from that magazine:

> Of these, 19 concerned the Negro race. Two hundred and eighty-nine related to corporations.

The remainder related not to corporations but to those who were standing in their place claiming that there was an injury to a property right. So, while it was the intention of many generous-hearted men and women, by the fourteenth amendment, to bring about relief to the Negro race, instead of that it has been utilized for the purpose of injuring the very people it was intended to protect.

I call attention thereto for the reason I am absolutely sure from my study of this bill, and having represented the United Mine Workers and other organizations in my State in strikes and in various controversies they have had, that if this bill should pass in its present form it would give the strongest weapon that was ever placed in the hands of their enemies to strike them to death. That is what I intend to call attention to. I do not know just exactly what the statement was to which I replied yesterday, but I am sure that this bill will accomplish the very purpose I stated if it should be passed in its present form, and I cannot understand how it is that the attorneys of the great organizations of labor have failed to see up to this date exactly what this bill would do to them if it should be passed.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. COSTIGAN. With full appreciation of the generous words of both the Senator from Texas [Mr. CONNALLY] and the Senator from Alabama [Mr. BLACK] I desire to say that the Senator from New York and I do not share the apprehensions expressed. I desire also to thank the Senator from Alabama for making clear this morning, as I think he did not make clear last night, the extent of his concern and the grounds on which he bases that concern.

Without interrupting the Senator from Texas at this moment, and reserving, of course, the right to refer to the subject at a later time, I merely suggest to the two able Senators, whose admirer I am, that if they will join in the preparation of some constructive amendment which they really believe will protect the reasonable and lawful activities of organized labor, and on the adoption of such an amendment will support the pending bill, I shall, of course, be happy to endeavor to cooperate with them.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Texas yield to the Senator from Alabama?

Mr. CONNALLY. I yield.

Mr. BANKHEAD. We are dealing with a very important bill, and we are having a very able discussion of it. I think we should have more Members of the Senate present to hear this able discussion, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Radcliffe
Bachman	Costigan	La Follette	Robinson
Bailey	Couzens	Lewis	Russell
Bankhead	Cutting	Logan	Schall
Barbour	Dickinson	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Bilbo	Donahey	McAdoo	Shipstead
Black	Duffy	McCarran	Smith
Bone	Fletcher	McGill	Steiwer
Borah	Frazier	McKellar	Thomas, Utah
Brown	Gerry	McNary	Townsend
Bulkley	Gibson	Metcalf	Trammell
Bulow	Glass	Minton	Truman
Burke	Gore	Moore	Vandenberg
Byrd	Guffey	Murphy	Van Nuys
Byrnes	Hale	Murray	Wagner
Capper	Harrison	Neely	Walsh
Caraway	Hastings	Norris	Wheeler
Carey	Hatch	O'Mahoney	White
Clark	Hayden	Overton	

Mr. LEWIS. I regret to announce the absence of the Senator from Connecticut [Mr. MALONEY] on account of illness.

I also announce that the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], the Senator from Georgia [Mr. GEORGE], and the Senator from Oklahoma [Mr. THOMAS] are necessarily detained from the Senate.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. CONNALLY. Mr. President, when I was last interrupted, I was endeavoring to refer to the fourteenth amendment, and to discuss the pending bill in relation thereto.

The Senator from Colorado [Mr. COSTIGAN] suggests that if the Senator from Alabama and the Senator from Texas will draw amendments to the bill, which will make it clear that it does not apply to labor unions, and will thereby promise to support the bill, he will also be glad to exempt labor unions. I fear the Senator from Colorado wholly misunderstood the attitude of the Senator from Texas. If this bill is unconstitutional as to one man, it is unconstitutional as to all men. If it is unconstitutional from the viewpoint of the Senator from Texas as to citizens who are not alined with labor unions, it would be likewise unconstitutional when applied to labor unions. On the other hand, according to the view of the Senator from Texas, if it is not wrong, if it is not criminal for a labor union to kill a man, why should it be unlawful for anybody else to kill a man?

The Senator from Texas takes the view that murder is wrong whether it be committed by John Jones or Bill Smith. Murder is wrong whether committed by a man who belongs to a labor union or by a man who does not belong to a labor union. It is wrong whether committed upon a black man by a white man or upon a white man by a black man.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I yield.

Mr. COSTIGAN. The Senator from Texas, of course, understands that the pending bill does not undertake in any way to interfere with the laws with respect to murder. That was clearly stated last night; and there is no purpose whatever under the measure to deal with anything but the crime of lynching. It is quite unnecessary to incorporate in this measure any provision with respect to murder.

Mr. CONNALLY. Mr. President, the only difference in that respect between the Senator from Colorado and the Senator from Texas is that the Senator from Texas thinks that a murder is a murder, whether committed by one man or by three men. He condemns murder in whatever form it comes; and the Senator from Texas has always abhorred and does now abhor the crime of lynching, just as he abhors all other forms of murder. The Senator from Texas is not simply speaking idle words; he has proven them as a public officer time and time again.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Alabama?

Mr. CONNALLY. I yield.

Mr. BANKHEAD. I should like to ask the Senator from Colorado a question. He states that this bill is intended to deal only with lynching. I should like to ask him to state what is comprehended in the word "lynching"; what is meant by that term?

Mr. COSTIGAN. The purpose of the proposed act is to deal with offenses committed by a mob or unlawful assemblage, as defined in the measure, organized for the purpose of inflicting serious bodily injury or death upon an individual. What I said was that the laws with reference to murder, which inflict severer penalties than those imposed by the pending bill, will be in no sense touched by the proposed legislation.

Mr. GLASS. Mr. President, may I interrupt the Senator from Texas?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Virginia?

Mr. CONNALLY. Certainly; I yield.

Mr. GLASS. The Senator from Texas is much better informed in regard to legal matters than am I. I ask him does he know a State in the United States which has not laws against lynching?

Mr. CONNALLY. I know of none, although I have no detailed information as to all.

Mr. GLASS. I know my State has a very severe statute against lynching.

Mr. CONNALLY. And a number of other States have. The Senator from Ohio yesterday called my attention to the fact that the State of Ohio has a strong statute on the subject.

Mr. SMITH. And my State, the State that, I suppose, was the beginning of all this proposed legislation, as it was the first State to secede, not only has a law against lynching but a law which provides for the payment of an indemnity to the family of the person who is lynched.

Mr. GLASS. So does the statute of Virginia provide for such an indemnity, as I recall.

Mr. CONNALLY. Mr. President, again referring to the labor angle of this controversy, I wish to submit to the Senator from Colorado a concrete case. In my State a couple of years ago there was a strike of stevedores or longshoremen, or whatever the term is that applies to men who work on the docks. The companies brought in strikebreakers, who were protected by officers, and other men who were on strike organized a group, and there ensued almost a pitched battle, in which one or two men were killed. Under the terms of this bill, with all due deference to the judgment of the Senator from Colorado, it occurs to me that that kind of situation would be covered by the bill. Here was a group of men, more than three; they were organized; they were armed; they went down, and, without knowing which side was to blame, because I do not know, there came about an armed clash; homicide was committed; several men were injured. Why is not that just as much a mob under this bill as any other sort of a mob; and if this bill comprehends other similar acts, why does it not also comprehend that act?

I am not for the measure in any of its provisions, because I wish to leave the exercise of sovereignty with respect to murder and other criminal offenses within the States where they have always resided; but if we are to embrace this doctrine, whether we embrace it now or embrace it at some future time, you are going to set a precedent which will rise up to face you in the years to come, and you will be charged with having set a precedent whereby the Federal Government can go into any State and bring before the bar of justice any private citizen acting in concert with another, in a labor union or out of a labor union, who is charged with any form of violence.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I yield.

Mr. COSTIGAN. In the case cited by the distinguished Senator from Texas were there subsequent prosecutions for murder?

Mr. CONNALLY. I think so.

Mr. COSTIGAN. The Senator's experience is entirely in line with my own. In every industrial dispute of the type mentioned by him with which I am familiar—and we had one years ago in which hundreds of men were indicted, under a dragnet conspiracy charge, for murder in which they did not participate—in every industrial dispute of that character, my experience is that the charge of murder has been filed against the members of organized labor under State laws.

Mr. CONNALLY. To be sure.

Mr. COSTIGAN. Here is a proposed statute which imposes much less serious penalties, and which would naturally not be resorted to under conditions of that sort, because the purpose in an industrial dispute, under the customary facts, would be to promote better industrial conditions and not to injure or kill by lynching, as provided for by the bill under consideration.

Mr. CONNALLY. Let me ask the Senator from Colorado a question. If one man is killed by a mob which is composed of labor strikers or sympathizers and another man is killed by another mob which has no relation to labor, why should not the same rule apply to both? Why is it a crime in the one case and not a crime in the other case?

Mr. COSTIGAN. The purpose of the particular measure is, of course, to deal with a community form of lawlessness which everybody in the country, as the Senator well knows, recognizes under the title of "lynching." That type of community offense promoted by certain psychological factors which are familiar to courts, lawyers, and to the general public, is the crime which is to come under the ban of the proposed legislation. Its terms are moderate. There is no reason to resort to it in any case in which murder is duly and appropriately charged.

Mr. CONNALLY. If the Senator from Colorado is correct, though I do not think he is, does he mean to say that wherever the State indicts a mob, or any member of a mob, for murder, then the bill would not apply?

Mr. COSTIGAN. That was not my intended statement. My statement is that if a mob has been organized to lynch a man and a sufficient number of people participate in the offense, as defined in the bill, the bill would apply; but under the ordinary laws with respect to murder, the ordinary processes of the State courts would be utilized and a conviction for a much graver offense in terms of punishment would undoubtedly be sought by the constituted authorities.

Mr. CONNALLY. Mr. President, the vice in the attitude of the Senator from Colorado, as it is the vice in the attitude of many others who propose departures from our well-known balances between the States and the Federal Government, is that he proposes to give the Federal Government the power to determine when the State has properly punished people, and if the State has properly proceeded then the Federal Government will not intervene. Does not the Senator from Colorado see that the power to decide when and how the State government has performed its function is the power to oust the State completely, because it is a power to decide when the Federal Government shall intervene?

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. Certainly.

Mr. LOGAN. I cannot follow the argument of the Senator from Texas. Of course, the State has its laws, and for a violation of those laws the State authorities have absolute power; but if a Federal law which has been or can be enacted would give the Federal Government control, then a violation of the Federal law would be a separate offense. It would be an offense against another jurisdiction. I do not see how the State could be ousted of its jurisdiction at all.

Mr. CONNALLY. I regret that it is impossible for the Senator from Kentucky to follow the Senator from Texas.

Mr. LOGAN. I meant on that point only.

Mr. CONNALLY. I did not mean to intimate that the Senator would follow the Senator from Texas on every point. Aside from that, of course, the Senator from Texas recognizes that within its proper sphere the Federal Government may enact any law within its constitutional power, and such a law operates directly on the citizen. It does not operate through the State as a subdivision of the Federal Government. It operates directly on the citizen, and the citizen is amenable to the Federal Government.

The State within its proper sphere may enact a law. It operates, not through the counties but directly upon the citizen himself. He owes two allegiances. There are two responsibilities. For instance, the Federal Government levies income taxes. We do not apportion those taxes to the States, but those taxes operate on every citizen of the Republic, and that obligation is an obligation which he owes to Washington. The State may levy an income tax or other tax, and it operates on the citizen directly in its own way.

When it comes to a criminal law, if the crime is one over which the United States Government has jurisdiction to deal, the citizen is guilty or not guilty, as the facts may indicate. For instance, the Federal Government had a prohibition law and the States had prohibition laws. If a man sold liquor in violation of both laws, he could be punished twice. Why? Because he owed the obligation to the Federal Government to observe its law; and when he violated the Federal law, he was punishable in a Federal court. If by the same act he violated the law of Virginia or the law of Nebraska on the liquor question, he was subject then to punishment in the State courts, and the Federal conviction could not be urged as a bar.

Does the Senator from Kentucky agree with that view?

Mr. LOGAN. Mr. President, I never heard a clearer statement of the law as it really is than has just been made by the Senator from Texas. There is no ousting of jurisdiction of the State court, as I understood the Senator to say a while ago. It is simply a punishment for violation of a Federal law which belongs to the Federal courts, and a punishment for a violation of a State law which belongs to the State courts. The Senator has very correctly explained it, and I am entirely satisfied on that point.

Mr. CONNALLY. I thank the Senator very kindly. I think that is the most sweeping approval I have ever had from any of the higher courts. [Laughter.]

The Senator from Kentucky states that murder is now an act against the law of the State. Of course it is. The Senator from Kentucky contends that if the Federal Government has the power, it may also come along and enact a law which makes that same offense punishable again by the Federal Government. Of course, that is true if the Federal Government has the constitutional power. My contention is, and I hope to demonstrate, not by my edict, not by my fiat, but by the solemn pronouncements of the Supreme Court of the United States, that the Federal Government has not now jurisdiction to do that thing, and never had it under the fourteenth amendment to the Constitution of the United States.

To vindicate what the Senator from Texas said a moment ago, if the State indicts and punishes a man for a violation of a State law relating to the crime of murder or personal injury to an individual, he is acquitted or he is convicted, as the case may be.

If the Federal Government can come along after that has transpired and try him again for the same offense, is not that in essence at least an ouster of the jurisdiction of the State? Suppose he is acquitted by the State court. He may then be haled into court and tried for the same crime, for the same murder.

Oh, no; I am in error. That may be done if there are more than three involved. If only one man murders another, the Federal Government, according to the bill now before us, is not concerned with whether the fourteenth amendment has been violated; but if more than three people murder a man, then and then only will the Federal Government seek to vindicate the rights and powers of the citizen under the fourteenth amendment.

Mr. GLASS and Mr. COSTIGAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I will yield first to the Senator from Virginia, and then I shall be glad to yield to the Senator from Colorado.

Mr. GLASS. Does not the Constitution of the United States provide that a man shall not be twice placed in jeopardy of his life for the same offense?

Mr. CONNALLY. It does. I shall say to the Senator from Virginia in all fairness, that according to my conception of the Federal Constitution that provision relates only to the power of the Federal Government; in other words, the Federal Government shall not put him in jeopardy twice for the same offense.

I believe the Senator from Idaho [Mr. BORAH] will agree with me in that statement. The reason why I say that is that all the limitations in the Constitution of the United States, except where it is plainly evident to the contrary, are limitations on the Federal power and not on the State power, except in those cases where it provides that no State shall do this and no State shall do that. The other limitations on governmental power, generally speaking, are limitations on the Federal power.

Mr. GLASS. Has there ever been any determination of that question in the courts? For instance, if a man should be tried for murder in Texas and acquitted, and an attempt were made to reindict him and try him again, would there not be an appeal to the Supreme Court on that constitutional question?

Mr. CONNALLY. I do not know for the moment of any case exactly like that which the Senator suggests, but I will say that the Federal court might inquire as to whether or not the State had jurisdiction of the offense. If it found that it had jurisdiction, it would not go any further; it would stop right there. I think I am correct in that. I will say to the Senator from Virginia, however, that there are cases defining the scope of the clause as to right of trial by jury, as guaranteed in the Constitution.

Mr. GLASS. Does that mean only trial by jury in the Federal courts?

Mr. CONNALLY. It is guaranteed to the citizen only in the Federal courts. I will ask the Senator from Idaho if that is not true?

Mr. BORAH. Yes.

Mr. CONNALLY. For instance, there are police courts in many States, I understand, that have no juries, and a man cannot obtain a jury trial. That is not held to be a violation of the Federal guaranty of a jury trial. The Federal guaranty of a jury trial means that no citizen of the United States shall be tried by the Federal Government without having the right to a trial by jury. I will say to the Senator from Virginia that I think I am correct in that.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I yield.

Mr. COSTIGAN. In the course of the very enlightening discussion of the Senator from Texas, will he be good enough at some time to state whether he was opposed to the Lindbergh kidnaping law; and whether, at the time of its enactment, he interposed the objections he is now making with

respect both to its possible application to members of organized labor and its possible invasion of State sovereignty?

Mr. CONNALLY. The Senator from Texas does not remember how he voted on the Lindbergh kidnaping bill; but let us assume he voted for it. I assume he did. That is wholly a different case in this respect: The Lindbergh kidnaping law was applicable only in cases where the criminals transported the kidnaped person across State lines. While I have never agreed to many of the extreme views of those who contend that under the commerce clause of the Constitution the Federal Government can do almost anything it desires, I feel that the Senator from Colorado will recognize the fact that the interstate-kidnaping law was based solely and alone upon the theory, at least, that the Federal Government, under the commerce clause, had the right to enact that legislation.

For instance, it will be remembered that the Mann Act, a criminal act, was upheld upon the same theory, though the courts afterward held that the question of commerce was not necessarily involved in all cases.

Mr. President, I desire now to read the fourteenth amendment. I should like to have the Senator from Colorado hear this:

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State—

Listen to this. Upon whom is this injunction laid? Is it laid upon the individual? The injunctions of the fourteenth amendment are laid upon the States. It is a limitation upon the powers of the State government, speaking through its legislature and its governor.

No State shall make—

I shall be glad if the Senator from Colorado will listen to the reading of the fourteenth amendment.

No State shall make or enforce—

What?—

any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State—

Who? Any State—

nor shall any State deprive any person of life, liberty, or property without due process of law——

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me conclude this. I was afraid the Senator had not read all of this amendment.

nor deny to any person within its jurisdiction the equal protection of the laws.

I now yield to the Senator from Colorado.

Mr. COSTIGAN. May I request the able Senator from Texas to read the remarks I made yesterday on this subject, which are contained in the CONGRESSIONAL RECORD of this morning? In those remarks I undertook to discuss the very question to which he is now directing my attention, and cited decisions of the Supreme Court explaining the significance of the language he has just read.

Mr. CONNALLY. I shall be glad to read the Senator's speech, although I heard him when he made it; but I shall read it if the Senator desires. I know I shall enjoy it again, and remain as much unconvinced after I shall have read it as I was when I heard it.

Mr. President, my contention is that under the fourteenth amendment no power is conferred to enact this measure. Let us see about it.

All of us are familiar with the history of the fourteenth amendment. It was intended to lay a prohibition on all the States of the Union against passing laws which might discriminate between citizens of the United States. It also provided—it was affirmative in one sense, and negative in the other—that no State should deny the equal protection of the laws.

Mr. BORAH. Mr. President——

Mr. CONNALLY. I yield to the Senator from Idaho.

Mr. BORAH. The Senator may recall the history of the fourteenth amendment, to the effect that at the time the amendment was framed there was an attempt to make the jurisdiction of the National Government apply to individuals.

Mr. CONNALLY. Exactly. I am coming to that.

Mr. BORAH. But that was rejected, and the amendment was confined entirely to action upon the part of the States.

Mr. CONNALLY. Exactly. I thank the Senator from Idaho. I know the Senator from Idaho is entirely familiar with all the decisions and the history of the fourteenth amendment, and I welcome his contribution to this debate.

In connection with the observation of the Senator from Idaho, I desire to cite some of the transactions at the time of the adoption of the fourteenth amendment.

Thaddeus Stevens, of Pennsylvania, reported the resolution. I am sure no one could be any more zealous on this subject than Thaddeus Stevens, of Pennsylvania. He had a right to entertain his views, just as the Senator from Colorado and the Senator from New York have a right to entertain theirs.

Mr. Stevens, in reporting from the Committee on Reconstruction the first section containing the equal-protection clause, used the language I am about to read; and I invoke it here now, back from the land of shades, to contradict and confute the attitude of the Senator from Colorado and the Senator from New York:

The Constitution limits only the action of Congress—

He is speaking now of the original Constitution, and this is a partial answer to the Senator from Virginia [Mr. GLASS].

The Constitution limits only the action of Congress, and is not a limitation on the States. This amendment—

The fourteenth amendment—

supplies that defect and allows Congress to correct—

What?—

the unjust legislation of the States, so far that the law which operates upon one man shall operate equally upon all. Whatever law punishes a white man for a crime shall punish the black man precisely in the same way and to the same degree.

That bears witness to what the Senator from Idaho has said, that the original fourteenth amendment was intended to operate as a limitation upon the acts of the State itself, and not upon individuals. The decisions of the courts following that bear out that statement.

Let me quote James G. Blaine—a man who, as he walked across the stage of public life in America, shed an intellectual luster all about him. What did Mr. Blaine say?

James G. Blaine was a Member of the Congress when the fourteenth amendment was proposed. In his "Twenty Years in Congress" he clearly expresses his view of the purpose and scope of the amendment. These are his words regarding the fourteenth and fifteenth amendments:

Both of those amendments operate as inhibitions upon the power of the State and do not have reference to those irregular acts of the people which find no authorization in the public statutes.

He was thinking of the very things which the Senator from Colorado now says should be prohibited in this bill. Mr. Blaine, who was in the Congress when the amendment was submitted, says that the fourteenth amendment does not confer any power to deal with the irregular acts of individuals which are here sought to be prohibited; that it is purely a limitation upon the power of the States.

Further quoting Mr. Blaine:

The defect in both amendments, insofar as their main object of securing rights to the colored man is involved, lies in the fact that they don't operate directly upon the people.

I should be happy if the Senator from Colorado would listen to James G. Blaine instead of counselors not so wise or so well informed as that great statesman.

The defect in both amendments, insofar as their main object of securing rights to the colored man is involved, lies in the fact that they don't operate directly upon the people, and therefore Congress is not endowed with the pertinent and applicable power to give redress.

James G. Blaine, after he had passed from the stage of public life, while he was writing his Twenty Years in Congress, after the passions and the tumult had passed

away, in setting down for Americans a story of the wonderful period in which he lived, placed there his interpretation of the purpose of and the power of the Government under the fourteenth amendment.

Under that statement of Mr. Blaine, the Senator from Colorado and the Senator from New York can find no authority for this particular legislation.

Mr. President, we are not without the aid of the construction of the courts. The position of myself and some other Senators does not rest only upon the flimsy foundation of our own personal predilections. We have warrant for our attitude in the sanctions of the highest court of this land.

The fourteenth amendment was first exhaustively treated by the Supreme Court in the Slaughter House cases, with which all Senators who have given attention to the law are of course familiar. It will be remembered that in those cases, through a claim based upon the fourteenth amendment, it was sought to overturn an act of the State of Louisiana and administrative acts thereunder seeking to regulate slaughterhouses in and adjacent to the city of New Orleans. It was strongly urged that such acts discriminated against certain citizens theretofore engaged in such business, and therefore were violative of the amendment.

The decision of the Court, one of the really great decisions, in part reads as follows:

> Was it the purpose of the fourteenth amendment by the simple declaration that no State shall make or enforce any law which shall abridge the privileges and immunities of the citizens of the United States (I will add, "Nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the law") to transfer the security and protection of all the civil rights which we have mentioned from the States to the Federal Government? And where it is declared that Congress shall have the power to enforce that article, was it intended to bring within the power of Congress the entire domain of civil rights heretofore belonging exclusively to the States?

That is the question the Court propounds to itself. I may remind Senators that if the Congress has power to pass the bill now being considered, relating to some rights of an individual under the fourteenth amendment, then it has the right to go in and to assert the right to see that every citizen, as to all of his rights—property rights, personal rights, and rights of every other kind—shall be brought within at least the supervision of the Federal Government over State control.

I quote further from what the Supreme Court said, and I ask Senators to listen to the language. I said a moment ago that my construction was that if the action contemplated could be taken with regard to personal injury it could be taken with regard to any other civil right which a citizen might possess. The Court said:

> All this and more—

All this and more!

> All this and more must follow if the proposition of the plaintiff be sound.
>
> For not only are these rights subject to the control of Congress whenever in its discretion any of them are supposed to be abridged by State legislation, but that body may also pass laws in advance limiting and restricting the exercise of power by the States in their most ordinary and usual functions, as in its judgment it may think proper on all such subjects, and still further, such construction would constitute this Court a perpetual censor upon all legislation of the States on the civil rights of their own citizens, with authority to nullify such as it did not approve, as consistent with those rights as existed at the time of the adoption of this amendment. The argument, we admit, is not always the most conclusive which is drawn from the consequences urged against the adoption of a particular construction of an instrument. But when, as in the case before us, these consequences are so serious, so far-reaching and pervading, so great a departure from the structure and spirit of our institutions, when the effect is to fetter and degrade—

I hope the Senator from Colorado will note this—

> When the effect is to fetter and degrade the State governments by subjecting them to the control of Congress in the exercise of powers heretofore universally conceded to them of the most ordinary and fundamental character, when in fact it radically changes the whole theory of the relations of the State and Federal Governments to each other and of both these governments to the people, the argument has a force that is irresistible in the absence of language which expresses such a purpose too clearly to admit of doubt.

What else did the Court say with regard to personal rights? I quote:

> It would be the vainest show of learning to prove by citation of authority that up to the adoption of the recent amendments (thirteenth, fourteenth, and fifteenth) no claim was set up that those rights depended on the Federal Government for their existence or protection beyond the very express limitations which the Federal Constitution imposed on the States, such, for instance, as the prohibition against ex post facto laws, bills of attainder, and laws impairing the obligation of contracts. But with the exception of these and a few other restrictions the entire domain of privileges of citizens of the States, as above defined, lay within the constitutional and legislative powers of the State and without that of the Federal Government.

If at the time this decision was rendered the powers lay without the Federal Constitution, when did they come within the Federal Constitution? No amendment, no change, no modification, no alteration of that instrument with regard to these particular matters has ever taken place. The Supreme Court has said that under the fourteenth amendment no such power exists.

Mr. President, the decision from which I have been reading was in the Slaughterhouse cases. Other cases decided, dealing with legislation enacted shortly after the war between the States, were in point. It will be remembered that the Federal Government enacted legislation known as the "civil-rights bill", which sought to guarantee to all citizens of the United States certain rights which the States had to respect. Cases involving that law went to the Supreme Court. The decisions appear in volume 109 of the Supreme Court Reports, at page 3. What did the Court there hold?

It was clearly and convincingly laid down that the prohibitions of the fourteenth amendment were directed at State action and not individual action; that the denial of "equal protection of the laws" meant denial by the State, that abridgment of privileges of citizens must be made by a State and not by its individual citizens before it could be brought within the denunciation of the Constitution.

It was with like clarity pointed out that denial to colored people of accommodations equal to those furnished to whites by railways, theaters, and hotels was not denial thereof by the State but was denial only by individuals.

Mr. President, I quote a portion of the Court's opinion:

> It is State action of a particular character that is prohibited.

State action, not State inaction, not State failure to do something. In other words, the States must affirmatively do something through its regular agencies, through its legislature, or through its Governor, before the inhibition can be invoked.

> It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment. It has a deeper and broader scope. It nullifies and makes void all State legislation and State action of every kind which impairs the privileges and immunities of citizens of the United States or which injures them in life, liberty, or property without due process of law, or which denies to any of them the equal protection of the law.

In other words, the State must do some act itself which impinges upon the guaranties before the fourteenth amendment has any application. Again quoting:

> To adopt appropriate legislation for correcting the effects of such prohibited State laws—

The Congress under this decision has only the power to enact such legislation as may nullify or render ineffective State law which violates the guaranty which is secured by the fourteenth amendment.

> To adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts and thus to render them ineffectually null, void, and innocuous. This is the legislative power conferred upon the Congress, and this is the whole of it.

Mr. President, I should like to have that language of the Supreme Court set down in the RECORD, and I should like to have it engraved there, with a border around it, so the Senator from Colorado and the Senator from New York, who is so interested in this legislation that he comes into the Senate

and reads a prepared address and then immediately leaves, should be forced to see it. He will never hear it by listening to the Senator from Texas nor will he read his remarks in the RECORD. I should like to have it emblazoned there so that, in turning the pages of the RECORD, he could not fail to see it. This is what the Supreme Court said:

To adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts and thus to render them ineffectually null, void, and innocuous. This is the legislative power conferred upon the Congress, and this is the whole of it.

The Supreme Court of the United States says that the only power which Congress possesses under the fourteenth amendment is the power to pass Federal legislation making ineffective, innocuous, and void such acts of the State legislature or of the governor as are in violation of the fourteenth amendment. Mr. President, when that is all the power which is possessed, whence comes this marvelous power to enact the proposed bill? What law of a State is being complained of here? I challenge the Senator from Colorado, I challenge the Senator from New York to go and search the statutes and the constitutions of all the States in the Union and bring back a statute which violates the fourteenth amendment. Of course, not only the courts but the Congress would have the power to make such statute ineffective and void. The Supreme Court says that that is the whole power which the Congress possesses.

I will quote further from the Supreme Court, and I hope some of the Senators who are so deeply concerned with this legislation might listen. The Senator from Colorado has departed.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Texas yield to the Senator from Arkansas?

Mr. CONNALLY. I yield.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Radcliffe
Bachman	Costigan	La Follette	Robinson
Bailey	Couzens	Lewis	Russell
Bankhead	Cutting	Logan	Schall
Barbour	Dickinson	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Bilbo	Donahey	McAdoo	Shipstead
Black	Duffy	McCarran	Smith
Bone	Fletcher	McGill	Steiwer
Borah	Frazier	McKellar	Thomas, Utah
Brown	Gerry	McNary	Townsend
Bulkley	Gibson	Metcalf	Trammell
Bulow	Glass	Minton	Truman
Burke	Gore	Moore	Vandenberg
Byrd	Guffey	Murphy	Van Nuys
Byrnes	Hale	Murray	Wagner
Capper	Harrison	Neely	Walsh
Caraway	Hastings	Norris	Wheeler
Carey	Hatch	O'Mahoney	White
Clark	Hayden	Overton	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. CONNALLY. Mr. President, when interrupted, I was quoting from the decision of the Supreme Court in the civil-rights cases. I shall continue that quotation. This is the language of the Court:

It is absurd to affirm that because the rights of life, liberty, and property (which includes all civil rights that men have) are by the amendment sought to be protected against invasion on the part of the States without due process of law, Congress may therefore provide due process of law for their vindication in every case.

The Supreme Court says that such a contention is absurd. Quoting again:

And that because the denial by a State to any persons of equal protection of the laws is prohibited by the amendment, therefore, Congress may establish laws for their equal protection.

The Supreme Court, in the civil-rights cases, held that the guaranty was as against acts by the States and that it was absurd to contend that under that guaranty the Federal Government could take over the jurisdiction of vindicating the rights of the citizen in individual cases.

Quoting again:

If this legislation is appropriate for enforcing the prohibitions of the amendment, it is difficult to see where it is to stop. Why may not Congress with equal show of authority enact a code of laws for the enforcement and vindication of all rights of life, liberty, and property? If it is supposable that the States may deprive persons of life, liberty, and property without due process of law, and the amendment itself does suppose this, why should not Congress proceed at once to prescribe due process of law for the protection of every one of these fundamental rights in every possible case, as well as to prescribe equal privileges in inns, public conveyances, and theaters?

Mr. President and Senators, the Supreme Court has spoken again in a famous decision with respect to the fourteenth amendment. In *Barbier* v. *Connally* (113 U. S. 27), Mr. Justice Field, in vigorous fashion, announces this doctrine:

The fourteenth amendment, in declaring that no State "shall deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws", undoubtedly intended not only that there should be no arbitrary deprivation of life or liberty or arbitrary spoliation of property but that equal protection and security should be given to all under like circumstances in the enjoyment of their personal and civil rights; that all persons should be equally entitled to pursue their happiness and acquire and enjoy property; that they should have like access to the courts of the country for the protection of their persons and property, the prevention and redress of wrongs, and the enforcement of contracts; that no impediment should be interposed to the pursuits of anyone except as applied to the same pursuits by others under like circumstances; that no greater burdens should be laid upon one than are laid upon others in the same calling and conditions; and that in the administration of criminal justice no different or higher punishment should be imposed upon one than such as is prescribed to all for like offenses. But neither the amendment—

It is Justice Field of the Supreme Court speaking—

But neither the amendment, broad and comprehensive as it is, nor any other amendment, was designed to interfere with the power of the State, sometimes termed its police power, to prescribe regulations to promote the health, peace, morals, education, and good order of the people.

Mr. President, an examination of these epoch-making decisions of the Supreme Court should convince any searcher for the truth that the first section of the fourteenth amendment applies only to State action and is a prohibition on State action alone; that it does not add to the rights of individuals against other individuals. This bill deals with individuals. It seeks to hold responsible private individuals for individual acts, whereas the whole theory and basis of the fourteenth amendment is that it acts upon the States and upon State action; and that it does not authorize the Federal Government to invade the domain of rights for whose protection the citizen must look to the State and to prescribe the character or the degree of protection to be vouchsafed such rights.

These decisions announce the doctrine that, so long as the State does not itself by some State action deny equal protection of the laws, the Federal power cannot be invoked, and, in the event of such denial by a State, only that degree of Federal power sufficient to correct the action of the States in violation of the amendment may be invoked. The only affirmative Federal right created by that part of the fourteenth amendment is the right to be exempt from discriminatory action on the part of the State.

Such is the general scope and purpose of the amendment. But to demonstrate that it affords no basis for the pending measure, it will be proper to address our attention to its various sections, because in its revolutionary provisions it seeks to cover a wide territory.

Mr. President, this bill, in its first section, provides—

That the phrase "mob or riotous assemblage" * * * shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person in the custody of any peace officer or suspected of, charged with, or convicted of the commission of any crime.

By what process of reasoning does it become murder because three men kill another and not murder when two men kill another? On what theory is it suggested that the Gov-

ernment should step in and condemn a crime when committed by three men and should refuse to step in when the same crime has been committed by two men?

Mr. President, in order for this bill to be invoked it is provided that the person assaulted or injured, in one case at least, must be in the custody of a peace officer, or he must be suspected of a crime or charged with or convicted of a crime. Is it giving equal protection of the law to the innocent man who is charged with no crime, who has committed no crime, who has not been arrested and charged with a crime to say that if he is assaulted, if he is attacked by a group of three or more and his life is taken or he is injured, the Federal Government will not step in, whereas if he is charged with a crime, if he has been convicted, the Federal Government will step in and bring him under the ægis of its protection? Is it equality of treatment under the Constitution to give a greater degree of protection to one who has violated the laws of his State, who stands charged with a heinous crime, perhaps, and to deny that same degree of protection to the man whose hands are innocent of his neighbor's blood and whose soul is unspotted by the commission of any crime?

The Senator from Colorado and the Senator from New York say it is not their purpose to include within the provisions of the bill a denunciation of a crime if committed in a labor dispute. Let us see what is the situation the Senators have thus presented.

A man working in a factory, or in a shop, or on a railroad, working to gain a livelihood for his family, committing no crime except the crime of working, is assaulted in a labor dispute by a group of more than three men. His life may be taken, or he may suffer bodily injury. Under the terms of the bill the Federal Government would not step into the case. The Senator from Colorado says the Government should not step into the case. The Senator from New York says the Federal Government should not interfere.

However, if those individuals are not engaged in a labor disturbance, if they are acting through malice or passion, if they are acting through the compelling motive of some private grudge, and three or more of them assault or attack another private individual or kill him, then the Federal Government would step in, hail them into court, and try them under the terms of the bill.

Mr. President, the bill does not content itself with making it a crime for individuals who may come within its terms, but it brings within the condemnation of the court the county in which the offense may be committed. It also brings within the compass of the bill's denunciation the county into which those who are guilty may take the victim. Is it fair or is it just to the innocent taxpayers of a county, who may be in nowise guilty of any offense under the bill or under the State law, to have their county penalized by the assessment of fines and of money penalties because certain lawless individuals may take the life of another individual or may inflict bodily injury upon him?

Our theory of government is that the Federal Government is supreme within its own sphere of action and that the State government is supreme within its sphere of action. When did it become constitutional for the Federal Government to drag into a Federal court a subdivision of a sovereign State and lay heavy penalties upon it? If that be constitutional, then we may try a State in a Federal court, because if we can try one subdivision of a State we can try all the subdivisions of the State, and all the parts being equal to the whole, under the theory of the Senators who offer the legislation the Federal court could arraign at the bar a great sovereign Commonwealth and lay upon it penalties and forfeitures because it had not complied with some Federal rule of action.

How would the fathers who wrote the Constitution and those who took part in the early history of the Republic view any such doctrine declared here in the Senate of the United States?

Mr. President, this is a time in which, beyond the borders of the Capitol, we hear many threats against our form of government. We hear those who would change its structure and perhaps destroy it. Others would modify and revise our institutions. Daily and nightly over the radio and in the public forums we hear various groups of doctrinaires who, taking advantage of public dissatisfaction and of unrest among the body of our people, propose their curious nostrums and their new remedies for the ills which they conceive to be besetting us at this time.

I am not surprised to hear those demands beyond the Capitol but, Mr. President, it is alarming when we have other revolutionary doctrines proclaimed here upon the floor of the United States Senate itself. When Senators rise in the Senate and advocate radical departure from the judicial and political policies of the past, it causes me more disturbance than all the wails and outcries by these misguided and misguiding prophets of evil beyond the precincts of the Capitol.

Mr. President, I do not stand on the floor of the Senate or anywhere else to defend lawlessness or lawbreaking. I deplore lynching as much as does the Senator from New York and as much as does the Senator from Colorado. I am opposed to murder in any form, no matter whence it may come.

Yesterday the Senator from Colorado cited the fact that there are 11 States in the Union which have antilynching laws. In that list the name of Colorado does not appear. In that list the name of New York does not appear. There can be no question of the constitutional power of the State of New York to enact an antilynching law. There can be no question of the power of the State of Colorado to enact such a measure. I am wondering why these distinguished Senators, these eminent lawyers, versed in the constitutional law and history of the United States, have not exerted themselves and devoted their efforts and their labors to securing the enactment by the State of Colorado of an antilynching law? Why has the great sovereign State of New York, standing with its shoulders high above the other States in wealth and population, under its acknowledged powers at the present time enacted no antilynching law? Is it any less a crime if the act should be committed in New York than if it should be committed in the State which I, in part, represent? Is there any sanctity which goes with the soil of Colorado which makes an act good in Colorado and a crime in another jurisdiction?

I submit these suggestions only for the benefit of those who, like myself, are against the violation of law everywhere and at all times.

Mr. President, I believe the enactment of this bill by the Federal Congress would not be of benefit in the eradication of the lynching evil. I believe we have been making progress toward the abolition of lynching; indeed, I know we have been making progress in the section from which I come. As the years go by, as a rule, though there may be some exceptions, the number of lynchings is becoming smaller and smaller. Why is that true? It is because the people are becoming educated to abhor lynching. It is because local officers are having a higher sense of their responsibilities, and the people are holding them to a higher degree of accountability for the discharge of the functions of their offices, one of which, of course, is to protect any man in the custody of an officer.

This is a problem which is not going to be corrected by any mere edict which may be issued here in the Congress. We are making rapid and substantial progress in overcoming the evil of lynching.

Mr. President, last year in the 48 States of the Union only 14 persons were lynched. That is 14 more persons than I wish had been lynched. God knows, I abhor lynching. Fourteen persons in 48 States were lynched; and yet the other day at Rockville a train, plunging along in the darkness, struck a bus and wiped out 14 lives at once—14 human lives—as many in that one accident as were lynched in all the 48 States in an entire year.

Mr. President, I believe the Senator from New York and the Senator from Colorado, however noble their purpose, however benevolent their emotions, are misguided in pressing for the adoption by the Federal Government of this revolutionary method of judicial determination over mat-

ters never heretofore within the jurisdiction of the Federal Government. Let me point out to them and warn them that the possibilities of this policy are not all comprised within the present bill. We know how, when Congress once embarks upon a new departure or a new policy, it is ever thereafter cited as a precedent for the growing and the spreading and the aggressive advancement of that doctrine. Let me suggest to the Senators that if such a bill shall be enacted by the Congress it will not be long until there will be before the Congress other interests seeking to modify and expand the provisions of this bill. There will be those who will come here and advocate that the Federal Government shall see that in every State of the Union there shall be equal laws with respect to marriage and with respect to divorce, and that under the fourteenth amendment to the Constitution, which guarantees equality of treatment of all citizens, the Federal Government shall go into the States and see that those laws are according to the pattern and the standard of the Federal Government.

The Senator from Colorado and the Senator from New York today protest that this bill cannot be turned into an instrument by which labor unions or their members can be brought before the Federal courts. If not under its present terms, there will come a time when there will be those who will urge that in order to oust local prejudices, in order to have an impartial arbiter step into the various States and localities, the Federal Government alone can perform those functions, and that in every labor dispute or labor clash the Federal Government shall take jurisdiction in the Federal courts.

Mr. President, there is equal argument, equal authority of reason, equal warrant of logic for that sort of a course as there is for the course to which the Senator from New York and the Senator from Colorado now invite us.

I wish to say that over the years we have made, and we are continuing to make, rapid and splendid improvement with respect to the question of lynching. Last year there were only 14 cases. The year before there were 20, showing an improvement, of course, during 1934. In 1932 there were only 8 cases in the entire United States. How many gang murders were there? How many men were killed in other violent clashes? Many, many times as many as were killed by lynching.

Mr. President, why should the criminals in Chicago, who lined up some seven or eight other gangsters against a brick wall and shot out their lives, go free of this measure? Why should the Federal Government withhold its punishment from those individuals, and yet in some other similar circumstances, because three men act together, bring them into the Federal courts?

Those of us who come from a certain section of the Republic deserve the sympathy of Senators and Representatives from other sections rather than their attitude of hostility. We come from a territory which has problems that you do not have in the same degree, but which you no doubt will have. We have struggled for years with their burdens and with their baffling aspects, and we are trying to meet our responsibilities as citizens of the Republic and as citizens of our States. We hope the Senate will not take up this measure, because we firmly believe not only that it is beyond the power of the Congress, under the Constitution, but that if it were within the constitutional powers of the Congress it would be an unwise course; that it would bring upon us distresses and evils worse than the evils from which the Senators now seek to flee.

Mr. President, again I desire to leave in this RECORD my utter condemnation of lynching anywhere and everywhere. As a citizen of this Republic, I accord to every other citizen of the Republic the same right which I claim for myself; but I do demand that every other citizen give to the Constitution and to our Government the same measure of allegiance and loyalty that he requires of others. I believe it is a short-sighted policy, under the stimulation of expediency, under the plea of some specious theory of necessity, to ask that we shall so twist and contort our conceptions of constitutional powers as to evade the provisions of the Constitution rather than to assert and uphold them.

Mr. President, if the Senator from Colorado and the Senator from New York did not themselves entertain serious doubts as to the constitutionality of this measure, why did they spend practically all the time of their discussion in seeking to assert and to establish and vindicate the constitutionality of the measure?

I hope we shall not always be afflicted with the spectacle of Senators and Representatives seeking and devising and scheming and plotting how they can draw legislation so as to go around the Constitution, or under the Constitution, or over the Constitution, rather than that we shall have a House and a Senate whose Members consult the Constitution and desire to enact legislation according to its terms and its provisions, observing its limitations as well as its powers.

Mr. President, it is my view that this bill is unconstitutional. It is my view that it involves an unsound, an unwise departure from the historic policies and traditions of this Republic. So believing and holding such views, I earnestly insist that the Senate of the United States should not, at this juncture of public affairs, delay the consideration of other important legislation of an emergent character to take up and discuss the measure which is the subject of the pending motion.

This is not a new problem. We are advancing and coming closer to a solution as each year rolls around. On the other hand, there are awaiting the action of the Senate and of the House many bills of Nation-wide importance, measures which affect not merely 14 individuals in America but 125,000,000 of our fellow citizens. There awaits action on the extension of the N. R. A. There awaits action on the adjusted-service-certificate bill. The Senate will soon be called upon to enact legislation relating to employment insurance and to old-age pensions.

Mr. President, which is of the greater importance—to do something to afford employment insurance for the great army of Americans who are marching the streets with their hands empty of the implements of toil and of trade, who are without the means of livelihood, or to enact foolish and unwise legislation which might possibly affect a dozen persons within the United States? Which is of more importance—to provide pensions for those who are approaching the period of life when they can no longer provide the necessities of life for themselves and their families or to grieve and mourn over legislation of this character, which can affect only the families of those who have already departed?

Mr. President, I appeal to the Senator from New York, I appeal to the Senator from Colorado, not to consume the time of the Senate by pressing upon it this motion to take up the bill of which they are the authors. I appeal to them not to postpone to the great body of American veterans action on legislation in which they are interested. I appeal to the Senator from New York not to postpone the consideration of his own N. R. A. bill by fruitlessly consuming the hours of the Senate in discussing this motion on such legislation. I appeal to these Senators, and to others, not to fritter away the time of Senators who desire to give consideration to these other measures.

Mr. President, if this were a matter which, according to my conception, was within the constitutional warrant under which Congress may act, the situation would be quite a different one, but, frankly, I believe even then such a course as is urged would be filled with folly.

For almost 150 years we have lived under the Constitution of the United States. During that time we have allowed to the States those things which belonged to the States, and to the Federal Government those things which fell within its jurisdiction under the Constitution itself. We have advanced under the great, guiding direction of the Constitution from a people of three or four million to a great nation of 125,000,000. We have progressed from a narrow little strip of colonies along the Atlantic Coast to a great Republic which reaches westward 3,000 miles, to touch the waters of another sea.

Mr. President, we have stretched our borders from the Atlantic seaboard, through the Louisiana Purchase, out to the great territory of the Northwest. Through annexation of

the Republic of Texas, and other acquisitions of territory as a result of the War with Mexico, our domain and empire have reached out to kiss the waters of the Pacific, and have extended along its shores to where they meet the waters of the Columbia.

We have advanced from a poor, humble, and obscure Republic until today we occupy, perhaps, the place of greatest eminence in all the family of the nations which rule this revolving globe of ours.

Have not our people prospered under our system? Have not the institutions of the United States come to be admired, imitated, and, I might say, adored, by the people of every section of the earth who have aspired to self-government and republican institutions?

My plea to Senators today is to leave this old system of ours alone. Let the Federal Government retain jurisdiction over the things which are Federal. Let the States, within their sovereign powers, control the things which belong to the States.

The Supreme Court of the United States has repeatedly said that such powers as those sought to be granted under the bill we are discussing fall within the exclusive jurisdiction of State authority. Let us leave them there. Let us leave intact the balance between the Federal and the State authority. Let us teach the citizens of the State that responsibility goes with power and authority, and let us strengthen those ideas of responsibility. Let us give greater fiber and toughness to the campaign of education which has already made such a great advance, and we shall in time, as nearly as any people can meet any question, as nearly as any people can be perfect in any regard, solve most of the evils at which the bill is supposed to be directed.

Mr. BARBOUR. Mr. President, I am anxious to say a word in behalf of Senate bill 24, the so-called "Costigan-Wagner antilynching bill." I am whole-heartedly in favor of this proposed legislation, for lynching is nothing more than mob murder. It is an anarchistic assault on sovereignty, and represents a temporary overthrow of the State government. President Wilson characterized lynching as vitally affecting the "honor of the Nation and the very character and integrity of our institutions." Under those circumstances, I believe the Federal Government has a right, indeed, a duty, to step in and to assure that the rights guaranteed under the Constitution shall be preserved.

I cannot bring myself to feel any sympathy in this instance for those who rest their opposition to the antilynching bill on the question of State rights, greatly as I believe in the preservation of State rights. I believe that it is demonstrable that those States in which this issue is more frequently raised are the same States which are leaning most heavily on the Federal Government for financial assistance in meeting the ravages of the depression in their cases. It seems to me that if these States are willing that the Federal Government should assume by far the greatest responsibility in taking care of their unfortunate, that they should not be too insistent on denying the constitutional rights of court trial and ordered justice to their own citizens. I have before me a table showing the proportion of Federal aid to a number of these States, many of whose representatives are the most vigorous in opposing the antilynching bill, and I ask unanimous consent that it be printed in the RECORD at the conclusion of these remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal Emergency Relief Administration, obligations incurred for emergency relief[1] from all public funds by State and local relief administrations in 13 Southern States, by sources of funds, January and February 1935

[As reported to the Federal Emergency Relief Administration[1]

States	Total obligations incurred	From Federal funds		From State funds		From local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Alabama:							
January	$1,854,351	$1,769,016	95.4			$85,335	4.6
February	1,716,905	1,576,526	91.8			140,379	8.2
Arkansas:							
January	1,784,394	1,687,092	94.5	$20,197	1.1	77,105	4.4
February	1,820,997	1,755,430	96.4	9,242	.5	56,325	3.1
Florida:							
January	1,637,083	1,637,083	100.0				
February	1,276,795	1,276,795	100.0				
Georgia:							
January	2,428,363	2,343,242	96.5			85,123	3.5
February	2,470,571	2,359,703	95.5			110,865	4.5
Kentucky:							
January	1,824,073	1,437,273	78.8	239,174	13.1	147,629	8.1
February	1,672,212	1,456,853	87.1	2,614	.2	212,745	12.7
Louisiana:							
January	2,371,703	2,328,752	98.2			42,956	1.8
February	2,026,281	1,980,660	97.7			45,621	2.3
Maryland:							
January	1,924,491	1,852,872	96.3	10,893	.6	60,726	3.1
February	1,790,653	1,754,989	98.0	7,884	.4	27,780	1.6
Mississippi:							
January	1,383,017	1,334,658	96.5	24,486	1.8	23,873	1.7
February	1,239,750	1,216,176	98.1	2,623	.2	20,951	1.7
North Carolina:							
January	1,761,484	1,740,293	98.8			21,191	1.2
February	1,437,205	1,431,866	99.6			5,339	.4
South Carolina:							
January	1,353,586	1,323,226	97.8			30,360	2.2
February	1,271,198	1,246,591	98.1			24,607	1.9
Tennessee:							
January	1,618,027	1,553,104	96.0	41,667	2.6	23,256	1.4
February	1,716,909	1,673,016	97.5	41,667	2.4	2,226	.1
Texas:							
January	6,010,544	5,128,979	85.3	881,016	14.7	549	(2)
February	5,978,194	5,293,782	88.6	684,412	11.4		
Virginia:							
January	1,178,262	1,081,514	91.8	1,575	.1	95,173	8.1
February	1,105,191	1,034,999	93.7	279	(2)	69,913	6.3

[1]Includes obligations incurred for relief extended under the general-relief program, under all special programs, for administrations, and for purchases of materials, supplies and equipment, rentals of equipment (such as team and truck line), earnings of nonrelief persons employed, and other expenses incident to the work program.
[2]Less than one-twentieth of 1 percent.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

BEQUEST OF OLIVER WENDELL HOLMES

Mr. ROBINSON. Mr. President, I understand that there is on the desk a message from the President of the United States. I ask that it be laid before the Senate.

The PRESIDING OFFICER (Mr. MCGILL in the chair) laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the Library, as follows:

To the Congress of the United States:

The Congress is aware that Mr. Justice Holmes bequeathed his residuary estate to the Government of his country. It is the gift of one who in war and in peace devoted his life to its service. Clearly he thereby sought, with a generous emphasis, to mark the full measure of his faith in those principles of freedom and justice which the country was founded to preserve.

I shall, I think, be interpreting aright the feeling of the country and the wishes of the Congress if I suggest that this striking gift be devoted to some purpose worthy of the great man who gave it. Mr. Justice Holmes was fond of saying that we live by symbols. Our fellow citizens of this generation would, I am confident, desire the Congress to translate this gift into a form that may serve as a permanent impulse for the maintenance of the deepest tradition that Mr. Justice Holmes embodied.

That tradition was a faith in the creative possibilities of the law. For him law was an instrument of just relations between man and man. With an insight into its history that no American scholar has surpassed; with a capacity to mold ancient principles to present needs, unique in range and remarkable in prophetic power; with a grasp of its significance as the basis upon which the purposes of men are shaped, Mr. Justice Holmes sought to make the jurisprudence of the United States fulfill the great ends our Nation was established to accomplish. Our generation will not soon forget, as the learned the world over will long remember, his extraordinary achievements as judge, as historian, and as philosopher of the law.

The Congress will, I am sure, agree that it is fitting to utilize this opportunity to remind those who will come after us of our sense of the eminence of Mr. Justice Holmes. In so doing we do not merely commemorate the distinction of an American to whom the whole world has paid tribute. We also mark for posterity our pride in his faith in American democracy, his confidence in the power of our legal institutions to realize, when rightly used, the highest American ideals. Posterity which learns the significance of a life such as that of Oliver Wendell Holmes, Jr., draws inspiration from its understanding.

I therefore commend to the Congress that the bequest of Mr. Justice Holmes be not covered into the general fund of the Treasury but that it be set aside in a special fund at this time, and at a later date be devoted to purposes which will effectively promote the contributions which law can make to the national welfare. Once it is decided that the Holmes bequest be set apart for special use the precise object may await ample deliberation. A select committee of the Congress, acting in collaboration with a committee of the Supreme Court of the United States, will doubtless evolve the wisest uses to which this noble bequest should be put.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 25, 1935.*

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN to proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. BAILEY obtained the floor.

Mr. TRAMMELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Brown	Capper
Ashurst	Barkley	Bulkley	Caraway
Austin	Bilbo	Bulow	Carey
Bachman	Black	Burke	Clark
Bailey	Bone	Byrd	Connally
Bankhead	Borah	Byrnes	Coolidge
Copeland	Harrison	McNary	Schwellenbach
Costigan	Hastings	Metcalf	Sheppard
Couzens	Hatch	Minton	Shipstead
Cutting	Hayden	Moore	Smith
Dickinson	Johnson	Murphy	Steiwer
Dieterich	Keyes	Murray	Thomas, Utah
Donahey	King	Neely	Townsend
Duffy	La Follette	Norris	Trammell
Fletcher	Lewis	O'Mahoney	Truman
Frazier	Logan	Overton	Vandenberg
Gerry	Lonergan	Pittman	Van Nuys
Gibson	Long	Pope	Wagner
Glass	McAdoo	Radcliffe	Walsh
Gore	McCarran	Robinson	Wheeler
Guffey	McGill	Russell	White
Hale	McKellar	Schall	

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. BAILEY. Mr. President, the pending bill proposes to extend the power of the Federal Government to the supervision of the administration of the criminal laws in the several States. I wish to dwell upon that sentence. It is proposed here, in the Congress of this Republic, so far to depart from all conceptions heretofore entertained concerning the character of the Republic, the limitations upon its powers, and the rights of the States, that we calmly consider a measure the avowed purpose of which, in plain language, is to extend the Federal power to the supervision of the execution or administration of criminal laws in the several States.

It is unnecessary for me to say, Mr. President, that when the Republic was created and the Constitution formed there was not one human being in all the land who dreamed that, in the remotest degree, such a proposal would ever be made in the Congress of the United States.

I say with some pride, but with nothing of invidious spirit, that I have the honor to represent a Commonwealth which was in existence before the Republic of the United States was created. North Carolina was a State before the United States was a political entity.

While the Constitution begins in its preamble, "We, the people of the United States", the character of the Convention and the signatories to the Constitution very clearly leave no doubt of the fact that the Thirteen Original States created this Union. They were creators and they are not creatures. They have their rights duly reserved. Although they have been limited in one way or another from time to time they still consider their rights as sacred, and I myself, as a Senator from the Commonwealth of North Carolina, consider it my highest duty, not only under my oath here, to preserve and maintain the Constitution, but under the obligation of the great trust reposed in me by the people of North Carolina, to see to it that all the rights which remain shall be preserved, so far as I am capable of seeing to it.

I am not going to argue on this occasion the constitutional aspects of this question. I do intend, if this debate shall be prolonged, to make a careful review of the cases, and on a subsequent occasion frankly to discuss the constitutional aspects of the question.

I shall be content to say now that the Constitution is the supreme law of the country and is the law of the Senate. We may change our laws. We may repeal the laws which are and create new laws, but we have no power to change the Constitution. It is the contract between the Union and the States; also the contract between the Union and the people.

Mr. GORE. We can mob the Constitution.

Mr. BAILEY. The junior Senator from Oklahoma [Mr. GORE], my honored friend, who has a long seniority here in many ways, who sees much more deeply than any others of us here—and I thank God for his sight—suggests that we may "mob the Constitution." I hope not, Mr. President. We may assault it, but the Constitution will be here when all those who would "mob" it are dissolved into the dust from which they came, and who by the dissolution dishonor the ordinary earth in which they are buried.

The Constitution is the law of the Senate and the law of the Senators. Thus far and no farther shalt thou go. I have always been deeply impressed with the fact that when one presents himself here with his certificate from his State, the door is still closed upon him and he has no seat, he has

no voice, he has no vote until, with uplifted hand, he has taken oath before the God of the nations that he will protect, maintain, and uphold the Constitution of the United States.

That is the essential, that is the final consummation in the creation of a Senator. Without it he cannot be a Senator. That is written into the bond of the national life, to protect the people in their rights from ignorant men who might get here, from designing men who might usurp power here. That is also to protect the rights of the States of the Union in the powers reserved to those States. That is written and that is recorded also in order to define the limits and to express and determine the powers of the great Central Government which we call the Federal Union. Knowing the power of government, the people limited this one by a solemn covenant between it and themselves.

Mr. President, I read with some care the address on yesterday of one of the coauthors of the proposed legislation, the Senator from Colorado [Mr. COSTIGAN]. With all tolerance, and of course with all respect, I cannot conceive how an American citizen could get out of this scene in which we have lived and this history since 1789—how he could have lived in America and believed that the Federal Union could be given power to supervise the administration of criminal law in a sovereign State.

I said I was not going to speak now on the constitutional aspects. I am not going to speak on the proposed legislation from the standpoint of race or section. I come from the South. If I had to be born a million times I should pray that I might be born in the South. I come from a Southern State, with a southern experience. If I had a thousand fates, Mr. President, I should like for each of them to be cast in the State in which I have been cast. I am glad I am a son of a Confederate soldier. I am glad that he and his little family—myself born 8 years after the surrender—lived through the long and trying period that followed. It was bad enough; but there is a heritage in it, an unspeakable heritage. I would not have it otherwise. I would not exchange it.

I am glad that my lot was cast in a land in which I was thrown in contact with those whom we call the "colored people." There are some of them who prefer to be called "Negroes", and I could not quarrel about that. I believe most of them would prefer to be called "colored people." Certainly, as I use the expression, I do not use it with any intention to wound their feelings but only to speak in the terms which have been common between themselves and myself this long time.

I have no prejudices against the colored people. I have nothing but good will for the colored people. I have no other feeling in my heart but a desire to help the colored people. They are human beings, made in the image of God, entitled to human sympathy and to human help.

My State has no prejudices against the colored people. We had a terrible conflict in North Carolina in 1898 in which we undertook to settle a very essential question there, and for a period the races were in a way marshaled one against another. We nominated a great man for Governor on the Democratic ticket, Charles B. Aycock. His monument is here in the rotunda. His monument is on the capitol grounds at Raleigh. When he received his nomination at the hands of his party, I was present. He said:

> Now we are going to have white supremacy in North Carolina. We are going to pass the constitutional amendments. We are going to take charge of this Commonwealth.

Then he lifted his hand to heaven and said:

> God helping us, I swear you all that with regard to the colored people of this Commonwealth we will execute judgment in righteousness!

That is the spirit of North Carolina. We have executed judgment in righteousness. The courts in my State are just to the colored man as they are to the white man. I would not offend my good friends the Senator from New York and the Senator from Colorado, but insofar as a Senator courteously may resent an imputation I resent the imputation on the face of this bill that my State is not capable of executing judgment in righteousness with respect to the humblest, the most miserable representative of either the white or the colored race; and I observe with some pride, but with no disposition to offend or to be unkind, that my State has a law against lynching and against mobs, while the State of New York and the State of Colorado do not have such laws. With all due respect, these Senators might sweep before their own doors before they undertake to bring a Federal mob across the threshold of the courts of justice in the Commonwealth of North Carolina.

Mr. President, this bill is not going to pass. I do not wish to be arrogant about that, or to seem to be arrogant; but it is not going to pass. We will be here all summer; we will fight it out on this line, as General Grant said, if it takes all summer. We are not going to permit the power of the Federal Government to be extended over the administration of the criminal laws in the Commonwealth of North Carolina; and that is no threat. There is a way. We will speak night and day, and if the authors of the bill charge us with responsibility for delaying the consideration of the present program, I will put so much of it upon them as I think I can, but all that I cannot I will take, and I will not flinch about it.

This matter transcends a great many matters that we have considered important. It transcends race, and it transcends section. It strikes directly at the heart of American civilization. It divides, in terms that I could almost welcome, the course which has been more or less of a misty character here of late. We will either preserve the rights of the States, or we will go ahead and extend the Federal power, as has been sought, first by way of stretching the interstate-commerce clause, as Senators will bear witness, by the use of subtle words, by way of "affecting" or "in anywise relating to" interstate commerce, and that sort of thing, until we have a Federal supervision over every civil activity in America, and then complete the transformation not with the camel's nose but with the camel itself—the camel of Federal control over the administration of the criminal laws of the Commonwealths of this country.

Mr. President, that is a battle worth fighting. Without at all seeming to be heroic, that is a battle worth dying in; and, to be perfectly candid, that is a battle worth fighting out if we have to be here until the Congress meets again in January 1936. That is fair notice.

I had a little note down here on my pamphlet by way of memorandum, "The South believes in law." I shall not argue it. I would no more argue that than I would argue my own character. One of the Senators said here just now that he was opposed to mob law. Without reproaching him, if anybody wishes to interpret my attitude here in opposition to this bill as indicating that I am for mob law, he is welcome to do it, but he will not do it in my presence. There are things not to be argued, not to be pleaded. I have no apologies, no defenses, to make. I know where I stand on this matter, and I know my feet are on the solid rock of the character of the American Republic and the character of the Commonwealth of North Carolina.

Again, Mr. President, there is no necessity for this proposed legislation even if it were tolerable. There is no justification for it, and I have the facts here which will show it. I can almost believe the facts would convince my distinguished and honored friend the junior Senator from the State of New York [Mr. WAGNER], who sits beside me. I lay it down as an incontrovertible proposition that there is no justification in the facts for any such law, even conceding it to be constitutional and not abhorrent to our hearts.

Now let me read you the facts.

I have here a statement, not prepared under my authority but under the authority of the Tuskegee Institute of Alabama, the institution made famous by Booker Washington, and now presided over by Dr. Moton. I wrote to him to tell me the truth about all this matter. I did not take the information from what might be called "the white man's side"; I let the institution representing the Negro race in the South give me the facts. Let us see what they are.

This is headed "Lynchings, whites and Negroes, 1882–1934. (Revised report, Jan. 7, 1935.)"

In 1882 there were 64 whites lynched in the United States and 49 Negroes, making a total of 113.

In 1885, 110 whites were lynched and 74 Negroes, making a total of 184.

Mr. GORE. The Senator skipped 1883 and 1884.

Mr. BAILEY. I have a table showing the numbers down to date, and I shall ask to have it printed in the RECORD, but in the interest of time I am just running along to show the general trend.

In 1890, 11 whites were lynched and 85 Negroes, or a total of 96.

There was a great drop for some reason from 170 in 1889 to 96 in 1890.

In 1893, 34 whites were lynched and 117 Negroes, making a total of 151.

In the year prior to that, strange to say, there were 231 lynchings—69 whites and 162 Negroes. The peak figure was in 1892.

Eight years in the other century and 34 in this makes 42 years, and in all those 42 years—and I will ask Senators to watch the figures—the record shows lynchings as follows:

1892	231
1893	151
1894	192
1895	179
1897	158
1902	92
1903	99
1904	83

Let us take the decade of 1920:

1920	60
1921	62
1922	57
1923	33
1924	16
1925	17
1926	30
1927	16
1928	11
1929	10
1930	21
1931	13
1932	8
1934	15

If the American people had made as much progress about everything else as they have made about this, there would be no necessity for any laws about any of the things about which we have been legislating.

Mr. FLETCHER. Do those figures cover the whole country?

Mr. BAILEY. I have been giving the figures as to the whole country.

Remember my point: there is no necessity for legislation in this matter. Where civilization is moving forward as rapidly as is shown, there is every reason to fear that if the American Congress interferes with a progress as beneficent and as constant as that, there will be a back step that will cost us 50 years in progress.

Mr. President, I submit that thought to the Senate. I am arguing now the merits of the question. Why should there be a demand for the Federal Government to put upon us such a law as is proposed—and I shall expound the bill before I get through; it will never be a law—why should the Government put upon us such a bill as this when, beginning with 211 lynchings in 1884, when I was 11 years of age, the number dropped to only 8 in 1931, and to only 15 in 1934? Why should anybody be enacting laws to hasten a progress as fine as that within one lifetime?

Let Senators figure it up themselves. There were 15 lynchings last year, in a population of 126,000,000 people. That is all there were. I say to the Senate that in the same period there have been 15 of every sort of thing in the United States. If we are to enact a Federal law to put an end to a condition under which there were 15 lynchings amongst 126,000,000 people in 1 year, then we will have a lot of Federal laws to enact.

Mr. President, I am not defending lynching. I have not the slightest disposition to defend lynching. My record is well written about that matter; but I am not going to argue it. If anyone wishes to think that I am capable of defending lynching or mob law, I shall not do him the honor even to deny his charge, and I shall not do myself the dishonor to defend against his accusation, but shall take it out in despising him with the contempt which he deserves.

Mr. President, these are the facts. Why enact a Federal law?

I ask that the table from which I have been reading be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Lynchings, whites and Negroes, 1882–1934

[Revised report, Jan. 7, 1935]

Year	Whites	Negroes	Total
1882	64	49	113
1883	77	53	130
1884	160	51	211
1885	110	74	184
1886	64	74	138
1887	50	70	120
1888	68	69	137
1889	76	94	170
1890	11	85	96
1891	72	113	185
1892	69	162	231
1893	34	117	151
1894	58	134	192
1895	66	113	179
1896	45	78	123
1897	35	123	158
1898	19	101	120
1899	21	85	106
1900	9	106	115
1901	25	105	130
1902	7	85	92
1903	15	84	99
1904	7	76	83
1905	5	57	62
1906	3	62	65
1907	2	58	60
1908	8	89	97
1909	13	69	82
1910	9	67	76
1911	7	60	67
1912	2	61	63
1913	1	51	52
1914	3	44	47
1915	18	57	75
1916	5	49	54
1917	3	36	39
1918	4	60	64
1919	6	74	80
1920	7	53	60
1921	4	58	62
1922	6	51	57
1923	4	29	33
1924	0	16	16
1925	0	17	17
1926	7	23	30
1927	0	16	16
1928	1	10	11
1929	3	7	10
1930	1	20	21
1931	1	12	13
1932	2	6	8
1933	4	24	28
1934	0	15	15
Total	1,291	3,352	4,643

Mr. BAILEY. Mr. President, I have here also the annual reports of Monroe N. Work, director of the department of records and research, Tuskegee Institute, Ala., as that institution has given the figures to the papers year by year for a long period. This report gives the statement as to lynchings by States.

I will take the year 1920, and give the names of the States in which lynchings occurred, and the number in each State: Alabama, 7; Arkansas, 1; California, 3; Florida, 7; Georgia, 9; Illinois, 1; Kansas, 1; Kentucky, 1; Minnesota, 3; Mississippi, 7; Missouri, 1; North Carolina, 3; Ohio, 1; Oklahoma, 3; South Carolina, 1; Texas, 10; Virginia, 1; West Virginia, 1.

I find, not including those killed in strikes and riots, etc., that there were 57 persons lynched in 1922. * * *

I also find that there were 58 instances in which officers of the law prevented lynchings. Fourteen of these instances were in Northern States and 44 of these instances were in Southern States.

I do not like to have to give statistics about the disposition of the people of the South to support and execute the law, but here are the figures. I said just now I am utterly

impatient of any imputations that because some mob breaks over, as a mob may break over in London, as a mob broke over in Harlem, N. Y., the other day, as a mob may break over in Chicago, as a mob may break over here—that just because some mob breaks over, we are induced to enact a law to give the Federal Government power of execution of the laws, power of supervision of the administration of the laws of a Commonwealth, one of the constituent parts of the Union. I am not less impatient of prejudices against the South on this account.

Here are the figures: 44 instances in which lynchings were prevented by the prompt action of the States in 1922, and those in Southern States.

Let us now move on to the next exhibit, dated December 31, 1924:

I send you the following concerning lynchings for the past year as compiled by Tuskegee Institute in the department of records and research. I find there were 16 persons lynched in 1924.

They get down to 16 in 1924. Remember that is from the high of over 200 of 40 years ago.

This is the smallest number lynched in any year since records of lynchings have been kept, and is 17 less than the number 33 for the year 1923 and 41 less than the number 57 for the year 1922. Nine of the persons lynched were taken from the hands of the law, 6 from jails and 3 from officers of the law.

There were 45 instances in which officers of the law prevented lynchings.

And 37 of them were in Southern States.

In 36 of the cases the prisoners were removed or the guards augmented or other precautions taken. In nine other instances armed force was used to repel the would-be lynchers. In four instances during the year persons charged with being connected with lynching mobs were indicted.

The States in which lynchings occurred and the number in each State are as follows: Florida 5, Georgia 2, Illinois 1, Kentucky 1, Louisiana 1, Mississippi 2, Missouri 1, South Carolina 1, Tennessee 1, and Texas 1.

Because we have one lynching in a State, it is proposed to alter the character of the Republic and place in the hands of the Federal Government the supervision of the administration of the criminal law in a sovereign Commonwealth.

I read from the report for 1926:

According to the records compiled in the department of records and research of the Tuskegee Institute, there were 30 persons lynched. This is 14 more than the number of 16 for 1925. The courts had acquitted one of the victims. Twenty-one of the persons lynched were taken from the hands of the law, 9 from jails and 12 from officers. There were 33 instances in which officers of the law prevented lynchings. Four of these were in Northern States and 29 in Southern States.

All this suspicion is not founded, I think, on prejudice, but founded upon an ignorance for which I blame no man, upon an ignorant belief that the Southern States and the southern counties and the southern courts are not quick to execute the law, that the southern judges are not swift to visit the power of the law to punish upon those whom it tries, that there is a Governor in a Southern State who will not call out every member of the State Guard and every gun to protect the life of the meanest rapist who has assaulted and defiled a pure woman. All of it is without foundation, and I welcome any investigation, and I defy anyone anywhere to look into the records or prove anything to the contrary. Once we hear that anything of that sort is on foot—and we hear quickly—the Governor hesitates not, and the boys with the muskets go.

When they tell me my State is not competent to administer the criminal laws or to maintain order, I do not get angry. I feel too sure of my State. I will say, however, that the United States Government, this Republic, has not any more character or any more capacity for law than the State of North Carolina, or the State of South Carolina, or any other State in the Union that I know anything about. That is not saying that the Republic of the United States does not have character. It has character, and it has power, and it has glory. The only thing which can destroy that character and that glory is legislation such as this, which alters its character, gives it a central power that lays a foundation for a national socialism.

I will go on. This is from Tuskegee Institute, Alabama, from the principal, dated December 31, 1927:

I send you the following concerning lynchings for the past year as compiled by the Tuskegee Institute in the department of records and research. I find there were 16 persons lynched in 1927. This is 14 less than the number, 30, for 1926; 1 less than the number, 17, for 1925.

There were 42 instances in which officers of the law prevented lynchings; 8 of these were in Northern States and 34 in Southern States.

There is no comparison there by way of prejudice against the Northern States. They do not have so many opportunities, I will agree. My point is that the records here show that in 34 instances the lynchings were prevented, and the mobs were held at bay, and their purpose was defeated by the authorities in the Southern States in the year 1927.

In 1928, according to the records compiled in the department of records and research of the Tuskegee Institute, there were 11 persons lynched. They got down to 11. We started with a peak of 231, according to the statistics which I gave just now, and we have got down to 11. We waited till we got to 11 before anyone ever thought of undertaking to pass through the Congress of the United States a law which would extend the powers of the Federal Government to the supervision of the criminal laws and the execution thereof in the Commonwealths of this country.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from South Carolina?

Mr. BAILEY. I yield.

Mr. SMITH. The Senator is quoting from figures which are exactly in accord with figures which were given me. My figures are from as reliable a source as the source from which the Senator received his.

There is no use for us to try to disguise anything. This bill is aimed at the Southern States. Read the letters in the newspapers about our barbarity and our lack of civilization. In spite of the fact that the Southern States, to save their civilization, and out of gratitude to what is known as the National Democratic Party, have supported that party with steadfast loyalty in spite of the remarkable decline in lynchings which the Senator has verified, in spite of the laws enacted in the section at which all this legislation is aimed, here in a so-called "Democratic" administration, we have this kind of aspersions cast upon us.

The point I wish to inquire about is this: In the light of all these facts, available to the Senator from North Carolina, available to me and available to every decent individual, why is such a bill brought here?

Mr. BAILEY. Mr. President, my distinguished friend, the senior Senator from South Carolina, has asked me a question which, of course, I could not answer. I never knew why anyone introduced any bill. That is a problem, of course.

Mr. SMITH. I want to take exception to that statement, because I certainly know why I introduce a bill.

Mr. BAILEY. I never would know why the Senator did it. He may know, but I would never know until he should tell me.

Mr. SMITH. I do not want the Senator to reflect on his own common sense, because the minute he reads a bill, if the man who introduced it had a purpose in mind, the Senator should know why he introduced it. I know why this bill is here and the Senator knows, too. What is the use of beating around about it? [Laughter.]

Mr. BAILEY. Mr. President, there is a tribunal in which the secrets of all hearts will be revealed. I am willing to defer my judgment as to motives of men until the final judgment.

Mr. SMITH. That may be too late.

Mr. BAILEY. Yes; it may be too late, but I fear that an earlier judgment on one of my fellows would be too soon. Judge not, that ye be not judged.

I have read the figures for 1929. In 1930 there were 21 lynchings. There were 40 instances in which officers of the law prevented lynchings, 5 in Northern and Western States,

and 35 in Southern States. Lynching occurred in these States: Alabama, 1; Florida, 1; Georgia, 6; Indiana, 2; Mississippi, 4; North Carolina, 1; Oklahoma, 1; South Caroline, 2; Texas, 3.

In 1931 the number of lynchings was 13. There were 63 instances in which officers of the law prevented lynching. Seven of those were in Northern and Western States, and 56 in Southern States. The States in which lynchings occurred and the number are as follows: Alabama, 1; Florida, 2; Louisiana, 1; Maryland, 1; Mississippi, 3; Missouri, 1; North Dakota, 1; Tennessee, 1; West Virginia, 2.

In 1932 there were only eight lynchings. This was 5 less than the number in 1931, and 13 less than the number in 1930. There were 34 instances in which officers of the law prevented lynchings, 4 in Northern and Western States, and 30 in Southern States. The States in which lynchings occurred and the number in each are as follows: Arkansas, 1; Florida, 1; Kansas, 1; Kentucky, 1; Louisiana, 1; Ohio, 1; Texas, 1; Virginia, 1.

In 1933 the department of records of research of Tuskegee Institute shows 28 persons were lynched. There were 37 instances in which officers of the law prevented lynching, 6 in Northern and Western States and 31 in Southern States. The States in which lynchings occurred and the number in each are as follows: Alabama 3, California 2, Georgia 4, Louisiana 4, Maryland 1, Mississippi 3, Missouri 1, North Carolina 1, South Carolina 4, Tennessee 3, Texas 2.

The latest release is of December 28, 1934. According to the records compiled in the department of records and research of Tuskegee Institute, there were 15 persons lynched in 1934. This is 13 less than the number in 1933, which was 28. There were 51 instances in which officers of the law prevented lynchings, 7 in Northern and Western States and 44 in Southern States. The States in which lynchings occurred and the number in each State were as follows: Alabama 1, Florida 2, Georgia 1, Kentucky 1, Louisiana 2, Mississippi 6, Tennessee 1, Texas 1.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. BAILEY. Certainly.

Mr. RUSSELL. I observe the Senator is reading from figures furnished by the Tuskegee Institute, which said that lynchings had occurred in Georgia in the year 1934. The same statement was made in the report of the committee reporting the bill.

I hold in my hand a copy of the annual report of the Association of Southern Women for the Prevention of Lynching. Under the head of "Georgia" the following statement is made:

> Lynchings: None in 1934.
> Tuskegee Institute reports one lynching. The facts are: Curtis James, a Negro, at Darien, McIntosh County, was attacked by 14 men, 12 white, 2 Negroes, all masked. Both James and the gang attacking him were said to be bootleggers of turpentine. James was believed murdered, but no body or evidence of the death was found. Proof of death is required in all cases involving murder, and several weeks before, a Negro reported lynched at Ways Station, Ga., was found, tried, and sentenced to the chain gang.

I merely wish to have the RECORD show that that was evidently a gang killing. Killings of that character may take place in any section. It was not a lynching.

Mr. BAILEY. I thank the Senator from Georgia. Of course, there may be errors, but I take it that the statements are practically correct, and that the statistics may be relied upon; but what is their significance? Almost a constant descent in the ratio until, starting at more than 200, we are down to less than 20; and that is 20 in a population of 126,000,000 people, in which the number of grown people must be around seventy to eighty million.

Mr. SMITH. And, Mr. President, the significance is that the larger number of lynchings was with the smaller population. As the population has increased, the number of lynchings has decreased.

Mr. BAILEY. There have been tremendous increases in population, and tremendous decreases in the number of lynchings. If we reduce it to a percentage, as the lynchings reach the vanishing point our friends, who are the proponents of this legislation, propose the bill and insist upon its consideration, knowing full well that it fundamentally alters the policy of the country, and, as I conceive, the character of the Republic.

Now as to the bill: I have read this bill with much interest. I never expected to see its like; but, as I said just now, as a symbol it is not unwelcome. If this is to be the policy of America, the sooner the American people are notified the better. If the extension of Federal power in civil relations, if the stretching of the interstate-commerce clause is to go on until the Federal Government takes charge of every civil activity in the land—if that is to be the national policy, then this bill is the most appropriate symbol and the most signal notice that could be given to the American people of what is ahead of us.

It is time to have a notice, too. Some of us here in the Senate find our voices too feeble to stretch across the continent and our humble words drowned in a universal din of hysteria and confusion and the clear, patient words of national life all obliterated and obscured in the raucous noise that comes from Coughlin over the radio. Perhaps, when we cease to be heard, a bill like this will notify the Nation. If it shall, the reverberations, if I do not miss my calculations, will drown the voice of Coughlin, and then we may thank God for the bill.

I did not mean on this occasion to speak about Coughlin. I left off his title, and I did so deliberately. In his church—and I shall always speak respectfully of all churches—he can be called "Father" or "Reverend Father"; but he cannot be called "Father" or "Reverend Father" in American politics. In his church he may have his priestly robes and his power of absolution, but when he undertakes to promise a harp and a halo to the American people by political action I challenge his priestly power.

There is nothing more sinister in our life right now than that Coughlin from the radio of the Shrine of the Little Flower—the little saint of suffering who interpreted her life by way of identifying herself with the agonies on the cross, who died expressing the prayer that she might return to earth rather than go to heaven and come back, as she said in immortal words, in a shower of roses—from a shrine in her holy name that voice stirs the depths of hate throughout the land of liberty, matches class against class, foments the fires of revolution, to crucify the American people upon his damnable ambition. Coughlin! Not "Father Coughlin."

Mr. President, I have a profound respect for the ministry. My father was a minister. My grandfather was a minister. Of course, I honor the ministry, but they are not just the reasons. I honor the ministry because it is the ministry; but when a minister of the gospel or a minister of a church comes down into the political arena and goes out with his radio incendiarism to stir up the fountains of hate in a distressed land amongst a suffering people, I take it nothing amiss, and I make no apologies, but I will snatch the halo from his brow and throw it into the nearest spittoon, and then throw the spittoon into the gutter.

Now, Mr. President, as for the proposed law, let us read it:

> SEC. 2. If any State or governmental subdivision thereof—

That means any county or township, I take it—

> fails, neglects, or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob or riotous assemblage, whether by way of preventing or punishing the acts thereof, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person due process of law and the equal protection of the laws of the State, and to the end that the protection guaranteed to persons within the jurisdictions of the several States, or to citizens of the United States, by the Constitution of the United States, may be secured, the provisions of this act are enacted.

Now, one moment. Mr. President, this is a legislative interpretation of the Constitution to make the United States the judge of the States and the counties. Who ever heard of that before?

Mr. President, it is suggested that a recess may be in order at this time, and that I may resume tomorrow.

Mr. ROBINSON. Will the Senator yield for that purpose?

Mr. BAILEY. I yield.

Mr. ROBINSON. I desire to move an executive session before the Senate takes a recess.

Mr. BAILEY. Very well.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of John R. Hutchison to be postmaster at Santa Maria, Calif., in place of E. T. Ketcham.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy and the Marine Corps.

The PRESIDING OFFICER (Mr. McGILL in the chair). The nominations will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE JUDICIARY

The legislative clerk read the nomination of Francis H. Inge to be United States attorney, southern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frank E. Flynn to be United States attorney, district of Arizona.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Friday, April 26, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 25 (legislative day of Apr. 15), 1935

UNITED STATES ATTORNEYS

Francis H. Inge to be United States attorney, southern district of Alabama.

Frank E. Flynn to be United States attorney, district of Arizona.

POSTMASTERS

ALASKA

Agnes L. Reinert, Ketchikan.

CALIFORNIA

Gay E. Shamel, Cambria.
Charles D. Printz, Caruthers.
Katherine V. Lera, Millbrae.
Matie L. McCormick, Ojai.
Walter A. Oxford, Orosi.
Alla P. Tidwell, Pine Knot.
Albert G. Stewart, Sanger.

KANSAS

Thomas L. Lozier, Edna.

MINNESOTA

Ingebrigt A. Hanson, Frost.
Carl E. Young, Good Thunder.
Clyde H. Hiatt, Granada.
Oliver A. Matson, Kiester.
Alvin E. Comstock, Lakefield.
Gerald F. Wrucke, Minnesota Lake.
Jessie B. Reynolds, Motley.
Arthur J. Suel, New Prague.
Erna A. Baumhefner, Norwood.
Herman B. Nelson, Sherburn.
Leon L. Bronk, Winona.

OREGON

Elof T. Hedlund, Portland.
George E. Travis, St. Benedict.
George W. T. Doty, West Linn.

VIRGINIA

Thomas E. Chambers, Blackstone.
John W. Rodgers, Hampden Sydney.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 25, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Everlasting praise be unto Thee, most merciful God. We thank Thee for Thy presence, which inspires happiness, joyfulness, and concord. Thou who art infinite in love and wisdom, let not the star of this day fade until we have raised the level of humanity and the ideal of better living. Give us to understand that the spheres of morality and spirituality are most essential in the economies of society. As the springtime has burst forth on the frozen earth and the beams of its warmth have started to blossom woodland, plain, and valley, so start us with renewed hoping, longing, striving for better things. O let Nature, with its calm and majesty, disturb us with elevated thoughts. Whether the days be blessed or hard with trial, sustain us with fortitude and inner peace. Gird us with the strength of the hills, with the spirit that quiets and with a compelling faith. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

"WHY I AM GLAD THAT I AM AN AMERICAN"

Mr. ASHBROOK. Mr. Speaker, the American Legion of Ohio recently offered as a prize a week's trip with all expenses paid to Washington and other points to one boy or girl in the seventh, eighth, ninth, tenth, eleventh, and twelfth grades of the public schools of Ohio who wrote the best essay on Why I am glad that I am an American. The winners, 4 boys and 2 girls, are now in the city and possibly in the gallery at this time. They are accompanied by William S. Konold, commander of the American Legion of the Department of Ohio, and W. L. De Weese, State director of child welfare. These essays, in my humble judgment, are worthy of preservation. They are short, not over 500 words each, and will not use any very great amount of space in the RECORD. None of these six outstanding boys and girls are from my own district, I regret to say. I therefore serve no selfish purpose when I ask unanimous consent to extend my remarks in the RECORD, by printing these six short essays on this timely topic, which I assure the House will be highly appreciated by the American Legion of my State.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. RICH. Mr. Speaker, reserving the right to object, I may say that no doubt the essays are well worth while.

Mr. WOODRUM. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The essays are as follows:

WHY I AM GLAD I AM AN AMERICAN

(By John Phillips, grade 7-2-A, Bowling Green Junior High School, Wood County, Ohio)

America! Land of the free, home of the brave! Within your vast boundaries I am privileged to live, and happy to be able to share with my countrymen freedom, independence, and equal rights. Europe may have its luxury, nobility, and antiqueness; Asia may have its riches and royal pomp; but America has something more than either of these nations, for behind that flowing flag of red, white, and blue is the emblem of a promised land, within whose boundaries are found rich, fertile plains, wooded hills, and deep valleys.

America is a land of freedom, self-government, and democracy, with a Government ruled not only by those with wealth and a title their fathers worked hard to earn, but that quality of people who landed first on the rock-bound shores of America, determined and set in their ideas of liberty and justice for all.

I am proud as an American citizen to say that my forefathers have helped America build itself to its present power, a democracy in a republic.

American citizens are privileged to live in a beautiful country, rich in resources, respected, even looked upon in envy at her present commercial power by other foreign powers. Today the dream of our forefathers has come true, inasmuch as America is the leading nation of the world, and the sovereign power does not rest with one type of people alone, but with the masses. We are allowed to vote, hold office, and are protected by our Constitution, which gives us the right to have a voice in the Government, to worship as we see right, to have a trial by jury, and to be equal before the law.

Probably more than any other nation, the American Governmen works for our security. Relief work, pensions, and insurance are but a few of the things that, at the present, keep many people from being jobless and penniless.

I am happy to be an American because America has more fine organizations than any other country in the world. The younger generation cannot help but profit through these organizations, as they grow to become the men and women of tomorrow. The American Legion is an organization of men who fought for our rights, freedom, and liberty in the World War, men who died for what they thought right and kept the United States of America a nation of international prestige. Our fine system of schools gives every child in America a chance to receive a good education. The Red Cross takes care of many people annually in time of disaster. America tolerates all kinds of religion and is noted for her many fine churches. The Scouts of America today are the men and women of tomorrow, and that organization has taken large steps in the upbuilding of America's youth. These are but a few organizations which help to make America a strong, independent nation.

Beautiful America, indeed I am honored to be one of you, my fullest support I pledge to you, and every drop of blood in me will keep that vow, for I am proud of my past, more proud of my future, but proudest that I am a true American.

WHY I AM GLAD THAT I AM AN AMERICAN

(By Junior Wolfe, grade 8–A, Addison School, Masury, Ohio)

I have the pleasure of living in a country of high ideals, governed by liberty-loving citizens. I enjoy an advanced civilization, cultivated and improved by our struggling forefathers.

Under our flag, I choose my church, and when I am of proper age, I will vote as I see fit, and can at all times express my opinion when I believe it helpful. Our laws protect my home, my honor, and my efforts for later preparation for life.

Through our public-school system, I can obtain an education that will prepare me for my livelihood. Through my own ability and effort my training may be continued until it is equal to that of anyone else. Nothing interferes with the choice of my life-work.

If I lived in Russia, I might be thrown into prison for criticizing the Government. In America the Government might consider my criticism.

In Germany, I would be compelled to take part in military training, preparing for future war. In the United States my associates do not favor the hardships and sufferings of war.

If I lived in India, I might be considered in the lower class, and I would have to do odd things in the presence of the higher class. In America, people are all considered the same.

In China I might be crowded into a small dirty hut or a house-boat. The United States furnishes plenty of room, and in crowded cities there are healthful conditions.

In some parts of the old world there are very few free schools. The United States has a public-school system along with the private schools and tutors. In our system I have learned to protect property, to respect my elders, to be courteous to everyone, and to respect law and order.

Our country is located in a favorable climate, not only for healthful conditions for the homes of persons, but for the growth of the different varieties of fruits and other products. In the Southern States raw materials are raised because the climate is suitable for their growth, and sent North for manufacturing, thus giving growth to transportation.

We have a variety of raw materials; some that are mined are iron ore and petroleum, some that are grown are cotton and wool. There is a plentiful supply of building materials, such as lumber and stone.

With all of these conveniences I see no reason why anyone should be dissatisfied to live in the United States. But I readily understand why anyone is glad that he is an American.

WHY I AM GLAD I AM AN AMERICAN

(By Jane Dressel, ninth grade, Belpre High School, Washington County)

First of all, I am glad to be a part of such a great country as America, the home of the spirit of hope, liberty, and justice, and of the great ideals which made America the hope of the world.

America does not consist of groups. She lives up to the quotation "All men are created equal." All the people are considered equal because we do not have class distinction. America is called "the melting pot of nations", because different nationalities are allowed to enter, and a mixture of races and talents produces the best and most attractive people and eventually American citizens. The American people have a voice in the Government. They are allowed to vote for the man they think is best. The women of America have more rights and are allowed to vote also. They hold Government offices and are able to make their living easier and better by having the same advantages as men. The American citizens have more freedom in religion. They have the right to join and take part in the church they choose.

America has a higher standard of living for the common wage earners such as we are. We have the labor-saving devices in our homes, and the things that make homes attractive and pleasant places in which to live. Our food and clothing are more practical and healthful than in other places. The automobile has ceased to be a luxury in the United States while in Europe only the wealthier classes have them.

The schools of America are considered to be among the first in the world. The grammar and high schools combined provide enough education for one to secure a position after graduation. The fee to enter college is very moderate, suited to the financial standing of the individual who wishes to attend and procure a higher education. America has good medical, law, and agricultural colleges also.

I am very proud of the beauties of America. Her natural resources are considered to be among the greatest in the world. The national parks, Niagara Falls, Grand Canyon, and mountains, plains, deserts are some of the glorious scenery which one sees while going through America. The beautiful cities and towns are clean, healthful, and prosperous.

The welfare and health of the people are looked after well. America's hospitals and doctors are among the best. The most scientific equipment is procured. The different homes for the deaf and dumb, insane, orphans, and old people are made pleasant places in which to live under such conditions.

In closing, I am glad I am an American because of the freedom and educational advantages which help me to become an honest and helpful American citizen.

O beautiful for heroes proved
In liberating strife,
Who more than self their country loved,
And mercy more than life.

America, America
May God thy gold refine.
Till all success be nobleness
And every gain divine.

WHY I AM GLAD TO BE AN AMERICAN

(By Carlton Ott, grade 10, St. Paul's High School, Huron, Ohio)

There are many reasons why I am glad I am an American. First of all, America is a superior nation. She has fought many hardships from the earliest time of her history. Her first great test of strength was the Revolutionary War. With poor forces she defeated the English. Then, too, her hardships were great because of the savage Indians. She has never lost a war. Now she is the leading country of the world.

America has a good, strong Government. She does not have a ruler elected for life as many countries have, but one who is elected for 4 years by the people. The citizens who are 21 years of age or older have the right to elect, either directly or indirectly, all Government officials. The President does not have all the power. His proposals must be passed by Congress before they become laws.

We Americans ought to be glad we have religious freedom and freedom of speech and of the press. Look at Mexico where Catholics are being persecuted. Jews do not have their just rights in Germany. Isn't it much better to live in America where all men are equal, than in many other countries where certain classes of people are persecuted? Many countries have all the people's mail and newspapers censored. We do not have anything of the kind.

America has many beautiful parks and rivers, such as the great Niagara Falls, Potomac River, Yosemite and Yellowstone National Parks, and the Grand Canyon. She has very many large and beautiful cities such as Washington, D. C., New York, and Chicago. She has many beautiful libraries and museums where many thousands of American people go daily for the purpose of spending their leisure time. She has industries of all kinds.

We Americans have many places of recreation. Our national game is baseball. Every large city has a stadium or some large park in which to play baseball, football, and many other games.

America has produced many great men who were world famous. Among them were Washington, Jefferson, Monroe, Lincoln, Longfellow, Theodore Roosevelt, and many others. Another famous man who loved America dearly was Nathan Hale. When about to be killed as a spy, he said, "I regret that I have only one life to lose for my country." I am glad to live in a country with such great leaders.

America is the home of inventors. Thomas Edison invented the electric light; Bell, the telephone; Ford, the automobile; McCormick, the reaper; Whitney, the cotton gin; and Howe, the sewing machine. These are just a few of the American inventors.

America has an excellent system of schools. Every child has an opportunity to receive a high-school education. In many countries, children receive very little education. The American people have a good chance to become highly cultured. America has many colleges and universities in order to give her people further education.

Methods of travel are easy. Almost every family owns an automobile. People go from one large city to another in a few hours. Roads are paved. America has many hospitals and asylums for the sick. Cities are kept clean.

I am very glad to live in America, the country with large cities and good seaports, navigable rivers, large forests, good farming land, and most of all, a good Government. Why shouldn't I be glad to live in a country with many advantages which many other countries have not?

WHY I'M GLAD I'M AN AMERICAN

(By Ruth Newell, junior class, grade 11, 114 Woodland Avenue, Columbiana, Ohio)

I'm glad I'm one of the youth of America marching under the Stars and Stripes; one of the children under dear old Uncle Sam's protection.

Who would hesitate to wish to be an American with all the numerous advantages before him? Individuality is probably the greatest opportunity which the American boy and girl can claim as their heritage. Our ancestors proved their love of liberty at the outcome of the American Revolution. By putting their very heart and soul into the enterprise they succeeded in their purpose. When our forefathers drew up the Constitution they assured freedom of speech, press, and religion to every American.

How does this assurance of liberty affect me? I may profit by freedom of speech by hearing all sides of questions on the radio and at lectures. I can further my education by reading books, magazines, and newspapers, thus profiting by other persons' ideas. I have this advantage by the freedom of press. Choice of religion is a privilege allowed to every single person. If some boy or girl desires to pursue any line of special work he is not hindered in any manner unless by certain circumstances in his own private life. A boy interested in aeronautics may study the subject and advance just as readily as he wishes, and is not held back by governmental interference. Neither is a girl hindered in her desire, for progression in any special work. America is a land of individualism. This opportunity for individuality has given us many personages of whom we are justly proud; in the field of education Dr. Charles Clist; in electrical research, Thomas A. Edison; in the rubber industry, Harvey Firestone; in mechanical research, Henry Ford; in the administration of justice, Judge Florence Allen; and in the field of philanthropy, Jane Addams. The achievements of these great men and women prove to every boy and girl that they have an opportunity to perform some worthwhile work for the betterment of mankind.

American parents do not rule their children's ideas, ambitions, and thoughts, but leave them a reasonable range of freedom. This single reason would give me good ground for proclaiming my partiality for America.

Public education is probably the greatest cultural advantage in being an American. By having a public system of schools the mass of the people have a chance to learn while in most lands only a selected few have the opportunity. The first phase of American education is the public school. This assures everyone knowledge of the fundamentals of education. College is then the next opportunity offered if you are ambitious enough to make use of it. The person who does not wish to obtain a position in the professional lines has the chance of business learning in public schools and then commercial or business colleges follow. For the boy or girl who wishes to take up some practical trade, provisions are made in manual-training departments or domestic-science halls in the public schools and then apprenticed to a factory or some other institute. For less fortunate individuals night schools, emergency schools, and junior radio colleges have been provided.

I think the American people as a whole are a better looking race and have a more pleasing personality than any other country. The mass of the people are better clothed and have a higher standard of living. During the colonial period of American development all the races of Europe mingled together. This melting pot of the races instituted a better looking and singular race, the Americans.

Where can one find a country so vast, so picturesque, so scenic, so historical, and so altogether grand as the United States of America? I am proud to be a citizen of a land of so great a population and size. Because of this large amount of territory, America is not so crowded as European and Asiatic countries, and better living conditions are evident. Too, poorly lighted and ventilated tenement districts are being razed and better homes provided because of plenty of space. Our health is thus protected and sanitary living conditions ensue. As a result poverty is not so eminent. In a country of ample room a trend of progression is prevalent.

Then, too, we live in a country of many beauty spots—mountains, forests, caves, waterfalls, plains, canyons, and most every type of scenic beauty a boy or girl could wish for. A land of beautiful background is an incentive for its people to live beautiful lives.

In a country of such varied climate and wide range of background many types of sports are enjoyed. The American boy and girl have their duties, but they also have their time for play and leisure.

Comparing our lives with the lives of our foreign brothers and sisters, I would not choose to be other than an American. If I were an Italian or German child at a very early age, I would be training for war and pressed with government problems. In Russia I would be deprived of religion, sanitary living conditions, and adequate education. Every time I would cheer for dear old Uncle Sam and salute the Stars and Stripes.

WHY I AM GLAD I AM AN AMERICAN

(By James F. Pflum, grade 12, St. Rose School, Allen County, Ohio)

Glad that I am an American? Of course I am! When I realize what our forefathers went through to establish this country, when I think of the opportunities this country offers, of the resources contained here, of the educational advantages held out, of the climatic and scenic beauty of our land, when I consider that we are the most democratic, self-ruling people in the world, how can I be anything but glad?

The United States, unlike most countries, is not the home of a certain race of people who live together merely because they are members of the same race. It was founded by people from various lands, all in search of the same ideal—self government and freedom. Love of liberty united them all in one close brotherhood. From this brotherhood descended the present American people.

The Government of these people is left almost entirely to the people themselves. Our whole political creed is briefly summed up in the Declaration of Independence: "That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed."

America heads the list in offering equal educational advantages to all its citizens. A systemized plan of free public schools and laws enforcing compulsory education have gone far in bringing the intelligence of the average American above that of his foreign neighbors. America is the land of opportunity, and the advancement of a man or woman along any line depends entirely upon the individual. He is not restricted by any class system. In America there is only one class—Americans!

Discoveries and inventions of Americans have done much to promote the wealth and comfort of the American people at home and their prestige abroad. The glare of millions of lights in our business districts, the unceasing ring of the telephone, the farm machines that so lighten the work of our tillers of the soil. The modern household timesavers are all products of American endeavor and bring to the mind a galaxy of famous names—Whitney, Fulton, Cooper, Edison, Bell, Morse, Field, McCormick, etc.

Not only have the intellectual and material well-being of our citizens been the deep concern of the builders of our Nation, but the spiritual was also safeguarded in the positive pronouncement contained in the first amendment to our Constitution: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." This beacon light of freedom of conscience flashed its consoling message to the persecuted of every nation. Across the mighty waters came the oppressed of all peoples to establish their home on this solid rock of religious freedom.

Our country possesses not only a wealth of resources, but also an abundance of scenic attractions. Why travel abroad when within our own borders we can find the lonely sands of the Sahara, the rush and bustle of Piccadilly Square, the snow-capped peaks and quiet valleys of the Alps, the heat of the tropics, and the cool woodlands of the Black Forest.

America has a heart. Few countries care for the orphan, for the aged and infirm as she does. Our National, State, and municipal health departments, as well as the plan of supervised recreation for children, aid in developing a nation of strong and healthy citizens.

America stands for peace, for good feeling among the peoples of the earth, yet our record in war is second to none. Recently, when the nations of the earth became involved in a world war, we beheld the flower of American manhood, khaki-clad, spring into action and follow Old Glory across the seas. The rows of crosses in Flanders fields bear silent testimony of America's share in the struggle "to make the world safe for democracy."

Mr. TREADWAY. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 58]

Allen	Doutrich	Kopplemann	Sandlin
Andresen	Driver	Kvale	Schaefer
Bankhead	Duncan	Lamneck	Schneider
Berlin	Eaton	Larrabee	Schuetz
Brennan	Englebright	Lemke	Seger
Brooks	Fernandez	Lewis, Md.	Shannon
Burdick	Ford, Miss.	Lucas	Short
Cannon, Wis.	Frey	McGehee	Sisson
Cartwright	Fulmer	McGroarty	Snyder
Cavicchia	Gambrill	McLean	Somers, N. Y.
Celler	Gasque	McReynolds	Stack
Chapman	Gassaway	Maas	Sweeney
Clark, Idaho	Gifford	Marcantonio	Taber
Clark, N. C.	Gillette	Meeks	Thomas
Connery	Gingery	Murdock	Tinkham
Cooper, Ohio	Goldsborough	Nelson	Underwood
Crawford	Hancock, N. C.	O'Malley	Vinson, Ky.
Culkin	Higgins, Conn.	O'Neal	Wigglesworth
Daly	Hollister	Palmisano	Williams
Dear	Hope	Parsons	Wilson, Pa.
Dempsey	Houston	Peyser	Withrow
DeRouen	Igoe	Ransley	Wolcott
Dies	Jenkins, Ohio	Rayburn	Woodruff
Dingell	Kennedy, Md.	Rogers, N. H.	
Disney	Kennedy, N. Y.	Sabath	
Dondero	Kleberg	Sanders, La.	

The SPEAKER. Three hundred and thirty-one Members have answered to their names. A quorum is present.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

ADDRESS AT LAYING OF CORNERSTONE OF POST OFFICE, EFFINGHAM, ILL.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address of J. Austin Latimer, special assistant to the Postmaster General, at the cornerstone laying of the new post office at Effingham, Ill., on April 15, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARNOLD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of J. Austin Latimer, special assistant to the Postmaster General of the United States, at the cornerstone laying of the new post office at Effingham, Ill., April 15, 1935:

Mr. Chairman, ladies, and gentlemen, I am very happy that this, my first visit to Effingham and Effingham County, and that section of Illinois known as "the Hub", is under such pleasing conditions, and my only regret is that the pressure of official duties made it impossible for your good friend and mine, Congressman ARNOLD, to be here at the cornerstone-laying of this building for which he has labored so many years. Here in his home section, in the very place where he attended Austin College many years ago, may I be permitted to say that, in my opinion, there is no more useful man in Congress than your able Representative. As Chairman of the Post Office Subcommittee of the Appropriations Committee, Mr. ARNOLD has rendered outstanding service to the country and has demonstrated himself to be a real and able friend of the Postal Service. Just as I was leaving Washington he called me over the telephone to ask that I express his deep regret at not being able to be present at these exercises and extend his greetings to his Effingham friends.

It is also a real pleasure to know personally your two splendid Members of the upper House, Senators LEWIS and DIETRICH.

It is most inspiring to come into this mighty empire of Illinois, with its length of nearly 400 miles and its population of over 7,000,000 people. Your State leads in so many things, I will not attempt to enumerate them, but to me outstanding are your institutions of learning and your liberal support of your schools, colleges, and universities. Illinois has abundant natural resources, both in her soils and beneath the surface, and ranks as one of the leading States in minerals and manufactures, but it is in the field of agriculture and in the value of her farming lands that she is supreme. Many years ago the famous French explorer, Father Marquette, wrote of the potential wealth of Illinois' rich soils and beautiful rivers: "We have seen nothing like this river for the fertility of the land, its prairies, woods, and wild cattle."

It is a particular added pleasure to have been selected by the Postmaster General to represent him at these exercises and he has requested me to convey his personal greetings and regret that he himself could not be present. In this he is joined by the other officials of the Post Office Department, and I particularly want to bring to you greetings from a splendid son of Illinois who is one of my best friends in the Postal Service—Chief Inspector K. P. Aldrich, a native of this section of your State.

This is an important day in Effingham, for no institution serves the public more generally than the post office, and the dedication of a new post-office building is always an occasion for rejoicing. This is particularly true in this instance because of the attractive appearance and splendid facilities of your new building, which, with the site, represents an investment of $800,000. As you know, the Treasury Department awarded the contract for the construction of the building to A. C. Atherton, of Evanston, Ill., on October 5, 1934.

I am happy to participate in these exercises along with your excellent postmaster, Mr. Grover C. Norris, and your well-known mayor, Hon. Harry J. Rickelman, and to appear on the platform with several of your former postmasters, who have done their part in making possible this handsome building.

Our records in Washington show that a post office was established here in 1855 with John Haney as your first postmaster, followed by George H. Scoles, December 12, 1855; Jacob Bishop, November 21, 1856; Andrew J. Gilbert, January 12, 1858; I. M. Mett, April 1, 1859; John J. Funkhouser, May 11, 1859; Robert E. Moore, January 30, 1860; Lucius M. Rose, March 20, 1861; David B. Alexander, April 12, 1862; Henry G. Habing, April 7, 1865; David B. Alexander, January 11, 1866; William S. Coleman, June 5, 1866; Lewis W. Smith, March 30, 1869; William McPherson, March 1, 1873; John F. Barlow, March 22, 1875; William C. Wright, October 5, 1877; Samuel N. Scott, December 15, 1881; Charles H. Kelly, January 13, 1886; John H. I. Lacy, January 9, 1890; William M. Stewart, February 16, 1894; Richard F. Lawson, February 7, 1898; William Austin, February 13, 1907; David L. Wright, October 22, 1913; William W. Austin, May 8, 1922; Grover C. Norris (acting), October 21, 1933; Grover C. Norris, March 7, 1934.

The Postal Service is one of our oldest public institutions, dating back to earliest colonial days, and in the 300 years of its existence it has been one of the most important influences in the development and progress of the country. As Postmaster General Randall so well expressed it in his Annual Report of 1866—

"This service, under the liberal patronage of the Government, has done more to aid in developing the resources of the country than anything else except the cultivation of the soil. It has done more to aid in enlightening and Christianizing the people than anything else except the spelling book and Bible. The post office and mail route travel with civilization and mark its progress as distinctly as the schoolhouse and meeting house."

Today it is the habit to take an efficient mail service for granted, even 24-hour mail service between the Atlantic and Pacific coasts, yet we all realize that should the Postal Service cease to function for a single hour, the business of the entire country would be brought to a sudden standstill with disastrous results to every citizen of the country, so indispensable is the Postal Service to our commerce and our business and social life.

Let us consider for a moment the tremendous progress made in the handling of the United States mail within the past hundred years. In 1835 rates were about as in Benjamin Franklin's time, and not until the year the post office was established here in Effingham was prepayment of postage made compulsory and registry service established. One hundred years ago envelops were unknown and postage stamps were not authorized until 1847. The traveling railway post office was inaugurated in 1840; money-order service was established in 1864, particularly to accommodate Civil War soldiers. Free delivery of mail in cities began in 1863 but the rural free-delivery service is not yet 40 years old.

On the third of this month was observed the 75th anniversary of the establishment of the picturesque Pony Express between St. Joseph, Mo., and San Francisco, which visioned the carriage of the mail to the Pacific coast in the then incredibly short time of 10 days, whereas today a letter dispatched from Washington at 4:25 one afternoon will reach Los Angeles at 8:10 the next morning.

Some idea of the magnitude of your Postal Service may be gained from the following statistics:

With approximately 230,000 employees, more than one-third of all the civilian employees of the Government, the Post Office Department is the largest of the Government departments and the only one that is represented in every city and town and village in the country. At the present time there are 45,921 post offices in the United States, of which 1,526 are in the State of Illinois. Thirty-five thousand, three hundred and thirty rural routes are giving service to nearly 7,000,000 families; 743 full postal cars and 3,496 apartment mail cars are utilized in the Railway Mail Service. During the fiscal year ended last June 30, it is estimated the United States Postal Service handled 1,022,675,975 pounds of second-class matter; issued 198,656,378 money orders and handled postal savings deposits aggregating approximately one and one-fourth billion dollars. The receipts from postage paid on mail during that period amounted to $519,249,989—an average of $4.05 per capita.

Now, just a word in regard to the statistics of the dead-letter office. Because of carelessness on the part of the senders who gave incorrect or inadequate addresses or failed to put a return address on the envelop, or because of failure on the part of the addressees to notify their postman or post office of their new address when moving, over 10,000,000 letters with over $69,000 enclosed had to be sent to the dead-letter office during the fiscal year 1934—an increase of 7¼ percent over the previous year. Through its experienced and expert staff the Department succeeded in returning to the senders 2,664,789 of these letters and the greater part of the enclosed money, but the Department would appreciate the cooperation of all its patrons to make sure (first) that all letters are addressed carefully, with the return address of the sender shown on the envelop, and (second) that the change-of-address cards furnished by the post office and postman be filled out when patrons change their address.

There is much more than I could say about the interesting department of the Government with which I am connected, but

I want to close by making a brief reference to that which is very close to us all—the continued recovery of our country. I know that I am speaking to men and women who are first, and above all, Americans with an intense love for their country, and those fundamental institutions upon which this great Republic has been built. I feel likewise that in common with the rank and file of the citizenship of this Nation you are stanchly behind President Roosevelt in everything that he is doing in this recovery program.

These are stirring days in which we live. It does not require the seventh son of a seventh son to prophesy that the whole future of our country depends upon the successful accomplishment of the great national objectives toward which the administration is striving. We are going through one of the critical periods of American history, one of those periods which, occurring in almost every generation, have seen what Abraham Lincoln in his Gettysburg address called "a new birth of freedom."

I call upon you to enlist whole-heartedly and without reservation under the banner of Franklin D. Roosevelt who has already attained a great place in American history and who will rank as one of our greatest Presidents. He has given us confidence and courage to clear away stout-heartedly the mistakes and wrongs of the past and to erect a new system of exact and equal justice for all. He has never faltered and with cheerful heart he still leads us on—the "bravest of the brave." With united support he will continue to lead us from one victory to another until we reach the great objective—a happy and prosperous country.

It's no time for a quitter now, as Grantland Rice so well expressed it in verse:

"Of all the days that ever were,
Since Moses framed the ancient code,
Or vanished years that knew the stir
Of Caesar's legions down the road—
Take all the aeons that have flown,
From drudge-pit to the laureled brow,
Above all ages time has known,
There's no place for the quitter now.

"Start back to where the caveman ruled
The first grey dawn of rugged life,
Where each raw clan in turn was schooled
To stand against an endless strife,
Through reigns of terror and of gore
Through shattered faith and broken vow
Far less than time has known before,
There's no place for the quitter now.

"The world has known its share of pain,
Its share of vandals and of Huns,
The world for ages now has lain
Beneath the echo of the guns,
But since within the world's dim dawn
Our fathers leaped from bough to bough
Though all the terror fate has drawn,
There's less room for the quitter now."

ADDRESS BEFORE THE SHRINE CLUB OF PHILADELPHIA

Mr. DARROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by the gentleman from Minnesota, Mr. HAROLD KNUTSON, on April 24 before the Shrine Club of Philadelphia.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DARROW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from Minnesota [Mr. KNUTSON] before the Shrine Club of Philadelphia, Pa., April 24, 1935:

There is a singular propriety in discussing tendencies of our governmental policies and in taking stock of our liberties in this city of Philadelphia. The sacred places of the Nation are widely distributed. The shrines at which the patriotic American worships mark the way-stations of the Nation's glory. Massachusetts has her Bunker Hill and Fanuell Hall, while Virginia her Mount Vernon and her Yorktown. Monuments reared here and there preserve the high notes in the epic story of the making of America.

But here in Philadelphia is the cradle of American liberty. It was in Independence Hall that the Declaration of Independence—the world's great charter of human rights—was penned and adopted. It was from a Philadelphia belfry that a full-toned bell rang forth the joyful message that a new nation had been born, dedicated to the lofty concept that all men are created equal. It was in this city that the Nation's leaders, assembled under the chairmanship of George Washington, consummated the work of the American Revolution and gave us our fundamental law.

These are but suggestions of the historic traditions that cluster about Philadelphia. Within the scope of its influence are other sacred spots where splendid devotion and unselfish sacrifice have given them a lasting significance. In the immediate neighborhood is Valley Forge, where Washington and his band of patriots suffered to establish the Union of States. A little farther off, but within the confines of Pennsylvania is the field of Gettysburg, where men gave their lives that this Union should be preserved.

It was upon that field that Lincoln, with the eloquence of a prophet of old, pledged the faith of the past and future—"That this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, and for the people shall not perish from the earth."

In the light of this magnificent confession of American purpose in the contemplation of this sacred pledge, it behooves us to look about and note whether we are keeping the faith.

Under what its sponsors are pleased to call the new deal, dangerous practices already have been indulged in, and even more dangerous tendencies are in evidence. In a combination of fascism, marxism, communism, and conservatism, the new deal has harried our people and ravished our Constitution so the founding fathers, who labored in this city over a hundred years ago to perfect it, would scarcely recognize their handiwork. Almost unlimited authority has been given the Executive. Bureaus clothed with arbitrary power to regulate the lives of our people have sprung up and continue to sprout and flourish like the bay tree; Government agents are spread over the country like a plague of locusts; the regulations of bureaus have been given the imperial sanction of law, while in the name of recovery innumerable and vexatious barricades have been thrown across the pathway of prosperity.

Congress has been gradually divesting itself of its constitutional powers, until in the last outstanding example it placed in the hands of the Executive the stupendous sum of nearly $5,000,000,000 with authority to spend it as he sees fit.

In doing this Congress has delegated its authority not only to spend money but has also resigned from its province of establishing policies for the Executive to carry out. Call it what you will, but the granting of such far-reaching authority marks the close of constitutional government at least for the present, and a return of representative government will be brought about only with the gravest difficulty.

Always in history, when nations abandoned the beaten road of experience, others were prone to follow. The chaos resulting from the World War has caused a variety of dictatorships to spring up. It had seemed that America, firmly grounded in representative republican government, would remain steadfast to the old ideals. The past 2 years, however, have witnessed a furious effort not to maintain our cherished ideals of government but to afflict us with a swarm of experiments spawned by a visionary and unpractical "brain trust", and turned loose with reckless disregard of consequences. In place of carefully worked out plans designed to meet the emergency, each day now sees a new scheme and the query of the average newspaper reader as he looks at his morning journal is not "what is new" but "what's next." Laws, schemes, plans, and regulations have come so fast and in such number that even the closest students of current events are unable to summarize them or to give an intelligent explanation of what it is all about.

In the face of these frantic and fantastic experiments, prosperity has not returned, unemployment continues, and direct relief is now to be followed by a wholesale attempt by the Government to supply the jobs which private industry is no longer able to furnish.

An outstanding example of the effort to revive prosperity by means more likely to retard it is the program of reciprocal-trade agreements which the administration is working out. The effect of these agreements will be to throw the American market open more and more to foreign inroads and to place the American laborer in competition with the poorly paid workmen of Europe and of the Orient.

The law permitting reciprocal-trade agreements to be negotiated by the President, without the advice and consent of the Senate of the United States, was enacted less than a year ago, and since its enactment we have negotiated trade agreements with Cuba, Belgium, Brazil, and Haiti. Trade agreements with other countries are now in process of negotiation.

We have heard many reasons advanced for the depression and not a few suggestions for its cure. One of the most ingenious remedies to come to my attention was the suggestion of Secretary Wallace that we could only end the depression by restoring the purchasing power of foreign countries and that such purchasing power could only be restored by turning the American market over to those countries.

Ever since the enactment of the Hawley-Smoot tariff law back in July 1930, and for a considerable period prior thereto, a vicious and misleading campaign was carried on in Congress and through the press against the measure. It has been denounced as a thing of evil, without any redeeming qualities, and we were repeatedly assured during the campaigns of 1932 and 1934, by the party now in power, that one of the first things they would do upon securing control of the Government would be to repeal the present Republican tariff law in its entirety.

The Democrats secured control of the House 4 years ago, since which time they have had an overwhelming majority in that body. In fact, the majorities in both the House and Senate are the greatest ever enjoyed by any political party in all the history of the Republic, and yet not a single move has been made to repeal the present Republican Hawley-Smoot tariff law.

The courageous thing, of course, would be to repeal it, but to do so would mean political suicide because it would result in the absolute destruction of American industry and agriculture through the loss of the American market, which is the best and only cash market in the world today.

Pennsylvania is one of the greatest States in the Union, and no State has contributed more toward the upbuilding of the Republic that we all love and revere. At one time you were the greatest oil-producing State in the Union. You have the largest deposits of anthracite coal and vast bodies of bituminous coal. Your steel industry is the greatest in the world and you are vitally interested in the manufacture of textiles, machinery, glass, and cement. I dare say that there is not a State in the Union whose welfare is more dependent upon the great American market than is Pennsylvania, and I hope that what I may have to say to you today will be of special interest because of that fact. Not only are you a great mining and manufacturing commonwealth, but as an agricultural State you rank well up to the top and I believe that Lancaster County is rated the richest agricultural county in the Union.

In the consideration of the subject assigned to me for today, it may be well to ponder over the fact that on the basis of value, 67 percent of all the items imported into this country under the present tariff law come in free of duty, while but 33 percent are dutiable. Neither should we, in its consideration, overlook the fact that when we devalued the dollar it had the effect of reducing tariff rates by 41 percent. As a result we are today the lowest tariff country in the world, with the possible exception of England, so it must be readily appreciated that there is no justification or necessity for a lowering of tariff rates at this time either through reciprocal-trade agreements or by act of Congress.

We are told that the shrinkage in our foreign trade is due to our past policy of protection. Figures compiled by the Department of Commerce show that with the exception of Japan every great exporting country in the world has suffered the same shrinkage, so we may safely brush aside the statement that our decline in foreign trade is due to reprisals. Rather is it due to the world-wide depression from which every country has suffered in proportion to the expansion made by such country under the stimulus of the World War.

George N. Peek, head of the International Credit Bank, is authority for the statement that our foreign commerce during the past 20 years has amounted to approximately $40,000,000,000 and from that trade we have sustained a net loss of $2,000,000,000. In normal times we consume approximately 94 percent of our total production—industrial and agricultural—with the exception of cotton, and why we should make so much fuss over our 6-percent foreign market, more especially when official figures show that we have sustained a net loss of 5 percent from that trade during the past 20 years, is beyond my comprehension.

We can only do business with foreign countries by extending credit or buying from such countries. The contention of the pro-reciprocal adherents that we must buy as much as we sell, and vice versa, is not borne out by official figures of our foreign trade. For instance, we sell twice as much to the Netherlands as we buy, whereas we buy three times as much from Brazil as we sell her, and our imports from Colombia are 600 percent greater than our exports to that country.

So many lose sight of the fact that foreign commerce is based upon two premises: Price and necessity. We buy four times as much from Brazil as she buys from us because our principal purchase consists of coffee. We buy Brazilian coffee because we like its quality and the price is attractive. The same holds true with Colombian coffee.

Nations do not go out and buy from each other because of friendship. They buy in the world market, and price and quality are the determining factors, regardless of national likes or dislikes. Our principal exports at the present time consist of automobiles and accessories, machinery and cotton. Our automobile and machinery manufacturers can meet the competition of the world because they employ mass production. The quality of the American product is so far superior to that of our foreign competitors that we are able constantly to extend our trade along those lines. Then, too, the American manufacturers of automobiles and machinery are able to meet the highly competitive prices of the world market.

Foreign commerce continually shifts. For instance, world exports in 1929 totaled $32,709,000,000, of which the United States exported $5,241,000,000, or 16 percent. In 1934 world exports had shrunk to $11,186,000,000, and our exports had fallen to $2,133,000,000 which was 19 percent of the whole. So far as our share of the export world trade is concerned, we were more favorably situated in 1934, when we had 19 percent of the world commerce as against 16 percent in 1929.

On August 24, last, we signed the Cuban trade agreement, and it went into effect 10 days later. We were told of the wonders that agreement would perform for us. Let us see what happened. In the 6-month periods prior to and following the signing of the Cuban agreement our exports to that country increased from $22,800,000 to $27,203,000, an increase of $4,300,000, but our imports from Cuba for the same comparative period increased $16,347,000. In other words, Cuba has gained 400 percent more from the agreement than we have, so far as net results are concerned, as we had to increase our purchases from her by $16,000,000 in order to secure an additional Cuban trade of $4,000,000. Do you call that good business?

Furthermore, we increased Cuba's sugar quota to this country by 300,000 tons and reduced the production of American cane and beet sugar by the same amount. Sugar is one agricultural commodity of which we have never produced a surplus. In fact, we have always been big importers of sugar and yet we agreed in that treaty to further restrict our home production. A half a ton of sugar to the acre means that 600,000 acres of land must be taken out of sugar production in this country, as a result of that agreement, and put into some other crops and it's certain to be crops of which we already have surpluses. Is that good business?

A short time ago a friend of mine sent me a clipping from the Boston Marine Guide, giving the invoices of shipments received in that port over a 3-day period. In looking it over I was amazed to find that one shipment consisted of 96,000 tons of anthracite coal from Russia. Another shipment consisted of 2,000 tons of rye. Another shipment consisted of 4,000 tons of corn, and yet another shipment consisted of 32,000 tons of print paper. I have with me today, for your inspection if you desire, lists of manifests taken from the New York Journal of Commerce, between April 13 and April 17, and it is simply appalling to note the commodities that are being shipped into this country, which we are able to produce at home and should produce at home.

In one breath we talk about ending the depression and putting the idle back to work, then turn around and enter into a trade agreement with Belgium that will probably put every cement factory in the State of Pennsylvania out of business and it will also close your plate-glass factories.

How many Pennsylvania miners could be put back to work if we stopped importing anthracite coal from Russia and Great Britain? I dare say thousands. Up in our section of the country, we have large areas of timber adapted to the manufacture of print paper. Much of this timber is in small holdings, but today it is of little or no value because the American market is being supplied with print paper from Canada, Scandinavia, the Baltic countries, and Russia. There are manganese deposits in something like 35 States of the Union, and some of them have been highly developed, but nearly all are now closed down because we are buying our manganese from Russia and Brazil. In the Brazilian treaty we reduced the duty on manganese from 1 cent to one-half cent a pound and the unfortunate part of it is that under a recent proclamation of the President every other country in the world will get the same benefits as are given to the country with which we have negotiated a specific treaty, although they give us no equivalent concession in return.

When Secretary of Agriculture Wallace was before the Ways and Means Committee, in which I have the honor to hold membership, he gave it as his opinion that any American industry or activity that cannot stand on its own bottom and meet foreign competition should go into something else.

If the coal producers of Pennsylvania cannot meet the competition of forced labor in Russia, would Mr. Wallace close down the coal mines in this State? If the steel manufacturers of Pennsylvania, Ohio, Indiana, Illinois, and Minnesota cannot meet the competition from England, Belgium, Germany, and France, would he have us close down our steel mills and throw hundreds of thousands of working men out on the streets? Because the rye growers of Minnesota and North and South Dakota cannot possibly meet the competition of European rye, should they be compelled to stop growing rye and forced into something else? Because the American match manufacturers cannot meet the competition of Japanese and Russian producers, should the 40 or 50 match factories in this country be obliged to close down and throw their workers out of employment?

You have doubtless read in the press within the past few weeks numerous items telling of the enormous increases in imports of Japanese textiles, toys, and matches. The importations in textiles for the first 3 months of this year greatly exceeded the total imports of textiles from Japan for the entire year of 1934. In Japan the whole family works except those who are too old or too young. Their factories operate 72 hours per week, and the wage scale is from 20 cents to 50 cents a day. Every Japanese working man's home is a sweatshop where the children toil all day and far into the night making toys and other little knick-knacks to be sold in America. Because our textile and match manufacturers and our toymakers cannot compete with Japan, Secretary Wallace would have them go into some other activity.

We would like to know what activity can absorb all those who would be thrown out of employment under the operation of his philosophy of economics.

With one hand we reach out for an illusive foreign commerce, which represents a net loss of 5 percent, and with the other hand we continually pile burden upon burden on American industry, which makes it more and more difficult to hold that market. The N. R. A. has increased production costs in this country by at least 25 percent. Agriculture has been handicapped through the operation of the A. A. A. and the crop-reduction program. The processing tax on cotton has just about destroyed our foreign market for cotton. Only on Friday of last week the House passed the so-called "social-security bill", which would place multiple taxes on pay rolls, all of which must be charged to the finished product. How, in the name of common sense, can we place tax upon tax on industry and yet expect to go out and capture the markets of the world? The idea is too fantastic to merit serious discussion.

I have made long a study of the tariff question and am 100 percent sold upon the proposition that we should pay more attention to the preservation of the home market and less to the foreign market. I am one of those old-fashioned Americans who believe that our first duty is to our own people and that we should employ every legitimate means at our command to see that the American market is maintained for the American producer and wage earner. If we will apply ourselves to the problem of adjusting domestic production, not only on the farm but in factories and shop, and then give all activities that degree of protection which they need to their well-being, it would go far toward solving the present depression and the unemployment problem.

I cannot, and I will not, subscribe to the new deal's proposal to adopt the policy of the survival of the fittest to all industry throughout the world, which means that the small, struggling American industry, whether agricultural or otherwise, will have to give way to foreign producers who, by the advantage of low cost of production, can prove themselves more efficient. In determining efficiency in production, we should take into consideration wages paid, hours of labor, living conditions, and the general well-being of the toilers in the various countries. I would not say that the Japanese matchmaker is more efficient than the American matchmaker merely because he can lay his product down in our market for 40 cents a gross less than the American can produce it for. I would not say that the peon of Argentina is more efficient than the American farmer because he can produce meats, grains, and dairy products for half what it costs our farmers to produce similar products. I would not say that the Russian anthracite miner is more efficient than the Pennsylvania miner because he can ship his coal over here and undersell us.

Oh, I realize that there are probably those among us today who will say that I am too much of a nationalist, and that the time has come to obliterate national boundaries and reach out the hand of fellowship to the other nations of the world. I am willing to go as far as any reasonable individual in promoting good will among the nations of the earth, but I am not willing to go to the extremity of sacrificing the American fireside to do so. I hold that our first duty is to our own people, and while I am intensely sympathetic to the hungry and down-trodden of other lands, I cannot but feel that my first duty is to the hungry and unemployed of my own country.

I feel that if we would remove the uncertainty that now hangs over American industry and agriculture by assuring them of reasonable freedom from needless governmental interference, we could end this depression in 6 months. All we need to do is to tell the country that the dollar will be stabilized—I care not at what price—that no further burdensome restrictions or taxes will be invoked; that a sincere attempt will be made to balance the Budget, and that all needless expenditures will be cut out.

If this administration would but open the door of opportunity, that opening upon which 125,000,000 Americans have fixed their anxious and hopeful gaze, we would enter into one of the most remarkable eras of prosperity that we have ever enjoyed. The stage is all set for us to go. Homes need painting and repairing; farms need new buildings, machinery, and fencing; people need clothing. There are millions of Americans who need a considerable amount of dental work done and operations performed. None of you can recall a time when merchants' stocks were as low as they are now. My friends, we are not going to end the depression through an orgy of spending. We cannot spend ourselves into prosperity.

Since the time of Hoover and Mellon we have increased the national debt from sixteen billions to thirty-two billions, and the end is not yet. If this spending spree continues, it can only mean one of two things: We will have to turn our entire income over to the Government in the form of taxes, or we will have to resort to inflation, and that is one of the things that is retarding and preventing recovery. No one knows from one day to the next what lies ahead of us, and those who have the money and who should be out in front working for the country's recovery are held back through fear and uncertainty.

Let us remove that fear and the gloomy clouds that have hung over the land like a pall for the past 5 years will roll away and the sun of prosperity will shine again.

THE COURT OF FINAL RESORT

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a poem by Horace C. Carlisle, now an employee of the United States Government.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CALDWELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following poem by Horace C. Carlisle, now an employee of the United States Government:

THE COURT OF FINAL RESORT

For three score and ten hopeful, historical years
The Supreme Court of Law in the United States
Sat and served in the room which the Senate reveres
As the forum in which it once held its debates;
But this Court, in which justice alone is the guide,
Whose integrity stands—indestructive as stone—
Thru its uncharted sessions, henceforth will reside,
More befittingly housed, in a place of its own.

On a sacred, suggestive, select plot of ground—
Where historic old houses of fame used to stand,
'Mongst the buildings of national note that surround
The American Capitol—pride of the land—
The Supreme Court, in grandeur, unmarred by a flaw,
Glorified by a beauty, uniquely its own,
Has decreed equal Justice, vouchsafed under law,
And has carved it, high over the entrance, in stone.

In accord with the architect's purposeful plan,
Steel supports, designed not to be broken nor bent,
Hidden tactfully there from the vision of man,
Rest upon a foundation—of tested cement—
Where they, riveted firmly together, supply
To the structure the strength, like Gibraltar, to stand,
Tho the clouds of distraction spread over the sky,
And the storms of destruction sweep over the land.

While the inner walls, hiding this network of steel
With superior marble—as lasting as time—
From the far sunny Southland—distinctly reveal
A significant charm, that suggests the sublime,
The superb outer walls of this building, supreme—
From Vermont's marble quarries of crystaline white—
Lend a new inspiration to statesmanship's dream
For the strict preservation of justice and right.

In this Temple of Justice, thru time's great beyond,
As the centuries measure the lessening years,
May the great Court, that solemnly sits here, respond
To wealth's eloquent pleas and to poverty's tears
With impartial exactness, unbiassed, unswayed,
That the verdicts it renders may meet the commands
Of the Great Jurist's judgments, that must be obeyed
Long as Justice the Guardian of Liberty stands.

May American justice attend all the pleas
And judicial opinions set forth by this court.
There can come no appeal from the binding decrees
Of the Nation's supreme Court of Final Resort.
And this temple, supreme in its purpose and plan,
Great memorial marvel, exhumed from the sod,
Is a symbol, sublime, of man's duty to man—
And an emblem, divine, of man's duty to God.

—HORACE C. CARLISLE.

MARK TWAIN

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by the gentleman from Missouri [Mr. ROMJUE] before the Missouri Society at Washington, D. C., on April 17.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ZIMMERMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from Missouri [Mr. ROMJUE] before the Missouri Society, at Washington, D. C., on April 17:

There are still perhaps some few people who do not fully comprehend Mark Twain and his accomplishments. A distinguished writer once traveling in the country of the pyramids was accompanied by a local and native guide. The visitor was making some comment about Innocents Abroad and Mark Twain in general. The guide suddenly stopped and looked inquiringly at the traveler and asked him this question: "How many sheep has Mark Twain?" The guide perhaps had about as good an understanding of Mark Twain as some of his critics, who, perhaps on account of jealousy or lack of comprehension, at times sought to label him as a mere buffoon.

During Mark Twain's earlier writing experience on one occasion he addressed a letter to his brother Orion, and in it he stated: "When I get married I am going to quit writing to please everybody and I am only going to write to please myself." He probably thought at the time he made this statement that by the time he got married he would have a sufficient competency to take care of himself and wife and could do as he pleased. One wonders whether he may not have overlooked the fact, however, that when a man is once married he can no longer always do as he pleases.

Some of Mark Twain's critics annoyed him quite a bit by trying to constantly make it appear he was only a humorist. On one occasion, being somewhat irritated by this criticism, Mark Twain said: "It is the will of God that we must have critics, and missionaries, and Congressmen, and humorists, and we must bear the burden." If I may be permitted to comment on this, I will say that there are far too many critics and not too many missionaries, probably just enough Congressmen, and too few humorists. A humorist is largely born such—not made; Congressmen are created by their constituents; a real honest-to-goodness missionary bears the stamp and approval of the great Master over all; while critics are quite self and freely made, no particular qualification or standard is required; they are so easy to make, as they are, to a large extent, their own creation.

In the early hour of an early spring morning some years ago I had the pleasure and opportunity of traveling by bus from Columbia, Mo., to Kansas City, Mo. The highway, for many miles, led along not far from the Missouri River. A wealth of frost was still abundant on the grass, trees, and the fences along the way. I sat for many miles looking out the bus window, observing herd after herd of beautiful, well-kept and, for the most part, well-fed cattle. I knew I was traveling over our country's richest soil. I was comparing the different herds, one with the other, and study-

ing the methods and manner employed by the stockmen along the way in caring for these beautiful herds. I must have seen that morning, although I did not keep accurate account, in the neighborhood of 50 herds of cattle. The truth is my attention was almost entirely directed to viewing and observing these cattle. Across the aisle from me in the bus sat the wife of Judge James B. Gantt, who was one of Missouri's most distinguished jurists, and who for years occupied, in an eminent way, a position on the supreme court bench of our State. She was looking out the opposite window. Presently I noticed that with her hand half uplifted she was occasionally dropping her finger a bit, as if counting. Presently I inquired of her if she had seen the many beautiful herds of cattle along the way, and she replied that she had not. I said, "Have you failed to see many of these cattle along the way?" She replied, "I have not seen a single cow brute this morning—not a single one have I seen." I said, "I think I must have seen somewhere between 40 and 50 herds of as nice-looking cattle as are to be found anywhere." She said, "I have been counting bird nests along the way. Do you know I have seen 52 bird nests, and I have kept account of them." "Oh, look!" she said, "there are two more." "Have you been noticing them?" she inquired of me, to which I replied, "I have not seen a single bird nest—not one." I said, "You have been observing bird nests, while I have been looking at cattle; neither of us has been seeing that which the other observed." And so I said to Mrs. Gantt, "I have learned a lesson; perhaps in life we often see that for which we are looking, and so, too, we may fail to see that for which we do not look."

While we come to consider the life, the character, and the work of the distinguished Mark Twain perhaps the same situation may exist.

Samuel L. Clemens was born just 100 years ago the 30th of this coming November at Florida, Mo., in a log cabin, it is said. His life and his work have been looked upon, perhaps, in the same manner and for the same reasons by his friends and his critics as were the cattle and the bird nests observed by Mrs. Gantt and myself. Some have said that Mark Twain arose out of discouraging frontier conditions where there were few books and where no adequate standard of living had been developed. As a matter of fact, however, it is doubtful whether, anywhere in America, there could have been found in the forties and fifties of the last century a small section of country more favorable for his start in life than northeast Missouri. At the time of Mark Twain's birth the place of his birth was said to be about 40 miles south of what was considered the official frontier line of the United States and about 200 miles east of the official western frontier line of our country, which, of course, classed that territory as pioneer environment.

As evidence of the fact that it was a splendid section of our country in which to be born and reared and to receive youthful impressions and influences may be further verified by the fact that within a few miles of his birthplace was also the birthplace of Admiral Coontz, of the American Navy, who died some few weeks ago during this year, leaving a long and distinguished career; also in this same section of northeast Missouri there was born Admiral Willard of our Navy, who died just within the past few days after a long and distinguished service to our country; also it so happened, in this same northeast section of Missouri not far from the birthplace of Mark Twain, was the birthplace and the early home of General Pershing, the head of our Army during the World War, and who has at all times given examples of heroic and valuable service to our country; also in northeast Missouri, not far from the birthplace of the men just enumerated, is the birthplace of General Crowder, who was head of the Draft Board during the World War; also in northeast Missouri, near the scenes of the birthplaces of these distinguished men enumerated, was also the birthplace of Lieutenant Wiley, of our Navy, and only a few miles distant from the birthplace of Mark Twain was almost the lifelong home and residence of Speaker Champ Clark, where he, as a young lawyer, set forth, and where he enjoyed a long and distinguished career for public service and where he lies buried with honor and glory today.

It is not my purpose here to take up and discuss the various excellent and splendid works which Mark Twain contributed to the world. Literary critics and readers may differ as to the value, influence, and worth of the different books and works of which he was the author; some saw points of merit in all his works and some, as they believed, perhaps, may not have been so willing to praise as highly as others.

Mark Twain was not only a writer and author of great distinction—he was a philosopher as well as humorist, with scarcely any competition.

I remember on one occasion, at a time when I was a young law student in the Missouri University, I had the honor, pleasure, and privilege of seeing, meeting, and hearing Mark Twain. The university auditorium was crowded to its greatest capacity and almost immediately after he commenced talking to the student body the entire audience was in a convulsion of merriment and laughter, myself along with all the rest. Being a young law student and realizing it was a bit of wisdom for a lawyer at least to be able to read and understand people and to know whereby and wherewith people, and particularly juries, might be led from joy to sorrow, from one mood to another, and from gloominess to merriment, I rested my own attention for a time and struggled in an effort to give deep study to the power that was being manifested by the distinguished author. I had no more become settled down in this determination, studying him and his tactics mechanically, until I again found myself in the midst of the current of joy and merriment rushing along into the great sea of delight that he was carrying his entire audience to. Again I gripped myself, as I believed, planting my feet along the banks of the stream of mirth, and again I commenced or tried to commence my analysis of his power and influence in the sphere in which he was operating.

No more did I do than get myself fixed for further study and analysis than again I was drawn into the delight and merriment along with all the rest, but after all there was real sense and sound philosophy and real helpfulness from all his discourse and while we must admit that environment and training, opportunity and experience go far in determining the heights to which mankind may scale we must not forget that deep down in the soul of man there is something—call it heredity or what not, that has a tremendous influence in determining what man really is and also in determining what he may be and become.

Mark Twain, in his early youth, was a resident and maintained his home for years at Hannibal, Mo. Practically all of his boyhood and young manhood days were spent in and around Hannibal and up and down the Mississippi River. Points of interest about the city and the old homestead still are marked and kept in a fitting way in his honor. On Cardiff Hill a light is constantly burning throughout this year. The button having been touched by President Roosevelt sending the current of electricity forward, and the same will continue to illuminate Cardiff Hill throughout this year in honor of the one hundredth anniversary of the distinguished author, philosopher, and humorist's birth and achievement.

Mark Twain died at Redding, Conn., at his then residence, Stormfield, April 21, 1910, and burial took place at Elmira, N. Y.

Innocents Abroad, Life on the Mississippi, the Gilded Age, the Connecticut Yankee, Huckleberry Finn, Tom Sawyer, Pudd'nhead Wilson, Roughing It, the Prince and the Pauper, and many other of his works have erected an imperishable monument to his memory that will continue to be of imperishable value. While he was for many years a distinguished citizen of Hannibal, Mo., he became at last, long before the completion of his good works, a distinguished citizen of the world.

H. R. 6234

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein copy of a letter written to my colleague from Oklahoma [Mr. ROGERS] by a former Member of Congress, W. W. Hastings.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written to my colleague from Oklahoma [Mr. ROGERS] by a former Member of Congress, Hon. W. W. Hastings:

TAHLEQUAH, OKLA., *April 8, 1935.*

Hon. WILL ROGERS,
Chairman House Committee on Indian Affairs,
Washington, D. C.

DEAR SIR: I have your letter of April 4 enclosing me a copy of H. R. 6234, "To promote the general welfare of Indians of the State of Oklahoma and for other purposes" and a subsequent letter requesting me to give you my reaction on this proposed legislation.

I have given this bill most careful study. It contains many similar provisions to those carried in the Wheeler-Howard bill, which was under consideration during the Seventy-third Congress and from which Oklahoma was excluded. I heartily favor increased and adequate appropriations for Indian education, health work, relief among destitute Indians, including the purchase of land for the use of indigent and homeless Indians.

The bill which you enclose me, from sections 1 to 4, inclusive, restates existing law and renews century-old promises to the Indians, and section 18 reenacts the authority heretofore granted to make appropriations for the benefit of Indians which have been carried in the Interior Department bill for a number of years. There is no new grant of authority to make appropriations for Indians in this section. It is a restatement of existing law.

Unfortunately the press reports contain only a general outline of the bill and do not take it up and analyze it section by section. Reports of those who have thus far appeared before the committee discuss the principles of the bill and do not indicate that they are familiar with the details.

In the hope of being of some assistance, I want to invite the attention of Members of Congress to certain constructive criticisms of the various sections of the bill.

Section 5 defines the term "Indian of the first degree" as a person having one-half or more Indian blood, and the term "Indian of the second degree" as a person having less than one-half Indian blood. This latter definition includes Indians of less than one-half degree Indian blood to those enrolled as of one two hundred and fifty-sixth quantum of Indian blood.

Section 2 contains the following paragraph:

"(b) All lands, property, and funds of the Indians of the second degree, as herein defined, are to be by the Secretary of the Interior relieved of all restrictions as rapidly as the best interest of the Indians and the public will permit and justify."

Section 7 contains two provisos:

"That the Secretary of the Interior is hereby authorized, in his discretion, with or without application from the Indian owner of

any such restricted lands, funds, or other property of less than one-half Indian blood, remove the restrictions from all or any part of the lands, funds, or other property belonging to such Indian."

And the second proviso is as follows:

"That before removing the restrictions from any land belonging to any Indian of less than one-half Indian blood", notice is provided to be given.

Section 9, in part, provides:

"That the trust or otherwise restricted property, of whatever kind or nature, belonging to any Indian of the State of Oklahoma of less than one-half Indian blood", which indicates a reimposition of restrictions on Indians of less than one-half Indian blood.

The press does not report any explanation for this definition of an "Indian of the second degree" or any reason why the above provisions quoted from sections 2, 7, and 9 are embodied in the bill if it is not intended to reimpose, by implication, restrictions on all Oklahoma Indians of less than one-half degree Indian blood. If it is not for this purpose, why insert this definition and the language quoted from the above sections?

The restrictions were removed from the lands and funds of all Indians of less than one-half Indian blood who are members of the Five Civilized Tribes by the act of May 27, 1908. The provisions hereinabove quoted in fact seem to indicate a reimposition of restrictions on Indians of less than one-half Indian blood. If this is not the intention, why the language quoted from the above sections?

Members of the Five Civilized Tribes of less than one-half Indian blood have been free from the supervisions of the Indian Bureau for almost 28 years. All of these Indians are citizens of the United States and have exercised the rights of citizenship and voted at all elections since statehood. Many of them have held important positions of trust, and I feel sure that public sentiment would oppose the reimpositions of restrictions on lands and funds of Indians of less than one-half degree Indian blood. If these provisions are not intended to apply to members of the Five Civilized Tribes, the exception should be made clear and not left in doubt.

Section 6, among other things, provides:

"Securities belonging to Indians of the Five Civilized Tribes in Oklahoma shall, while held by the Secretary of the Interior, be free from any and all taxes."

Your attention is invited to the act of May 10, 1928, which exempted agricultural land, not to exceed 160 acres, from taxation, but specifically provided that all minerals and moneys received from oil and gas should be subject to taxation—State and Federal—the same as any other citizen of the State. The theory of this provision of May 10, 1928, was to protect the poorer Indian from confiscation of his land through taxation. I think no one will attempt to justify exemption from taxation of wealthy Indians who receive large incomes from minerals and oil and gas.

Section 9 confers exclusive jurisdiction upon the Secretary of the Interior: "(1) To continue administration of Indian estates; (2) to determine the heirs of such decedents; (3) the approval or disapproval of wills by such decedents; (4) the partition of lands, funds, or other restricted property among the heirs of such decedents; and (5) the settlement of any claims against restricted estates of such decedents." The decision of the Secretary of the Interior which, of course, means acting through a law clerk in the Bureau of Indian Affairs "shall be final and conclusive."

The last proviso of section 8 is as follows:

"That hereafter no guardian shall be appointed by the courts of the State of Oklahoma for any person of one-half or more Indian blood except on petition approved by the Secretary of the Interior."

This section, in effect, would take away all jurisdiction from the county and district courts of the State of Oklahoma in matters affecting Indians of one-half or more Indian blood. It means that all of the authority shall be exercised by a law clerk upon ex parte affidavits 1,500 miles away from Oklahoma. I cannot favor the determination of these matters upon ex parte affidavits and by a law clerk in no wise responsible to the people of the State of Oklahoma. It means interminable delays, irritation, and unsatisfactory administration.

Surely no Member of the Oklahoma delegation familiar with the Indian question would favor this section. I see no objection to giving notice to probate attorneys or some other Indian representative when any action is to be taken in any court in the State of Oklahoma, so that representatives of the Indian Service may appear as a matter of right and represent and protect the Indian, including the right of appeal, but I do most vigorously protest against the enactment of this section, or any part of it, that would confer exclusive jurisdiction upon the Secretary of the Interior who acts through a law clerk in the Indian Bureau.

This is not intended as a criticism of the present personnel of the Indian Bureau, many of whom have been there for years and rendered splendid service, but it is against long-distance government, and, regardless of the personnel of the Indian Bureau, the principle is as objectionable now as it was when it inspired our Revolutionary ancestors to risk everything to fight for local self-government.

It must be remembered that many Indian families have heirs some of whom are more than one-half Indian blood and some have less. As to the partition of lands, this provision would in effect destroy the value of interest in lands if there is not provided a way through the courts to determine the interest and provide a method for the sale of it. Section 8 would confer exclusive jurisdiction upon the Secretary of the Interior.

Section 8 of the act of January 27, 1933, makes it the duty of the probate attorneys appointed under the act of May 27, 1908, to appear and represent any restricted member of the Five Civilized Tribes before the county courts of any county in the State of Oklahoma or before any appellate court thereof and any matter in which said restricted Indians have an interest and they have the right of appeal.

Section 3 of the act of April 12, 1926, provides for a transfer of any suit from a State court to a Federal court where a restricted member of the Five Civilized Tribes is a party upon filing a motion to that effect.

Since the enactment of the act of April 12, 1926, and the act of January 27, 1933, there has been no criticism against protecting the rights of a restricted Indian either in the State or Federal courts of the State of Oklahoma.

Section 8 of the pending bill strikes at the very heart of the sovereignty of the State.

Section 9 provides:

"Wherever any question arises as to the quantum of Indian blood of any Indian subject to the provisions of this act, for the purpose of determining jurisdiction over the estate of such Indian, or otherwise, the Secretary of the Interior shall determine said quantum of Indian blood and his determination thereof shall be final and conclusive."

Under existing law the rolls are made conclusive evidence of quantum of Indian blood. This provision would repeal existing law and confer that jurisdiction upon the Secretary of the Interior. If a case were up for trial in the State or Federal court and the question of the quantum of Indian blood were to arise the case would have to be suspended until that question were determined by a law clerk 1,500 miles away. At present the rolls are conclusive and there is no uncertainty about it. This provision may be construed to permit the Indian Bureau to go beyond the rolls. This question should not be reopened.

The last half of section 10 provides for the collection from Indian owners a sum not exceeding one-fourth of 1 percent on the corpus of their accumulated funds amounting to $2,000, and the sums collected are to be placed in a fund for the relief of indigent Indians.

I strongly challenge this section. I favor a more liberal policy for the Indian Service in permitting Indians to voluntarily contribute to the support of needy friends and relatives. This they would liberally do if permitted. However, I do not favor using the taxing powers of the Government to tax one group for the benefit of another. You may tax all by general law, but I hesitate to agree that you can by law tax one class for the benefit of another.

With reference to the general authority to buy land for the benefit of homeless Indians, I favor the principle. However, I do not favor the purchase of large areas of submarginal land upon which the Indians cannot be taught to make a living. The land should be bought in the name of the United States for the benefit and use of the Indians and contracts made with respective Indians for the use of small tracts subject to rules and regulations of the Secretary of the Interior. If productive lands are not purchased, the purchase of submarginal lands and the improvement of them will be expensive and in the end prove a failure. If small productive tracts of approximately 20 acres to a family were bought and the Indian encouraged and taught to assist in improving the same under the supervision of more farm agents provided for the Indian Service, it would prove more successful and less expensive. The Indians could be located in the same area where they would be accessible to Government representatives without necessarily purchasing all contiguous tracts, much of which is nonproductive.

If all of the land within certain areas is purchased, much of the worthless land will be bought at exorbitant prices. This money should be saved for the homeless and indigent Indians for whom it is intended.

Remember, it costs as much to build a house, fence, and improve unproductive submarginal lands as it does productive land. Submarginal means, of course, lands which are under average production. Let's be frank about it. These are lands upon which no person, Indian or white, can make a living. Why purchase this character of land for Indians? It is bound in the end to prove a failure. An Indian gave a practical definition of submarginal land by calling it "starve to death" land. If the Indians of the Nation are induced to go upon nonproductive lands upon which it cannot be hoped that they can make a living, there is a moral obligation upon this Government to continue to maintain them through appropriations from the Federal Government.

The Congress should be made to understand that all of the lands of the Five Civilized Tribes in Oklahoma, as well as the lands belonging to the Indians of smaller tribes, have all been allotted. Checkerboarded all through the Indian area, lands are owned and held by unrestricted Indians and by white people of no Indian blood. One cannot buy large areas of contiguous land without purchasing a very large part of nonproductive land. Up and down the streams and in the valleys in the same neighborhood small tracts of land could be purchased available for Indian use.

Two areas have been tentatively selected and options are being taken for the purchase of the lands included within them in northeastern Oklahoma. I have general information with reference to both and do not hesitate to say that, in my judgment, it would be a mistake to spend money from the Public Treasury in the purchase or improvement of either of them.

It should be brought to the attention of Congress that all of the Indians of Oklahoma are citizens of the United States and that all exercise the right of citizenship. They vote and hold office just as other citizens of the State. Many of them have been elected

to the county and district benches. While the people of this State favor the protection of the Indian from being despoiled of his land or other property through their being represented by probate attorneys and United States district attorneys, they cannot favor taking away the jurisdiction of the courts, as is provided in section 8, and conferring this exclusive jurisdiction upon the Secretary of the Interior acting through a law clerk upon ex parte affidavits 1,500 miles away.

Let me repeat again, in order to make my position clear, that I favor adequate appropriations for Indians for education, health work, relief, for the purchase of productive lands for homeless and indigent Indians, and to employ additional farm agents to be located in their midst to assist them and show them how to plant, cultivate, market, and conserve their farm products.

Sincerely yours,

W. W. HASTINGS.

FREE SPEECH

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under the leave granted me to extend my remarks, I include a copy of a speech that I was to give over radio station WHN in New York City on Friday, April 19, 1935, at 6:15 p. m., but which was not delivered because the officials of the station notified me an hour beforehand that owing to the fact that a copy of my remarks had only been received 2 hours in advance that I would not be permitted to speak.

In my opinion this was just a flimsy, fictitious excuse and a brazen interference with free speech by WHN on political issues. It is a form of censorship that is repugnant to free American citizens, particularly when there are hundreds of paid publicity agents at Washington doing nothing but getting out news and propaganda in defense of the new deal day and night over the radio and in the press. There is no regulation by the Federal Communications Commission that requires a copy of a radio speech to be delivered in advance.

I have spoken many times over different radio stations and have never been censored in any way before. The attitude of WHN, a comparatively small station, which had invited me to speak is a typical example of the state of terror that exists in some of the smaller stations that they might not have their license renewed.

I have too much respect for the membership of the Federal Communications Commission to conceive for one moment that partisanship would or could be carried to that extent. The action of WHN was probably inspired by fear of the bureaucracy and regimentation in Washington, but even the "new dealers" do not dare to interfere with freedom of speech and if they ever atempt it, it will be a political boomerang and a blunder of the worst kind.

Naturally, the Republicans would take up the challenge without delay or evasion in behalf of freedom of speech and our free institutions.

In am inserting herewith a copy of a telegram sent by me in reply to one from the American Civil Liberties Union, offering their cooperation to fight against suppression of free speech:

WASHINGTON, D. C., *April 22, 1935.*

ROGER N. BALDWIN,
Director American Civil Liberties Union,
100 Fifth Avenue, New York, N. Y.:

Replying to your telegram, am in favor of the fullest freedom of speech and of the press for all American citizens regardless of race, colors, creed, or party affiliations, except to the extent of urging the overthrow of our republican form of government by force and violence, which is guaranteed to each State by the Federal Constitution. I do not favor granting freedom of speech to aliens in order to spread class hatred, promote strikes, riots, sabotage, and industrial unrest, and to undermine and tear down our free institutions. I favor deporting such aliens and giving their jobs to loyal American citizens who have faith in our institutions and American system. Will be glad to cooperate with you for the fullest and freest discussion of political and economic problems; clear stations for legal responsibility except for libel, slander, and sedition; require public records of reasons for refusing or censoring political economic talks; and to set up a commission to investigate radio control. The attempt of the Federal Government to censor, control, or interfere with the rights of American citizens to expose the tragic failure of the new-deal experiments is a menace to our free institutions and popular government. It must be fought without compromise or the American people will be deprived of free speech and of their rights and liberties and find themselves no longer sovereign and free citizens but pawns to a bureaucratic, autocratic, dictatorial Government at Washington without their consent or approval.

HAMILTON FISH, Jr.

THE CANCELED OR UNDELIVERED SPEECH

THE PROPOSED VICIOUS REAPPORTIONMENT IN NEW YORK STATE AND THE NEW DEAL

I desire to take this opportunity to pay my respects to Governor Lehman, whom hitherto I have always held in the highest regard as above petty, despicable, and blind partisanship. Of all the contemptible and ruthless political acts ever attempted out of brazen partisanship the attempt to gerrymander the up-State congressional districts, obviously to throw two sitting Republican Members together in one district, regardless of geography or in the interest of the people or counties involved, is the grossest, rawest, and cheapest political kind of trickery. It makes no difference whether James Aloysius Farley, with political venom in his heart for having his repeated blunders exposed by Republican Members of the Congress, such as the air mail fiasco and gifts of imperforated stamps to members of the Cabinet, his own family, and to the President, or whether it is the President's autocratic and high-handed way of answering the Republican critics who, such as SNELL, DAN REED, CROWTHER, TABER, CULKIN, and WADSWORTH, have ridiculed and exposed the tragic failure and breakdown of the new-deal experiments. Nevertheless, Gov. Herbert H. Lehman, as sponsor of the congressional reapportionment up-State, must bear the responsibility.

Tammany Hall, in its balmiest and most political corrupt days, would never have dared to sponsor such an abomination of desolation. What a travesty for a supposedly high-minded and politically honest Governor, who received hundreds of thousands of Republican votes, to blight his own record as Governor and his standing as a liberal to sponsor, at the crack of Jim Farley's patronage whip or the revengeful and dictatorial urging of the autocrat in the White House, a dishonest, dishonorable, and monstrous redistricting of up-State congressional districts.

Let Governor Lehman call an extra session of the legislature and try by whip and spur to lash recalcitrant and disgusted Democrats into line. But let the people know all the facts and the extent of the bitter, bigoted partisan spirit that animates the sponsors of the bill and the motives behind it. As for me, it makes no difference what district I am in because I have always been able to fight my own battles and carry the issues to the people.

If Governor Lehman goes on the radio and appeals for a fair congressional reapportionment bill, no one will object—but if he tries to jam through the present rotten measure conceived in political hatred and revenge he will go out of office as the weakest, pettiest, and most bigoted partisan ever to sit in the Governor's chair. The congressional reapportionment bill stinks and shines and shines and stinks like a dead mackerel in the moonlight.

Let the Governor beware of his false friends and permitting them to drag him down into the political quagmire and to involve his name and reputation in a putrid mess and into a political scandal that even Tammany disdains and which like Banquos ghost will not down but will plague Governor Lehman and his reputation for fair and honest dealing for years to come.

The time has come to tell the truth and to let the people back home, in spite of the honeyed words and sugar-coated fireside talks of the President, know that the new-deal measures, particularly the N. R. A. and A. A. A. are collapsing of their own weight and are being denounced even by Democrats as the greatest economic failures and monstrosities in the history of our country.

The Republicans would have no right to criticize the new-deal measures if they had succeeded in relieving unemployment and putting American men and women back to work, even at the cost of $15,000,000,000. The tragedy of the situation is that there are a million and a half more unemployed, according to the American Federation of Labor, than there was a year ago.

The Republican Party has been shadowboxing long enough and pulling its punches beyond the necessities of the occasion. There is only one person responsible for the break-down and failure of the new-deal policies which are retarding recovery and prolonging the depression, and that is Franklin D. Roosevelt, who was the author of all those unsound experiments, including the N. R. A. and A. A. A. that are leading the country on to the rocks of bankruptcy, chaos, and disorder. No matter what party American citizens may have belonged to in the past, the time has come for all those who believe in our industrial system, based on private initiative and reasonable profit, in sound money, in a balanced Budget, and against Government ownership, destructive taxation, continued borrowing, and unlimited deficits and in intolerable and crushing bureaucracy at Washington, to join forces to throw out the "new dealers."

All the new-deal measures have clashed with common sense, the experience of the past, and the Constitution of the United States. The blatant General Johnson declared the N. R. A. a holy and sacred institution above reproach, but today, even Democrats join in the swelling chorus repudiating it as a failure that should be wiped out or drastically modified. There was once a time when any critic of the N. R. A. was either a traitor or a partisan bigot. The President's message on the utility holding companies was an amazing example of the extent that the administration has become a propaganda machine. No American, according to the President, has the right to even petition Congress to modify legislation with-

out committing an unethical and unloyal act. Have the liberties of the American people burned so low that they have no rights or voice left to petition their elected representatives in Congress?

The President speaks of a more abundant life for the American people—a very beautiful phrase for fireside talks. But how can it be developed by a program of scarcity and reduction of crops and birth control of pigs and an increase in the cost of living? When the American people wake up and see that the President's program is destroying wealth and impoverishing the people, political sentiment will change over night. There has been a tremendous swing in public sentiment away from the new deal in the last 3 months, but that is only the beginning of an avalanche that, once the facts are known of the utter collapse and breakdown of the new deal, will sweep everything and everyone responsible for the socialistic experiments and the destruction of business confidence into political oblivion. The people have been mesmerized and hypnotized owing to the consistent and studied attempts to mislead and befog the real issues. Let us tear the veil off and unmask the true situation.

I indict the new-deal administration on its record for the past year as the greatest failure in American history. I charge President Roosevelt with having destroyed business confidence, squandered American resources, and with the impairment of the national credit. I accuse him of having imposed unsound, unworkable, and socialistic measures upon the Nation that have increased the cost of living, impoverished American people, lost the world market for our cotton and wheat surplus crops, and increased unemployment. I condemn him for demanding control of the purse strings from Congress, turning the Constitution into a scrap of paper and changing our representative form of government without the consent of the governed, into an autocratic and dictatorial form of government. I denounce his administration as having no economic policy except to pile debt upon debt by borrowing billions upon billions without any thought of balancing the Budget or the inevitable day of reckoning and collapse of credit and the bankruptcy of the Government. I hold President Roosevelt responsible for appointing numerous radicals, Socialists and Communists to important positions in the Government's service, who have done more to cause labor unrest, unprecedented strikes, and to promote more class hatred in 2 years than all other administrations since the birth of the Republic.

CLAIMANTS WHO SUFFERED LOSS FROM FIRES SET BY GOVERNMENT-OPERATED RAILROADS IN MINNESOTA IN 1918

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RYAN. Mr. Speaker, some days ago I addressed the House of Representatives in connection with the bill H. R. 3362, for the relief of people who lost their property as a result of fires set by Government-operated railroads. When I talked to my colleagues at that time, I pointed out that this bill has the endorsement of President Roosevelt and submitted evidence to sustain that position. Those most familiar with the facts, will know that the Government made cheap, unfair, and coercive settlements with the fire claimants.

One of the leading newspapers in the Northwest is the St. Paul Pioneer Press, published at St. Paul, Minn. This newspaper has a reputation for accuracy and for careful investigation of facts before they adopt an editorial policy. The St. Paul Pioneer Press did investigate relative to the policy of the Government in connection with the fires of October 1918.

The St. Paul Pioneer Press in commenting on the settlements which had recently been completed by the Director General of the Railroads, used this language in an editorial under date of Thursday, August 29, 1929:

VICTIMS OF THE LAW

Financial need forced a majority of the Minnesota forest-fire sufferers of 1918 to make settlements of their claims against the United States Government on a basis of from 30 to 50 percent. They could not await unwinding of red tape before receiving full amount of damages due.

The Government admitted responsibility for the fires, which were started by sparks from locomotives while the railroads were under Federal control. The full amount of the loss likewise was conceded. But, taking advantage of dire extremity of the sufferers, the Railroad Administration sought to adjust the claims on a partial-payment basis.

Having accepted these settlements, victims of the fire have no further redress in courts of law. Their only recourse is to Congress, where they may present a claim of moral responsibility for the remaining amount due them. Acting on that procedure, 8,000 of the sufferers have organized themselves into an association which will ask that a Federal appropriation of $18,000,000 be made to pay them in full.

The public has no desire to see their Government act like an ambulance-chasing claim adjuster, taking advantage of the law's delays to secure unfair settlements on its victims. Instead of being payments the amounts first granted should have been advances to tide the impoverished farmers over their crisis until a final adjustment could be made. Every good citizen will agree, if he knows the facts, that Congress should hearken to the plea of the Minnesota Forest Fire Reimbursement Association.

This editorial will be found on page 281 of the hearings in the House committee conducted the week of March 26, 1930, on a measure then pending for the relief of the fire claimants.

I am sure that my colleagues will agree with me that settlements made under conditions outlined in this editorial, were not settlements at all, but only partial payments on account.

SPANISH-AMERICAN WAR VETERANS

The SPEAKER. Under the special order of the House, the gentleman from Montana [Mr. AYERS] is recognized for 10 minutes.

Mr. AYERS. Mr. Speaker, I rise today to discuss briefly the bill H. R. 6995, introduced by the gentleman from Washington [Mr. SMITH], to restore the Spanish-American War veteran to his previous status, and I think it is only proper and appropriate that this discussion should be had on this, the thirty-seventh anniversary, of our entering into war with the Kingdom of Spain.

Americans are not a military people; we have never maintained a noticeable standing army; we have never fought for an increase in territory; we have never fought because our commercial spirit had been outraged; we fought only because it was necessary to maintain and establish our independence; and thereafter we fought to uphold and maintain our manhood and standing among the family of nations; to protect and preserve our rights on land and seas; to outlaw tyranny in this hemisphere, and in all instances we have fought for honor and humanity.

We are and always have been mindful of the horrors of war. Our forefathers realized that when they crossed swords with King George, but they were not afraid in their battle for the right, neither were they afraid in 1812 when they battled Great Britain for the freedom of the seas. They were not afraid in 1845 when they went to the rescue of the liberty-loving Texans. War was indeed a horror in '61, when brother was pitted against brother. But it did not frighten either those who wore the "blue" nor those who wore the "gray", for they each believed that their position was for right and for freedom. On each side it was a demonstration of the high character and determination of the men who make up this Nation. When the insults of Spain to this country came along in '98 it was both those who wore the "blue" and those who wore the "gray" that quickly put an end to Spain's tyrannical rule in the Western Hemisphere and maintained the honor of this Republic.

On January 25, 1898, a United States warship, the *Maine*, on a peaceful mission, arrived at the harbor of Habana. Its coming had been cabled ahead and it was met and piloted to its anchoring place by a regular Spanish Government pilot. While lying there on this peaceful mission, on February 15, it was destroyed by a mine lying directly under it. With its destruction 266 loyal Americans, without the slightest warning, went to a watery grave.

The fact that Spain for some time had been cruelly slaughtering and starving to death our next-door neighbors, prompted a large percentage of our people to the belief that we should free Cuba from Spanish rule; however, neither the President nor the Congress believed that we should interfere. But when the *Maine* and 266 Americans were sent to the bottom of Habana Harbor by what was determined to be a submarine mine, over which the ship had been anchored by a Spanish officer in a supposed spirit of friendship, and when Spain, on only a superficial examination, had declared that this was an accident due to an internal explosion, practically the whole of America revolted against Spain and demanded its withdrawal from Cuba.

President McKinley, showing great forbearance, suggested an armistice of the warring countries to allow negotiations

for peace through the friendly offices of the United States, with full assurance that the United States did not wish to acquire Cuba. This suggestion was refused. After that, nothing short of Cuban independence would satisfy the American people. Neither the President nor the Congress could have withstood this sentiment. The last vestige of Spanish power in the western world must now be ended.

On April 20 Congress passed a joint resolution asking for the recognition of the independence of the people of Cuba and that Spain withdraw from the island. When this was transmitted to the Spanish Minister here in Washington, he asked for his passports, and withdrew. This action was brought to the attention of the Congress on April 25—37 years ago today—by message from President McKinley, which was read at this hour of that day. Later in the afternoon a bill passed both Houses without a dissenting vote, declaring that war existed between the United States and the Kingdom of Spain.

Volunteers were called, and overenlistments occurred in every State. Untrained, they were taken to the swamps and jungles of Cuba, Puerto Rico, and the Philippine Islands. They had none of the privileges made possible by modern medical science as were afforded in the World War. The casualty list from fever and disease was far greater than in any other of our wars.

WOUNDS OF THE STATES HEALED

In the War between the States, Joseph Wheeler, of Georgia, had been a gallant cavalry officer in the Confederate Army, where he had won the title of "Fighting Joe." Although past 62 years of age, he was one of the first to answer the call. The President, who had been his adversary in the Civil War, at once commissioned him a major general, and he was the first man under fire in Cuba, for he was at the head of his command at the opening of hostilities. General Wheeler was in actual command of the land forces in Cuba. He was accused of assuming that command, but nevertheless he had it and his generalship is an everlasting tribute to his Americanism and his ability. It was under him that Colonel Roosevelt and his Rough Riders served. And it was under him that Colonel Wood fought. General Wheeler's wise executive foresight, displayed in the many battles at and around Santiago, San Juan, and San Juan Hill, was responsible for our victories by the land forces on the island. With him, in addition to the Roosevelt Rough Riders, were other cavalry, infantry, and artillery, made up of sons of men who had fought beside him in the Confederate Army, and of sons of men who had been with Grant and McClellan and Sherman in the Union Army.

Fighting under General Wheeler, and one of the first of those to make the supreme sacrifice, was Sgt. Hamilton Fish, of New York, first cousin of our distinguished colleague from the Empire State, and grandson of Hamilton Fish, Secretary of State under President Grant. This war immediately demonstrated that all sores between the States had healed and that we had a united front to preserve our integrity and to maintain our honor against all enemies, and that we were one America, inseparable. [Applause.]

While the Spaniards were being taken care of at Cuba, Admiral Dewey with the Pacific squadron was taking care of them on the other side of the world. The War with Spain really ended within 4 months, resulting in Cuban independence and leaving us with a rebellious foster child in the far-off Pacific; indeed, the hostile attitude of the Filipinos necessitated keeping our troops in the islands at war strength for some 18 months.

The Spanish-American War developed a Dewey, a Schley, a Sampson, a Hobson, a Wood, a Roosevelt, a Funston, and one of the most loyal and patriotic volunteer armies ever organized. On the other side, the horrors of that war are the worst we have ever encountered.

ENLISTED WITHOUT ANY IDEA OF REWARD

The average Spanish-American War veteran is now past 61 years of age. Thirty-five years ago he enlisted out of sheer patriotism and devotion to country and without any hope of reward other than the feeling that he had done his duty as a citizen. When the war was over and the Philippine Insurrection was settled, these voluntary soldiers left the malaria and typhoid swamps of Cuba, Puerto Rico, and of the Philippines with germ-ridden and diseased bodies; yet little did they think of ever desiring or of ever needing a Government pension. Their pride and their hope was that they had preserved the integrity of their country and that they had freed a down-trodden people, and now they hastened to get back to their loved ones and to the land of health and happiness. A large percentage of them started home from a malaria, from a chronic-dysentery, or from a typhoid bed. Not until the aftermath of those terrible diseases had made serious inroads on their physical ability would they ask or seek relief from their Government.

After some 22 years, an appreciative Government put them on the pension list; and now it is not fair to say that their pensions should be reduced or that they should furnish any additional evidence to maintain them. Their present condition, when considered with the very nature of the service they performed, is presumptive evidence that the Congress was right when it gave them the pensions, and all subsequent Congresses should maintain the action of that Congress.

HORRIBLE HEALTH CONDITIONS

Eighteen months in the Philippine Islands in those days and under the conditions that existed in the islands at that time would permanently disable any white man. "Malaria", "chronic dysentery", "typhoid", "camps in stagnant swamps", "leprosy", "lack of medical and hospital facilities", "all-around insanitary conditions", "Alger's embalmed beef" were all common words and phrases connected with our Army in the War with Spain and the Philippine Insurrection.

THE SMITH BILL TO RESTORE BENEFITS

Mr. Speaker, the veterans of the Army of '98—the 100-percent Volunteer Army—should be placed on the same basis as the veterans of the War between the States, and their widows and dependents should be treated likewise. [Applause.] To the end that we will do that, we should at this session and without hesitation pass H. R. 6995, a bill introduced by Congressman SMITH of Washington, repealing the Economy Act insofar as it pertains to the veterans of the Spanish-American War, the Boxer Rebellion, and the Philippine Insurrection and their widows and orphans.

[Here the gavel fell.]

The SPEAKER. The time of the gentleman from Montana has expired.

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. AYERS. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. I wonder if the gentleman has had opportunity to examine the bills introduced on behalf of the Spanish War men. I have introduced a bill to place the Spanish-American War veterans on the same basis as the Civil War men, and that is what should be done.

Mr. AYERS. That is exactly what I am arguing we should do.

Mr. LUNDEEN. And I think the gentleman is making an excellent argument.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. AYERS. I yield.

Mr. TAYLOR of Tennessee. I want to congratulate the gentleman on the magnificent and eloquent tribute he has paid the Spanish-American War veteran. I think these veterans have been shamelessly treated under the so-called "Economy Act", and I would like to know just what the status of the bill (H. R. 6995) is at this time.

Mr. AYERS. It is in committee. It has not been reported.

Mr. TAYLOR of Tennessee. What is being done toward having it reported by the committee?

Mr. AYERS. I do not know what the action of the committee is to be. I sincerely hope it shall be favorable and that the bill may get to the floor of the House at an early date.

Mr. TAYLOR of Tennessee. I would like to join in a petition to have the committee discharged from the consideration of the bill and have the measure brought up on the floor here. For this Congress to adjourn without correcting the injustice that has been inflicted on these worthy veterans, most of whom are now far past the age when they can earn a livelihood, would be an act of the grossest neglect and ingratitude. If we continue to ignore those who have made sacrifices for the flag as these Spanish War veterans did in '98, while expending millions, yea, billions, for every imaginable vagary, it will be poor encouragement for men to rally to their country's colors in the future.

Mr. AYERS. I thank the gentleman from Tennessee for his contribution.

Mr. ROBSION of Kentucky. Mr. Speaker, if the gentleman will yield for one observation, it seems to me there should be an amendment put in the bill when it is considered by the committee, not to reduce any pension that they are now receiving.

Mr. AYERS. The purpose of the bill is to restore them to their status before the enactment of the economy bill.

Mr. ROBSION of Kentucky. But some of them are getting more now, under a peculiar ruling, than they would get under such a bill, and there ought to be an amendment in the bill so as not to reduce any pensions.

Mr. AYERS. I agree with the gentleman from Kentucky and thank him for the suggestion.

Mr. Speaker, in the name of economy our Government reduced the benefits of these men and their dependents, and now in the name of recovery, which is on everyone's tongue, let us fully restore these just, equitable, and well-earned benefits. [Applause.]

To these veterans, alive as well as those dead, this Government is indebted, and for those alive and for the widows and orphans of those dead, I urge this body to pass the Smith bill.

We are always quick to recognize our direct obligations to the dead and we are prompt in expounding their virtues. We are also liberal in floral tributes to them. That is all just and right, for it should be so. But I am one who also believes in flowers for the living. [Applause.] Now, my fellow Members of the House, from your demonstration of approval of that remark, I call upon you to pass this bill and give to these living veterans a flower worth while. Indeed, a flower to the living is worth scores of bouquets to the dead. [Applause.]

The SPEAKER. Under the special order of the House the gentleman from California [Mr. HOEPPEL] is recognized for 10 minutes.

Mr. HOEPPEL. Mr. Speaker and Members, 37 years ago today the Congress of the United States formally declared war on the Kingdom of Spain, stipulating in the bill which was passed that—

> War existed since the 21st day of April, A. D. 1898, including said day, between the United States of America and the Kingdom of Spain.

I rise this afternoon to pay tribute to the approximately 6,000 men and women who lost their lives in the Spanish-American War, and the approximately 200,000 participants who have died since that period; also to express my high regard for our Spanish-American War veterans who are yet alive.

It is quite proper also that, on this day, we rise in reverent memory to the principal characters in that conflict—President McKinley, Colonel Roosevelt, Gen. Joe Wheeler, General Merritt, Admirals Dewey, Sampson, Schley, Bob Evans, and others who contributed so unselfishly to bring success to American arms.

Approximately 450,000 officers and men were enlisted and served between April 21, 1898, and July 4, 1902, on which latter date the Philippine Insurrection was finally terminated. Never before in our history had a war of such proportions been fought in which every individual involved was a volunteer. "Remember the Maine" was the slogan which impelled thousands of American youths to volunteer for service.

This Congress includes a number of individuals who served in the War with Spain and it also includes numbers of others who volunteered for service but who were not accepted.

War, at its best, is what Sherman termed it. In the brief time allotted to me, however, I wish to call attention to some of the benefits which came to our Nation as a result of our participation in the Spanish-American War.

LAST VESTIGE OF SECTIONALISM EFFACED

No one can deny that the mingling of the volunteers of the North with the volunteers of the South in the Spanish-American War contributed in no small measure to the complete effacement of sectional feeling in the United States. It is my belief that I voice the opinion of the Northern volunteers when I state that as a result of their commingling with our patriots of the South and with the southern citizenry, a more complete understanding developed between the North and the South and I believe the wounds of the Civil War may be said to have been effectually healed from that period.

I myself was quartered with the First Texas Volunteer Regiment for a time and the higher regard which I have for the Texas delegation in the Congress, especially my good friends, Mr. BLANTON, Mr. PATMAN, JOE EAGLE, and others, may be said to have its roots in the friendship and understanding which I absorbed in my first association with the men of the South in 1898.

Outstanding as a testimonial to the principles of the American people, we, as a Nation, can point with pride to the fact that although we were victorious in this conflict, we did not annex the territory of the vanquished but instead, we paid the Kingdom of Spain quite liberally and satisfactorily for the territory we acquired as a result of the war.

The United States also established a new principle among nations in that liberty was accorded the Cuban people and self-government was established in Puerto Rico and in the Philippines as soon as conditions warranted. Ours was not an act of imperialism but an act of liberalism to an alien people. This principle stands today in glaring contrast to the attitude of other governments toward their various dependencies or colonies.

Going a step further under the present Democratic administration, through the repeal of the Platt amendment, full liberty of action is now enjoyed by the Cuban Government while, at this time, machinery is in process of development whereby complete independence may be extended to the Philippine Islands.

Commercial and other advantages accruing to the United States as a result of the Spanish-American War have been estimated at more than $8,000,000,000. Outstanding and worth more than actual dollars and cents, however, are the prestige and esteem of the civilized world which we enjoyed as a result of the admirable conduct of our Army and Navy on land and sea. The exploits of American troops in China, in joint action with the allied forces in the relief of Peking, gave evidence to the world that the American soldiers were excelled by none, not even by the highly trained troops of Europe. A hitherto little-appreciated Nation, the United States emerged from the Spanish-American War as a world power.

Notwithstanding the national advantages which have resulted from the sacrifices of our Spanish-American War veterans, they have been virtually the "forgotten veterans" of our wars. Ill-prepared, our troops fought at Santiago with obsolete equipment. Not only were they handicapped by a lack of arms and munitions, but our medical facilities appeared to have been developed very little since the days of the Civil War. Disease took more men than bullets, not only in Santiago but later on in the Philippines as well.

VETERANS OF CUBAN ARMY AT MONTAUK POINT

I submit for the inspection of the Members photostatic copies of pages of the New York World, published in Sep-

tember 1898, depicting conditions at Montauk Point, where the returning Cuban Army was quartered and showing the havoc which improper food, improper sanitation, and inadequate medical care wrought among our veterans, already enervated as a result of their tropical service. As this article shows, by actual photographs and sketches, many of the veterans from Santiago were reduced to mere shadows of their former selves; one veteran lost 70 pounds in weight in the time between his departure at Tampa and his arrival at Long Island City from Cuba in August 1898. Many returned only to die and as I myself was at Montauk Point, quartered with the Army which came from Cuba, I witnessed the astoundingly large number of daily burials of our men.

Wherever possible the convalescent sick were invalided home and left to shift for themselves. Eventually they were discharged and took up the battle of life as best they could with their physical handicaps.

Similar conditions applied in the Philippines, and those on the west coast who observed the returning Army from the Philippines, will confirm my statement, that the men were virtually walking skeletons. These men also were invalided home and discharged shortly thereafter. Notwithstanding their impaired health, they endeavored to carry on and, thanks to their resolute spirits, many of them regained their health temporarily. Practically every man who contracted malaria, typhoid, dysentery, and other diseases in Cuba and the Philippines has, in a sense, however, borne these disabilities throughout life. An examination of the unusually high mortality rate among Spanish-American War veterans today evidences the fact that their lives have been shortened as a result of the physical impairments suffered during their active service days.

Every World War veteran today owes, indirectly, a debt to the Spanish War veterans. Had it not been for the lessons absorbed by our medical department during the Spanish-American War and Philippine Insurrection, there is no doubt that the mortality rate during the World War from disease and other causes would have been much higher. In a sense, the price in sacrifice, suffering, and permanent physical impairment which the Spanish-American War veteran paid, and continues to pay, protected the World War veteran from a similar experience.

As a veteran of the World War myself, I know something of the sacrifices and splendid service of our veterans of that conflict, and I recognize that they are fully entitled to the benefits which have been granted to them by a grateful Government. I mention this as I do not wish my remarks to be construed as in any wise disparaging to them or as bringing into question their right to the benefits granted them.

THE SPANISH VETERAN—THE "FORGOTTEN VETERAN"

I would emphasize the fact, however, that our Nation is also debtor to the Spanish-American War veteran, and that he too is entitled to sympathetic consideration at the hands of a grateful Government, a fact which seems to have been too much overlooked in the past. The Spanish War veteran, when discharged from the service, was sent home to rehabilitate himself with the help of his family and friends. There were no hospitalization laws at that time. He received no pension nor compensation until 22 years after the war, except in some instances an insignificant general-service pension of $6 to $17 per month. He did not receive a cash bonus of $60 on discharge; neither did he receive an adjusted-service certificate.

He did not have the advantages of Government insurance at a low premium rate. There was not a Red Cross, Y. M. C. A., or Salvation Army lassie—God bless them—at every camp and station to cater to his needs. While he was fighting and advancing the interest of our Nation abroad, his family received no dependency allowance. He received insignificant rations, of which embalmed beef was a basic portion. In addition, the medical staff of the Army was poorly equipped in respect to preventive medicine and more modern sanitation facilities, so that the veteran was the more or less helpless victim of the epidemics which ravaged the camps.

Notwithstanding the various handicaps which the Spanish veteran suffered, he was not a quitter. He volunteered to fight with no thought of personal gain, and his objective was to bring liberty to an oppressed people and honor and prestige to his country. Approximately 15,000 volunteers of State regiments who were in the Philippines at the end of the Spanish-American War revolunteered to serve, because of the outbreak of the insurrection, until replacements could be sent from the United States to relieve them. Notwithstanding that their enlistments had expired, they remained in the Philippines to suppress the insurrection and to make more secure the victory which Dewey brought to American arms in the capture of Manila.

In spite of this mark of special heroism and superpatriotism on the part of the State volunteers, our Nation has failed thus far to meet its just obligation in paying to these men the cost of their transportation from the Philippines to San Francisco or the point of their enlistment. As true Americans, none of them would lay down their arms and permit the insurrectos to drive the remaining forces of Regulars to the ships at anchor in the bay. They held Manila and pushed back the insurrectos with great loss of life to themselves and those who survived the hazardous campaign in the tropical swamp areas suffered, in many instances, permanent physical impairment.

I reiterate that the Spanish-American War veteran was a fighting man. He participated in what was in all probability the last war of its kind we shall ever experience—that is, one of a semiguerrilla or open combat nature, in which the stamina of the individual is the determinative influence. He was not motivated by the hope of obtaining credit for himself, he thought only of advancing the best interest of our Nation.

For this reason he is justified, in my opinion, in feeling a deep sense of resentment at the attitude of our Government, as evidenced in the Economy Act, by which to maintain the credit of the United States, the well-deserved pensions—pitifully insignificant—paid to the Spanish War veterans were either abolished or drastically reduced. It should be borne in mind, in this connection, that there were very meager, if any, medical records kept during the Spanish-American War; and even such records as were kept of Volunteers and Regulars in the Philippines were mostly destroyed by termites; therefore, the requirement in the Economy Act, 35 years after the termination of the war, that service connection for disabilities be established in order to show title to pension was, in effect, a practical denial of pension benefits to the majority of our Spanish War veterans. Such a requirement is unreasonable and absurd, in view of the circumstances referred to, and for that reason, if for no other, the Spanish War veterans should be restored to their former pension benefits or their present disabilities recognized as service connected.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. DUNN of Pennsylvania. Is it not a fact that the compensation and pension which our Spanish War veterans are now receiving are totally insufficient?

Mr. HOEPPEL. Their pension is not only insufficient now, but it has always been insufficient in consideration of the services which they rendered and the assets which they brought to our Nation through their sacrifice and suffering in the Tropics. The pensions granted to their widows and dependents are similarly inadequate and it is a travesty on justice that those who contributed so much to our national welfare should be so shabbily treated.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. ROBSION of Kentucky. Is it not also true that there are thousands and thousands of disabled Spanish War veterans taken off the rolls by the Economy Act, who are still off the rolls and on the relief rolls?

Mr. HOEPPEL. Every word the gentleman says is true and that, indeed, is one of the most pathetic features of the Economy Act, a measure which was enacted to maintain

the credit of the United States. I am confident that no Member of this Congress, recognizing the sacrifice of the Spanish War veterans, would permit the maintenance of the credit of the United States to stand in the way of giving to them a fair and just pension.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman may have 1 minute more.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. There is a bill now pending (H. R. 6995) to remedy this situation, is there not?

Mr. HOEPPEL. That is correct.

Mr. BLANTON. What is the present status of that bill? I was in hopes that it had been reported.

Mr. HOEPPEL. Answering my good friend, the gentleman from Texas, the bill to which he refers has not yet been accorded a hearing in committee. Because of the standing and ability of the gentleman from Texas and the sincere and honest attitude he has taken in the interest of all our veterans, I hope he will urge the chairman of the committee to grant us an early hearing on this measure. I recall with deepest gratitude the wonderful support which the gentleman from Texas gave to Mr. PATMAN, in the passage of the bonus bill in the last Congress, and again in this session, for which the World War veterans are deeply indebted to him. I am confident that he will assist us with the Spanish-American-veteran pension bill with the same degree of enthusiasm.

Mr. BLANTON. That bill is before which Pension Committee?

Mr. HOEPPEL. The Pension Committee to which are assigned all pension bills, except those pertaining to the Civil War. As a Member of the House, in daily association with you, I feel sure that the Membership is well disposed toward all veterans, and especially the Spanish War veterans. Therefore, I am confident that if we could bring H. R. 6995 to the floor for consideration, it would be passed by a huge majority.

I have discussed the veteran question with the President on several occasions and have repeatedly expressed myself as opposed to the veteran provisions of the Economy Act, which, in my opinion, are flagrantly unjust. In a recent conference with him I emphasized the imperative necessity of enacting a law providing a uniform scale of pensions in order to handle this question justly and fairly with respect to all our veterans and their dependents. If we cannot enact such legislation in this session, however (and due to the burden of pending emergency legislation, the prospects are not encouraging), the least we can do is to correct the glaring injustice suffered by our Spanish-American War veterans and their dependents under the provisions of the Economy Act, by the enactment of H. R. 6995 to restore to them their former pension benefits. [Applause.]

MAKE SCIENCE THE PEOPLE'S SERVANT

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, no feature in the administration bill to expand the Tennessee Valley experiment appeals to me more strongly than the section authorizing the purchase of municipal power plants where a referendum vote shows the people to be favorable to the idea.

The project itself is one that captures the imagination while commending itself to the practical good sense of all who feel that public utilities should be blessings for the whole people instead of tools by which a favored few can extract vast profits from the remainder of the population. But the project itself is of minor consequence compared with the encouraging possibility of publicly owned power plants throughout the country if the pending measure becomes a law. Its enactment will mean far more than the development of Tennessee Valley hydroelectric power. Such a law may constitute the first important step toward ownership by the people of one, at least, of the natural resources that should never have belonged to private interests at any time. While it would be only a short step, when we consider the necessity of transfer of public utilities generally from the hands of corporation magnates, nevertheless, it would be of tremendous significance in the economic and political history of the Nation. Not only would it lift many burdens from the backs of the common people, but it would constitute an important precedent for continuing along the enlightened and progressive path of public ownership. It is not surprising that every profiteering interest in America is fighting this bill, tooth and nail, hoping either to defeat it or to completely emasculate it in case it is passed.

I have urged the development of hydroelectric power from the Missouri River and pointed out the immense advantages that would accrue to the people of my State, South Dakota, as well as to residents of other States. The same principle is applicable everywhere, although naturally I have stressed such development in my own section. I am more familiar with conditions there and I feel a special responsibility there, although I certainly hope for the maximum of hydroelectric development the country over—development that means comforts and conveniences for the whole people at actual cost plus a moderate overhead, instead of development that will result in more profits for the Power Trust and its subsidiaries.

No nation has more marvelous machinery, more remarkable inventions, more scientific genius, than ours. Why, then, are not our people free from the curse of poverty, unemployment, economic uncertainty, and the fear of destitution?

In an article in the Literary Digest by Prof. Henry Flury, an able Washington biologist and author, headed, "Is This an Age of Science?" the professor remarks:

> Many of us who handle scientific ideas as a means of earning our daily bread are wondering whether this really is an age of science. The race between catastrophe and education (science) may be more nearly true than many of us realize and we must shake ourselves out of the smug complacency that this is an age of science. Rather it is an age of button pushers.

The trouble, it seems to me, is not in the button pushing itself but in the fact that the button pushing is now so regulated as to benefit none but a small minority. This has been shown by Professor Flury as well as by many other modern economists such as Stuart Chase and Scott Nearing, who have urged, not the abolition of the machine, but the use of the machine for the entire citizenry instead of as a means of profit making for a tiny percentage of the Nation. The fault is not in the machines; it is in the denial of their facilities to the general public except through payment of tribute to owners who acquired them, not by superior industry and thrift but by legalized robbery under the prevailing profit system.

What an uproar would result if I were to recommend private ownership of roads. How objectionable we find the few remaining toll bridges that are privately owned. How absurd you would consider it if I were to propose private ownership of rivers, harbors, docks, fire departments, parks, playgrounds, and schools. Yet is there any more reason—in fact, is there not much less reason—why trusts and industrial barons should be the proprietors of the mines from which comes our fuel, the plants from which we get our electricity and gas, the railroad systems on which we travel and ship goods, and the factories that produce our clothes and manufactured food? Are these things not even more essential than the others? To put them in the hands of the people, operating through the people's Government, would not be confiscation, but restitution.

Harry F. Ward, professor of Christian ethics in Union Theological Seminary, in his able brochure, The Profit Motive, has well said:

> The type of thinking and activity that has produced the smooth-running dynamo cannot long endure the sloppy disorganization of business for profit which cannot get fuel to a powerhouse without waste of coal below and human life above the ground, which cannot distribute its benefits without increasing inequality, dis-

content, and conflict. Science is compelled by its own nature to seek an economic order in which the production and distribution of goods are intelligently adapted to approved needs and not left at the mercy of blindly conflicting impulses.

JAMES A. MOFFETT

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, yesterday the distinguished gentleman from Ohio [Mr. YOUNG], a Representative at large from the State of Ohio, made a few scattering remarks in reference to the Federal Housing Administrator, James A. Moffett. Mr. Moffett has written a letter to Mr. YOUNG and has sent me a copy of that letter. I spoke to Mr. YOUNG this morning, told him I was going to ask unanimous consent to place Mr. Moffett's letter in the RECORD so that both sides of the story might be recorded. He said he did not object to my putting the letter in the RECORD.

Mr. YOUNG. If the gentleman will yield, I have no objection, but I am going to follow that request by asking unanimous consent that I may extend my remarks in the RECORD and include a copy of my answer to that letter of Mr. Moffett.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent at this point to insert the letter of Mr. Moffett written to the distinguished gentleman from Ohio [Mr. YOUNG].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The letter is as follows:

APRIL 24, 1935.

Hon. STEPHEN M. YOUNG,
House of Representatives, Washington, D. C.

MY DEAR MR. YOUNG: A statement made on the floor of the House, attributed to you, to the effect that I have been here less than 2 weeks in the last 2 months, have been in Palm Beach, and now am planning a trip to the Orient, inferring that I have not attended to public business, is misleading and incorrect, and, I think, in fairness to me you should be acquainted with the true facts.

I went to Palm Beach to attend my son's wedding and to take a vacation to which I was strictly entitled. I have been constantly on the job night and day since I came here last July. When absent from Washington, except for the trip to Palm Beach, it has been strictly on Government business.

Under the rules of Government I believe I am entitled to a vacation, the same as anybody else.

Very truly yours,

(Signed) JAMES A. MOFFETT,
Federal Housing Administrator.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein my answer to the letter of Administrator James A. Moffett at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BLANTON. Reserving the right to object, simply to ask a question, will the gentleman's letter in any way involve or reflect upon my good friend the Deputy Administrator, Mr. J. Howard Audrey, of New York?

Mr. YOUNG. In answer to the inquiry of the gentleman from Texas, I want to state I consider that James A. Moffett, as Administrator of Federal Housing, has been an abject failure.

Mr. BLANTON. But I am not asking about Administrator Moffett. I am asking the gentleman if his letter will in any way involve or reflect upon the Deputy Administrator, Hon. J. Howard Audrey, of New York, who is a capable, efficient official and a splendid gentleman, he being one of my classmates when we were in the University of Texas together.

Mr. YOUNG. No; my letter does not refer to him.

The following is the letter referred to:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 25, 1935.

Hon. JAMES A. MOFFETT,
Administrator Federal Housing Administration,
Washington, D. C.

MY DEAR MR. MOFFETT: The CONGRESSIONAL RECORD of April 24 containing the speech I made on the floor of the House yesterday is being mailed you under separate cover.

The statements made by me are neither misleading nor incorrect.

In event the correctness of these statements is challenged, I intend to make use of my file on the Housing Administration, the contents of which have been collected and compiled by me since last December. I then propose to obtain half an hour or more and make a complete statement setting forth the results of my investigation and research in regard to your administration of the Federal Housing Administration.

It is my well-considered opinion that your resignation should be accepted and that you should be given a permanent vacation, instead of a leave of absence for the purpose of making a trip to the Orient, and that a new Federal Housing Administrator should be appointed forthwith.

Yours very truly,

STEPHEN M. YOUNG,
Congressman at Large, Ohio.

NAVY DEPARTMENT APPROPRIATION BILL, 1936

Mr. CARY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to; accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

Mr. CARY. Mr. Chairman, I yield 30 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Chairman, before I commence my observations in reference to this appropriation bill I desire, first, to ascertain from the gentleman from Kentucky [Mr. CARY] if it is his intention that this day shall be consumed in general debate and defer the reading of the bill until tomorrow?

Mr. CARY. It is. We have 4 hours and 23 minutes of general debate remaining, which will take the entire day.

Mr. VINSON of Georgia. And there will be no effort made on the part of the committee to read the bill for amendment today?

Mr. CARY. No, sir.

Mr. VINSON of Georgia. Then, Mr. Chairman, at this point I shall not discuss any of the various provisions of the bill, but under the 5-minute rule I shall have certain amendments which I shall offer for the consideration of the Committee.

In framing the Constitution of these United States our forefathers were farsighted in making it the duty of Congress to provide and maintain an Army and Navy and it is our solemn duty to provide adequately for our national defense.

The fundamental naval policy of our country, which has been affirmed for many years, is "to maintain the Navy in sufficient strength to support the national policies and commerce and to guard the continental and overseas possessions of the United States."

For Congress to fulfill its duty to provide for national defense commensurate with the needs of a nation such as ours, with its standing as a world power, and to permit the full realization of our fundamental naval policy, adequate funds must be provided not only to maintain the ships and personnel we now have but, in addition, for new ships and additional personnel to man them. The fact remains, however, that we have never had such a Navy, and unless Congress makes the necessary provisions we never will.

The naval appropriation bill now before this branch of Congress for consideration is a step in the right direction in adequately providing for the needs of our first line of defense—the Navy. The members of the subcommittee for naval appropriations of the Appropriations Committee deserve the highest commendation and are to be congratulated for their action in reporting to this House a naval appropriation bill providing for sufficient funds to adequately provide for the Navy for the coming fiscal year.

While this bill provides for the largest peace-time appropriation for the Navy, no American need fear that the United States will ever become militaristic. Since the Washington Conference and until the present administration the Navy

has been woefully neglected. Only during one administration has there been any authorization for new construction and that was for cruisers and one aircraft carrier. It is now necessary for this and succeeding administrations to do in a shorter period of time what others have neglected to do. It is the voice of the people that will ever rule this country of ours, and it is the voice of the people that will determine the strength of our Army and Navy. I am confident this determination will be for adequate national defense. For this Government to maintain a navy which is not strong enough to win in battle is the worst form of extravagance. It lulls the people into a false sense of security and may have the most disastrous consequences.

The United States believes whole-heartedly in limitation of armaments, and we have contributed very greatly to the consummation of that ideal. At the end of the World War the United States was about to become the dominant naval power of the world. When the Washington Conference assembled in the fall of 1921 we possessed a naval force, built and building, which was stronger than that of any other power. This had been created in accordance with our announced policy to maintain a navy second to none, which policy came into being because of the fact that during the World War we were unable to maintain neutrality and did not have the power to compel it.

We felt deeply that our interest demanded this protection, and it was obvious that the wealth and industrial resources of the United States made it possible for us to provide it. At the Washington Conference we took the unprecedented course of surrendering voluntarily the naval supremacy which we possessed. We agreed to scrap 11 of the most powerful battleships and battle cruisers which have ever been designed. In addition, we took out of the line and agreed to scrap 20 completed battleships. In making this sacrifice we announced and demonstrated to the world that we were willing to forego supremacy and that we would be content with strength equal to that of Great Britain, but measurably greater than that of any other power. No other nation on earth has made a contribution which can approach the sacrifice made by the United States. Not only did we give up much more than has any other nation but in addition, in the years following the Washington Conference, we were very slow to build anything else, whereas each of the other great Navies has been built up in an orderly manner in the classes of ships within the limits and to the extent permitted by treaties. Other nations did not follow our lead to "disarm by example." On the contrary, they employed every facility to increase their respective navies.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. FOCHT. We performed our quantitative agreement. Did England do that also?

Mr. VINSON of Georgia. I do not know what England's contributions were. I assume that she made a contribution, but let me say that we made the largest contribution.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. TERRY. Has the gentleman figures as to how much the scrapping of those ships in accordance with that treaty cost us?

Mr. VINSON of Georgia. I do not remember accurately, but my recollection is that we had already spent over $300,000,000 on them. I know Congress had to appropriate approximately $20,000,000 to scrap the ships that we gave up to bring about a limitation of armament.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. McFARLANE. And is it not true that while we were scrapping all these ships under that agreement, very largely the other nations were scrapping blueprints.

Mr. VINSON of Georgia. The gentleman is absolutely correct. We took out of our line 20 ships that were manned by virile American sailors and scrapped them. We had in process of being built in the navy yards of the country 12 of the greatest ships ever designed by man, and approximately over $300,000,000 had already been spent upon them. We scrapped those.

The Treaty of London will, unless renewed, expire on December 31, 1936. The Treaty of Washington was to continue in force until denounced by one of the signatory powers. I greatly deplore the fact that one of the powers has seen fit to denounce the Washington Treaty. Unless there is a renewal in the meantime, the Treaty of London will automatically terminate on the same date. It is earnestly hoped that between now and December 31, 1936, another agreement will be reached to maintain the ratios that have already been established as necessary to maintain the balance of power between nations.

At Geneva we made a most determined effort to bring about further limitations, and at London we made a determined effort to bring it about; and in the recent conversation that took place last fall a determined effort was made to bring about reductions, but the other nations signatory to these treaties refused to reach the low level this Government has advocated.

Mr. HOEPPEL. And is it true that the Steel Trust had Mr. Shearer helping them over at Geneva?

Mr. VINSON of Georgia. I know nothing about Mr. Shearer or the Steel Trust. I have none of them in my district.

The United States would be the first to applaud limitation to a lower level and repeatedly has used every effort to accomplish such a reduction. We believe that the naval strength required for our security is relative to that possessed by other powers. But let me impress upon you with all of the force and earnestness at my command that we must maintain a navy of under-age ships substantially in the ratio now fixed by international agreement.

During Chief Justice Hughes' tenure of office of Secretary of State he presided over the Washington Conference. At this conference, in October 1922, he declared:

> This Government has taken the lead in securing the reduction of naval armament, but the Navy that we retain under the agreement should be maintained with efficient personnel and pride in the service. It is essential that we should maintain the relative naval strength of the United States. That, in my judgment, is the way to peace and security. It will be upon that basis that we would enter into future conferences or make agreements for limitations, and it would be folly to undermine our position.

And the bill that we passed last year is to carry out the language of the agreement at the Washington Conference, and the provision in this bill to make the appropriations for carrying that out is in accordance with and carrying out the policy announced at that time.

Thus it was openly declared that it was the Nation's policy and the understanding with which it gave up its predominant naval superiority that our Navy would be maintained at the strength and in the ratios prescribed by treaties.

Until the present administration, this policy has not been carried out. Instead, this country dropped well below the ratios prescribed and was building very few ships when President Roosevelt was inaugurated. With the enactment of the National Industrial Recovery Act, the President was authorized to construct ships for our Navy. Accordingly he set aside funds for the construction of 32 naval vessels. Each year since then he has given his approval for the allocation of funds to continue the construction of ships to build up in the categories in which we were deficient and to replace certain over-age and obsolete ships. With this program carried through to a conclusion, we will arrive at treaty strength in modern ships in 1942—6 years after the termination of limitation agreements. For the first time in the history of the country we now have a logical, orderly plan for the maintenance of the Navy at a level which is sufficient to provide against emergencies—and we must not deviate from this plan.

One of the fundamental objectives of the treaties for the limitation of armaments is to eliminate all suspicion of a naval race. We hoped for this after the Washington Conference and again after the London Conference. But to realize this hope it is essential that the balance so arrived at be maintained at all times. So long as we build steadily

with the avowed purpose of conforming strictly to the treaty ratios there can and should be no objection either here or abroad. Notwithstanding any agreement, or lack of agreement, we must maintain the accepted ratio, and by so doing we maintain the balance. To do so, the ships, as they become over age—and this means from the largest to the smallest or from the battleships, the backbone of the fleet, to the submarines—they must be replaced.

I call attention to the fact that every ship authorized to be laid down in the bill passed at the last session of Congress is strictly in accordance with the terms of the treaty. Each and every one of them is a replacement ship. There will be no naval race, unless some country goes beyond the ratio fixed by the Washington and London Treaties, and this country does not propose to go beyond those ratios.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. BIERMANN. The gentleman says there will be no naval race. Does he mean to say that the United States Government, in increasing its expenditure $172,000,000 over last year for the Navy, will not encourage a naval race in the world?

Mr. VINSON of Georgia. It will not. It is already limited by the treaty. It may cost more in this country to build ships than it does in England or Japan, and the money question is not one that brings about a naval race. A naval race is brought about by building more than these treaties permit to be built.

Mr. BIERMANN. Great Britain is not up to treaty strength?

Mr. VINSON of Georgia. Of course not.

Mr. BIERMANN. And Japan is not.

Mr. VINSON of Georgia. She lacks only 2,000 tons of it.

Mr. BIERMANN. And if we appropriate this extra money, will it not encourage Great Britain to appropriate more money?

Mr. VINSON of Georgia. Not at all, for the simple reason that Great Britain's known policy is to build up to treaty strength, just like our treaty strength. Japan has already built up to it.

Mr. BIERMANN. Does not the gentleman think the bill in the last Congress was immediately followed by increased preparations in Japan and Great Britain, due, principally, to that bill?

Mr. VINSON of Georgia. Not at all. Japan at that time lacked only a few tons of being up to treaty strength.

Mr. BIERMANN. The gentleman means to say that the Vinson bill had nothing whatsoever to do with the race between foreign countries?

Mr. VINSON of Georgia. Japan had already complied with her obligations to keep even keel on the balance between her nation and England and this country by building up to treaty strength. Now, if we build beyond treaty strength, then we will precipitate a naval race, but we do not propose to ask one dollar to build beyond the ratio fixed in these treaties.

As ships become obsolescent and require replacement, funds will be requested from Congress to carry on this work. It is therefore our solemn duty to provide the necessary appropriations. Failure to do so will accomplish indirectly what we refused to do directly at the preliminary naval conference last fall in London. That is, give up the 5–5–3 ratio.

Gentlemen, I ask you these questions: Are the people of this country willing to send their sons to meet an enemy in ships that are old, slow, and obsolete and inferior in strength in order to save a few dollars? Is the defense of our country to be jeopardized? Are the lives of your sons and grandsons to be offered up as a living sacrifice because you are unwilling to provide the funds for the support of a proper navy in times of peace? The answer to all is emphatically "No."

This country determined, by making certain concessions, that we needed a navy of that character and of that ratio as a defensive navy. Great Britain reached the same conclusion. Now, I say, to keep the balance it is absolutely essential that we maintain the same by building the ships up to that treaty ratio.

Mr. MAAS. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MAAS. Is it not true that we went further than any other nation in attempting to stop a naval race by example and that we were the only Nation which did?

Mr. VINSON of Georgia. That is correct.

Mr. MAAS. And we have voluntarily remained below the treaty limit, while other nations have built up to their treaty limits?

Mr. VINSON of Georgia. Yes. From 1922 down to 1933 we only built about 45 or 50 ships, while England and Japan and France and Italy were building hundreds of ships.

Mr. THOM. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. THOM. I wonder if the gentleman will incorporate in his remarks a list of the vessels that were built in the United States since the close of the World War and the cost of them?

Mr. VINSON of Georgia. I think that is contained in the hearings.

Mr. THOM. No; it is not.

Mr. VINSON of Georgia. I will be glad to get it and put it in the RECORD.

Now, let me call your attention to what the size of your Navy will be in 1942, when it is built up to treaty strength. This tells every ship and every kind of ship that will be under age and the numbers of them. This will constitute the Navy of the United States in its fighting line.

Our treaty-strength Navy will be composed of 15 battleships, 6 aircraft carriers, 18 eight-inch gun cruisers, 17 six-inch gun cruisers, 13 heavy destroyers, 84 light destroyers, and 38 submarines, with the necessary aircraft therefor—about 1,910 planes.

A navy, to be of any use in times of emergency, must be maintained throughout the intervening times of peace. There is a grave misunderstanding in our country as to what a navy must be in order to exert its full influence for peace. Almost invariably naval strength is spoken of in terms of the number of ships, without consideration as to whether they are manned or whether it is possible to obtain trained crews for them. Some people seem to think that a ship is always ready, whether she is manned or not. The building of a ship requires a long time. Then, when she has been completed, another long period, devoted to intensive training of her crew, is required before she can be considered ready to take her place in the battle line.

In case of war it will be necessary to expand immediately the Navy very greatly; to provide armed guards for merchant ships; to train crews for troop transports; to man submarine chasers and converted yachts and other auxiliaries necessary for the successful prosecution of a war. We cannot depend upon having an ally, as in the World War, to keep the enemy fleet bottled up while the necessary personnel is being trained. It is therefore imperative that sufficient personnel, both officer and enlisted, be provided to permit having a trained nucleus on our ships.

Mr. KENNEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. KENNEY. As far as man power is concerned, is it not important that we have experienced naval enlisted men?

Mr. VINSON of Georgia. Of course, no one has any experience in his first enlistment. I presume the gentleman has reference to Naval Reserves?

Mr. KENNEY. No. I have reference to the enlisted men. Of course, when he reenlists he is more valuable to the Navy.

Mr. VINSON of Georgia. Yes. Of course, he is more valuable than a man in the first enlistment.

Mr. KENNEY. As a part of the enlisted man's pay he was given an allowance, I think, of something like $100 when he reenlisted. Now, that has not been placed back in this bill, has it?

Mr. VINSON of Georgia. No. The Economy Act cut that out. That was an inducement for men who have already served a period of enlistment to reenlist.

Mr. KENNEY. But it tended to keep good men in service?

Mr. VINSON of Georgia. Exactly.

Mr. KENNEY. May I ask the gentleman this one further question? All of the other salaries have been put back, have they not?

Mr. VINSON of Georgia. Every Federal salary was restored on April 1.

Mr. KENNEY. Except this allowance to the enlisted men?

Mr. VINSON of Georgia. Well, that is a gratuity. It is not classified as salary or pay.

Mr. KENNEY. It is called that, but, after all, it was a part of the enlisted man's pay.

Mr. VINSON of Georgia. Yes. Of course, it is an inducement to make him enlist. The longer he is in the service the more efficient he becomes.

Mr. HOEPPEL. Will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. HOEPPEL. The last War Department appropriation bill carried a provision taking from the enlisted man his reenlistment bonus.

Mr. VINSON of Georgia. Well, I cannot yield on that now. The gentleman is talking about the Army.

Mr. HOEPPEL. A provision could be put in the Navy appropriation bill to restore to the Navy enlisted man his reenlistment bonus. This should be done by the Committee. As it is, the enlisted man is the only individual today who is suffering under the original Economy Act.

Mr. BLANTON. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. BLANTON. When a man has served 4 years and retires to private life, he still forms a part of the Naval Reserve strength, does he not?

Mr. VINSON of Georgia. Not unless he goes into it.

Mr. BLANTON. But as a trained man he can be called back to service in time of war.

Mr. VINSON of Georgia. Not unless he joins the Reserves.

Mr. BLANTON. I am speaking about the situation in case of war.

Mr. VINSON of Georgia. Oh, yes.

Mr. BLANTON. The country would get the benefit of his previous training and experience in the Navy.

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. So when he retires with his 4 years' training and experience, subject to call in time of war, and another man takes his place, we would have two well-trained, qualified men with experience instead of one?

Mr. VINSON of Georgia. That is right; exactly. With such provision, the sudden and rapid expansion of the Navy during a major emergency, the fleet will not be crippled by the withdrawal of key men to man additional ships.

I measure my words when I say the personnel of the Navy is not surpassed in excellence or in technical skill by any corresponding body of men in the world. [Applause.] Time after time, from the earliest days of the Republic, this branch of the service has faced crises and emergencies with never an incident of which we should not be proud. However, the difficulty is that we have not enough of such men. The treaty Navy, including the necessary aircraft therefor, to be manned with 100-percent complement will require about 127,000 enlisted men and 7,941 officers of the line. Of course, it is obvious that we cannot, in time of peace, maintain the Navy on a war footing. Nevertheless, the active ships of the United States Fleet must have sufficient personnel to be ready to meet an emergency. This means that they must have not less than 85 percent of complement and they must be trained to the highest state of efficiency. To do this will require for the fiscal year 1936 a minimum of 93,500 men. As the Navy is built up to treaty strength, this number will have to be increased each year until the number will be about 111,000 men. Then, if the need for mobilization should come, expansion could be carried on without destroying the readiness for battle which had previously been developed. Unless trained crews are made available, the building of ships is a futile gesture, misleading to our own people and of very doubtful support to the national policies. Never again can we count on the assistance of some other fleet for a year or more while our own is being made ready.

No government which fails to provide for its own preservation against the assaults of every probable foe is entitled to the support of its people. The primary duty of government is self-preservation, and no logic can justify it in stripping itself of its means of defense and relying for its preservation upon the mercy, the pity, or the love of other nations. [Applause.]

Mr. HILL of Alabama. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. HILL of Alabama. The gentleman has made a most interesting statement. Speaking of personnel, we are getting an additional appointment to Annapolis to build up the officer personnel. As I understand it, there will be another additional appointment provided next year. Is that the thought?

Mr. VINSON of Georgia. I will state to the gentleman that the Subcommittee on Appropriations has carried sufficient money to authorize every Congressman and Senator to make an appointment this calendar year, and he will probably enter the academy between now and September. Under the bill we have recently passed, the officer strength of the Navy, on account of the larger Navy, will have to be increased, but I am satisfied the Budget for 1937 will carry sufficient money to take care of the situation.

Mr. HILL of Alabama. And to increase it would require an additional appointee at the academy for each Representative and Senator.

Mr. VINSON of Georgia. That is in the bill now.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, for several days I have been intending to make a few remarks relative to the present policy of the new deal toward agriculture, and especially toward the cotton industry and its ultimate effect on northern agriculture in general. What I have to say has not been inspired in any respect by the controversy that has taken place in the last few days between our friends from New England and North Carolina. I am approaching this subject from an entirely different angle.

The people whom I represent are an agricultural people. We know very well that if the continued present policy of the administration destroys 40 percent of the cotton industry of this country that a great many millions of acres of rich agricultural lands in the South will be put into the production of diversified farm products and that in that section of the country there will probably rise a more intensified dairy industry. I know from the condition of the dairy industry in my section of the country that it cannot stand further competition; they are practically wiped off the map at the present time; and I am interested in helping them, rather than adding to their present burdens. We are, therefore, directly interested in any policy that cuts down the cotton-producing area of this country. My attention was forcibly called to this by the abrupt drop in the cotton market some little time ago. I was interested particularly in the statements given out by the publicists of the various departments in Washington, by which they tried to make the people believe that some kind of market manipulation, some anti-new-deal propaganda, had caused the decrease in the price of cotton, when, as a matter of fact, in my judgment, the reason was that the manufacturers, the growers, and the farmers had seen the statements that have been given out by the Department of Agriculture, the Census Bureau, and the Commerce Department, showing that we were losing our foreign markets.

To my mind, nothing so accurately illustrates the folly of the new-deal experimentations and their inevitable failure as the collapse of the cotton market.

Notwithstanding the efforts of the vast publicity machinery of the administration to make it appear that collapse was due either to some personal manipulation of the market or to the circulation of false reports, the facts are too evident to be concealed and too clear to be distorted.

Cotton interests in this country, from planter to exporter and fabricator, are finally face to face with the bitter realization that the agricultural policies inaugurated by this administration have brought, not merely present disaster to the American cotton industry but will, if persisted in, result in its permanent ruin. That explains the collapse of the cotton market. That is the only explanation.

For the army of administration publicity writers—paid for out of the pockets of the American taxpayers—to issue "canned interviews" with various governmental officials and new-deal politicians to the effect that the cotton collapse is due to anti-new-deal propaganda is only adding insult to injury.

It is not due to anti-new-deal propaganda that former large foreign buyers of American raw cotton are now buying from Brazil, India, Egypt, Soviet Russia, and other countries, with the consequent loss of 40 percent of our cotton export markets.

Government statistics furnished by the United States Department of Commerce and the United States Department of Agriculture show the 1934 cotton exports the lowest in 16 years, and to have been 43 percent lower than in 1933 and 44 percent lower than the 10-year average.

No bunk or ballyhoo about anti-new-deal propaganda explains away the fact that the British textile mills in 1933 took 584,000 bales of American cotton and only 24,000 bales of Brazilian cotton, whereas last year they took 249,000 bales of American cotton and 206,321 bales of Brazilian cotton, a loss of 57 percent to our cotton exporters and a gain of 760 percent to the Brazilian cotton industry.

Neither does it explain away the fact that Brazil is increasing its cotton acreage, and that it will produce 2,000,000 bales this year—the largest in its history.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. SNELL. Certainly.

Mr. JOHNSON of Texas. A man in my home town, Waco, Tex., has a large number of presses throughout the country. He has been down in Brazil for some months. I have just seen a letter from him in which he said they had hundreds of gins down there, but that they were standing idle. He said further that the crop was being eaten up by insects.

Mr. SNELL. That does not do away with the actual fact that they have produced and sold this cotton in our former markets. These are figures that come from our own departments. Nor does it explain the fact that exports of Indian cotton are the largest for 3 years, the figures showing that for the first half of the current season India exported 1,197,000 bales of raw cotton against only 854,000 the previous season, or an increase of 40 percent.

Nor does it explain away the fact that Soviet Russia, which hitherto has been a cotton-importing country, has taken advantage of the situation existing in the United States to increase its cotton acreage to such a degree that it expects to export 2,000,000 bales this year.

Surely anti-new-deal propaganda does not account for the report issued by the United States Department of Agriculture under date of March 11, 1935, showing that Japan, which has been one of our greatest raw-cotton customers, is decreasing its purchases of raw cotton in the United States and increasing those from India. The figures given in this report show that the Japanese Spinners' Association in the last 6 months of 1934 increased its purchases of Indian raw cotton from 495,000 to 732,000 bales over the preceding 6 months, or an increase of 50 percent. In January 1935 its purchases of raw cotton from India jumped 100 percent over December 1934. At the same time Japanese purchases of raw cotton from this country during the last 6 months of 1934 were nearly 100,000 bales less than the corresponding period of 1933.

COTTON-GIN MACHINERY EXPORTS HAVE INCREASED 500 PERCENT

The explanation offered by the United States Department of Agriculture for this situation is contained in the following sentence:

> This steady decline (in Japanese purchase of American cotton) is attributed to price factors.

This is only another way of stating a very unpleasant fact, the discussion of which the new deal studiously avoids. The "price factor" referred to is the fact that other countries find they can secure their raw cotton from competing producing countries, such as India, Peru, Brazil, Egypt, and Soviet Russia, at cheaper prices than they can buy it in America.

Now, this is not a theory, it has actually been demonstrated—demonstrated by facts given out by the Department of Agriculture and the Department of Commerce of our own Government.

It is not anti-new-deal propaganda which is destroying the cotton-export market and bringing disaster to the cotton industry in this country, but the pro-new-deal agricultural policies which increased the domestic price of raw cotton far above the world price by arbitrarily reducing production and making Federal loans on that already produced.

The world is merely applying to the American cotton industry the free-trade theory of the new deal, which is that the American people should be permitted to buy their necessities wherever they can purchase them the cheapest. The new-deal tariff theory, as expounded by the "brain trust", is that those countries which can produce certain commodities more economically than they can be produced here should be permitted free access to the markets of this country, even though it be at the expense of American industry and American agricultural producers.

The cotton-consuming world now finds that other countries can produce and sell cotton at less than 12 cents a pound. Being true disciples of the new-deal tariff theory they buy of that country where cotton is produced the most economically.

The cotton crisis did not develop overnight. It was not occasioned by a wild rumor or a manipulation of the market by a clique or by a condition of the hour. The Roosevelt administration saw it coming weeks ago, when it was announced that Oscar G. Johnston, general manager of the A. A. A. Cotton Producers Pool, was being sent to Europe for the express purpose of endeavoring to prevent a further slump in our cotton export trade. That in itself was an admission of the break-down of the administration's agricultural policy insofar as cotton was concerned. It served as a storm signal to American cotton interests.

The A. A. A. policy is not only destroying the foreign market for raw cotton, which will mean ruin to the cotton-growing States and the cotton farmers, but it imperils the American textile industry. The pegged domestic price of 12 cents a pound plus the 4.2 cents a pound processing tax, plus other handling costs, makes raw cotton cost the American textile manufacturer almost 18 cents a pound. With what result?

Textile manufacturers are buying on a hand-to-mouth basis. Domestic consumption of cotton goods is decreasing. Stocks are piling up in the textile mills. A report appearing only a few days ago in the market section of the New York Times shows that on 38½-inch 64–60s print cloths, one of the most widely used styles, inventories at the mills jumped from 25,000,000 to 36,000,000 yards during the month of February, while unfilled orders declined from 29,000,000 to 15,000,000 yards. Unfilled orders of 39-inch 80-square cloths declined from 27,000,000 to 12,500,000 yards, and similar situations developed in other important styles.

With foreign textile manufacturers able to purchase cheap cotton from other countries and able to fabricate that cotton far more cheaply than it can be done in this country, the future of the American textile industry is seriously menaced. This is not merely a theory yet to be demonstrated. Statistics show that while the number of spindles in this country has decreased, the number in Russia has

increased by 2,000,000, the number in India by 3,500,000, the number in Japan by 6,815,000, and the number in Brazil by 2,702,000. These foreign spindles are actively at work, and every yard of textiles which they produce and sell in the world market decreases the possible market for American textiles by just that much.

It is not an academic proposition when, as a result of the new deal's agricultural policy insofar as it affects cotton, the entire social and economic structure of cotton-growing States and textile-manufacturing communities is being undermined. January 27, 1935, the press associations carried the statement of J. S. Wanamaker, of South Carolina, president of the American Cotton Growers' Association, that as a result of the cotton acreage reduction program of the A. A. A. 40 percent of the population formerly engaged in the cotton industry in the cotton-growing States had been forced upon public relief rolls. This includes not merely the tenant farmers but stevedores, shipping clerks, gin hands, and so forth. The situation in Arkansas because of the A. A. A. cotton-reduction program has been so critical that there has been talk of martial law being invoked in order to keep down public disorders.

The administration, instead of frankly confessing the failure of this program, as President Roosevelt stated early in his administration he would do in any instance where he found one of his experiments did not work, is bending every energy and using every resource to suppress the facts. There are at present on file with the Agricultural Adjustment Administration two official reports, made by its own representatives after a personal inspection of the situation in Arkansas and other cotton-growing States, which it refuses to make public because of the incredibly miserable human conditions these reports show existing as a direct result of the Agricultural Adjustment policies and practices. Proof that the A. A. A. cotton program is ruining cotton-growing States is furnished by the fact that southern Senators were instrumental in amending the work-relief measure so as to provide particularly for the tenant farmers and share-croppers in the cotton-growing States, and further by the passage of the bill now in the Senate providing $1,000,000,000 for relief of tenant and cropper farmers.

In addition to losing 40 percent of our cotton-export market, impoverishing hundreds of thousands of individuals dependent upon a prosperous cotton industry for a livelihood and imperiling the entire textile industry with its vast army of employees, the administration's cotton policies threaten additional disaster to northern agriculture.

And that is where it comes home directly to the people in my district of New York State, the use that is to be made of the land. Markets have been lost to such an extent that it makes it necessary for 40 percent of the land that is now producing cotton to be put into the production of some other agricultural commodity. This land is not going to grow up to weeds, and if it is put into production of diversified farm products it will eventually cause absolute ruin under the present situation to the farmers in the Northern States. Let me observe right here that notwithstanding the fact it was understood when the Agricultural Adjustment Act was passed a year or so ago, that where we paid the people for letting their land lie fallow it was not to be put into the production of competitive agricultural products. Yet I heard it stated yesterday on the floor of another body that they had planted just as many acres last year as they planted any year. This is something I cannot understand in connection with the carrying out of the agricultural program.

In other words, the administration's agricultural policy, insofar as it affects cotton, instead of solving the problem of the cotton industry, has not only brought that industry to the brink of bankruptcy but it is complicating the problems of northern industry and nullifying completely the program of the A. A. A. insofar as northern agriculture is concerned.

The whole underlying philosophy of President Roosevelt's program for relief of agriculture, as enunciated in several of his campaign speeches and repeated in several of his official messages, is that agriculture has been suffering from overproduction, and the remedy was a reduction of acreage planted to agricultural products as well as a decrease in the production of livestock and dairy products.

To put that program into concrete form, the Agricultural Adjustment Act was enacted. To pay the cost of this program, the processing taxes were imposed. These are merely a sales tax on food. To induce the northern farmer to reduce his acreage of crops and his production of cattle, hogs, and dairy products and to compensate him in some measure for such reduction, the Federal Government is paying hundreds of millions of dollars in benefits or bonuses in the northern agricultural States.

Yet its cotton program will inevitably bring into general cultivation more land than has been abandoned in the North at so great a cost to the American taxpayers. Thus, one policy of the new deal offsets and nullifies another policy, but that does not stop the annual expenditure of hundreds of millions of dollars, charged to the taxpayers of the country in one form or another.

The administration's agricultural policies, insofar as they apply to northern agriculture, have failed almost as signally as they have in the cotton-growing States. The results are the same in kind, if not in degree. They are responsible for a sensational decrease in the foreign market of the northern farmer, and for even a more sensational decrease in his domestic market.

While we have been spending considerable money to limit the production from the southern farms, on the other hand, if you are to continue the present policy as outlined by the new deal perhaps we shall put the same southern lands into direct competition with the northern lands in the production of competitive farm products. In other words, we are spending millions and millions of the people's money, but we are not getting any benefits.

According to the report of the Division of Foreign Crops and Markets of the United States Department of Agriculture, our exports of 44 leading farm products in January were the lowest in more than 20 years, and less than one-half of the average of the pre-war period. On the other hand, for the first time in the history of the United States, we are importing foodstuffs for man and beast.

Reports of the packing-house industry for the month of February show the receipt of hogs for that month to have been the lightest in the history of the packing industry. During the entire month of February the receipt of hogs at 20 markets for the first 2 months of this year was less than half the 5-year average. This is due to a boycott of pork by the consuming public because of the high prices, and is the first time in the history of the United States that such a condition has existed. Heretofore, in times of depression, pork has been the poor man's meat.

Immediately following the World War, when we had an agricultural crisis precipitated by the Democratic administration deflating the farmer, there was a joint congressional committee appointed to investigate the entire agricultural problem. That committee consisted of members of both parties from both the Senate and the House. Four distinguished Senators who served on that committee are still Members of the Senate—Senators CAPPER, MCNARY, ROBINSON, and HARRISON. The report investigated production, prices, consumption, foreign markets, and so forth, from 1880 up to the time it was issued. One of the features of that report was its statement that the per capita domestic consumption of wheat and wheat products, beef and beef products, mutton and dairy products, all decreased during periods of industrial depression when the average family had to economize on their food bill, but that during the same periods the per capita consumption of pork and pork products did not decrease because, said the report, "pork is essentially a poor man's food", while "consumption of beef in this country bears a very close relation to urban employment and with the progress of the period of business depression and consequent unemployment, consumption of beef and beef products diminished."

The result is that the working classes are being compelled to forego even pork products as a direct result of the agricultural policies of the Roosevelt administration.

The Philadelphia Record, a Democratic paper whose editor is a personal friend of President Roosevelt, in commenting upon this situation said:

The Wallace way of raising prices, by creating an artificial shortage, benefits no one—not even the farmer. When food prices rise without wages rising the consumer can buy less food for his money. Consequently a new shortage is created and new crop limitation is required.

That is exactly the way the administration's agricultural policy is working out. It is destroying the legitimate and natural domestic market for farm products. It is compelling millions of people to substitute cheaper grades of food of less value as nourishment. The experience following the World War proves that it will require years of hard work and persistent effort to restore the domestic demand for the food products which are now being abandoned for cheaper substitutes.

The Housewives League of America has issued a warning that the women of this country will rebel against any further increase in food prices. The president of that organization on March 8 issued a statement in which she said:

If prices continue to mount, there will be organized opposition. Women will rebel. We won't buy and we can't buy. We wouldn't mind higher prices if our husbands' incomes were boosted too. The problem is being discussed everywhere. It's the main topic of conversation in women's organizations. We blame it all onto the A. A. A. and the Government.

We have stretched our household budgets as much as we can. Now we are rearranging our menus, buying cheaper foods and substituting lowly vegetables, such as parsnips and carrots, for better grades. More fish is finding its way to the table. It's cheaper than meat. In addition, people are not eating as much.

Another wholly nonpartisan organization, the Methodist Federation for Social Service, in a report carried by the press associations March 11, stated that the Agricultural Adjustment Administration's program is not only contributing to the undernourishment of the American people but it is actually injuring the American farmer. The report says:

The Agricultural Adjustment Administration is aiding a minority of wealthy farmers, but agricultural workers in general are not making or getting a decent living. In many sections the prices of staple articles farmers produce have advanced to such an extent that due to decreased consumption they are in little, if any, better position than a year ago. The farming sections are keeping near to solvency only because they have learned to go without more and more in order to meet the unescapable obligations which, if unmet, would ruin them.

Another matter I have noticed of late in connection with this situation is various pieces of propaganda that have gone out to the country advising the people how much better off the farmers are at the present time. As a matter of fact, there has been some increase in the price of farm products, but in the final analysis of the condition of the farmer the real test is the amount he owes. If the things he buys have gone up in even larger proportions than the things he sells, his financial situation has not been materially improved.

Proof of this statement is furnished in the March issue of the monthly bulletin issued by the Bureau of Agricultural Economics. That report contradicts the persistent propaganda which has been put out by the publicity machinery of this administration to the effect that the financial condition of the farmer is constantly improving under the new deal. To the contrary, the farmer is being pushed further and further in debt by the various new-deal agencies, due to the fact that under the new-deal policies he is less able than ever before to make both ends meet.

That report gives outstanding agricultural loans of lending agencies, both private and governmental. It shows loans made by life-insurance companies, member banks, Federal Reserve System, joint-stock land banks, regional agricultural credit corporations, and emergency crop-loan agencies have decreased between 1933 and January 1935 in the aggregate amount of $559,000,000, but that loans to farmers of other governmental agencies have increased in the amount of $884,900,000, giving a net increase under the new deal of agricultural debt of $325,900,000.

The report does not include loans made and outstanding as of March 10, 1935, of the Commodity Credit Corporation—a Delaware State corporation organized by officers of the Government and initially financed by the Government by authority of an Executive order of President Roosevelt. As of March 10, 1935, the Commodity Credit Corporation had outstanding loans to farmers in the sum of $264,831,850.

Moreover, under the former agricultural marketing acts, which set up a revolving fund which still operates, there were as of October 1934, $57,000,000 of new loans outstanding over and above those in existence at the close of 1933. There were also as of October 1934, $25,000,000 of new loans outstanding made by banks for cooperatives.

These sums show that under the new deal, during the last 2 years, the debt owed by farmers either upon their land, their livestock, or their commodities made through established lending agencies had increased in the sum of $698,731,850.

This figure takes no account of the indebtedness owed to individuals. Neither does it take any account of indebtedness owed the Farm Mortgage Corporation, because that Corporation has not increased the farmers' debt. It has merely transferred it from individuals or other lending agencies to the Farm Mortgage Corporation.

The whole purpose of the Agricultural Adjustment Act was to restore the purchasing power of the farmer's dollar to parity. The Department of Agriculture itself admitted it utterly failed of its purpose in a statement issued July 9, 1934, after the Agricultural Adjustment Act had been in full force and effect for 1 year. At that time the purchasing power of the farmer's dollar was anchored at exactly the same spot it was in May 1933, 13 months before when the Agricultural Adjustment Act was signed.

Then came the drought, which in a few weeks did what the A. A. A. had failed to do in 12 months. Farm prices increased as did the purchasing power of the farmer's dollar.

The administration claims it was not the drought but its program of crop, hog, and cattle reduction which is responsible for an increase in the purchasing power of the farmer's dollar, by reason of the fact that that program increased the price of farm products. But if the administration claims credit for the increase in the price of farm products, then it must accept the blame for an increase in food prices to the point where undernourishment and even hunger is being forced upon millions of those who are still struggling to keep off the public relief rolls. The degree of this increase in food prices is given in the last report of the Department of Commerce, which quotes prices as of February 15, 1935, and shows the percent of increase since February 1933. That report shows there has been an increase of 34.2 percent in the price of all foods, 34.7 percent in the price of cereals, 41.5 percent in the price of meats, 29.9 percent in the price of dairy products, 80 percent in the price of eggs, 24.4 percent in the price of fruits and vegetables, and 19 percent in the price of miscellaneous food products.

Not only has the A. A. A. program failed of its purpose to increase the purchasing power of the farmer's dollar but it has failed of its promise to have this done by voluntary cooperation upon the part of agricultural producers. There has been much ballyhoo recently regarding the result of the referendum on the corn-hog contract. The statements released by the Department of Agriculture announced that approximately 69 percent of all producers voting in the referendum favored the continuation of the program.

That statement was not candid. It did not give to the country an honest picture. While 69 percent of those who voted in the referendum did vote for a continuation of the contract, only 45 percent of those who had corn-hog contracts participated in the referendum, and only 32½ percent voted for the continuation of the program.

Even then the referendum was not honestly conducted in some places. In those instances letters were written by agents of the Agricultural Adjustment Administration to those holding corn-hog contracts notifying them of the time and place the referendum was to be conducted in their localities, but containing this warning: "If you are against

controlled production do not attend any of the meetings scheduled." That was a bald attempt at outright intimidation of the corn-hog farmer, because the letter was sent by the very individual who had to pass upon the right of the corn-hog farmer to which it was written to participate in the benefits of the program.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield, but for a question only.

Mr. TABER. But none of those who produced hogs who had not been favored with a contract by the A. A. A. were permitted to vote.

Mr. SNELL. I tried to make that clear. The gentleman's statement is correct.

In addition, the new deal further coerces the farmer into accepting its program by making it impossible for him to negotiate either crop, production, or feed loans from any Federal agency until and unless he has signed A. A. A. contracts and agreed to abide by the bureaucratic rulings emanating from Washington.

The new-deal program has failed in every respect insofar as the production of cotton is concerned. Voluntary cooperation has been openly abandoned for the Cotton Control Act, which forces the cotton planter to come in under its provisions or be classified as a criminal, subject to Federal prosecution.

In order to carry out the pretense that this Russianized system was popular in the Cotton Belt, the administration made the gesture of referring to a referendum of cotton growers the question as to whether or not the cotton-control program should be continued. But a few days before the referendum vote was taken, the President promised several hundred thousand small cotton planters who were to vote, exemption from the provisions of the act if it were continued in force. In other words, the referendum ballot box was stuffed even before the polls were opened.

Now, that does not leave the farmer very much latitude to exercise his own judgment. It is a definite order regimenting our farmers at the present time; and they cannot get away from it.

Summing it up, the agricultural program of this administration, after 2 years of uninterrupted operation, has resulted:

First. In a decline of 40 percent in the cotton export market, and a decline in the domestic consumption of cotton goods.

Second. A decline in general exports of agricultural products to the lowest point in 20 years, a point which is less than one-half the average for pre-war levels.

Third. A decline in the domestic per capita consumption of wheat and wheat products, beef and beef products, dairy products, and pork and pork products, due to the tremendous increase in prices of those products as a direct result of the destructive program of the Agricultural Adjustment Administration.

Fourth. An increase in imports of both cereals and meat products that are used for human food as well as forage for animals.

Fifth. An increase of practically $700,000,000 in the mortgage indebtedness of the American farmer.

Sixth. Hundreds of thousands of agricultural producers on public-relief rolls the object of charity.

Yet this program is called "planned economy."

What kind of "planning" is it which sacrifices the foreign markets of our agricultural producers and at the same time forces the importation of foodstuffs which could be raised here on the land which is being abandoned under the arbitrary legislation of the new deal?

What kind of "planning" is it which throws hundreds of thousands of small farmers and croppers onto the public highways, making tramps out of them, because they are not permitted to raise the foodstuffs and the agricultural commodities which are sorely needed by the millions of people living in our cities?

What kind of "planning" is it which pushes up the price of food to the American housewives to a point where they are compelled not only to reduce the amount of food which they buy, but buy cheaper substitutes?

What kind of "planning" is it which has forced the American farmer further and further in debt, to the point where in desperation he is supporting a program that calls for the outright repudiation of what he owes, as the only way in which he can hope ever again to get on his feet? [Applause.]

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain tables I have prepared and a letter sent out by the Democratic National Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, we have now progressed nearly through the fourth month of the legislative session and, while perhaps it was not in good taste on the first day of the session to recite all of the progress accomplished by the Democratic administration, we have now reached a point where, in view of the fact that our Democratic colleagues are attempting to explain some of their failures, but without success, it is time for us to take stock of the Nation and see just where we are at.

We are accused by our friends on the Democratic side of having leveled nothing but destructive criticism. Let me say to my Democratic friends that there can be no destructive criticism of the destructive policies of the Democratic administration.

Now let us see how we have progressed under the self-called new deal. They have imposed upon the country the N. R. A., which General Johnson, its lord and master for about a year, pronounced "dead as a dodo" a little while ago. The N. R. A. has stifled and destroyed the small business man. It made those who kept faith and lived up to their bargain the goats and destroyed them; it reduced the pay envelopes of the workers; it raised the price of merchandise to the consumer to such an extent that the consumer has been unable to buy and the channels of trade have been clogged.

They passed the A. A. A., a scheme to put a processing tax on the farmer for the goods he raises. Only in rare instances, such as where they have pegged the price of cotton by Government loans and where they have spent a lot of money and destroyed the brood sows of the country, have they been able to raise prices to the farmer. As a general rule the farmer has paid the processing tax. His price on wheat was reduced by the tax in 3 weeks from $1.25 a bushel to 95 cents—the exact amount of the tax—and it has never gone above that figure since for more than a day or two perhaps. By it they have destroyed our foreign market for cotton, wheat, and pork. They have driven millions of agricultural workers on relief.

America became a land of plenty and prosperity entirely because the people who came to this country were able to produce a lot of things and because the workers received good wages. Now with reduced wages the volume of trade has dropped off. I want to quote from last week's Department of Commerce bulletin. They say that business activity, according to the New York Times, in dollars was just the same as last year. Freight-car loadings were approximately the same, although they have been lower most of the year; steel production was lower; lumber production lower; cotton receipts lower; commercial failures higher; Federal Reserve bank member loans lower; steel-ingot production lower; and automobile production alone higher; and with all that situation to face, the price index had gone up, according to the Department of Labor combined index, from 73.3 percent to 77.2 percent—an increase of 3.9, or an increase in prices of 4 percent. Mr. Fisher's combined index indicated an increase in prices of 6.5 points, or 8 percent. This whole

picture indicates a decrease in the volume of business of a year ago of approximately 5 to 6 percent.

The Democratic Party calls itself a "party of progress." It is a party of progress, and here is the schedule of the way they have progressed in the last 25½ months:

First. They have throttled private business to the point where employment is at a low ebb. The number of unemployed has increased by at least 1,500,000.

Second. They have placed the Government in business in every possible way.

Third. They have looted the Public Treasury and obtained money from Congress for the purposes of using it for relief and have spent it for personal rackets in which the President himself and his friends were interested in promoting, upon factories, upon reclamation projects, and all sorts of things which would not provide employment and which should be paid for out of the regular appropriations of the Government or not spent at all.

Fourth. They have produced a continuously mounting relief roll. The number on relief has increased from 13,057,329 in May 1933 to 22,000,000 at the present time—almost double. They have increased the cost of relief per month from $100,000,000 in 1933 to upwards of $300,000,000 a month at the present time.

Fifth. They have piled up a public debt from $20,000,000,000 to a total of $48,000,000,000 when they have completed spending the funds which are now appropriated and the guaranties which are now authorized go into effect.

Sixth. They have taken off duties from those things which the farmer produces and which our factories manufacture and thereby they have destroyed values for the farmer and for the workingman in the factory.

Seventh. They have unbalanced the Federal Budget so that we are raising only about $3,000,000,000 where we are spending $8,500,000,000.

Eighth. They have increased the number on the Federal pay roll from 916,000 to approximately 1,800,000 today, and we see this morning that 100,000 more are coming to Washington, with no place to live.

That is the record of progress: providing jobs for the faithful. They have adopted a very fancy system of bookkeeping. I wish I had the ability, but I would hate to say I had the inclination, to work a thing like that out. In order to see how the farmer had progressed I asked the Department of Agriculture for a statement of the gross income on farm products and they wanted to give me the total farm income, including the A. A. A. so-called "benefits paid to farmers." And here they are:

Total farm income, including the A. A. A. payments:

1932	$5,331,000,000
1933	6,256,000,000
1934	7,163,000,000

Gross income from farm production, not including A. A. A. payments:

1932	$5,331,000,000
1933	5,994,000,000
1934	6,464,000,000

You will note that the increase attributed to the A. A. A. for 1933 was $262,000,000; that the increase for 1934 was $699,000,000; a total through December 31, 1934, of $961,000,000. Then, in order to check on the "high faluting" bookkeeping, I called the A. A. A. and found that they claimed the total benefits to farmers, including removal of surplus and rental and benefit payments, only ran $697,000,000. Where the other $263,000,000 came from you do not know, and I do not know, and they do not know, but this is progress. It will be noted that the increase in the income of the farmer for 1933 over 1932 was $663,000,000, or about 11 percent, but the increase in the price index ran more than 11 percent, so that the volume of stuff sold was much smaller. The increase from 1933 to 1934 in the gross farm income was $470,000,000, or about 8 percent, and the price of agricultural commodities was supposed to have advanced 15 percent, indicating a much smaller production.

You will note, also, that we have progressed in this way: While they have been plowing under cotton, corn, and wheat, and paying the farmers for not planting it, we had a drought come along and, instead of having our customary reserves, we were unable to meet the demands of the people and resorted to imports. Maybe this is progress, but it is progress away from recovery and not toward it.

The farmer, with his small increase in gross income, is not in as good a position as he was before, because the price of the things he has to buy has gone up so much more than the price of what he has to sell.

The Democrats are in this position: They have progressed remarkably well in preventing recovery. They have spent loads of money, but they have offered no constructive programs which would lead us out of the depression. No ray of hope has come from the Democratic Party. No ray of hope ever came from them, and none ever will. Their only object is to pass appropriations out of the Federal Treasury which will permit them to buy up the next election.

In 1933 they appropriated $3,300,000,000; in 1934 they appropriated $1,426,000,000, and this was supposed to be used for relief, but it was used last fall by allotments to buy up the election of a Democratic Congress. This year they have appropriated $4,880,000,000, ostensibly for work relief, but really for the purpose of buying up the 1936 election.

The Democratic Party put itself forward as a party of the people, supposed to represent them. When it came into office it followed the lowest practices of any political pirates in the history of the country. They pretended that those who participated in political activities could not remain on the Federal pay roll. And still we have General Farley at the head of the Democratic National Committee after the little fellow has been forced to quit. But that was nothing but a little bit of publicity to save the face of the President himself, because the Democratic National Committee, in violation of what I supposed the law to be in most States, against solicitation of funds from officials, and against what I know the law to be on the Federal statute books, that no Government official shall solicit a subscription for political purposes from another Government official. When General Farley was Postmaster General, on stationery bearing his name, the Democratic National Committee caused to be sent out to those who were working for Government corporations this letter which I have here, and which I am going to ask unanimous consent to insert in the RECORD, advising the recipient that they must "necessarily look to the beneficiaries of the Democratic Party to assist in financing its activities." While the letter was not signed by General Farley, his name was used on the letterhead for that purpose and in the body of the letter in such a way as to make it perfectly apparent that there could be no doubt that he approved and countenanced this solicitation, which was clearly in violation of the law. Has any Democratic district attorney, or any other district attorney, prosecuted Mr. Farley for this action? No; because the Democratic Party has practiced this sort of thing, and probably always will. It is bred in their bones. Only the rawest and dirtiest kind of politics seem to appeal to the operatives of that crowd.

This is a copy of the letter:

[Democratic National Committee, National Press Club Building, Washington, D. C.; James A. Farley, chairman; Emil Hurja, assistant]

23 CHURCH STREET,
New Haven, Conn.

DEAR FRIEND: This is to advise that I have been appointed a member of the finance committee of the Democratic National Committee, and as such it is my duty to solicit funds in support of the committee.

The headquarters of the committee in both New York and Washington, as you must realize, are maintained at great expense, and we must necessarily look to the beneficiaries of the Democratic Party to assist in financing it's activities. Therefore I hope to receive your check for whatever amount you care to contribute for the maintenance and operation of these headquarters, the affairs of which have been so efficiently and capably administered by National Chairman James A. Farley and his able assistant, Mr. Emil Hurja.

Please make checks payable to James W. Gerard, treasurer, and send to the writer at the above address.

Thanking you for any assistance you may care to render in this connection, I am, with kindest personal regards,

Sincerely yours,

PATRICK J. GOODE.

This is my program to bring back recovery:

First. Stop wild expenditures which unbalance the Budget.

Second. Stop tinkering with the protective tariff and letting in foreign merchandise to close down our factories and farms.

Third. Abolish the N. R. A. and the A. A. A. and restore the liberty of the American people and their opportunity to work. In the days when we followed sound principles the workingman received better wages than he receives now and the farmer received better prices for his products than he receives now.

Fourth. Return to sound economic principles and get things back to the point where we are producing more goods and the people consuming more goods. We must increase the volume of goods if you are going to increase the wealth of the people.

I hope that the people of this country will wake up to the progress which we actually have made toward the destruction of American agriculture and the destruction of American business and the complete bankruptcy of the American people, both financial and moral, which the Democratic Party has been trying to bring about.

Only by the elimination of the Roosevelt administration from power can we return to sound principles, American liberty, and prosperity. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. CARY. Mr. Chairman, I yield such time as he may require to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, as a preface to my remarks I desire to add my commendation of and congratulations to my distinguished colleague, the gentleman from Kentucky [Mr. CARY], chairman of the committee conducting the hearings on this bill, and the able helpers he had on his subcommittee, for the efficient work they have performed. They deserve the thanks of this Congress, and the thanks of the people of the United States.

Mr. Chairman, I hate to go from the sublime to the ridiculous, but to show you it is necessary that the Congress be alert at all times in watching things that go on in the District of Columbia, I call attention to an excerpt from the Washington Post of last Sunday. It has a big headline reading, "District may have corps of admirals for its navy."

I quote from the article:

E. Barrett Prettyman, corporation counsel, has informed the District Commissioners they may appoint a corps of admirals for the District's navy. Accordingly admirals soon may become as plentiful in the District as colonels in Kentucky.

Prettyman's study was made on request of George E. Allen, District Commissioner. The Commissioner said:

"Kentucky has its colonels, and other places have honorary offices."

Prettyman answered: "The term 'admiral' is a title—not a job. Its use has been largely preempted by nations having battleships, cruisers, and submarines, but this preemption is a custom, not a law. In my opinion, an admiral need not necessarily have a navy, nor even a rowboat. But why worry about this, anyway, because it is a fact that the District of Columbia has its navy. Every sovereign citizen of this District feels great pride in Washington's fleet."

From the Post last Sunday we learn that this ridiculous proposal has gone so far that they had an engraved die made of the commission that the District Commissioners were going to issue to the admirals of the District of Columbia navy. The Post reproduced this engraved commission last Sunday. It reads as follows:

In the name and by the authority of the Commissioners of the District of Columbia (seal of District of Columbia):

To all who shall see these presents, greeting:

Know ye, that Herbert G. Shrimp, having been duly appointed aide on the Commissioners' staff, with the rank of admiral in the navy of the District of Columbia, such appointment to date from the 22d day of January 1935, we hereby invest him with the full power and authority to execute and discharge the duties of the said office; and to have and to hold the same, with all the rights thereunto legally appertaining, for and during the pleasure of the Commissioners of the District of Columbia.

In testimony whereof we have caused these letters to be made patent and the seal of the District of Columbia to be hereunto affixed. Done at Washington the 22d day of January, A. D. 1935, and in the fifty-seventh year of the District of Columbia.

Then there are places for the signatures of the three Commissioners of the District of Columbia, with the imprint of the seal of the District of Columbia and a line for the secretary to sign.

Then it is stated at the bottom:

Admirals of the District's navy, consisting of a fire boat, police launch, rowboats, etc., will get a commission like this, all properly filled out.

Mr. Chairman, I wrote to the Commissioners calling their attention to this foolish propaganda going out to the country in this crucial hour of the Government's history. I wanted to know if anything like that was going to be put through, because if it were it was about time for Congress to stop it. I got a letter, I am glad to say, from the president of the District Commissioners reading as follows:

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
Washington, April 23, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN BLANTON: The Commissioners of the District of Columbia have the honor to acknowledge the receipt of your letter of April 21, 1935, in regard to the commissioning of admirals in the government of the District of Columbia.

The Commissioners appreciate your frank statement and interest in this matter, and assure you that they have no intention of commissioning admirals in the District of Columbia.

Thanking you for your letter.

Very truly yours,

BOARD OF COMMISSIONERS OF THE
DISTRICT OF COLUMBIA.
M. C. HAZEN, *President.*

There ought not to be any such silly foolishness as that going out to the readers of this paper, which brings not only the Commissioners of the District into disrepute but reflects upon the Congress of the United States, which has the sole power and authority under the Constitution to control legislative matters in the District.

Of course, the Washington Post is unreliable and unauthentic. You cannot believe much you see in that paper. [Applause.] Did you notice these pictures in the first early edition of this morning's Post? Here is a facsimile picture of His Excellency Demetrios L. Sicilianos, the new Minister from Greece to the United States, but under it there is this statement: "This is the first picture of Gen. Hermann Goering, Nazi leader, and his wife the former Emmy Sonnemann, on their honeymoon in Germany." There is no wife there and there is no Gen. Hermann Goering, Nazi leader, shown. It is all balled up. I wonder how the parties interested liked it.

Elsewhere in the early first edition of this same unreliable, unauthentic, and misleading Washington Post, this morning on another page they carried a facsimile picture of General Goering, the Nazi leader and his wife, with the false heading "New Greek Minister Arrives", and underneath the picture it carried this misinformation:

His Excellency, Demetrios L. Sicilianos, the new Minister from Greece to the United States, is shown on his arrival on the *Europa* in New York, where he was met by Greek officials from New York and Washington.

Of course, they had to correct all of the above errors in a later edition of this morning's Washington Post. I wonder how long the Washington people are going to stand for such unreliable, misleading information.

Mr. Chairman, I want to say one more thing in conclusion. I notice our good friend, the gentleman from New York [Mr. DICKSTEIN], is going to speak, and I am glad he is to follow me, because I want him to explain one thing. He has in what he calls his "death house" my bill to stop all immigration for 10 years. If we could get that bill up here for consideration, we could amend it, providing for a registration of the unlawful aliens in this country and for sending all of them back to the countries where they belong, and with that done we could find in America a job for every single American not employed. I want to appeal to the gentleman, who holds that great means of bringing relief to the unemployed in his hands as Chairman of this great Immigration Committee, when he is all powerful on the subject, to rescind the action that he took one day before I was going to file a

petition to discharge his committee and bring the bill on the floor for consideration, at which time he hurriedly called his committee together and tabled my bill. But he did not stop my petition. I appeal to him to rescind his action, and report and pass that bill, and help us to protect American jobs for Americans.

On February 21, 1935, I placed on the Clerk's desk here a petition to discharge his committee from further consideration of that bill. Such petition needs the signatures of 218 of you colleagues. Some have signed it, but most of you have not. If 218 of you will sign that petition, we can get this bill up and pass it, and then recover enough American jobs from foreigners to give a job to every unemployed American in the United States.

When we go home after adjournment do not tell your constituents that you are in favor of stopping immigration when you have not signed that petition. Because they will ask you why you did not sign it. Every Member here who is sincerely in favor of stopping immigration will sign that petition, because otherwise there will be no chance whatever to pass a measure in this Congress to stop it.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, I have obtained permission to extend my remarks in the RECORD, and to include therein certain excerpts, so as to enable me to reply to the speech and extension of his remarks about me made by the gentleman from New York [Mr. DICKSTEIN].

All of my colleagues in this House, who are old-timers and have served here since the war Congress, know that in every session through my entire service I have made a determined, uncompromising fight to pass legislation that would stop all immigration from foreign countries to the United States, and which would deport from the United States the millions of aliens who are here unlawfully.

It has been absolutely impossible for any of us to get such a bill approved and reported to the House by the Committee on Immigration and Naturalization. All of such bills are put in what he calls "his death house" by the chairman of said committee, the gentleman from New York [Mr. DICKSTEIN].

He says that on February 18, 1935, I kept him from passing his bill, H. R. 3472, which he calls his "repatriation bill." He is correct. I did stop him. And I stopped him because it was a bill to benefit aliens, and not the people of the United States, who want unlawful aliens deported, and who want to stop immigration.

He says that I stopped him again on March 4, 1935, and kept him from passing this measure. He is correct. I helped to stop him. But I had help. Let me quote from the RECORD of March 4, 1935, page 2901, the following showing exactly what occurred, to wit:

The next bill on the Consent Calendar was the bill H. R. 3472, to amend section 23 of the Immigration Act of February 5, 1917.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Reserving the right to object, I want to ask a question of the lady from New York. This is the Dickstein bill?

Mrs. O'DAY. One of them.

Mr. BLANTON. Under the present law the right is limited to 3 years? Those 3 years have expired. This bill proposes to remove all limitation. I cannot agree that such a proposal would be sound legislation. Instead of increasing the rights and privileges of aliens, I am in favor of stopping all of them from coming here for at least 10 years. It is true, is it not, that under the present law they are limited to 3 years?

Mrs. O'DAY. I think that is so.

Mr. BLANTON. Is not that so? I ask the chairman of the committee.

Mr. DICKSTEIN. Yes.

Mr. BLANTON. It is limited to 3 years?

Mr. DICKSTEIN. Yes.

Mr. BLANTON. The way the bill was first introduced was to extend that time to 5 years.

Mr. DICKSTEIN. That was a year ago.

Mr. BLANTON. Then the committee struck out 5 years and left no limitation at all, and they could have been here for 40 or 50 years and still be sent back and have their way paid by the United States. Such a bill ought not to pass this House. It establishes a bad precedent. I objected to it before. It will take three objections now to stop it, and I hope we will get the other two. Mr. Speaker, I object.

Mr. CARTER. I object.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

I learned about the unsalutary features and unsoundness of the above bill from my distinguished colleague from Texas [Mr. DIES], who is one of the best-posted men in this Congress on immigration, and the necessity of getting these millions of aliens deported out of the United States.

Then the gentleman from New York [Mr. DICKSTEIN] said that he tried to pass his other bill "to repatriate 30,000 Filipinos" and that I stopped him on February 18, 1935, and also on March 4, 1935. I did stop him on March 18, 1935, because it was a bad bill, because I had a reliable estimate that it would cost $900,000, and would accomplish no good, but merely furnish an excursion trip home on our people's money out of the Treasury, and cause twice that many more to come over here. And I did help to stop it again and to finally kill it on March 4, 1935. Let me quote from the RECORD for that date as to what happened:

Mr. BLANTON. I reserve the right to object. This is a bill that will force the United States, if it is passed, to pay the expenses back home of 30,000 Filipinos who have gotten homesick and want to spend the summer holidays in the Philippine Islands, and there will be 60,000 more of them come back here, and this bill sets a bad precedent and ought to be killed.

This bill will cost the United States Government a tremendous sum of money to start with, and it will set a precedent the end of which will not be seen for the next 50 or 60 years. It is a bad bill and ought not to pass. I objected to it before, and it will now take three objectors and I hope we will get them. Mr. Speaker, I object.

Mr. TRUAX. Mr. Speaker, I object.

Mr. HOOK. Mr. Speaker, I object.

The gentleman from New York [Mr. DICKSTEIN], from this floor on February 19, 1935, admitted that he not only put my bill to stop all immigration in his "death house" but that it was his vote in the committee that killed the Dies bill, and kept it from being reported and passed. I quote the following excerpts from the debate that day:

Mr. DIES. That was on a bill introduced by myself, which provided for a reduction in quota to 60 percent and undertook to do what the gentleman from New York always said he wanted to do.

Mr. BLANTON. And his vote killed it?

Mr. DIES. That is true.

Mr. DICKSTEIN. May I say that there was a bill introduced by the gentleman from Indiana [Mr. SCHULTE]. There was also a bill introduced by the gentleman from Texas [Mr. DIES]. These two bills were considered together. They were H. R. 4114 and H. R. 8222.

* * * * * * *

The two bills were beaten by 1 vote in committee, and I was simply carrying out a message from the American people.

Mr. DIES. I think the gentleman will agree that there are a number of aliens in this country illegally who ought to be out of the country.

Mr. DICKSTEIN. I agree with the gentleman.

Mr. DIES. I think our committee has found that to be a fact time and time again.

Mr. DICKSTEIN. There is no question about the gentleman's statement.

Mr. DIES. Is the gentleman in favor of excluding all new seed immigration if we reunite families?

Mr. DICKSTEIN. I am in favor of reuniting families.

And here is what Chairman DICKSTEIN that day said about putting in his "death house" my bill to stop all immigration:

There were a number of bills before the committee, and we unanimously agreed to put all the other bills in the "deadhouse", if that is the proper term, and take up House bill 4114, which was the Dies bill, dealing with all the questions.

And then, after putting in his "death house" all of the numerous bills pending before his committee to restrict and stop immigration, except the Dies bill, then Chairman DICKSTEIN by his vote broke a tie and killed the Dies bill and kept it from being reported.

Then Chairman DICKSTEIN in said debate admitted that he had been so zealous in "reuniting families", that in his district, full of foreigners, there is not a family in his district that has a relative on the other side. He has been

able to bring all of their relatives here from foreign countries. Here is what he said:

Mr. DIES. Except I do not think the gentleman is bona fide in favor of restriction, and I do not blame him; he represents a district where 80 percent are opposed to it. We might as well be frank about it.

Mr. DICKSTEIN. Suppose I told the gentleman that there is not a family in my district that has a relative on the other side.

To which the gentleman from Texas [Mr. DIES] replied:

Mr. DIES. The gentleman always votes against anything in favor of restriction.

No Member of this House knows better the attitude of Chairman DICKSTEIN on restricting immigration than does my colleage [Mr. DIES], as they served on the committee together for a long time, and only recently has Mr. DIES been promoted to a position on the powerful Rules Committee of this House. And in that debate on February 19, 1935, the following is what Mr. DIES had to say about Chairman DICKSTEIN not offering to exclude aliens, to wit:

Mr. DIES. Yes; there are 3,500,000 illegally in the country, but the gentleman is not offering to exclude them; he is not in favor of that; he is in favor of their becoming American citizens regardless of how they came into the country.

Let me again repeat what I said in this House on March 13, 1935. We must deport these 3,500,000 aliens who are here unlawfully. And we must stop all immigration from coming here.

And just as Bruno Hauptmann did, these 3,500,000 aliens now in the United States unlawfully, violated our laws when they came across our borders, and are continuing to violate our laws by staying here unlawfully, for they are here illegally, and every one of them either has a job, taken away from some American, or else is on the relief rolls, taking relief that should go to the hungry wives and little children of American citizens.

And in addition to the 3,500,000 aliens here illegally—and in fact there are many more than that number here—there are about 6,500,000 aliens in the United States who came here lawfully but who have not thought enough of the United States to take out their citizenship papers. And all of them either hold jobs, taken away from Americans, or else they are on our relief rolls being fed and warmed and housed and clothed by this Government, when there is not another country in the world that will do such things for aliens or allow them such privileges.

We must take steps at once to require all aliens to register, and we should immediately deport every alien here unlawfully, and we should deport all aliens who have been lawfully in the United States as long as 3 years who have not become naturalized citizens. If they are not willing to fight for our flag they should not be allowed to stay here.

This is America, not Russia. This is America, not Greece. This is America, not Italy. This is America, not Germany. This is America, not Hungary. This is America, not Czechoslovakia. This is America, not Poland. This is America, not Mexico. Yet you would not think so if you visited certain parts of our big cities, where aliens from these foreign countries speak here in their native tongues, read daily newspapers published in their native languages, maintain the customs and cook their foods as they did in their home countries.

Let me again quote what Mr. Theodore Andrica, Cleveland reporter, who in his Around the World in Cleveland, not long ago said:

CLEVELAND SECOND IN UNITED STATES IN NUMBER OF ITS FOREIGN-LANGUAGE PUBLICATIONS—53 MONTHLIES, WEEKLIES, AND DAILIES REPRESENT 13 NATIONALITIES

In no other American city except New York are there more foreign-language publications printed and edited than in Cleveland.

To be exact, 53 foreign publications have their editorial and printing offices in Cleveland. Of these, 12 are dailies, 23 are weeklies, and 18 are monthlies.

Thirteen language groups are represented by these publications, namely: Czech, German, Hebrew, Hungarian, Italian, Lithuanian, Polish, Rumanian, Russian, Saxon, Serbian, Slovak, and Slovene.

Seven nationality groups have dailies here—the Bohemians, Germans, Hebrews, Hungarians, Italians, Poles, and Slovenes.

REACH ABOUT 150,000 DAILY

According to the publishers' sworn statements to the United States Post Office the total circulation of all the foreign-language dailies printed in Cleveland is between 100,000 and 150,000 daily.

The average size of a foreign-language paper is 6 pages. On special occasions the edition contains as high as 40 pages. In most cases the publications are official organs of fraternal or religious organizations.

Of the 18 monthlies, 10 are of religious character. Of the 23 weeklies, 4 are religious and two-thirds of the others are organs of some fraternal groups.

The dailies print, besides current world news, much news of old country affairs or of world events with special bearing on their particular nationality.

Most of the dailies take a definite stand on old-country politics.

The Socialists have 1 weekly, the Communists have 1 daily and 1 weekly, and the I. W. W. Party has 1 weekly and 1 monthly.

Is it not ridiculous to talk about deporting Communists when we allow Communists to publish daily Communist newspapers?

If aliens want to read here their daily newspaper published in foreign languages, they ought to go back to their own country and not steal jobs from Americans.

Now, I have a bill pending to stop all immigration for 10 years. That will give us a chance to assimilate the lawful aliens we already have in this country, millions of them, before we take on new ones. Are you in favor of that? If you are not in favor of it, of course, you will let things rock along, and if you are in favor of it, you will go up to the desk and sign a petition which I have placed there to take this bill away from the Committee on Immigration and Naturalization and take it up on the floor of this House and pass it. [Applause.]

We will not ever pass it in any other way. Chairman DICKSTEIN would not let us. He put my bill in his "deadhouse" in the last Congress, and he has tried to do it again in this Congress.

It is under one of Chairman DICKSTEIN's bills that Commissioner of Immigration MacCormack has allowed some of the most noted Communists in the world to come here and stay here, and has refused to deport them. Let me again call your attention to some more of the facts I mentioned on February 19, 1935.

I want to get Mr. MacCormack's statement in the RECORD. Back in 1917 we deported two of the most noted anarchists in the world, who had been causing much trouble in this country. They were both deemed dangerous anarchists. It took us a long time and cost us a lot of money to deport them. One of them was named Emma Goldman and the other Alexander Berkman. We put them back in Russia, where they belonged.

In my friend's subcommittee, when they got after Mr. MacCormack about letting her come back, here is what he said:

I am frank to say that the Strachey admission was at my own instance. The first of those cases was, as I recollect it, that of Emma Goldman. She applied for permission to come to this country to speak on literature.

A noted anarchist, deported from the country because she was an anarchist and a dangerous anarchist, and deported back to Russia, wanted to come back here and speak on literature. What kind of literature do you suppose?

We were given definite assurances that she would speak on literature and keep off the political subjects, and particularly subjects dealing with anarchism. I took the position—and on that position urged her admission—that it was very much better, as long as she was not going to discuss subjects which are prohibited to an alien under our law, to let her in than to give her the publicity for her books and writings which would attend her exclusion; and after discussion in the Department, it was agreed that that be done.

Emma Goldman had been a great figure, and so we let her into the United States.

She was a wild-eyed anarchist, but when she came into the United States we permitted her to move around freely. We held her down to a gentleman's agreement that we had with her, and with the people who were sponsoring her stay, that she was merely a nice old lady who was traveling around the country telling her past experiences.

There was a case of Tom Mann, a British Communist labor leader. He applied for admission into the United States to address a conference on peace—specifically on that—a "conference against war", or something like that, it was called. I looked over the

group of organizations participating in this peace conference, and I saw the usual group of labor organizations, parlor Socialists, and many serious organizations, all concerned in this conference. I inquired whether Tom Mann was going to talk communism or discuss anything that would be received with displeasure in this country. They said, "No; he was going to talk on peace." And again I urged that he be permitted to come in.

We had before our subcommittee a very distinguished military man from California, Adjutant General Howard. I read from the printed report of the hearings, beginning at page 435. General Howard is testifying and telling about a strike called out in California and about the trouble it put them to. He said, and I am quoting from the hearings on this bill:

We immediately sent out a call and assembled about 5,000 of our troops on the San Francisco front and across the bay at Oakland and Berkeley.

The malcontents tied up the entire outside country so no food could be brought in and no gasoline for the trucks. We had out there a condition of absolute revolution for a period of 3 days.

At the same time, at Los Angeles, we had a similar strike and some longshoremen went out.

It was necessary, in making our demonstration in San Francisco, for us to pull the troops out of Los Angeles and take them to the northern city, which left the city of Los Angeles, a territory with well over 2,000,000 people, absolutely destitute of protection.

Of course, the city and county of Los Angeles wanted us to replace those troops, or get them back there.

The police department immediately added 1,200 policemen to their force. But you can imagine what 1,200 policemen would be able to do in a serious situation. That is about the size of a regiment of infantry.

They took charge of the situation insofar as that particular strike in that part of the State was concerned. But we were utterly helpless to go down there to help them.

We would have had to resort to the drafting of men. We would have had to resort to calling for volunteers and trying to get arms and ammunition, but, of course, they had no uniforms, to try to save the State of California, as we were really in a situation of revolution.

I think the question of national defense should be given consideration as a national proposition, and I should like to say something about our position as the frontier of the Nation on the west coast, in the case of any trouble with a foreign country.

Mr. BLANTON. Before you leave that subject, let me ask you this question: How many men were there who caused that trouble—that revolutionary condition? Approximately how many union men were there?

General HOWARD. In the neighborhood of 1,300.

Mr. BLANTON. Then 1,300 union men put California and the country to all that trouble and expense?

General HOWARD. Yes; there were only a very small number of actual agitators originally; less than 300, I should say.

Mr. BLANTON. That is a situation, in my judgment, that is ruining and menacing the whole world.

Mr. BOLTON. What has been done with those men?

General HOWARD. The ringleader, who went around in San Francisco with a bodyguard of 14 men, is now the president of the union. He is a citizen of Australia, and we have never been able to topple him from his high perch. He still controls things out there.

Mr. BOLTON. Has the Department of Labor taken any steps in reference to that matter?

General HOWARD. No, sir; we inquired during the trouble of the Department of Labor and the Secret Service as to what could be done with this man, because I wanted to pick him up. I was told it would be better to let him alone, because the Federal authorities were trying to get something on him.

Mr. SNYDER. You said he was the president of the union; what union is that?

General HOWARD. The Longshoremen's International Union.

I would say that at least 60 or 70 percent of the people who actually caused this trouble were not American citizens.

And concerning the bill which Chairman DICKSTEIN has been trying to get us to let him pass, the following is what Commissioner MacCormack says:

We have stayed deportation in approximately 1,200 cases of persons of good character who would be the beneficiaries of the legislation if enacted.

I now want to quote an excerpt from the splendid statement made by my able colleague from Texas [Mr. DIES] at the time he introduced his present bill, H. R. 5921, which contains the same provisions that were in his bill H. R. 4114, which Chairman DICKSTEIN killed in the last Congress by his deciding vote, to wit:

Mr. DIES. I have just introduced a bill that will not only end the organized and even subversive propaganda called attention to by the Dickstein Nazi committee, but will strengthen existing deportation statutes as urged by the Department of Labor, deport gangsters and racketeers convicted of possessing machine guns, permanently exclude aliens convicted of crime and lawbreaking, require eligible aliens to become citizens or depart, further restrict immigration by reducing the existing quotas 60 percent, and applying them to countries of this hemisphere, take care of law-abiding aged parents and near relatives of foreign born in this country by reserving the quotas for them, and deport aliens engaged in smuggling and bootlegging aliens into this country.

Last year's immigration statistics show an increase of 50 percent in quota immigration—that is, new seed immigrants—an 8-percent increase in total aliens admitted, and a 60-percent decrease in alien deportations. During the last 10 years of quota restriction over three and a half million aliens have entered the United States, and our last census revealed the largest number of foreign born, over 14,000,000; the largest foreign-stock population, over 40,000,000; and the most aliens, nearly 7,000,000, in our history. While the alien departures reported by the steamships and railroads do exceed the alien arrivals counted by our immigrant inspectors, our alien population has continued to increase by surreptitious entries and by the atrocious, alien deserting seamen hole in our existing legislation that my bill would plug up.

The bill I have just introduced would also deport alien Communists by making any alien deportable who is a member of communistic organizations. Most of the leaders of indefensible strikes like the recent general strike on the Pacific coast are aliens with "red" records, and of such we have quite enough of our own naturalized and even native born without importing any more or permitting them to operate in this country, just as we have enough unemployed and dependents without importing any more or permitting aliens to swell their ranks. Each country should care for its own dependents, delinquents, defectives, and unemployed. Charity should begin at home, just as employment should.

The deportations in 1931 were 18,142. In 1932 they were 19,422. In 1933 the deportations were 19,865. But since our good friend from New York [Mr. DICKSTEIN] has been passing his amendments, the deportations last year were only 8,879.

If I were Chairman of the Immigration Committee, I would get reported promptly and would pass here in this House a bill to stop all immigration for 10 years, and a bill to deport every Communist, and a bill to deport the several million aliens who are now in the United States unlawfully, like Bruno Hauptmann, and a bill to deport several more aliens who are here lawfully, but who do not think enough of our flag to fight for it, when called on, or to take out citizenship papers and become Americans. And I would pass a bill to stop the publication of Communist newspapers in New York and Cleveland and everywhere else in the United States.

I hope sincerely that every Member of this House who wants to save American jobs for Americans, and who wants to take such American jobs away from foreigners and give them back to Americans, would sign the petition which I have on the Clerk's desk, to discharge Chairman DICKSTEIN'S committee from further consideration of my bill, and then we can get it on this floor, as soon as 218 Members sign that petition, and pass it. And then we will preserve American jobs for Americans.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CARY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, the gentleman from Texas [Mr. BLANTON] anticipated I was going to talk on immigration, so he thought he would get a march on me by talking about immigration himself. It so happens that I did not rise today to talk about immigration. I rose for something entirely different. Since the gentleman from Texas [Mr. BLANTON] has discussed the question of immigration and his bill, may I call the attention of the Members of the House to the fact that the Committee on Immigration tried to bring about repatriation of over 100,000 aliens? I caused this bill to put on the Consent Calendar of the House and my friend the gentleman from Texas [Mr. BLANTON] objected to consideration by the House on February 18, 1935, and he again objected on March 4, 1935, and so this House has been prevented from voting on this bill. My friend the gentleman from Texas [Mr. BLANTON] will not let the Members of this House even consider this meritorious bill.

I think it is significant that just recently a former Federal officer, Edward Corsi, formerly immigration commissioner at New York, has publicly testified in a hearing in New York to the effect that there are over 32,000 alien families in New York City alone receiving public relief, and he estimates—notice I say he estimates—that about a million and a half aliens are on Government relief rolls throughout the United States.

But the most significant statement by Mr. Corsi during his examination was that he advocated the policy that it would be better for the Federal Government to use relief money to send these indigent aliens back home instead of supporting them here in the United States. He said many of them would be glad to go back home, and he estimated it would cost about $90 for each alien who wants to go.

This is the purpose back of H. R. 3472, which my friend from Texas [Mr. BLANTON] objects to this House considering on its merits.

Mr. BLANTON. And I do not believe the House will ever pass it.

Mr. DICKSTEIN. I refuse to yield, Mr. Chairman.

I brought up another bill to repatriate 30,000 Filipinos and send them back to the Philippine Islands. They could not come back here because they would have to file a pauper's oath. I brought that bill before the House on the Consent Calendar and my good friend [Mr. BLANTON] objected to that on February 18, 1935, and March 4, 1935.

Every bill as reported from the Immigration and Naturalization Committee and put on the Consent Calendar has been objected to by a troop of objectors, who set themselves up as dictators of this House and prevent the enactment of legislation much needed now.

Mr. BLANTON. Since the gentleman has mentioned my name, will he not kindly yield? He mentioned me in a derogatory way.

Mr. DICKSTEIN. I did not intend to do that. I am simply stating facts and calling attention to the effects on legislation.

Mr. BLANTON. But the gentleman said I killed two much-needed bills, when the bills I killed were bad ones.

Mr. DICKSTEIN. I do not want to yield just now.

Mr. BLANTON. Please be fair enough to yield for a proper correction.

Mr. DICKSTEIN. If I have the time I shall yield later.

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Texas?

Mr. DICKSTEIN. If I have the time I will yield later.

Mr. BLANTON. Then please do not mention me in connection with certain bills without yielding to me to correct erroneous statements.

Mr. DICKSTEIN. I want to repeat to this House that several weeks ago the Committee on Immigration unanimously reported out a bill to repatriate aliens who are stranded in the United States, who are willing to return to their native lands, who are on relief rolls, and one month and a half relief to these aliens would take them back to their homes and keep them there, but consideration of this bill was objected to on the Consent Calendar day by my good friend, Mr. BLANTON, who talks so much about making jobs for American citizens by keeping out aliens. Why does he not permit this House to vote upon this bill which would get rid of some of the aliens who are here and are willing to go home?

Mr. BLANTON. Now, will the gentleman yield?

Mr. DICKSTEIN. I yield for one short question.

Mr. BLANTON. I want to ask my friend if it is not a fact that we killed those bills dead as hell because they needed it?

Mr. DICKSTEIN. I do not understand your language at all.

Mr. BLANTON. Well, that is pretty plain but understandable language—"killed them dead as hell"—because they would not do what we wanted done about immigration.

Mr. DICKSTEIN. Mr. Chairman, I am going to speak about certain matters that were mentioned on the floor of this House yesterday afternoon. I hope some day in the very near future BLANTON and I will have another opportunity to match wits on the question of immigration. I want to say this, however, with respect to restrictions upon immigration matters, at least, I want honest restrictions. I do not want professional restrictions so as to go out on election day and say that I have kept this alien out or that alien out. I am willing to have restriction, yes; but let us do it in a sensible way. Let us not deprive people of some of their rights to have families together in their homes on American soil.

On yesterday before this House the gentleman from New York [Mr. MARCANTONIO], who is rather on the Blanton side, made this statement:

> I thought it was the unusual prerogative of my good friend from New York [Mr. DICKSTEIN] to defend the United States against communism, but I see the Navy Department is competing with the activities of the Committee on Immigration and Naturalization.

In other words, the gentleman from New York says that the Committee on Immigration and Naturalization is in competition with the Navy to rid this country of communism. Well, I am happy to say that he has put me in good company.

Then he talks about the fact that we have six gunboats out in China and that the admirals of the Navy are trying to prevent communism in China. But he fails to emphasize that the quotation he read, referred to protection for Americans in China against the use of force and violence upon them by Chinese Communists. Does he disapprove?

I want to say to the gentleman from New York that I am not interested in communism in China or Japan. I am interested in preventing the spread of communism within the United States when it seeks to overthrow our Government by force and violence.

I do not know whether or not the gentleman intended to appear to criticize me because I have taken the position, both in the committee and on the floor of this House, that it is our duty as Members of Congress to do everything possible to prevent the spread of communism within the United States. But I may say to him that while I am a Member of this House I shall do everything in my power to prevent the spread of this un-American doctrine.

In their own booklets we can find that the Communists hold out as a part of their program in the United States this strange proposal—I quote from one of their own books:

> The revolutionary workers' and farmers' government—an alliance of the working class with the other toiling sections of the population—will establish a real democracy for the overwhelming majority of the toilers and a stern dictatorship against the capitalists and their agents. It will confiscate the banks, the factories, the railroads, the mines, and the farms, and the big corporations.

This quotation is taken from a Communist booklet which indicates the contents are the manifesto and principle resolutions adopted by the eighth convention of the Communist Party of America.

Our Committee on Immigration and Naturalization reported another bill to this House and the purpose of that bill was to assist the Department of Labor to get rid of people who come here for the purpose of spreading propaganda about communism, nazi-ism, fascism, and other isms, which may work in foreign countries but will not be tolerated in this country, which for over 150 years has prospered under democratic principles of government of our own formation.

But the gentleman from New York [Mr. MARCANTONIO] was instrumental in preventing this House from considering that bill on its merits on March 4, 1935, and again on April 1, 1935. That bill is known as "H. R. 5839."

Let me call the attention of the gentleman from New York [Mr. MARCANTONIO] that a special committee of this House, appointed by the Speaker—the late Mr. Rainey, of Illinois—spent considerable time investigating these subversive activities in our midst and that committee recommended to this House, among other measures, as follows—I quote that committee's report:

> That Congress should enact a statute conferring upon the Secretary of Labor authority to shorten or terminate the stay in this country of any visitor admitted here under temporary

visa, whenever in the judgment of the Secretary such visitor shall engage in the promotion or dissemination of propaganda or engage in political activity in the United States.

I cannot for the life of me understand why anyone should want to prevent this House considering a measure designed to carry out that recommendation.

The gentleman from Wisconsin [Mr. SAUTHOFF] yesterday made certain charges against Mr. Hearst. I have heard a number of charges against Mr. Hearst because he has printed in his newspapers a certain attack upon certain teachers in our public schools, and this gentleman yesterday said that he more or less defied anybody to protect Mr. Hearst. I am not here to protect Mr. Hearst, but I am here to say this for Mr. Hearst: His newspapers to a great extent were instrumental in exposing the infiltration of, and teaching of, communism within certain schools of higher education in the United States, and for his patriotism in this particular publicity he is to be commended rather than being subjected to criticism.

My good friend then went on to state that he has no Communists in Wisconsin and, quoting his own language, he states:

Stop these glaring inequalities and communism would wither and die. Continue them and no man can foretell the consequences. Out in my country we do not know what a communist is and we care less. We have no interest in communism. We do not need it at all. If you talk to a farmer out in the Mississippi Valley about communism he would laugh at you. Why? Because he has never had any contact with it; because he has more pressing problems; because he is interested in getting the cost of production for what he raises.

Well, that is just the trouble, my friends, because he has apparently come to believe that his constituents have no communism in Wisconsin, that does not mean we have not communism in Boston or in New York or in New Jersey or down East. I would like for some of these gentlemen who never saw a Communist to have a chance to look at them and see some of the activities they conduct in the East. Let them look at some of the soap-box platforms and listen to some of the speeches they make. I say more power to Hearst if he is conducting a campaign to expose a lot of aliens and other persons whose efforts are subversive to our form of Government and who seek, through our institutions of higher education, to destroy our Government by force and violence. I say that we should at least give Mr. Hearst credit for conducting a campaign of patriotic purpose and intent.

I have not the time now, but under the grant to extend and revise my remarks I am going to give you a partial list of documentary testimony dealing with Communist schools. They have their own educational system in this country.

Mr. SCOTT. Will the gentleman include in that list a list of names furnished in the Red Network?

Mr. DICKSTEIN. I am just going to list some testimony given before the Committee on Un-American Activities as a result of information that committee received and some of it secured through the committee's own agents, bearing directly on certain activities in various schools. I do not charge all of the schools and I do not charge all of the teachers with being un-American.

However, let me point out to my friend from Wisconsin [Mr. SAUTHOFF] that perhaps the pressing problems that he says are troubling the people of his State, in common with the people of many other States, may be conducive to, and fertile ground for, the propagandists and agitators of the Communists to get a foothold among his constituents before he is aware that the subtle influences are at work out there.

Some very significant facts are obtainable from the printed literature of the Communists. They are quite frank in some of their statements to their own members.

In his annual report and remarks at the last annual convention of the Communist Party of the United States, the executive secretary of that party, in part, says—

From the beginning of this movement, the Communist Party safeguarded itself against all the lying accusations of its enemies by having a large majority of non-Communist individuals in every controlling committee of the movement.

At another part of his report the executive secretary said in part:

Another auxiliary movement of growing importance that has appeared as a serious factor only in the last 2 years, is the revolutionary movement among students. * * * The movement began principally in the higher institutions of learning with predominantly middle-class composition. It has rapidly spread into the secondary schools and involved a large number of proletarian students in its activities. Led and organized by the National Students' League, this movement has established a base in hundreds of high schools, colleges, and universities; it has become national in scope; it has exerted a great and growing influence upon all intellectual circles. From the beginning it has been clearly revolutionary in its program and activities. * * * By organized participation in helping strike actions, defense movements, the Scottsboro case, etc., the students have been brought close to and participation in the general class struggles and taught them the practical meaning of working-class leadership.

And later in his statement to that convention, we find this statement, in part, as follows:

The broadest movement of mixed-class composition has been the American League Against War and Fascism. * * * The American League in its program proclaims that the working class is the basic force in the struggle against war; from the beginning it has never tried to avoid the issue of Communist Party participation in its broad, united front. It is our task to see that the American League, organizationally, gets that working-class foundation and active participation of the Communists for which its program provides.

Here, gentlemen, we have the official statements made, to the Communist Party in convention assembled, by the executive secretary of the party, all of which show how close the Communist movement is to all this agitation among the students and teachers in our schools, colleges, universities, high schools, and other institutions of education.

Here we have from their own official booklets the very broadest confirmation of all that Mr. Hearst has brought out in his newspaper articles. There certainly is reason to believe that a great part of what Mr. Hearst has said on this subject is based more on fact than on fiction.

While I do not want to say that I agree whole-heartedly in everything that appears editorially or otherwise in the papers under the control of Mr. Hearst, I do believe he is to be commended for his patriotic service in bringing this tragic situation so graphically before the American people in his effort to arouse all of us to the subtle seriousness of this communistic influence in our educational systems.

There are thousands and thousands of teachers and professors in our institutions of learning against whom no charge of Communism could be placed. These noble men and women need no defense on the floor of this House—their place is assured in their own communities and in their own schoolrooms. Their conscientious devotion to duty is honorable.

Many of these instructors and professors and teachers have affiliated themselves with organizations against which no just criticism can be placed. Others have united for legitimate purposes with the American Federation of Labor for mutual employment improvements, such as the American Federation of Teachers. This latter organization is highly regarded both by the American Federation of Labor and by the National Education Association and I join in expressing my regard for their Americanism.

However, the subtle influence of communistic propaganda reaches out to plant the alien Communist philosophy of government and economics within the ranks of otherwise upright and legitimate Nation-wide organizations.

President William Green, of the American Federation of Labor, made the following significant statements on December 17, 1934, when he testified before the special House Committee on Un-American Activities. In part he then said:

This statement is based upon my experience in dealing with them in the American Federation of Labor movement. Communists and communistic philosophy thrive in America very largely because of a lack of understanding on the part of the public of the communistic philosophy. It is deceptive, insidious, and misleading, for as a rule the subsidiary organizations organized for the purpose of carrying on communistic propaganda in the labor movement, and among other groups conceal their real purpose. They base their activities upon something extraneous, something misleading, for the accomplishment of a single purpose—the advancement of the Communist philosophy. To be ac-

complished through the gradual acceptance of the plan they may outline, and to effect in the ultimate acceptance of the Communist philosophy."

At another part of his testimony, Mr. Green was asked as follows:

Mr. Green, you made the statement that they were boring into the American Federation of Labor. Apparently it is a situation, which as you say, requires your constant vigilance and is always a source of danger?

Mr. Green replied that—

it does require constant vigilance and they are annoying.

Continuing in the same thought, Mr. Green added, in part:

They attempt to influence the local union to espouse the closest approach to Communist philosophy that is possible, always keeping it within what they think is the opinion of the local union. They adopt resolutions. These, on their face, seem to be innocent and perhaps constructive. Then some of their periodicals will immediately make public the fact that local so-and-so of the American Federation of Labor adopted a resolution espousing this and espousing that which was a near approach to communism. That is their method of procedure.

Thus, may I call your attention to the fact that this Special Committee on Un-American Activities received testimony way back in last December which practically confirms most of what Mr. Hearst has published with regard to the subtle boring into the educational system of this country by those who are either Communists or persons who sponsor some or all of the basic communistic philosophy which advocates the ultimate use of force and violence for the overthrow of this United States Government, as well as all other organized Governments which do not accept the Communist theory of government and economics.

So you will see that even local groups of every legitimate organizations affiliated with the American Federation of Labor, the National Education Association, and others which, like them, are adhering to the American principles of government and economics must be ever watchful of their own local members and how their local group contributes to or sponsors activities at home proposed to them by organizers and agents whose distant affiliations are not fully known, since perhaps a trap may be laid which may later convey to some persons erroneous impressions of the local group and may with reasonable interpretations erroneously imply wrong motives upon their national organization without any real foundation therefor.

The subtleness of the plans followed by some people engaged in this communistic propaganda in this country should be understood by more of our citizens so that proper safeguards may be made effective in our cities and communities.

I do not see why such a fuss was made yesterday because somebody wanted the teachers to take an oath of allegiance. I would not object to taking the oath of allegiance every day to the flag of my country. What is the trouble with the teachers taking it?

Mr. SCOTT. Why do you not make the doctors of the country take it?

Mr. DICKSTEIN. Oh, the gentleman is splitting hairs.

Mr. ENGEL. I will tell the gentleman why: Because the doctors do not teach young America.

Mr. FLETCHER. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. FLETCHER. Does the fact that a teacher refuses to take an oath of allegiance indicate any disloyalty on his part?

Mr. DICKSTEIN. Certainly not. However, the more loyal a school teacher, a university professor, or college instructor is, the more willing he should be to take the suggested oath in his selfish interest to prevent any unjust criticism gaining headway against either himself or against the institution which pays him his salary. The loyal, faithful teacher will not resent taking an oath to support and safeguard American institutions—he or she lives such an oath, anyway, whether it is demanded or not.

I see a lot of fuss is being made in some quarters because some teachers have been asked to take an oath of allegiance as a prerequisite to the continued performance of teaching duties. I do not see why anyone should object to this proposal.

Now, I said something earlier about Communist schools. If you had seen some of the officials who appeared before our investigating committee, trying to explain what was taught in these Communist schools, you would have wondered how those schools were permitted to go on teaching their seditious principles.

I submit here a partial list of cities and places where these Communist schools carry on:

Los Angeles Workers School, Los Angeles, Calif.; San Francisco Workers School, San Francisco, Calif.; New York City Workers School, New York City; Boston Workers School, Boston, Mass.; Detroit Workers School, Detroit, Mich.; Chicago Workers School, Chicago, Ill.; Oklahoma City Workers School, Oklahoma City, Okla.; Cleveland Workers School, Cleveland, Ohio; St. Louis Workers School, St. Louis, Mo.; Richmond Workers School, Richmond, Va.; Seattle Workers School, Seattle, Wash.; Agricultural Workers School, Bismarck, N. Dak.; Milwaukee Workers School, Milwaukee, Wis.; Washington Workers School, Washington, D. C.; Philadelphia Workers School, Philadelphia, Pa.

I will insert here an extract from testimony given during the last few days of the life of the special committee in Washington:

Communism is penetrating into our public schools, colleges, and campuses. Its influence almost reaches the cradle, taking boys and girls into the movement at the age of 8. The Communists maintain their own 300 or more schools in the United States, where revolution, strike tactics, and hatred to our Government and its institutions is taught.

The Workers School in New York City, located at 31 East Twelfth Street, opened with an enrollment of 1,500 students. This school, the leading school in the United States of the Moscow-directed rebels, is headed by A. Markoff, who is also "Grand Klegel" of the entire Bolshevik school system in the United States. Among the New York schools' numerous instructors are Art Stein and W. W. Martin. The executive committee of the Communist Workers' School consists of Max Bedacht, Scott Nearing, Sam Darcy, William Z. Foster, William Weinstone, and Beatrice Carlin. The national advisory council includes John J. Ballam, Cyril Briggs, Rev. William Montgomery Brown, Prof. John D. Passos of Columbia University, Robert Dunn, Elizabeth G. Flynn, Joseph Freeman, Ben Gold, Mike Gold, A. Heller, J. Jerome, Robert Minor, M. J. Olgin, Mark Rosenberg, Grace Hutchins, Anita Whitney, Mary Heaton Vorse, and S. De Leon. This school has 57 instructors. Over 63 courses are given in Communist Party functions and history, including strike strategy and military communism.

Max Bedacht, chairman of the executive committee, says, "The course of studies in the school are for the training of young workers in the Marxist and Leninist teachings so as to help in the development of trained revolutionists who will be able to effectively lead the working class in the performance of its historic role to overthrow the capitalist system of society and to establish a dictatorship of the proletariat."

The instructors in these Communist schools should most assuredly be called upon to take an oath of allegiance to the United States Government before they are permitted to instruct young men and women or even grown men and women.

The insistence of this oath of allegiance being taken by these teachers would perhaps act as deterrent in their methods of instruction and might even have a beneficial effect upon the courses of studies which they willingly teach.

The loyal, conscientious teacher fully in sympathy with the institutions of the United States and our philosophy of government and economics would not object to the requirement of taking an oath of allegiance to the United States and its flag. Many of them will consider that as an additional badge of honor to their profession.

If the requirement of such an oath of allegiance from any person or group of persons, who instruct our growing young people in the formative stage of their lives, arouses objection from any who may actually be imbued with a belief that their position as a teacher justifies the teaching of communistic philosophy and results in the removal of such from the teaching staff of our tax-supported educational institutions, I say that the wide publicity given this treacherous subject by Mr. Hearst will be a blessing to this country.

As I stated earlier today, while I may not whole-heartedly support everything that may appear editorially or otherwise in the papers under the control of Mr. Hearst, I think his effort in this subject of Communist influence getting into

our public schools and tax-supported institutions of educational instruction is a most worthy exposure and he should be commended for his patriotic utterances on this subject.

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield to the gentleman from Nevada, a member of the committee [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Chairman, the principles involved in this naval appropriation bill are of vital importance to the national welfare and should be clearly understood by every Member of this Congress. The announced objective of the Government, as stated by the Secretary of the Navy in his annual report to the President, is as follows:

To maintain the Navy in sufficient strength to support the national policies and commerce and guard the continental and overseas possessions of the United States.

Admiral Standley testified before the Subcommittee on Naval Appropriations to the effect that—

The operations of our naval forces are carried out, as thoroughly as funds permit, in such a way as—

(a) To exercise and train the units of the fleet to the highest state of efficiency;

(b) To organize the Navy for operations in either or both oceans so that expansion will be necessary only in case of national emergency;

(c) To protect American lives and interests in disturbed areas;

(d) To cooperate fully with other departments of the Government and with the States;

(e) To cultivate friendly international relations; and

(f) To encourage civil industries and activities useful in war.

In the interpretation of these clearly stated objectives there exists a wide difference of honest opinion. On one hand we have a school of thought who advocate an American Navy equal or superior to any in the world, practically regardless of expense entailed.

To this point of view the majority of the naval personnel naturally are not opposed. The warship builders, manufacturers of munitions, and allied interests all add their bit to the big-navy propaganda.

On the other hand we have another extreme element who sincerely and literally believe in total disarmament, and an application of the doctrine of brotherly love to all foreign nations. They would immediately stop all expenditures for materials of warfare.

In compiling this naval appropriation bill our subcommittee, under the strong leadership of our chairman, Mr. CARY, has formulated a measure which, in our opinion, fulfills every requisite of national defense and with due regard to the following principles:

First. A balanced program of construction of airships, airplane carriers, battleships, cruisers, destroyers, submarines, and so forth.

Second. Recognition of the fact that the rapid advances of military and naval science will render nearly every piece of construction and armament more or less obsolete in a very few years.

Third. The cost of the program will exceed $500,000,000 a year for many years to come.

Fourth. There should be no dependence upon foreign nation for any of the essential raw material supplies needed in time of war.

Fifth. Encouragement of civil industries and activities useful in war.

Probably the weakest point in the naval program, and to a lesser degree the War Department program, has been the dependence upon foreign sources of supply for many of the strategic minerals necessary for military and construction purposes. The principal items are as follows:

Chromite having origin in Rhodesia, Cuba, New Caledonia, Greece, and India, and used for alloy steels for tools, electric plating, and pigments.

Tin having origin in the Malay States, Bolivia, Dutch East Indies, Siam, and China, and used for bearings, food containers, solder, cables in aircraft construction, inside of salt water pipes, bomb fuses, in bronze, and for journals and castings.

Tungsten having origin in China, Bolivia, and Burma, and used for high-speed cutting tools in all kinds of machine work.

Optical glass having origin in Germany and France, and used for cameras, binoculars, periscopes, telescopes, and range finders.

Nickel having origin in Canada and New Caledonia, and used in steel for making guns and armor plate.

Antimony having origin in China, Bolivia, and Mexico, and used for bearing metal, battery plates, paints, and chemicals.

Manganese having origin in India, Russia, Brazil, Cuba, Gold Coast of Africa, and Egypt, and used for propeller hubs, propeller blades, engine frames, gears, gun-mount castings, and torpedo-tube castings.

Quicksilver having origin in Italy and Spain, and used for explosives, paints, drugs, and electrical apparatus.

It is proposed to purchase adequate stocks of these materials produced and processed in the United States.

This policy of accumulation of reserve stocks of strategic minerals of domestic origin is recommended by the National Resources Board in its recent report to the President, page 416, and is also authorized and directed by inference in an act of Congress, Public, No. 428, Seventy-second Congress, title III, section 2.

Another item worthy of special comment is the additional support given the Naval Research Laboratory.

The committee has increased the estimate for this establishment from $210,000 allowed by the Budget, to $310,000. Of the increase, the sum of $30,000 has been allocated for the employment of additional scientific personnel.

The construction of a modern warship requires the application of practically all of the arts and sciences. The improvements in the designs of the future will depend upon the scientific advancements and their applications. Naval research should be aggressively prosecuted in times of peace in order that the benefits of science be available for use in war, because months and often years are required to incorporate the results of research into the fleet. Mobilization for war is too late for the mobilization of science for long-time problems.

The character of naval matériel requires that the Navy look to itself for a large part of its research, particularly that part which is secret or has no commercial application. In the solution of its research problems the Navy should be unhampered by pressing current needs in other directions; in other words, the Naval Research Laboratory should have adequate funds for research work, independent of the Bureaus' appropriations. The class of problem that now suffers most is the difficult, expensive, and often long-time problem that requires the establishment of new facts for the solution.

In conclusion, let me express the opinion that this bill as presented represents the best judgment of the entire subcommittee, free from partisan or sectional bias, and for the best interests of the whole Nation. [Applause.]

Mr. CARY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman and members of the Committee, I did not rise to say anything about communism, but since the subject has been so recently discussed, I want to say a word.

Of course, you have Communists in New York and in Boston and other large cities. We have some in Cleveland, in Toledo, and other cities.

You always will have some Communists, but be sure that the quickest way to end communism in this country is to give every man a job and give every man who is willing to work an opportunity to earn a decent and honest living.

In Ohio we gave them a ticket at the election last fall. In Ohio we had a communistic ticket. We had a communistic candidate for Governor, a candidate for Senator, and a candidate for Congressman at Large. As I recollect it, my opponent on the Communist ticket got 17,000 votes out of the entire total vote of 2,000,000.

Mr. SCOTT. Will the gentleman yield?

Mr. TRUAX. Not now. I did not intend to say anything about the farm situation, but now since this subject has been mentioned with criticism leveled at the Democratic administration, I feel compelled to say something at this point.

You have been told that the processing tax is a failure. You have been told that the herculean efforts of the Roosevelt administration have gone to naught insofar as recovery of the farmer is concerned.

I call attention of the House to the price of hogs. In 1932, the last year of the Hoover administration, I sold hogs from my farm for 2½ cents a pound. Today hogs are selling in my country for 8½ cents a pound. That does not include the processing tax, which means an additional $2.75 per hundred. Do you mean to tell me that you can go out into Ohio, that you can go into Iowa, or into Nebraska, and tell those hog farmers that they are not more prosperous than they were in 1932? Do you mean to tell me that you can go into the South and say to the cotton growers that the processing tax and the triple A is spelling their doom? All you need is to remind them that in 1932, the last year of the Hoover administration, cotton was selling for 5 and 6 cents a pound; that they had a surplus then of around 12,000,000 bales; and that today cotton is selling for better than 11 cents a pound and that the carry-over, or surplus, has been reduced to about eight or nine million bales. The proof of the pudding is in the eating, and I say to you that all we need is a crop year; that the restored prosperity of the American farmer will, in another year, be reflected in every avenue of trade, every channel of commerce; and you cannot stop it.

I have not posed at any time as a champion or defendant of Henry A. Wallace, Secretary of Agriculture, but I do believe in giving the program and the administration all the credit and praise that is due, because, for the first time in many years, not only an attempt has been made but a real constructive program has been adopted and put into force that is bringing this prosperity back to where it first belongs—namely, down to the grass roots of the country. [Applause.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Not now. I have a letter here from a man in Darke County. Darke County is the largest and richest agricultural corn and hog county in the State of Ohio. This letter is dated April 18. He says:

> Certain industries, financial interests and parasites of the agricultural industry, are at the present moment bringing great pressure to bear upon the public and its representatives to discredit the A. A. A. programs.
>
> I wish to assure you that the A. A. A. programs have been the means of restoring the confidence of Ohio agriculture in itself and its future.
>
> The support you have given the agricultural program in the past has been greatly appreciated.
>
> To drop the programs at the present time would mean the loss of what stability has been attained in rural Ohio.
>
> Your continued active support of the interests of rural Ohio is necessary to the future prosperity of Ohio farmers.
>
> The statistics being quoted by nonagricultural interests as proving the A. A. A. a failure, and showing that the processing tax is the cause of the excessive retail prices of controlled products cannot be substantiated when all the facts are considered.
>
> May I not urge your careful scrutiny of all material presented to you for the purpose of discrediting the agricultural programs?

This letter is signed by Dale C. Williams, president of the Darke County Corn and Hog Control Association. That is the answer to all of this criticism that is now hurled at the administration farm policy. Eight and a half cents for hogs as against two-and-a-half-cent hogs under the policy of do nothing, under the policy of letting the farmer work out his own salvation and having him lift himself over the fence by his own boot straps.

Mr. Chairman, last night a meeting was held in the city of Detroit that was not only of interest to the citizens of that city, but was of like interest to the citizens of that State and to the entire citizenship of the country. I refer to a meeting that was held and sponsored by that fighting radio crusader, Father Charles E. Coughlin. I read in the newspapers today that Father Coughlin was attempting to found a third party. I do not believe it. I am not in sympathy with third-party movements at this particular time. I am in sympathy with many of the aims and the objects proposed in his program and his League for Social Justice. I wonder if many of you have read that program very carefully? I wonder if you fully understand what is proposed in that program, and feeling that no Member of this House will take offense at a brief recital of the program I shall give it to you:

> No. 1. I believe in the right of liberty of conscience and liberty of education, not permitting the State to dictate either my worship to my God or my chosen avocation in life.
>
> No. 2. I believe that every citizen willing to work and capable of working shall receive a just and living annual wage which will enable him to maintain and educate his family according to the standards of American decency.
>
> No. 3. I believe in nationalizing those public necessities which, by their very nature, are too important to be held in the control of private individuals. By these I mean banking, credit and currency, power, light, oil, and natural gas, and our God-given natural resources.
>
> No. 4. I believe in private ownership of all other property.
>
> No. 5. I believe in upholding the right to private property, yet of controlling it for the public good.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McLEOD. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. TRUAX (continuing):

> No. 6. I believe in the abolition of the privately owned Federal Reserve Banking System, and in the establishment of a Government-owned central bank.
>
> No. 7. I believe in rescuing from the hands of private owners the right to coin and regulate the value of money, which right must be restored to Congress, where it belongs.
>
> 8. I believe that one of the chief duties of this Government-owned central bank is to maintain the cost of living on an even keel, and the repayment of dollar debts with equal value dollars.
>
> 9. I believe in the cost of production plus a fair profit for the farmers.
>
> 10. I believe not only in the right of the laboring man to organize in unions, but also in the duty of the Government which that laboring man supports, to facilitate and protect these organizations against the vested interests of wealth and of intellect.
>
> 11. I believe in the recall of all nonproductive bonds, and thereby in the alleviation of taxation.
>
> 12. I believe in the abolition of tax-exempt bonds.
>
> 13. I believe in the broadening of the base of taxation, founded upon the ownership of wealth and the capacity to pay.
>
> 14. I believe in the simplification of government and the further lifting of crushing taxation from the slender revenues of the laboring class.
>
> 15. I believe that in the event of a war for the defense of our Nation and its liberties, there shall be a conscription of wealth as well as a conscription of men.
>
> 16. I believe in perferring the sanctity of human rights to the sanctity of property rights. I believe that the chief concern of government shall be for the poor, because as it is witnessed, the rich have ample means of their own to care for themselves.

Now, Mr. Chairman, I fail to see a single thing in this program or this platform that cannot be accepted and adopted by any real progressive, liberal citizen in this country of ours.

Mr. FOCHT. Will the gentleman yield?

Mr. TRUAX. Not now. I am sorry.

Naturally, we all believe in the liberty of conscience, education, and of religion. Thomas Jefferson, more than a century ago, laid the cornerstone of progress upon those very principles. Eleven million men who walk the streets today seeking a job that does not exist but is only a mirage, are not greedy when they ask for a decent living wage. What matters it to them if they are employed for only a few months in the year at good wages, but during the balance of that year must go to the Federal relief rolls for food and clothing? I say to you that the workingman who, after all, creates all of the wealth and pays all of the taxes, is as fully entitled to a decent annual wage or living as is the millionnaire with his tremendous wealth and gold.

Why should we not nationalize the banks of this country? Why should we not nationalize the public utilities of this country? Within a few days I hope to have an opportunity to give you my views upon nationalizing the banks, but at this moment I will confine myself to nationalizing public utilities. Why should Mr. Morgan, Mr. Rockefeller, or Mr. Sinclair come down to my farm or my neighbor's farm back

in Wyandot County, Ohio, and have the privilege for drilling for oil and gas and then, if they strike that gas, paying me or some other landowner 15 cents per 1,000 cubic feet for that gas? They pay for only one-eighth of it, and then they mix that gas with a generous supply of air and they sell the consumer in the city the entire eight-eighths of that gas at a price ranging from 65 cents to $1 per 1,000 cubic feet. Why should those powerful vested interests go down to the rivers of my State, to the Sandusky River at Ballville, Ohio, and there harness that mighty power that has lain there slumbering and transform that into electric energy and then peddle it to consumers in the cities at prices which will render them magnificent profits?

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. TRUAX. Mr. Chairman, these most wonderful resources ever found in any country belong to all the people, instead of to the favored and the overprivileged few.

Who is there, my friends, who honestly believes in the perpetuity and perpetuation of the privately owned Federal Reserve banks? Founded upon a capital of $140,000,000, those privately owned Federal banks collect from the American people and taxpayers an enormous total every year. It is not the bankers that I condemn, but it is the system under which they operate. It was that system which enabled those American bankers, when the collapse of the banks came in 1933, to show on their books deposits of $44,000,000,000, when, as a matter of truth and of record, there were less than five and one-half billion dollars actually in existence in this country. It was that same iniquitous system that enabled those same bankers in 1929, when the country was at the peak of its supposed prosperity, to show book deposits of $59,000,000,000, when there was still less than $6,000,000,000 actual money in existence.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has again expired.

(By unanimous consent, Mr. TRUAX was granted permission to revise and extend his remarks.)

Mr. TRUAX. I continue with other sections of the Coughlin program.

Fourth and fifth. I, too, believe in private ownership of all other property, but never private monopoly.

Sixth, seventh, and eighth. I repeat, who believes in perpetuating the privately owned Federal Reserve Banking System? Do the farmers, the tillers of the soil, those who keep the Nation's bread basket full, believe in it? Do the 50,000,000 wage workers believe in it? Do the 11,000,000 unemployed believe in it? No; the vast majority do not believe in it nor those outside of the banks themselves or direct beneficiaries of the banks. They do not believe in it and will not make so bold as to defend it. They believe in the abolition for once and all time of such an iniquitous system.

Ninth. Certainly no fair-minded man or woman will disagree with the principles enunciated here. Personally, I have fought for the past 15 years for cost of production of farm products. I fought for it way back in 1923, when as director of agriculture for the State of Ohio I warned the people, who at that time were mostly nonbelievers, the calamity that would befall this Nation if agriculture was to continue producing food and the raw materials for clothing at a financial loss. I urged, implored, and begged the people not only in my own State but in many other Corn Belt States to believe in and support the McNary-Haugen bill. Back in those early days of pioneering for farming quality, so-called "leaders", the American Farm Bureau Federation, the National Grange, and others agreed with Coolidge, Mellon, and Hoover that the farmer must work out his own salvation, that he must pull himself up over this fence by his own boot strap. Back in those days, instead of talking about cost of production, we called it a "minimum prices." That is what we are fighting for today, minimum fixed prices that would cover cost of production plus a reasonable profit. That is what Father Coughlin, of the National Union for Social Justice, fights for today.

Tenth. Is nothing more nor less than approval and endorsement of section 7 (a) of the National Industrial Recovery Act. It is endorsed by the American Federation of Labor, it has been endorsed by President Roosevelt, it was endorsed by Donald Richberg, but due to his willful misinterpretation section 7 (a) has lost its teeth and fangs and remains impotent insofar as fulfillment of that pledge to labor is concerned.

Eleventh and twelfth. Who does not want to recall and cease to issue tax-exempt bonds which are responsible for the most staggering burden of debt ever unloaded upon a long-suffering people. A monstrous burden of debt that is not only crushing to the ground the struggling taxpayer of today but the generations of taxpayers that are to follow him and the generations to come. When generations yet unborn shall wade through the musty pages of history they shall find there written in words as unerasable as they are enduring, that the curse, the scourge, the demolition of a country once powerful and strong was that grim destroyer—tax-exempt bonds.

Thirteenth. Translated into simple language, this means the taxing of wealth. The distinguished Senator from Louisiana, the all-American kingfish, the Honorable HUEY P. LONG, is too modest, too mild, in his slogan of "share the wealth." I do not want to share it with the plutocrats. They did not share it with me. Did they share it with you? Did they share it with the farmer when he was about to lose his farm? Did they share it with the unemployed workman when he was about to lose his home? Did they share it with the boys who fought their country's battles and upheld the Nation's glory and honor when they demanded their pensions and bonus? No; they did not share it with them, so why should we share it now. I would conscript wealth the same as we conscript men in time of war.

Fourteenth. I am heartily in accord with the principles enunciated. I would lift the crushing taxation of the laboring class by an adequate and proper tax imposed on wealth.

Fifteenth. In the McSwain bill recently passed in the House of Representatives we did conscript the wealth of the plutocrats and industrialists the same as men were to be conscripted. Then after voting in all those good amendments, which constituted the best antiwar profit and antiprofiteering bill ever enacted, we turned squarely around and voted to strike out all the good amendments that we had adopted. So I would go one better than our friend Huey in the other end of the Capitol and conscript wealth and not wait for war but do it now.

Sixteenth. The rich do not need my help; the holders and owners of vast wealth and of special privilege do not need my assistance. I am for the common people.

Mr. McLEOD. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I wish to avail myself of this opportunity to say that it has been a great pleasure to work with the distinguished gentleman on the Navy subcommittee in the preparation of this bill. The chairman, Mr. CARY, of Kentucky, proved himself to be not only a fine presiding officer but fair and unprejudiced in all respects, and Mr. DITTER, of Pennsylvania, and myself, of the minority, are happy to have served under him. At the same time I want to compliment our subcommittee on having the services of Mr. John Pugh, the efficient and able clerk. All who have come in contact with Mr. Pugh and who have had an opportunity to observe his work will agree with me in saying that the committee could not have had the assistance and valued cooperation of a higher-qualified or better-informed expert on the question involved. His deep and exhaustive knowledge of fiscal affairs and national defense have earned our keenest admiration.

Mr. Chairman, I desire at this time to call to the attention of the Members of the House my observations as to the methods and manner in which certain "emergency" funds are being used by the various Government departments to defray normal operating expenses, which ordinarily would be included in regular appropriation bills.

The operation of our Government is a most serious business, influencing as it does, with most far-reaching effects, the varied actions of our daily routine. In the proper con-

duct of the affairs of our Government there is no room or place for the false fronts and painted screens of stagecraft. I want to concur with the gentleman from Virginia [Mr. WOODRUM] when he said constructive criticism of the acts of the administration is desirable.

Stage props and clever devices for fooling the public are justly a part of the theater producer's trade, but when used by a government they become mere shams and result in an inexcusable and unforgivable deception where only the soul of honesty and integrity should exist.

The present administration has shown by more ways than one that it is an adept at borrowing pages from the book of filmdom. Imitation and adaption of cinema-studio technique to Government routine began with the age-old practice of hiring professional ballyhoo artists. Just as an actor or a showman of the stage have employed press agents to help "sell" them to the public, so has the administration engaged the services of a veritable corps of "Government press agents" and "public relations counsels" to sell various phases of the new deal to the voters.

The latest innovation is the "stage-prop" budget. For many years the country managed to get along with one Budget. Our expenditures were all classified in such a simple and straightforward manner that any taxpayer could tell just how much the Government was spending and how the money was being spent. Those days passed with the inauguration of the double-budget system.

Taking the cue from theater technicians, the administration has adopted a dual budget accounting system for Federal expenditures. When Mr. Citizen looks at the mounting tide of Government spending, he is comforted by the cheerful and brightly painted stage scenery set to create the illusion of thrift and economy in normal governmental expenses.

He is told that normal expenditures are being kept down and that the enormous outlay which arouses his nervous instincts is occasioned by "emergency" expenditures. His natural fears are calmed by the soothing assertion that the billions of dollars he sees being spent are but temporary and necessary means of fighting the depression. He is told that these "emergency" figures are not to be confused with the ordinary operating expenses of his Government.

These statements sound plausible to Mr. Citizen. Why should they not? The speaker who tells him these things is his own Government. In his Budget message, did not the President say:

> If this Budget receives the approval of the Congress, the country will henceforth have the assurance that, with the single exception of emergency relief, every current expenditure of whatever nature will be fully covered by our estimates of current receipts. Such deficit as occurs will be due solely to emergency relief, and it may be expected to decline as rapidly as private industry is able to reemploy those who now are without work.

Mr. Citizen is not in the moving-picture theater where mere show is the expected and accepted practice. He does not possess the time nor the facilities, usually, to penetrate behind the false front of glittering figures set up by those who owe him the highest measure of faithful and honest service. He is obliged to accept the statement of those in whose hands have been entrusted the affairs of his Government.

Ever since the United States Congress began to function, bills have been passed periodically, carrying certain well-defined appropriations to defray the operating expenses of the various branches of the Government. These appropriations formerly gave an accurate picture of the expenses of Government departments. This is no longer the case under the present "stage prop" budget system and the spending methods it engenders.

For instance, the pending naval appropriation bill calls for an appropriation of $457,786,261 to run the Navy for the coming fiscal year. Anyone, however, who accepts the total of this appropriation bill as indicative of the cost of the Navy for the coming year will be greatly mistaken. To arrive at the true total, the inquiring citizen will have to wend his way past the props and painted budget scenery which obscure the facts.

Once past the stage paraphernalia, he will notice a busy hum of activity, financed by so-called "emergency" funds. He will find regular operating expenses, ordinary maintenance, ordinary and necessary repair work being paid for out of P. W. A. and N. I. R. A. funds.

During the recent hearings on the naval appropriation bill before the House subcommittee it was brought out that although $500,000 was appropriated last year for machine tools, none of this money was spent. Instead, a grant of $1,451,220 was received from N. I. R. A. "emergency" funds and expended for necessary replacements of worn out and obsolete machine tools.

Naval experts estimated that $2,525,000 would be required during the coming fiscal year for machine tools for construction and repair. Did the appropriation bill call for this amount? It did not. Why should it, when "emergency" funds would be available? When the final estimates were sent to the Appropriations Committee by the administration the amount had been reduced to but $350,000.

The following excerpts from the committee hearings will help to throw some additional light on this subject. I read from page 459 of the hearing:

> Question. This $2,525,000 was the estimate submitted to the Secretary of the Navy?
>
> Admiral LAND. To the Navy budget officer.
>
> Question. It was refused by the Navy budget officer, not by the Bureau of the Budget; is that correct?
>
> Admiral LAND. I am not prepared to answer that.
>
> Question. Is it your hope that you will be able to receive part of this $2,525,000 from N. R. A. or P. W. A.?
>
> Mr. CARY. He has already answered that. He said he hoped to get all he could out of it.
>
> Question. No; not on this particular item. He has not answered that.
>
> In other words, of the request you made of $2,525,000, all you had in this bill was $350,000. Is it your hope that you will receive a part of that $2,525,000 from P. W. A. or N. R. A.?
>
> Admiral LAND. It is my personal hope that if any money is allocated to the Department, some of it will go to this project; and I understand that in various projects, with their priorities, that have been prepared by the Department as a whole, that item is listed.

This example is not an isolated exception. The adroit camouflaging of ordinary and regular expenses by means of the painted screenwork of our so-called "emergency" budget is becoming the established rule.

In corroboration, I would like to cite these additional facts concerning the use of "emergency" funds for essential repairs at the Naval Academy, which were brought out during the hearings on this bill. I read from page 276 of the hearing:

> Question. Would you say that all of it (the repair work) was definitely necessary?
>
> Answer. I would; yes, sir. The two big items pertaining to the wharves, amounting to over $85,000 out of the $88,622, were absolutely necessary. I know that, because I got there in time to see the finish of the wreck. The wharves were badly mauled by the high tides and heavy winds.

If further substantiating evidence were wanted to show that "relief" funds are being diverted for ordinary running expenses of the Government, it would be found in the following excerpt from the same hearings. I refer to page 281 in the hearings:

> Question. Do you believe that sum of $830,000 (spent on the Naval Academy) should have been included in the appropriation bill last year?
>
> Answer. Yes, sir.
>
> Question. You think it should have been included in the Appropriation bill instead of being provided for from P. W. A. funds, where it improperly belongs. It is strictly a Navy appropriation bill item, is it not?
>
> Answer. It is strictly a Naval Academy matter.

These citations serve to give some idea of what really exists behind the stage pieces of the "emergency" budget. The only difference between the artificial settings of the administration technicians and those of the theatrical producers lies in the fact that the former conceal a scene of busy activity while the latter merely hide vacant lots and empty spaces.

While these questionable practices are tantamount to outright and willful deception of the public, it is a deplorable fact that they are probably technically legal. By no stretch of the imagination, however, would it be possible for even the most prejudiced "new dealer" to claim with accuracy and truth that these tactics are either morally honest or justifiable.

These obscuring and deceptive screens labeled "emergency", which have been placed before Government expenditures, are nullifying and destroying the effectiveness of our Federal Budget system.

I have mentioned the naval appropriation bill at some length, not because I criticize or disapprove the expenditures themselves, but simply as an illustrative example of what is going on in our Government today. The Navy Department is in no sense to blame. It is bound to receive the money it needs from whatever source may be designated by the administration. Actually, the Navy Department is only one of the many branches of the Government whose expenses have been distorted and disguised by a dishonest resort to bookkeeping legerdemain.

A report recently submitted to the Senate by the Treasury Department lists some astonishing uses which have been made of funds made available under the $3,500,000,000 Public Works Appropriation Act which became operative on June 16, 1933.

This document shows that without even the specified approval or knowledge of the Congress, although under the blanket provisions of the far-reaching act, the Executive branch of the Government created the Federal Alcohol Control Board and allocated a half million dollars for its administrative expenses.

One million dollars was spent to establish retail stores in the Tennessee Valley to sell electrical appliances in competition with private dealers.

The following list is illustrative of some of the other instances in which public works "emergency" funds have been used instead of applying for expense money in the regular way:

Office of Adviser on Foreign Trade, $350,000.

Immigration and Naturalization Service, $88,000.

United States Employment Service, $1,300,000.

Bureau of Labor Statistics, $10,000.

Office of Secretary of Labor, $16,000.

Office of the Secretary of the Treasury, administrative expenses, $1,141,000.

Public Health Service, $43,698.

This same report also shows that $830,000 of the "emergency" funds went for administrative expenses of the Oil Code.

When we take these plain facts into consideration, it at once becomes apparent that the talk of one budget for emergency and one for operating expenses is sheer absurdity. The result is utter confusion.

This practice of attempting to disguise normal Government expenditures by labeling them "emergency" is chiseling away at the very elements of enlightenment and honesty upon which all good government depends. This rank deception cannot be excused by saying that these expenditures were necessary. That is not the issue. The point is that the people have been grossly misled by the administration into believing that funds were being spent for emergency projects when the question of emergency was not even involved. The unpalatable fact remains that a dishonest pretext has been resorted to for the sake of concealing the true operating expense of the Government. [Applause.]

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield the gentleman from Connecticut [Mr. KOPPLEMANN], 20 minutes.

Mr. KOPPLEMANN. Mr. Chairman, in the Seventy-third Congress I introduced House Concurrent Resolution 32, which was passed June 15, 1934. This resolution provided that the Federal Trade Commission conduct an investigation of the milk industry. The investigation was begun last July. Because of limitation of funds allowed by Congress the inquiry was confined to the State of Connecticut and to the Philadelphia milk sheds, comprising eastern Pennsylvania, Delaware, and parts of New Jersey, Maryland, and West Virginia. My original resolution called for an appropriation of $150,000. With that sum it was anticipated the investigation could be carried on as a Nation-wide inquiry. Unfortunately the amount requested was cut down to $30,000 at the suggestion of the Bureau of the Budget. Had the sum I requested been granted, it would have been unnecessary for me to come before you today.

On April 5, 1935, the Federal Trade Commission filed its report with Congress. It is my hope that every Member of Congress, at least every Member in whose district there is a single dairy farmer or a milk consumer, has read that report; and, if not, I hope that you will within the next few days. I wish I knew of some way that would compel this report to be read by every consumer of milk and by every farmer in America. In my humble judgment, this would compel as nothing else the cooperation of the people with every milk producers' cooperative organization in America, to the end that their efforts on behalf of the farmer and the public may be strengthened through the activity of our Government. At this very moment I have information from a very high source in the industry that the Milk Trust is actively at work engaged invisibly in a well-planned drive to defeat any legislation attempted by this Congress which would bring about a further and complete investigation by the Government into the malpractices which today obtain in the milk industry.

But before I go into the detail of this report, I want to point out the importance of the dairy industry to this country. In the first place, milk is produced in each one of our 48 States. Secondly, more than 3,000,000 farmers are engaged in the production of milk and sell the product in one form or another. Thus more than half of this Nation's farmers are producers of milk. The majority of these 3,000,000 dairy farmers depend upon milk as their sole source of income.

Dairying is the most important agricultural enterprise in these United States! Almost 25 percent of all the money farmers receive in this country comes from milk. No other single crop or livestock product gives the farmer as much money as milk does.

But what has happened to the money the farmer receives? From 1929 to 1933 the farm prices of butterfat declined 58 percent. The farm price of butter declined 54 percent. The farm price of milk sold at wholesale by producers decreased 49 percent. And the purchasing power of dairy products fell from 92 percent in 1929 to 63 percent in 1933. Thus with a given volume of dairy products the farmer could buy in 1933 only 68 percent of the manufactured and industrial goods he could have bought in 1929. Do you get the picture? The purchasing power of the dairy farmer fell over 30 percent, while on the other hand, the profits of the distributors and processors continued outrageously higher and higher.

Mr. Chairman, the dairy situation today is no better than it was last year or the year before. Prices of dairy products have only increased slightly in the past year. But this increase has been offset by the higher prices which farmers must pay for feed and other things that go into producing milk. The result is that thousands of dairymen are being forced off their farms. While this is going on, the city milk supply is being endangered. It costs money to produce milk in accordance with modern health requirements. Our milk producers are not being paid enough to meet these increased costs.

From the report of the Federal Trade Commission I learn that while many farmers have been receiving low average prices for their milk and many of them have been reduced to financial distress, the majority of milk distributors have been prosperous all through the years of the depression, and in many instances have paid enormous dividends in addition to high salaries. In other words, no matter how little the farmer received for his milk, the trust has always made sure that it gets a huge slice with which to pay high salaries and healthy profits.

The distributor has been selling milk for all that the traffic could bear. Out of this he has been taking his chunk. And the little that was left went to the farmer. That is the way this milk business is run. That is the way it is in spite of the farmer cooperatives and other bargaining agencies designed to get for the producer a fairer share of the money paid by you and me for milk.

I have the highest respect for the cooperative milk marketing associations which for more than 15 years have been fighting the battles of the milk producer. These organizations represent the individual farmer in demanding that distributors pay dairymen fair prices. The cooperative milk marketing associations have done a wonderful piece of work in stabilizing marketing conditions and improving returns to farmers. But in spite of all that has been done, the battle for decent and fair returns for farmers has not been won. The milk producers cooperatives have not gone far enough, and as long as they have to deal with the present methods in which milk distributors do business, the hands of these cooperatives will remain tied.

At the present moment the only way that a farmer cooperative can sell milk to distributors is by playing ball with the trust. The distributors are on top of the pile and are in position to dictate to each and every farmer. The Federal Trade Commission's report shows how the trust first dictates the price of milk sold the consumer, then, after counting on a healthy margin for itself, sets the price to be paid the farmer. Because of the perishable nature of his product, the milk producer is powerless to do anything to correct the situation. The investigation disclosed that farmers who protested against the action of their cooperative or of their distributors often found themselves without a market for their milk. The investigation also showed that in some instances directors of cooperative milk producers' associations were favored as against other members of the organization.

Mr. Chairman, the milk distributors and dairy-products manufacturers have been hi-jacking both the farmer and the consumer in spite of our Federal laws against price fixing. The investigation developed beyond a shadow of doubt that the Dairy Trust interests have been acting together in fixing prices and in eliminating competition.

Ice-cream manufacturers in Pennsylvania were found by the investigation to have agreed on prices. Concrete evidence of this was found in a letter from Mr. Harry Williams, Jr., treasurer of the United States Dairy Products Corporation, to W. J. Kennedy, president of W. J. Kennedy Dairy Co., of Detroit, Mich., a subsidiary of the United States Dairy Products Corporation. This letter was dated June 28, 1934, and reads in part as follows:

> You will probably be interested to learn, in the event that you have not already been advised, that shortly after Walter assumed the "reins" of management he tackled the Philadelphia ice-cream price situation by personally interviewing the operating officials of the Abbott, Supple, and Breyer Cos. in Philadelphia, and as a result thereof succeeded in having a meeting called for the consideration thereof last Tuesday. This meeting was held as arranged and resulted in an increase from 84 cents per gallon to 92 cents per gallon, to be effective July 1. While Walter was disappointed that he did not get the price restored to $1, at the same time he stated that the feeling prevailing among the competitors as a result of this get-together meeting has been greatly improved, and he is hopeful that it will result in further benefits to our future operations.

I wish to explain that the "Walter" referred to in this letter was Walter Justin, who was elected executive vice president of the United States Dairy Products Corporation on June 6, 1934, with the responsibilities and duties of president, the office of president being vacant at that time.

Price fixing and elimination of competition in the dairy industry are quite common practices. The Federal Trade Commission in its investigation found that a subsidiary of a large distributor operating in Philadelphia was a party to an agreement between and among the dealers of Norfolk, Va., eliminating competition in bidding on supplies for the Naval and Marine Hospitals. The following excerpt is taken from a letter found in the files of a large distributor in Philadelphia which owns and operates subsidiaries in other milk sales areas. I quote:

> Mr. Halstead does not like to sign the second clause in the supplementary. He is afraid that this clause might at sometime give us trouble, as it refers to the Naval Hospital and Marine Hospital and to the spread of 15 cents per gallon to be given us on the sale of milk to these Government agencies. While he expects to carry this out without question as we agreed, he does not think it advisable to place same in writing, in view of the fact that if the Government should ever find out that any agreement or understanding had been made to control the price of milk furnished them they would bar us from the Government agencies in the future and possibly cause us other trouble.

Mr. Chairman, this excerpt which I have just read shows conclusively that even the Government hospitals cannot get a chance or even a fair deal from the Milk Trust.

The Federal Trade Commission found evidence of a hard and fast agreement between and among the milk distributors in Detroit. Let me read you another letter written by W. J. Kennedy, president of the Kennedy Dairy Co., of Detroit, a subsidiary of the United States Dairy Products Corporation. The letter was found in the files of the United States Dairy Products Corporation and was written April 20, 1932. Mr. Kennedy wrote:

> For the past week I have done hardly anything except try to stabilize the milk prices. I took it upon myself to call all the dealers of Detroit together at a special meeting at the Statler Hotel last Friday. I am pleased to say that every dealer in Detroit was present with the exception of the National and the Borden, who I asked not to attend this meeting.
>
> I wanted to see what could be done with the Independent group first. * * *
>
> When I went into this meeting, I drew up an agreement, as per the attached copy, and toward the finish of the meeting I asked each man to sign it. But before signing it I wanted them to read it very carefully as I did not want any distributor to sign this agreement without he absolutely intended to carry it out to the letter, so I am pleased to say that each and every man signed up to start the new program this morning, Tuesday, April 19.
>
> I then called a meeting for the National and Borden for Saturday morning at 10 o'clock, and they were more than pleased with the outcome. I then demanded from them that they absolutely agree not to put on any stores for a week while we were trying to put over this program. Our mutual friend Ebling, a director of the National Dairy Corporation, was so much impressed with what had been done with the other dealers that he wanted to take a copy of the agreement down to McInnerny, president of the National Dairy Products Corporation, as he was leaving on Monday for a National directors' meeting in New York.

By way of explanation, I wish to say that the agreement referred to in the excerpts from Mr. Kennedy's letter, which I have just read, was signed by individuals representing 25 distributors in which they agreed that they would keep up the prices to stores and prices to the public. Ladies and gentlemen of the House, this certainly shows the intolerable conditions existing in the Detroit milkshed. I further point out that only by mere chance did the Commission discover evidence of price fixing and throttling of competition in milksheds other than Philadelphia and Connecticut where the investigation was centered.

Mr. Chairman, we often hear the charge made that milk and dairy products are in the hands of a trust and monopoly. Let us look at the picture. Take the National Dairy Products Corporation. This is a holding company incorporated under the laws of Delaware in 1923. Since its organization the National Dairy Products Corporation has acquired the most profitable independent milk distributing companies. One by one it has picked them off until today the National Dairy Products Corporation is the largest distributor of milk and dairy products in the world. Since its organization this corporation has acquired, either through acquisition of capital stock or of physical assets, 194 separate corporations which, with their subsidiaries, represent 331 separate units. Practically all of these holdings were obtained by the exchange of stock of National Dairy Products Corporation. Little, if any, cash was ever paid. By a process of consolidation and elimination, National Dairy Products Corporation, at the end of 1933, consisted of 144 separate corporations. This huge corporation distributes milk, cream, and ice cream in 30 States and Cuba. It sells cheese and butter in every State in the Union and in the Dominion of Canada.

The Federal Trade Commission investigation showed that the National Dairy Products Corporation came into Connecticut in 1928, and during 1928, 1929, and 1930 acquired the two largest milk dealers in Hartford and two large deal-

ers in New Haven, paying for them with paper only. The National Dairy Products Corporation brought no money into Connecticut. True to its policy, the corporation bought what were among the largest and most efficient independent and home-owned milk companies in the territory. Through these four milk companies National Dairies distributes approximately 40 percent of the milk sold in Hartford and 30 percent of the milk sold in New Haven.

Let us look into the affairs of another big milk company, the Borden Co. This is another holding company. In making acquisitions the Borden Co. acquired either the capital stock or properties and assets of more than 100 independent companies which have been reorganized and consolidated into approximately 60 operating companies.

In Connecticut the Borden Co. acquired two milk companies in Bridgeport and Norwalk and now controls the distribution of 33.5 percent of the milk sold in Bridgeport.

Since National Dairies went into Connecticut, the Federal Trade Commission has found that they have paid farmers per quart for all milk regardless of use, less than the average prices paid by the independent distributors.

The Federal Trade Commission's investigation shows that the companies have engaged in every questionable practice.

Mr. Chairman, the Commission has uncovered a story of coercion and threat which put the best of such stories to shame. The Farmers' Cooperative Dairies, Inc., was organized in Connecticut by a group of farmers to process and market their own milk. This new producers' cooperative had a contract with Hotel Garde at Hartford to supply it with milk and cream. The Garde Hotel is owned by the Travelers Insurance Co., of Hartford, one of the largest and best insurance companies in the world.

The Federal Trade Commission's files of the investigation disclose that Mr. Harris, manager of the Garde Hotel, told John Rankl, manager of the Farmers' Cooperative Dairies, that the National Dairy Products Corporation threatened to withdraw its insurance business from the Travelers' Insurance Co. if the Hotel Garde did not stop buying from the Farmers' Cooperative and resume buying its milk and cream requirements from R. G. Miller & Co., a subsidiary of National Dairies. Needless to say, the Travelers' Insurance Co., faced with the threat of losing the business, including group insurance of so large and powerful an organization as the National Dairy Products Corporation, stopped business with the small group of farmers who were struggling for their existence.

I wish I had the time available to tell you of the many other ways in which the farmers of this country are being deprived of what is rightfully theirs. You would hear the story of how artificial milk surpluses are created by the trust through the importation of milk and cream from distant producing areas in order to depress prices to local producers. You would learn how milk producers are cheated in their weights and butterfat tests; how farmers have to pay milk station and hauling charges which, as a side-line business, nets certain distributors handsome returns in excess of actual costs. All of these practices and more are revealed in the Federal Trade Commission's report. May I say quite frankly that this report is so striking, so startling, that it reads like a novel. Those of you who have the interests of the farmer and the milk consumer at heart would do well to read this report.

Mr. Chairman, a while ago I mentioned the fact that thousands of dairymen are being driven off their farms because of conditions within the industry. I pointed out that while the price of milk sold by farmers has been declining, the milk distributors have always made sure of getting their slice, and the price to the consumer has remained at a constantly high level.

During all of the depression years the milk distributors of the United States have been living in their own land of plenty. During these same depression years our milk producers have been driven to the wall of despair—to live in want and poverty. And during these same depression years we find that housewives in our cities—millions of them—have been unable to buy fresh milk for their children because the price has been too high. And this during a period when farmers were practically giving their milk away to the trust.

Mr. Chairman, there is something radically wrong with the present system under which our dairy industry operates. When a product produced by 3,000,000 farmers is literally kept from tens of millions of men and women and children in our cities because of practices in a man-made distribution system which benefits but a small group of operators, the situation should become one of wide-spread public concern.

The investigation developed facts showing that milk distributors have been generally prosperous. Their officers have received generous salaries and most of the dealers have paid dividends to their stockholders regularly. The president of the National Dairy Products Corporation receives in 1 year a salary which I know is not equaled by what is earned in a year by 100 average milk producers combined. In 1931 the National Dairies president received a salary of $187,947. In 1932 he received $171,099. In 1933 and 1934 he received $108,000 each year.

It was found that in 1933 that officers of the National Dairies and subsidiary companies, not including the president, received salaries ranging from $10,000 a year to $75,000 a year. In 1934 officers of the National Dairies and subsidiary companies, not including the president, received salaries ranging from $11,250 a year to $60,100 a year.

The Borden Co. paid its president $108,030 in salary in 1931. In 1932 he received $108,350, and in 1933 he received $100,000. In 1931 other officers of the Borden Co. received salaries ranging from $30,000 to $107,225 per year, and in 1932 officers' salaries, including the president, ranged from $20,000 to $63,200 per year.

But high salaries alone do not tell the story. In addition to the enormous salaries paid officials of subsidiary operating companies the investigation has revealed that these subsidiaries have paid the parent company handsome dividends. For example, the General Ice Cream Co., the subholding company operating National Dairy plants and subsidiary milk companies in Connecticut and other New England States paid the National Dairy Products Corporation $10,030,396.50 in dividends during the last 6 years.

This is but one of the 144 separate units of the National Dairy Trust.

The National Dairy Products Corporation operates two subsidiaries in Philadelphia. These are the Supplee-Wills-Jones Milk Co. and the Breyer Ice Cream Co. From these two subsidiaries National Dairies collected a total of $27,453,337.50 in dividends during the last 6 years.

Mr. Chairman, all of these enormous earnings were made and huge salaries and large dividends were paid by milk distributors during depression years while thousands of farmers have gone broke, and while millions of people in our cities could not obtain milk because the price was too high.

And yet, when we talk about improving these conditions for the benefit of both the milk farmer and the milk consumer, and when we take steps in that direction we see the leaders of the vicious Dairy Trust standing on the housetops shouting their condemnations against our efforts to stop these abuses and protect the farmer and the people.

Right now the various manufacturer and distributor interests in the dairy industry have ganged up against the farmer and against the consumer. Witness the activities of the Dairy Industry Committee in its drive against any and all measures which are designed to give the milk producer and the milk consumer a better break than they have had in the past. The Dairy Industry Committee, Mr. Speaker, represents six national trade associations comprised of distributors of fluid milk, and manufacturers and processors of butter, ice cream, cheese, evaporated milk, and powdered milk. All of these distributors and processors—members of the Dairy Industry Committee—buy their milk from farmers and sell either directly or indirectly to the consumer. What chance has an individual milk producer or an individual milk consumer to stand up against such powerful interests? That is why the milk distributors and the milk processors

are in the saddle. That is why they are riding high, wide, and handsome, fearless of the farmer, fearless of the consumer, and disrespectful and fearless of the law.

Mr. Chairman, milk is the most important article of food consumed by human beings. Babes, invalids, the poor, and all classes of people are largely dependent upon milk. It has a greater nutritive value than steak and various other articles of food which bring larger prices on the market. It is necessary and vital that the consumers obtain milk at a price that the poorest can afford to pay in order that those who need it most may have this life-giving fluid unstintingly. The farmer, who produces and ships to the urban centers this necessary commodity, is doing society a great service and should be encouraged. He cannot stay in this business at a loss and if the Members of this Congress will scrutinize closely the report of the Federal Trade Commission you will find that his profit, if any, is so infinitesimal as to be unworthy of the name of profit. While on the other hand the distributors are waxing rich. The Federal Trade Commission has been able to investigate only in two milksheds. The result of their investigations show conclusively that there should be a Nation-wide survey so that the next session of this Congress may have a composite picture of this important industry not limited to two milksheds in the same section of the country but covering milksheds in every section of our land.

Was the investigation worth while? Did the Congress act wisely in passing the resolution calling for the investigation? Did the money spent by the Federal Trade Commission bring any immediate results? Was the time spent in this investigation thus far of any benefit? The answer to each and every one of these questions is emphatically "Yes." Time will not permit entering into many of the details which are in the report, but let me give you just one, only one, of the many accomplishments and results emanating from this meager investigation.

The Federal Trade Commission discovered in the year of 1934 alone, without regard for what happened in all the years before and for what is happening today, in the Connecticut and Philadelphia markets—not in all the other markets of the country; just these two—that the milk distributors had underpaid the poor and defenseless farmers $600,000 by a system of cheating. If the $30,000 we paid out for this investigation did nothing else, it at least returned to farmers a 2,000-percent dividend. Within 24 hours, in my State of Connecticut, after this information was brought out, the Connecticut State Milk Control Board issued orders calling upon distributors to return the money to the farmers or suffer punishment through the courts. They even went so far as to publish the names of those offending distributing companies, so that everybody might know them. I expect that if this investigation is permitted to go on, and if the Milk Trust lobby is not able to crush the further investigation through any influence it may bring to bear upon Congress, not only will all the other farmers of the Nation be returned moneys which undoubtedly they have been cheated out of but all the other malpractices will be uncovered and the legislation necessary to correct the many, many evils which are still existing in the dairy industry will be enacted.

It would be calamitous indeed if the investigation stops at this point. To this end I am preparing and will shortly introduce a resolution calling for an appropriation sufficient to enable the Federal Trade Commission to continue its good work and to make a close and rigid investigation into the milk industry on a Nation-wide scale. It is necessary and vital that this course be pursued, as I say to you in all seriousness that from the standpoint of the producer the milk industry is prostrate and practically destroyed. The farmer cannot be expected to produce milk and supply it to the dwellers in the cities at a loss or at the insignificant profit which he is now receiving.

Mr. McLEOD. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, I join with the ranking minority member to pay my respects to the genial chairman of the subcommittee, the gentleman from Kentucky [Mr. CARY], to thank him and also the majority members generally for the courtesies they extended to us. Throughout the hearings every possible courtesy was extended to the minority group. I believe the chairman of the subcommittee did a good job. He was conscientious and painstaking, and I have the highest regard for him. He deserves the commendation of the House. [Applause.]

Yesterday I ventured to supply for the gentleman from Iowa figures showing the amount we were spending for maintenance as compared with Japan and Great Britain, which I then felt, and now believe definitely reflect the cause for the greater amount spent in America for maintenance of the Navy as compared with Great Britain and Japan. I cite these figures by way of comparison: The pay in the United States Navy of a chief petty officer is $126 per month. The pay of a man in a similar grade in Great Britain is $58.81 a month, and the pay for a man in a similar position in Japan is $15.79.

The pay of a first-class seaman in America is $54 a month, in Great Britain it is $27.89 a month, and in Japan it is $3.73 a month.

A second-class seaman in the United States Navy receives $36 a month, in Great Britain $19.10 a month, in Japan $3.80.

In other words, in America we are paying to our second-class seamen practically 12 times the amount paid to second-class seamen in Japan, and more than 14 times as much to our first-class seamen. These figures definitely bear out the assertion which I made yesterday that the maintenance cost of the Navy of America reflects in a very large degree the salaries we are paying our enlisted personnel. This increase is further reflected, however, in the matter of the cost of shipbuilding. I tried to secure authentic figures as to the construction costs per ton in the United States, Great Britain, and Japan. The Naval Intelligence Department could not give them to me with a degree of accuracy which would permit of their being used here today. I shall direct the attention of the House, however, to an item which I believe can be used as the basis for a reasonable comparison. The bids on the steamship *President Wilson*, made by firms in the United States, Great Britain, and Japan afford this very interesting comparison: The per ton bid in the United States was $364.29, in Japan $141.38, in Great Britain $288.17. On this basis the cost of shipbuilding in America is 158 percent greater than in Japan.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. BIERMANN. Was the ship built in Japan?

Mr. DITTER. No; the ship was not built in Japan.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield for a question?

Mr. DITTER. I yield.

Mr. BIERMANN. I was interested in what the gentleman said regarding the pay of the personnel of the Navy. On pages 24 and 25 of the report is set out in detail the cost of pay, subsistence, transportation, maintenance, and a great variety of other items. The total appropriation recommended in the bill for these items is $185,000,000.

If we paid our personnel nothing, allowed nothing for subsistence, nothing for transportation, and all these items, the bill would still carry an appropriation of $282,000,000, which is $81,000,000 more than Japan spent for her Navy in 1934.

Mr. DITTER. Of course, the gentleman has not taken into consideration the difference in the cost of ship construction which I have just mentioned and which is an important factor in the present appropriation bill.

Answering the gentleman further, his premise is so fanciful, imagining that we are running a charitable institution in the Naval Establishment, that I really believe he is not serious in presenting his argument.

Mr. BIERMANN. The gentleman from Pennsylvania gave us the idea that the cost of pay and subsistence of the enlisted personnel is what brought up these totals in the

amount carried in this bill for the next year. I pointed out that if we did not have to pay anything for personnel, or subsistence, we would still be appropriating $81,000,000 more for our Navy for next year than Japan spent on her navy in 1934.

Mr. DITTER. But the gentleman certainly should recognize that the increase is not reflected entirely in this item. It is reflected also in the cost of ship construction, in the cost of repairs, and in every one of the items which go into the maintenance of the Navy.

Mr. BIERMANN. The gentleman undertook to account for the increase by citing differences in rates of pay in the different countries.

Mr. DITTER. I used those only as examples.

Mr. BIERMANN. The gentleman undertook to show that it was cheaper to build ships in Japan than in this country, cited bids on the steamship *President Wilson*, and then said that the ship was not built in Japan.

Mr. DITTER. The gentleman certainly cannot be using that as an argument that we should close our shipyards and have our ships built in Japan, is he?

Mr. BIERMANN. Not at all. I am arguing now along the line that we are spending $457,000,000 a year to defend ourselves against Japan; and I still would like to direct the question to the gentleman from Pennsylvania or to any other member of the committee: Against whom are we preparing and against whom are we going to spend these billions and billions of dollars? Will the gentleman answer that question?

Mr. DITTER. First, let me counter with this suggestion to the gentleman: In view of his attitude, and in view of the number of requests which I have for appointments to the Naval Academy, I do wish that he would transfer to me the appointment privileges which are his as a Member of Congress.

Certainly, in view of the present attitude of the gentleman, he would not want to appoint any men to Annapolis. I have good use for these privileges and would certainly be happy to build up the appointments at Annapolis with men who I believe would stand for a navy second to none and such a navy as the committee supports in connection with this present program.

The fanciful enemy the gentleman is trying to bring to our attention now is something I cannot answer. I can only refer him to the very able declaration made by the chairman of the committee when he said very positively that we were not in any way attempting to create in the mind of anyone the fear of an enemy, but we do feel a preparedness program is the best protection. [Applause.]

Mr. DARROW. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Pennsylvania.

Mr. DARROW. In making these comparisons with Japan, is it not fair to take into consideration the London Treaty which gave Japan 3 to our 5 ships, with their navy not as large? Consequently, they would not have as many ships or as much expense in keeping them up to treaty strength.

Mr. DITTER. I thank the gentleman for his suggestion. He will probably concur in the further observation that just recently Japan definitely repudiated or at least served notice that she would no longer be bound by the treaty which she had previously entered into, and as of 1936 she would no longer consider herself obligated under the agreement.

Mr. BIERMANN. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Iowa.

Mr. BIERMANN. There are 5,000 miles of ocean separating Japan from our western coast. Does the gentleman imagine if the Japanese fleet were twice the size of ours that Japan could land hostile forces on our western coast?

Mr. DITTER. May I answer the gentleman by saying that he as a member of the majority should direct an inquiry of that kind to the Secretary of the Navy. I do not presume to know what the purposes of the Navy Department are with reference to the operations of the fleet. I think that is a matter of administrative policy. I would not presume to imagine just why the present administration feels that the operation should be in the Pacific, or what potential danger faces America in the Pacific or elsewhere.

Mr. BIERMANN. Then the gentleman believes this Congress should vote whatever appropriation the Secretary of the Navy asks?

Mr. DITTER. I believe this Congress should vote every dollar that is necessary to provide a Navy that is second to none for the adequate defense of America. [Applause.]

Mr. BIERMANN. If the gentleman proceeds on that theory right along, he will find himself voting more and more appropriations for the Navy as long as he is in this body. We are voting half a billion dollars this year, and in a few years I predict the Navy will be wanting a billion dollars.

Mr. DITTER. I do not care to enter into an argument with respect to policy, but may I just give the gentleman this further information which I believe is pertinent. I wish the gentleman would study the hearings and examine the character of food provided for the enlisted personnel of the Navy of the United States. I wish he would submit that to somebody who might be qualified to pass upon the subject of food values. A comparison of the ration components of Japan, Great Britain, and the United States discloses some interesting facts.

An estimate of cost discloses that the price in this country is estimated at 45 cents; in Japan, where the menu is largely made up of fish and rice, the cost is 15 cents; in other words, one-third of ours; and in Great Britain the cost of 26 cents.

May I make the further suggestion to the gentleman that he examine the bill and ascertain the amount that is being provided for the American enlisted man for welfare and recreational activities, none of which are provided for by Japan. I wish he would look into the amount that we provide for hospitalization and medical service, and then try from that compendium that he quoted from yesterday, to secure a figure as to what Japan is doing with reference to the care of its enlisted personnel; comparing those figures with the cost of the care that the United States provides for its enlisted personnel. Recreation, welfare, and the well-being of the American seamen were considered by those of us who support this present bill. We are willing to pay the price in order to provide the privileges for the American seamen, ignored entirely by Japan in its program.

Mr. Chairman, I want to spend a little of my remaining time to make some observations on the new-deal Navy policy. We have a new-deal Navy procedure. I want to give encouragement to the gentleman who has been so much concerned about lotteries and the contribution they may make to the well-being of America. May I say to the gentleman that he should be one of the most encouraged Members of the House today. In season and out of season, he has declared with consistency his belief in a lottery program. I honor him in his opinion. I feel he has a right to that opinion. I may not agree with him, but he is to be admired for his persistency.

I want to call his attention to the fact, however, that the Navy Department has already adopted that program. In the past we let contracts for naval construction on the basis of the most responsible and lowest bidder receiving the award. We have inaugurated an entirely new policy. Instead of doing this in the regular order, the Department now gathers together the individuals who desire to submit Navy bids. We put their names in a hat, or else their names are placed in capsules. Then, on an appointed day, we have a great sweepstakes affair in the Navy Department. Havre de Grace, Bowie, and all the other racing places have nothing on what the scenes at the Navy Department are on that day. I can just imagine the scene down there as the contract jockeys bring out their horses to run in the race to see whether or not they are going to get the award of a fat, juicy contract as a result of pulling names out of a hat.

Mr. KENNEY. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from New Jersey.

Mr. KENNEY. Does the gentleman know that the Kingdom of Italy raises money by lottery for the support of its Navy?

Mr. DITTER. I tried to indicate to my genial friend from New Jersey that I was in no way taking exception to the program he is sponsoring. I rather wanted to encourage him; that under this new deal there was a hope of his program being adopted, in view of the fact the Navy Department has already taken it over, body and soul. We were once told that the money changers were to be driven out of the temple, but we were not told that the contract chance artists were to be invited to take their place.

Mr. KENNEY. I thank the gentleman, and will the gentleman yield to me to submit a unanimous consent request to insert in the RECORD the revenues for her navy derived by Italy through lotteries, as well as the revenue of some of the other countries from lotteries?

Mr. DITTER. I should not care to have that inserted at this point. I feel confident that if the gentleman will address his request to my genial friend, the chairman of the committee, in due course and at its proper place, he will find he can have it inserted in the RECORD.

Mr. KENNEY. May I say to the gentleman there is no time remaining.

Mr. DITTER. The gentleman well knows that in due season, when we go back into the House, he can address a request to the Speaker to have the matter inserted as an extension of his remarks.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I shall be happy to yield to the gentleman.

Mr. HARLAN. The situation the gentleman is describing is due to the fact that under the new industrial picture that we now have, the bids are all approximately the same and all come from firms that are equally reliable.

Mr. DITTER. As to the first premise, I must agree with the gentleman. As to the second premise, I have no knowledge whether that premise is correct or not.

I will agree with the gentleman that uniformity of the bids results from the N. R. A. program, and as has been testified in the hearings, is the direct result of previous bids being placed or filed with code authorities, so that those bids may be either uniformly high, as they are in many instances, or else a similarity exists with regard to all of them. Competition is destroyed and monopolies and exorbitant prices result.

Mr. HARLAN. In view of that situation and assuming that such a condition exists, over which the Navy has no control, of course, how would the gentleman suggest that the Navy select one contractor over another?

Mr. DITTER. I should suppose that those characteristics of stability which have been evidenced in times past as a result of the contractual relationship existing between the Government and certain bidders would appear as to reputation and reliability and prompt those in authority to award the contracts on the basis of worth and value rather than adopt this hit-or-miss policy, which is the direct result of the N. R. A. and the new-deal program.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I have only 5 minutes. If I have a moment at the end of my remarks, I shall be pleased to yield. I want to point out just one or two things that I believe are pertinent. This is the new-deal method of awarding contracts and saving the taxpayers' money. It is the new-deal theory of economy in government. Let me quote from the hearings:

Mr. CARY. Now, what would happen if a number of concerns bidding on an article got together and filed with the code authority excessively high prices, and then came to your Department and they all had the same bid, and it was an excessively high bid? What would you do then?

Mr. DITTER. That is exactly the line of inquiry that I was going to follow, Mr. Chairman.

Admiral PEOPLES. My dear Mr. Chairman, I want to say this, that the principle, the theory upon which the code system was based, was to prevent unfair and cutthroat competition, to prevent unfair practices, and so forth.

Mr. DITTER. I am glad that you used the word "theory" there.

Admiral PEOPLES. And I lean the other way, and think that industry makes a mistake when it does not provide for the possibility of having competition as between themselves.

I believe that there should be certain restrictions; I believe that there should be a certain minimum wage per hour, and a certain maximum number of hours of work per week, and then, all in between that, leave it up to the initiative, the facilities of the firm to get the business. In other words, cause competition.

Mr. McLEOD. You have seen competitive bidding, also, in your experience? In other words, you have witnessed both during your term of experience in this capacity?

Admiral PEOPLES. I think that I can very properly answer your question by saying that, in my opinion, I believe lower prices would have been obtained.

Mr. McLEOD. And money would have been saved to the Government thereby, had it not been for these codes; is that correct?

Admiral PEOPLES. That naturally follows.

Mr. McLEOD. The money would have been saved to the Government; is that correct?

Admiral PEOPLES. That naturally follows.

* * * * * * *

Mr. DITTER. Would you not say that the operation of the steel-furniture group tended to that?

Admiral PEOPLES. I think that under the system of filed prices at that time they were trying to take advantage, but it did not result that way.

Mr. DITTER. Just to get back again to my question, does not competition tend to create monopoly? The fewer the competitors there are, that must of necessity mean that the field is limited; and the narrower the field the greater the opportunity of absolute control, which is monopoly. Is not that true?

Admiral PEOPLES. As a general proposition.

* * * * * * *

Mr. DITTER. Now, with respect to those ships building in navy yards, in those instances the materials, as I understand it, were purchased from certain contractors, steel contractors and other contractors.

Admiral LAND. Yes, sir.

Mr. DITTER. Plates would be bought from certain steel mills.

Admiral LAND. Yes, sir.

Mr. DITTER. And other materials going into the construction of ships.

Admiral LAND. Yes, sir.

Mr. DITTER. Now, will you tell us what policy was followed by the Navy with respect to the selection of the companies to whom those contracts for materials were let?

Admiral LAND. You are talking about navy-yard ships now, are you not?

Mr. DITTER. Yes.

Admiral LAND. In the selection of them, it was a matter of wide-open competition—no selection.

Mr. DITTER. There was bidding, was there not?

Admiral LAND. Yes, sir.

Mr. DITTER. When the codes first went into effect, they were quite rigid with regard to the cost of those particular pieces of steel, but they were all according to specifications.

Admiral LAND. Yes, sir.

Mr. DITTER. And there was a certain degree of rigidity with regard to price, was there not?

Admiral LAND. I think that is true.

Mr. DITTER. Even to the extent that there prevailed in many instances a uniform price in the bids as they were made. Is that true?

Admiral LAND. I do not know about the uniformity, although I think that is correct; but in the making of our contracts, they were awarded by taking names out of a hat.

Mr. DITTER. By taking them out of capsules.

Admiral LAND. That is a new name.

Mr. DITTER. They were taken out of capsules, hats, or they were drawn in some other way, were they not?

Admiral LAND. I believe that is correct.

Mr. DITTER. It is a fact that with respect to the letting of contracts for plates and other materials going into the navy-yard shipbuilding program under the P. W. A., it was a matter of lottery or chance with respect to the awarding of the contracts.

Admiral LAND. That has been the case in many instances; yes, sir.

Mr. DITTER. It is also a fact that in practically all cases, or in a large number of cases, the estimated prices for pieces of steel or steel plate were exactly the same in 1933, particularly, and, also, in a part of 1934. Is that true?

Admiral LAND. That is my general understanding; yes, sir.

Mr. DITTER. Four, five, six, or more companies used prices that were exactly the same. Is that correct?

Admiral LAND. On ordinary steel, I think that is correct.

Mr. DITTER. Now, with respect to those items on which there might be absolute uniformity of price, after this codification procedure that you have just referred to, how is an award made to bidders if more than one bidder is on exactly the same price level?

Admiral PEOPLES. If the prices are all uniform, the award is made by lot publicly drawn.

Mr. THOM. Now, let me state your position as I see it. First of all, you are opposed to codes. Now, I do not propose to discuss them. Let us eliminate them. Secondly, if, having codes, they produce equivalent prices, then I think the Army and the Navy are perfectly justified in pulling the bids from a hat and drawing out, for their own protection, the names of the successful bidders;

because otherwise, if the bids were equivalent, the man that awarded that contract would be under suspicion and would be charged with all kinds of wrongdoing, and his only defense is to put the bids in a hat and proceed to draw.

Now, we come to the second situation, in which you say that the drawing process has resulted in two companies getting most of the awards of contracts for steel plates, and that necessarily raises the question whether the scheme of putting the bids in a hat and drawing out the successful bids has been conducted with fairness and equality. That is where your argument is directed, and that is the eventual conclusion of it.

Mr. DITTER. That is correct; and I offer this further observation: Whether, if it has to be done by drawing from hats, it would not be better, under the motive of P. W. A., to spread those contracts over larger areas and provide larger opportunities for employment, rather than centering them in one district under this lottery scheme.

Mr. THOM. That is a perfectly fair question.

Mr. DITTER. Now, let us assume—and, understand, I emphatically say that I have no knowledge, no intimation, that the thing has not been done absolutely honest, and I am not imputing in any way that it has not been honest, for I have a high regard for the Secretary of the Navy, and Admiral Peoples impresses me very highly—but supposing, Mr. THOM, that we have this equality of bidding, and instead of pulling the bids out of a hat, you have a steel concern in your State, and I have a steel concern in my State, and Mr. CARY has one in his State, would not we probably carry out the purposes of P. W. A. and these emergency allotments to provide employment better by having some go into your State, some into Mr. CARY's State, some into Mr. McLEOD's State, and some into my State, rather than presenting the possibility of luck providing all to go into Mr. CARY's State?

I wonder whether the House knows that 29 percent of the allotments requested as of February 27, 1935, by the Secretary of the Navy for emergency funds, are for projects outside the United States.

It was my understanding, and I have heard it repeatedly stated, that these emergency funds were to provide for reemployment here in America. I ask the Membership of the House to what extent reemployment is going to be provided by the expenditure of vast sums of money in Hawaii and Cuba and Puerto Rico and Guam and Alaska. Twenty-nine percent of the amount requested by the Secretary of the Navy is to go overseas. We have spent of P. W. A. money, we have spent of N. R. A. money, such a sum, in addition to the regular appropriation, that I think my distinguished friend the gentleman from Iowa [Mr. BIERMANN], if he really got into the figures, would probably be prostrate as a result of the examination.

Thirty-one million seven hundred seventy-one thousand two hundred and fifty dollars has been requested by Mr. Swanson of P. W. A. money for projects in Hawaii, the Canal Zone, Panama, Alaska, Samoa, Guam, and Cuba, and if you think that $31,000,000 spent over there is going to give us reemployment, I cannot agree with you.

I wish you would go into these hearings and find the admissions that have been made in these hearings on the result of the N. R. A. program. I again refer my friend on the question of costs to what N. R. A. means to the Navy in this respect—how much our equipment costs, how much our food costs, how much our construction costs have been increased over the amounts which would have been estimated had it not been for these fantastic schemes of your administration to raise prices.

Mr. BIERMANN. The gentleman voted for the N. R. A. bill, did he not?

Mr. DITTER. I voted for it? I did not.

Twenty percent in construction, 18 percent in equipment, 15 percent in foodstuffs, is the percentage, with the admission throughout the record of the hearings that they can be definitely attributable to codes and other programs of a fanciful character to create a spirit and a philosophy of scarcity in this land of plenty.

Mr. BIERMANN. But the increase in the appropriations for next year over this year is more than 60 percent.

Mr. DITTER. Well, I suppose they figure down there that the N. R. A. and the silver program and a lot of the other "brain trust" programs are going to bring about more increases.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield the gentleman 8 additional minutes.

Mr. DITTER. Mr. Chairman, I quote further from the hearings on the subject of codes as they affect the maintenance costs of the Navy and thus have a double barreled effect on the pocketbook of the American people:

Mr. McLEOD. Is the cause of the increase in the cost of food due to the increased number of men?

Captain SCHOFIELD. No; to the increase in the unit price of food.

Mr. McLEOD. Would you say that the increase in the price of food is due to the codes?

Captain SCHOFIELD. Well, I would not be able to say what the price is due to, but the rising prices of food will probably be more fully explained when we come to the Bureau of Supplies and Accounts, they have to do more with those things, but it was contemplated in this and, I understand, other appropriations that the prices of the commodities would be higher in 1936 than they were in 1935.

Mr. McLEOD. When this budget was submitted to you by the various departments under your jurisdiction, and this increase in the cost of food and maintenance was included, what was your assumption that it was due to—the codes themselves?

Mr. CARY. You did not have to assume anything at all, did you?

Captain SCHOFIELD. No. Whatever it was due to, it would not affect my figures. I simply expected that there would be an increase.

Mr. McLEOD. But you did not form any opinion as to what the increase would be due to?

Captain SCHOFIELD. If I had formed an opinion, I would have said that it was due to the codes.

Mr. DITTER. Admiral, you were connected with this procurement division prior to the time of the codes, were you not?

Admiral PEOPLES. No, sir; commencing just about the same time.

Mr. DITTER. Did you not have some experience in the matter of Government purchases prior to that?

Admiral PEOPLES. Oh, yes; I have had experience for 30 years, sir, in purchasing for the Navy Department, particularly.

Mr. DITTER. Do you know whether or not the number of bidders supplying the various commodities bought by the Government has increased or decreased since the time that the codes have been put into operation?

Admiral PEOPLES. Frankly, Mr. Ditter, I have not noticed any difference. In other words, it has not been brought to my attention in any way whatever that there are fewer bidders under the codes than there were prior to that time. In fact, I think that in many respects it would show the other way. I know of the purchase of a lot of brass pipe for the Navy Department, where there were 78 tie bidders.

Mr. McLEOD. All equal?

Admiral Peoples. Yes, sir.

Mr. McLEOD. And that is due to the code?

Admiral PEOPLES. That is absolutely due to the code, to the system of filing open prices before the bidding.

Mr. McLEOD. Which is a phase of the question that you do not agree with—is that a fact?

Admiral PEOPLES. Exactly, sir.

Mr. McLEOD. The question of open-price bidding as provided in codes, therefore, would have a tendency to increase the prices rather than to decrease them, would it not?

Admiral PEOPLES. Mr. McLeod, the theory of it is that there is competition in advance of the opening of bids, the idea being that bidder A files a price of $1 a pound—that is the open price for him—and you come along as bidder B, and you say, "That fellow is going to bid $1, I will bid 90 cents"; and bidder C says, "I can underbid them, and make it 80 cents"; and bidder D will say, "I will make it 75 cents", and there we know the thing stops, and the lowest filed price then is 75 cents a pound, and then they all bid 75 cents.

Mr. McLEOD. And if this were not done, there might be a bid below 75 cents?

Admiral PEOPLES. Yes.

Mr. McLEOD. That none of the other bidders would know about?

Admiral PEOPLES. I will take the closed method.

The program of the Government to bring the Navy up to treaty strength has received the general approval of the country. Our people, however, continue hopeful that the international arms race may be terminated, and that all nations may refrain from resorting to war for the settlement of international disputes. America has done its part honestly and conscientiously in these laudable endeavors. Those who sponsored these endeavors deserve the commendation of all men. We have adhered to the spirit as well as the letter of the Kellogg Pact. We have endorsed the declaration by which the parties to that agreement condemned "recourse to war for the solution of international controversies and renounced it as an instrument of national policy in their relations with one another."

We have endeavored to translate the idealism of world peace into the realism of accomplishment. We have accepted the solemn assurances and covenants of other nations without reservation. We have evidenced our confidence in

these covenants by specific and positive acts. Disappointment and disillusionment have been our portion. Upon the other nations rests the failure of the altruistic hopes of mankind for the limitation and the reduction of the armed forces of the world.

Hope for the peaceful adjustment of differences among the nations springs from the nobler endeavors of men and women throughout the world. It is the soul-cry of all people who have suffered from the ravages of war and who have paid an enormous tribute for the panoply of arms. Would that we might end this tribute! Would that we might forever hush this soul cry of despair and anguish! We are not surrendering our hopes for a discontinuance of competitive arms building. The goal toward which we will ever strive and toward which we hope the other nations of the world will turn again is that we may "beat our swords into plowshares, and our spears into pruning hooks; that nation shall not lift up sword against nation, neither shall we learn war anymore." We still pray that fear and suspicion may be dispelled.

I believe we should strive to develop means of avoiding the use of death-dealing agencies with as much fervor as we employ in devising improved methods for carnage and destruction. But, in the light of present world movements, adequate preparation for defense is a primary obligation of our Government. We must ever be mindful of the fact that one of the most solemn obligations placed upon the Federal Government by the Constitution is "to provide for the common defense." Our Navy must always be the most important factor in our national preparedness program and in our defense plans. This does not contemplate a delight in resorting to the fiendish passions resulting from a participation in a struggle of arms. It does not mean that we approve of the atrocities of war or that we invite the somber shadows and mournful incidents growing out of carnage and battle.

Our present program is not founded upon an appeal to fear, nor upon the creation of prejudices, and certainly it is not founded upon the glorification of war or the chivalry of arms. Our purposes are not prompted by the propaganda of war lords or those who profit from human misery. We are still eager that the best efforts of men shall be directed to the enjoyment of the arts of peace.

We love peace, but not peace at any price. There is a peace more destructive of the manhood of living man than war is destructive of his body.—Jerrold.

There are interests by the sacrifice of which peace is too dearly purchased. One should never be at peace to the shame of his own soul, to the violation of his integrity or of his allegiance to God.—Chapin.

I subscribe whole-heartedly to this doctrine.

There is truth in the admonition given by Washington, "To be prepared for war is one of the most efficient ways of preserving peace." From the standpoint of defense, our naval forces must be adequate for our national needs. We endorse the declaration that our program should be "to maintain the Navy in sufficient strength to support the national policies and commerce, and guard the continental and overseas possessions of the United States." Failure to maintain a naval establishment of this character invites difficulties and threatens national safety and security. The maintenance of a greater force imposes an economic burden which cannot be justified. No one will deny that the justifiable strength must perforce depend upon world conditions, upon the comparative naval establishments of the other nations, and upon the attitude of other nations as expressed in their armament programs.

On December 29, 1934, Japan declared its intention of terminating the Naval Treaty of Washington. It is, therefore, a certainty that as of December 31, 1936, Japan will no longer be bound by the limitations provided for under the Washington agreement. Japan has already adopted a program and made the necessary appropriations to bring her naval establishment up to treaty strength in 1936. Great Britain has also inaugurated a program of naval construction which will insure its position on the seas. These nations have been joined by the other leading nations of the world in pursuing a policy of increased construction of naval armaments. We cannot ignore these evidences of activity. We dare not invite the disastrous consequences of unpreparedness. We have but one safe course to pursue, to maintain a Navy in conformity with treaty provisions.

Our national defense, however, depends not alone on battleships, cruisers, submarines, and aircraft. Men, more than materials, will determine the adequacy of our defense. Security is not primarily dependent upon the size of either our Army or our Navy. The strength of America rests upon the sturdiness of the character of her people. The strength of America is measured by the courage, the industry, the thrift, the honesty, the self-reliance, the loyalty and the devotion of her people; homely virtues which have always been the warp and woof of dependable American character. The strength of America depends upon a regard for her traditions, upon an appreciation of her accomplishments, and upon a love of her institutions.

We should not build units for the fleet and at the same time tear down fiber for character. It is inconsistent to expect adherence to peace pacts abroad and at the same time repudiate solemn pledges at home. It is impossible to develop national zeal and at the same time destroy individual initiative.

It is difficult to dispel suspicion among the nations and at the same time foster doubt and uncertainty among our own people. We have as much responsibility in providing for the sinews of character as we have in appropriating for the instruments of war. With the building of fleets let us build men. Let us reestablish an assurance that virtue is more worthy than depravity, that industry is more desirable than indolence, that ambition is more deserving than indifference, that thrift is more profitable than prodigality, and that self-reliance is more estimable than dependency.

Let us strive for a reincarnation of the spirit of the American pioneer and patriot; let us rededicate ourselves to the principles of constitutional government and depend upon the assurance which springs from a conviction that justice, morality, reason, and experience will continue to be the motivations of our national life. Supported by this spirit, our forces will be invincible and our security assured. [Applause.]

Mr. CARY. Mr. Chairman, I yield 18 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman and gentlemen of the Committee, I am totally unable to account for the large attendance of Members at this sitting of the Committee this afternoon, except possibly upon the theory that it leaked out that I was going to make a speech. I had intended to keep it a secret. [Laughter.]

The gentleman from Pennsylvania [Mr. DITTER], who just preceded me, said a good many things with which I agree. He couched in very elegant words, beyond my power and ability to describe—and he was right about it—the feeling the great majority of the American people have for the other countries of the world, and he quoted from the Scriptures about beating the spears into pruning hooks and the swords into plowshares. I wish those eloquent words of his might get to all the nations of the world; but I am very much afraid that the other people of the world, the other governments, are going to see only the fact that we are making an appropriation of $457,000,000 for a Navy for the next year; that we are establishing a policy, as Admiral Standley said at the hearings, involving an expense of $558,000,000 in each and every year to keep up this Navy. And that we will in all probability appropriate for another year pretty nearly, if not quite, a billion dollars for the preparation for war.

Our friends on the committee and my other friends who do not quite agree with me say that it is a preparation for peace and security.

Now, I am sorry I have not anything—I am going to be frank about it—that I am going to be guilty of making a few general remarks and not be able to discuss the details of the bill in its technical aspect.

I think there are very few Members of the House—and this is no reflection on their intelligence and ability—there are

very few who, when they come to vote on the bill tomorrow, are going to know much of anything about it.

As I say, I do not mean any reflection whatever on the very fine subcommittee headed by my friend the gentleman from Kentucky [Mr. CARY]. I think they have done a splendid piece of work—only I do not agree with them that $457,000,000 at this time is necessary. I cannot see it, my friends. And I do not mean by that to criticize the committee for the fact that this bill and report were not available until a few minutes before the bill was called up the other day. I do not know whether the hearings were available or not. I did not try to get them, because it has been my experience that it is not of much use to read the hearings until you have the bill and report.

But there were nine hundred and more pages in the hearings. It was a monumental piece of work, and they did the work well.

I do not agree with my friend.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. SISSON. Yes.

Mr. DITTER. The gentleman will certainly admit that if the bill or the hearings were out long before the consideration of the measure that these "war lords"—to which he has referred—would have had a greater degree of opportunity of influencing the Members of the House than otherwise would be possible.

Mr. SISSON. Oh, I don't think so. I think that the munition makers, the steel manufacturers, the Army and the Navy know pretty much all about it. They were your witnesses called before your committee. I did not read the report, but, as I recall the list of witnesses, the only witnesses who appeared before the gentleman's committee were the rear admirals and the other naval officers, and various officers in the Navy Department, including the Assistant Secretary, Mr. Henry Roosevelt, and—oh, yes; there was another gentleman that the committee heard, who was the head of a manufacturing concern that manufactured jackets for propeller shafts. The committee heard him complain because his profits were being cut down by competition from the New York Government Navy Yard. You are not getting very far in taking the profits out of war when the committee does that.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. SISSON. Yes.

Mr. DITTER. We heard him because one of the gentleman's distinguished colleagues addressed a request to the chairman of the committee, and the courtesy existing between Members of the House would certainly require the chairman to grant his colleague's request. May I ask the gentleman this further question?

Mr. SISSON. And may I interrupt there to say that I do not intend any criticism of the chairman of the subcommittee or of the gentlemen on the subcommittee for hearing him. I think you ought to have heard him, only when the gentleman makes the statement that if all of these had been made available 2 or 3 weeks ago there would have been some enormous influence exerted by the munitions lobby, I do not agree with him.

Mr. DITTER. Did the gentleman request the privilege of appearing himself?

Mr. SISSON. No.

Mr. DITTER. Or of gathering in any of these groups?

Mr. SISSON. No; I was too busy with another committee, the Banking and Currency Committee, and I would say that that committee is more guilty than the gentleman's. I am not intending any adverse criticism of the chairman of the subcommittee. The practice indulged in the other day is a practice that has grown up, and my own committee is more guilty than the gentleman's, but I think it is a practice that ought not to be permitted.

Mr. DITTER. And may I encourage the gentleman with this further observation: That during the course of the hearings I was visited by some very delightful ladies who are keenly interested in this peace program and who brought all the wiles and charms at their command to try persuade me to their cause?

Mr. SISSON. But the gentleman remained adamant, nevertheless?

Mr. DITTER. To join in the cause in which they are interested, so that they did have an opportunity indirectly to present their cause, and they had their day in court.

Mr. SISSON. I am not saying they did not have opportunity. I was merely replying to the gentleman's observation that if this had been made available for study earlier the war lords would have gotten in their work more effectively than they did.

Mr. DITTER. Mr. Chairman, will the gentleman yield further?

Mr. SISSON. I know that the gentleman is capable of making a better speech than I am, but I have to make a part of this speech myself, because it is in my system and I must get it out. How much time have I remaining, Mr. Chairman?

The CHAIRMAN (Mr. ZIONCHECK). The gentleman from New York has 8 minutes remaining.

Mr. SISSON. Mr. Chairman, I repeat, to make it more emphatic, in what I have had to say and what I shall say I intend no criticism of the subcommittee, who simply have followed a practice which has grown up here which I believe does not afford adequate consideration for important bills.

It is extremely difficult, if not impossible, for anyone not versed in the lore and technique of naval tonnage, to compare what this bill will accomplish with the maximum limits of the Washington and London Naval Treaties. As the gentleman from Iowa [Mr. BIERMANN] has well said, "The only comparison between our naval force and that of the other great powers, which makes any sense to the lay person, is in the amount of money that we are spending on our Navy, and have spent on our Navy, since the end of the World War, in comparison with what the other nations are spending and have spent since the World War. And as has already been pointed out in the general debate upon this bill, we have already, during the years from 1923 to 1934, inclusive, spent $4,052,000,000 on our Navy alone, as compared with $3,342,000,000 expended by Great Britain on hers, $937,000,000 expended by France, and $1,357,000,000 expended by Japan. If we did not already, prior to 1935, have a Navy second to none then we have been wasting a good many hundreds of millions of dollars.

It is also very difficult and probably impossible for most of the Members of this House to really grasp the significance of this bill, the possibilities of its evil influence upon world psychology at this time when there is so much danger that war hysteria and the fear of each of several nations of the others, may again sweep the world into a war that will be the end of civilization. Instead of doing our part, a part which we are in a better position to perform than any other nation of the world, to act as a stabilizing and a friendly and peace-promoting influence, we are, in passing this bill, doing what is best calculated to cause each of several other great powers to speed up their armament race and do that which is best calculated to bring on war through preparation for war.

I say it is difficult for most of the Members of the House to grasp the significance of this bill and understand or discuss it, because of the way in which the bill has been prepared and the manner in which it has been brought before the House.

My good friend, Governor Tobey, of New Hampshire, pointed out, the other day in making inquiry about this bill, that this bill making an appropriation of $457,000,000 was brought before the House without even a Member of the subcommittee having seen the bill or the report, and that Members had asked for the bill for several days prior to the time when it was called up and for the report on the bill and had been turned down. Members of this House should not with complacency acquiesce in the perfunctory passing of a bill making up nearly a billion dollars for Navy and Army, in preparation for war in a single year, without having more time than has been afforded to study the bill, the report, and the hearings held by the committee. I obtained, on the day that the bill was called up a copy of

hearings held by the subcommittee. They contained 956 pages of printed matter. It is usually not of much use to read the hearings on a bill until you have the bill and the committee report on it. I have read only a small part of the hearings on this bill. I read enough, however, to note that the witnesses, who appeared before the committee were admirals, rear admirals, retired admirals, or other naval officers, with very few exceptions. All of them, of course, were interested in a navy second to none or a navy bigger than all the others combined program. The few exceptions were Assistant Secretary of the Navy Henry Roosevelt, a far more strenuous advocate of brandishing the big stick than his kinsman, the late Theodore; some instructors from the Naval Academy and other members of the Navy Department; and, last but not least, one or more representatives of naval armament manufacturers, one of whom appeared before the subcommittee to protest against what he called the unfair competition to which his particular corporation was subjected in the manufacture of propeller-shaft sleeves for naval vessels by the Government navy yard in New York. When representatives of armament makers are given hearings before our committee on naval affairs to complain because they are not making enough profits, it would appear that we are not going very far, as yet, in our effort to discourage war by taking the profits out of it.

Personally, I think it might be enlightening, even to some of the Members of Congress, if this Congress were to pass a law to compel Army and Navy officers, who are here in Washington, to protect us against invasion and to provide for our defense, to wear their uniforms when appearing before congressional committees or watching the proceedings from the House and Senate galleries or otherwise busying themselves about the Capitol and House and Senate Office Buildings.

I read the following significant statement from pages 1 and 2 of the report:

> The Budget estimates of appropriations for the Navy Department for the fiscal year 1936 will be found in detail on pages 471 to 508, inclusive, of the Budget, and in House Documents Nos. 102 and 138 of the present session. In the aggregate they amount to $485,443,847, which not only seems but is a huge sum, and particularly so when contrasted with the total amount ($284,658,799) carried in the Naval Appropriations Act, fiscal year 1935, and with the totals of such annual measures for prior years; but, of course, a substantial expansion of the naval budget is a natural and anticipated sequence to the attainment of a Navy of the proportions contemplated by existing international agreements to which this Government committed itself when it ratified the Washington and London Treaties and to which end it has more recently committed itself through both funds made available to the Chief Executive for employment in naval building programs and legislation of scarcely more than a year ago authorizing the provisions of funds to build and maintain in under-age status the whole number of our treaty quota of naval vessels and such number of aircraft as may be deemed commensurate with a treaty navy.

That language is somewhat misleading because it implies that what is intended to be a maximum limit is something to which we obligated ourselves in the Washington and London Treaties; which, of course, is not the case. We obligated ourselves not to build beyond it. I am in favor of an adequate Navy for defense, but against whom are we preparing to defend ourselves?

With Canada, a peaceful neighbor on the north, with no defenses, either naval or otherwise, except the custom boats on the Great Lakes maintained by either country between us; with Mexico on the south, certainly against whom we need no Navy; and bounded by the Atlantic and Pacific on either side; we are in no danger of having to maintain a defensive war of any real proportions. And yet, situated more advantageously than any other nation in the world, so far as security is concerned, we are spending more upon our Navy than even England, whose dominions and colonies extend around the world and upon whose territory the sun never sets.

I intend no unfair criticism of the Subcommittee on Appropriations, which held the hearings upon and brought out this bill. The language of their report, which I have previously referred to, would appear to indicate that, as was stated in the press a few days ago—

> The committee itself believed that the huge amount carried by this bill was considerably more than was necessary for defensive purposes.

Whether that was the fact I do not know. The chairman of the subcommittee, the gentleman from Kentucky [Mr. CARY], is an able and useful Member of this House. The gentleman was courteous and considerate in extending to me and, I think, the others ample time in general debate on this bill. I intend no personal criticism of him because the bill and report were not available for study long enough before the conclusion of this general debate, so that we could make better use of the time in the debate to inform the House. In his comprehensive remarks in explanation of the bill on Tuesday, he said in part that had we spent a few millions additional for the increase of our Navy in 1914 and 1915, we never would have been drawn into the World War, and implied that proper preparation and defense would have saved the world from the World War. That statement is contrary to the history not only of the World War but of all wars. Germany did not believe that we would ever go into the war, and a great German propaganda was maintained in this country, perhaps not as effective as the propaganda of some of the Allies. We all know now, as we did not know then, as we never know at a time of war hysteria, that it was unnecessary for us to go into the World War and that not one good thing was accomplished either by us or by the other nations.

The effective means of preventing war and securing peace are institutions for the settlement of disputes between nations, just as we have institutions for the settling of disputes between individuals and between our 48 States. Preparation for war breeds war, not peace, just as the preparation of Germany helped to bring on the World War in 1914. Preparation for war such as the gentleman advocates would not have stopped us from going into the war in 1917. It would have unquestionably brought us into the war much earlier than 1917, and the loss in money, lives, and suffering would have been simply that much greater.

A navy second to none would not have saved us nor the rest of the world from the World War. A world court or a league of nations, to which the slight upon the honor of Austria, by the assassination of her Archduke by a Serbian student, in that little obscure town might have been submitted—a place where the nations' representatives might have met around a table and threshed out their differences might have saved the world that fearful catastrophe. It is a pleasing custom among some who cannot reason from cause to effect and discern the end from the beginning nowadays, or was until 1934, to sneer at any attempts to secure the settlement of disputes between nations and to secure international justice through an institution created for that purpose such as the World Court. But no fair-minded, intelligent man can deny that except for the League of Nations a European war would have been brought on in December, last year, by the assassination of King Alexander, of Yugoslavia, and the Premier of France. The causes were equally as potent as those in 1914. Indeed, the editorial opinion of nearly every newspaper in this country was that in December 1934, the League saved the world from another world war.

A navy second to none will not save us or the rest of the world. Naval competition in armament building will not save us nor the rest of the world from another world war. We have done less to promote peace, to secure justice among the nations, far less than we should have done, far less than it has been within our power to do. If you pass this bill in this form, you will be adding just that much to the lack of understanding, the misapprehension, which the nations have of us and which to a great extent we have of them. What are the causes of war? Economic conditions, rivalries, high tariffs, tariff walls. It may all be summed up in a lack of understanding. I cannot guarantee that if we should join the World Court, if we should add the great influence

which we have to that institution, that we could save ourselves and the rest of the world from another war, but I do know that that is the only means by which war can be prevented. We might be able to keep out of another war if our business men and our munition makers are willing to help us preserve our neutrality, but it will be at a fearful price. I am in favor of paying that price rather than again sending our boys to fight on foreign soil. We may be able to keep out of another world war, if one comes, provided that the fountains of information are not again poisoned by the Hearst newspapers and other jingoes. I wonder how long our people will tolerate, I wonder how long this Congress will allow Hearst to influence our foreign policy. More than anyone else, either in this country or elsewhere, Hearst was guilty of inducing this country to get into the war with Spain in 1898. I recall, because I was so eager to get into a silly and unnecessary war that I ran away from home and tried by lying about my age to enlist. I recall the contemptible methods, the lies which Hearst used to create hate against Spain. When he thought that he was not going to be able to force McKinley into the war he called him the living, breeding, embodiment of crime in the United States. He finally did succeed in forcing McKinley into the war. In 1916 he again tried to force us into war; this time with Mexico and as usual for his own personal gain.

I think the amount carried in this bill should either be substantially reduced or the bill should be defeated.

I hope that a motion to recommit will be made, with instructions at least substantially to reduce the amount carried in this bill. The means that we should adopt to secure peace should be such, as advocated by my friend MAVERICK, of Texas, and such as advocated for the past several sessions in this body by the gentleman from Maryland [Mr. LEWIS]. It was never intended that a little group of the United States Senate, one more than one-third, should have it within their power to defeat the will of the people of this country and keep us from adding our influence, our power, to the strength of such an institution for securing justice between nations and preserving the peace of the world as the World Court. The Congress, by a majority vote, has the power, with the approval of the President, to enable us to take our part in that institution for securing justice between the nations. I urge rather than a navy second to none or bigger than all, the support and passage of the bill that was introduced last year in this body and again this year by the gentleman from Maryland [Mr. LEWIS], providing with proper stipulations and conditions for our entry into the World Court.

So far as a navy for defense is concerned, I am for it. I want to repeat what I have said before in this House—that in all the wars in which we have engaged, we have never waged a defensive war. We have never had to defend our own borders. We have never been engaged in a war since the time when we threw off the rule of England, which was necessary for us to get into. I do not except the War of 1812. I do not except even the Civil War. I certainly do not except the Mexican War or the Spanish-American War, both of which were wicked and unjustifiable for us to carry on.

Unless the committee sponsoring this bill is willing to substantially reduce this appropriation, I urge the defeat of the bill.

Mr. McLEOD. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I have been watching with interest the controversy over the cotton-processing tax. At first blush this might appear to be a private fight and of no particular interest to those parts of the country which neither produce nor process cotton. The vital principle involved, however, is not one of interest alone to those engaged in the cotton industry but is of importance to all producers of agricultural products, particularly those upon which processing taxes are now being collected. If as a result of this controversy the cotton-processing tax should be done away with, it would mean in the end that all processing taxes would go and that the benefits now being paid to farmers under the A. A. A. program would cease. This is not, in my opinion, a political question, but is purely and simply a matter of economics. However, speaking from this side of the aisle, and coming from the banner Republican State of the Union, I do not intend to say anything, nor will it be necessary for me to say anything in the course of these remarks which is not entirely consistent with good Republican doctrine as exemplified in the past.

For many years we Republicans in the Middle West have voted for protection because we believed in it as a matter of principle. We may have had our doubts at times as to whether we were getting as much out of it as other sections of the country, particularly New England, but we stood for the principle just the same and consistently voted in Congress for Republican tariff bills. In our innocence we thought for a long time that other sections of the country which stood for protection were for it as a matter of principle also and that they were willing to apply the principle to all sections of the country alike.

My first disillusionment in this matter came while the 1930 Tariff Act was under consideration and arose over the proposal for a tariff on petroleum. At that time the oil industry in this country was flat on its back. It was in much worse condition than the textile industry now finds itself in in New England. There is no question but what a large part of this distress was due to the importation of crude oil from Venezuela and other countries having low production costs. In our distress we turned to our friends in New England, feeling sure that, having tasted the fruits of protection, we could count upon their help in relieving that portion of the distress which was due to importations. To our amazement and chagrin, we were told that New England was opposed to protection for the oil industry and that its industrial interests demanded cheap, imported oil.

Coming at a time when there was pending in Congress a bill containing great increases in tariff protection for New England interests, it was hard for us to believe that we could possibly be treated thus in what we thought was the house of our friends. To make a long story short, due very largely to the opposition of New England and, I think I should say, in part to the lateness with which the matter was brought before Congress, the 1930 Tariff Act did not contain a tariff on oil. The industry was in such a serious condition and imports constituted such a menace, however, that the fight was carried on and finally consummated in an amendment to the 1932 tax bill which provided for a tax—very inadequate, to be sure—upon imported oil and gasoline. The fight against this tax—which, of course, was nothing more or less than a tariff—was made by New England, and it is interesting to note that the roll call on that amendment, as contained in volume 75, page 7327, of the CONGRESSIONAL RECORD, shows practically every New England Member of Congress, Republican and Democrat, voting against this item. In particular, every Member from Massachusetts voted against this amendment, including, of course, those who are most strenuously opposing the processing tax on cotton.

Now, I do not criticize my good and able friends from Massachusetts for carrying out what they feel are the wishes of their constituents in these matters. I do, however, sympathize with them in having to represent a constituency which is so blind, selfish, and self-centered that it requires its Representatives to assume such inconsistent and ridiculous positions on tariff matters.

Now let us get down to the matter of the textile industry and the processing tax. Concededly the textile industry is in a bad way. It is suffering from numerous ailments, and it is to the credit of the Members of Congress representing districts in which that industry is important that they are doing all in their power to bring about relief. Even if my New England friends proved by their votes that they had no sympathy for the plight of the oil industry in its distress, I am willing to go along with them in any reasonable measure to rehabilitate the textile industry. I do not, however, propose to stand by and see an attempt to rehabilitate that industry at the sole expense of the American farmer. I would make that statement even if I felt that the processing tax was detrimental to the textile industry, which it is not, as I shall presently show.

As it stands today, the processing tax is the farmers' tariff. Every argument that can be made for the tariff can be made for the processing tax, because both are based upon exactly the same principle. If it were possible for the farmer who produces commodities of which we have an exportable surplus to be fully protected by the tariff, then I would say there was no need for the processing tax. With the exception of sugar, processing taxes are not being applied today upon any commodity except those of which we have an exportable surplus. In the case of sugar the processing tax is being applied to compensate for the reduction in the tariff, so that in no instance is the processing tax being used except to complement and supplement our tariff system. That great farm organization—the National Grange—has for years taken a position of not opposing the tariff system but of insisting that all industries must all be treated alike under that system. In other words, if there was tariff protection for one, there must be tariff protection for all. May I say that has always been my understanding of the Republican position on the tariff, and is exactly the position I am taking today. As long as the farmer must buy in a protected market he must have the benefit of the processing tax on products whose price is fixed in world markets. Agriculture has been fighting for this principle for years, and it is not going to give it up at this time, no matter how loud the wails from New England. Whenever you get ready to give up the tariff system, whenever you are willing that the textile industry should operate without protection, then American farmers will be ready to listen to the proposal to take off the processing tax.

The processing tax has not injured the textile industry. Every penny of this tax has been passed on to the consumer, and like other taxes, no doubt in some cases something has been added. The extra cost in the retail price of cotton goods caused by the processing tax has been so little as to be insignificant and has in most cases been much less than the increased cost, due to the operation of the N. R. A. codes. There is no evidence to show that the imposition of the processing tax has resulted in any decrease in the consumption of cotton goods. There is no evidence to show that former consumers of cotton are using competing commodities, and protection against this is expressly provided in the law and regulations, because there is imposed a compensatory tax on competing products. The processing tax does not interfere with our exports of cotton goods because it is provided that there shall be a refund of the tax when such goods are exported. It does not put our domestic manufacturers at any disadvantage as far as imports are concerned, because the amount of the tax is added to the tariff. As a matter of fact, the processing tax is fair and just in every way, and the only basis for the objection to it is that cotton manufacturers are not willing to pay the farmer a fair price for his cotton. This is really the only issue. The fight on this particular item furnishes an interesting sidelight as to the hypocrisy of processors of farm commodities. In appearances before the Agricultural Committee they have consistently maintained that they were in favor of high prices for farm products. They said they wished they could pay more; and yet the first time that machinery has been set up which might enable them to pay more, and do it on a basis which will not be to the disadvantage of any textile manufacturer, we find that their wails and howls fill the air.

The processing tax does not and cannot in any way hinder or interfere with the exports of raw cotton. I think that the policy of Government loans on a basis higher than world cotton prices has resulted in a serious injury to our cotton-export business. I think such loans should be discontinued, or at least made on a basis less than world prices. I think also that these loans have put the textile industry at a disadvantage in making it necessary for cotton spinners in this country to pay more for cotton than their competitors in other countries, but all this has nothing to do with the processing tax. If textile manufacturers desire to render a service to the cotton industry and to themselves, they could well concentrate their efforts on a campaign to do away with this policy of cotton loans.

Now, in conclusion, let me say that if the processing tax on agricultural commodities goes—and it will go on all commodities if this attempt to repeal the processing tax on cotton is successful—then our tariff system goes. This is not a threat, but I am simply stating an economic fact, because under present conditions the American farmer cannot buy in a protected market and sell in a world market. So I suggest to my good friends from New England that they go back to their constituents, tell them to get over their hysteria, tell them that Congress and the country sympathize with their plight, and are willing to help them, but that such help must not be solely at the expense of the American producer of agricultural products. Tell them further that Americans demand fair play, and that they are willing that the American textile industry shall be afforded all necessary protection, but that if it is, the cotton producer, the wheat producer, the tobacco producer, and the producer in every other branch of agriculture is entitled to the same protection. [Applause.]

Mr. CARY. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, 37 years ago the United States declared war against Spain. Many of the Spanish-American War veterans are still living, and I do not hesitate to say right now that the amount of compensation which they are receiving from the Government is insufficient. Many of the Spanish-American War veterans are on the relief rolls. They have not been given a square deal and they are not getting one now.

I also want to say a word or two in behalf of the World War veterans. Many of them are also on the relief rolls. Many of those men and their dependents have lost their homes. It seems to me if we would spend some of this money to assist our ex-service men and their dependents, instead of spending it for battleships, we would demonstrate that we have a humane feeling for those men and women who preserved our Nation. I believe that our country should be well fortified, but I do not think it is necessary to spend half a billion dollars for our Navy. If we would spend half of that amount to eradicate the slum districts, it would be a progressive step in the right direction and our crime wave would be reduced considerably. Crime in the United States is costing the Federal Government fabulous sums of money.

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield 8 minutes to the gentleman from Washington [Mr. KNUTE HILL].

Mr. KNUTE HILL. Mr. Chairman, in derision we who oppose war except in case of actual invasion are called pacifists. I, for one, accept the challenge. The first great pacifist was the lowly Nazarene, the Christ. And we dare to call ourselves a Christian Nation! I am a member of no church, but I submit that the very essence of Christianity is action, not profession—mere words.

Members protest that they abhor war. I go far beyond that; I oppose war. Look at the greatest exponents of war. Alexander the Great (God save the mark!), sitting in tears because there were no more worlds to conquer. Grieving not because he could not be of service to mankind but blubbering like a baby because, forsooth, his inordinate lust for power and glory could not be satiated! And Napoleon, that idol of modern war worshipers. A glorified world conqueror and then a miserable exile on the lonely isle of St. Helena. We who have studied our history did not need to read his recently published love letters to know how puny he was, physically, mentally, and morally.

Out along historic Bladensburg Road are the grounds where many a bloody and fatal duel was fought. That was more than a century ago. Today we have advanced far enough to brand dueling as an outlaw, morally and legally. In that day, however, the duelists were the principals. They did not skulk behind their seconds. Today the instigators of war—the Hitlers, the Mussolinis, the Hearsts—incite to war and delude the masses, the rank and file, to fight each other, they know not why nor wherefore.

Individuals no longer arm against each other. Neither do cities, counties, nor States. Then why nations? Only to serve special interests. There were two main causes for our entry into the World War—to swell the already bloated fortunes of the munition makers and the war profiteers, and to distract the attention of the American people from their own economic conditions and problems. It is my humble opinion that if Woodrow Wilson had refused to be led into war and had been wise enough and courageous enough to have given his whole attention to our domestic ills and try to solve these problems in the light of his "New Freedom", not only would there have been a greater luster to his fame but a far greater measure of social justice and security in America today.

It has been stated time and again on the floor of this House that we are sitting on a volcano. Yes; it is too true. But it is a man-made volcano. You cannot stop this human eruption by ridicule and threats as the Hearst papers are daily pouring out against the college youth and the college professors who are really thinking for themselves. Nor can you longer delude the farmers and laborers with mere promises. If you do not remove the cause of this unrest, a standing Army of millions of men and an appropriation of billions of dollars will not quell the disturbance. Only through the avenues of free thought and free expression can we solve these problems and attain recovery through sane reform. It is to stifle this discussion that our war lords are talking about and preparing for the next war. The next great war! Even the sponsors of this bill agree with everybody else that the next great war will destroy civilization. The big air raids, the gas attacks, will spare neither friend nor foe, militarist nor civilian. If it is coming, why prepare for it? It will be complete annihilation. If it is not coming, why prepare for it? It is a snare and a delusion.

Let us see what this "defense program" is. The gentleman from Kentucky [Mr. CARY] boasts that our Navy shall be "mistress of the Seven Seas." In "defense" of our far-flung possessions, I presume! And listen to this:

NAVY REVEALS PLAN FOR NEW BATTLESHIPS—BIGGEST AND MOST POWERFUL EVER CONSTRUCTED INCLUDED IN PROGRAM, HOUSE TOLD

The next big step in the administration's naval program will be the building of modern battleships, Representative GLOVER H. CARY (Democrat), of Kentucky, Chairman of the House Appropriations Naval Subcommittee, said today, unless a world naval conference further reduces the number of these men-of-war.

Consideration of the new $457,000,000 naval supply bill in the House revealed that high naval officials already are studying plans to replace obsolete battleships, which cost from $40,000,000 to $50,000,000 each.

BIG SHIPS FAVORED

American naval experts favor building the biggest and most powerful battleships ever undertaken unless a world agreement intervenes. Representative CARY said:

"The administration's naval policy will bring us to the building of modern battleships, unless those we have can be modernized and unless a naval conference changes the situation. They are considered necessary to the Navy and are in the program."

Eleven battleships will be over age by 1937, and with expiration of treaty limits, new ones can be built. Two more ocean fighters will be over age by 1938 and two more by 1940. Since it requires 4 years to build a battleship, high Navy officials are known to favor prompt action on the program.

We quibbled over giving our farmers $60,000,000 for seed loans to raise crops to feed the people and now propose dreadnaughts costing almost that much apiece. In a few years they will be obsolete or sunk in a battle off the coast of Siam. We grudgingly dole out $15 per month to our citizens who have become aged and decrepit in the service of their country and nonchalantly build airplane carriers at $29,000,000 apiece. And then we wonder that we are "sitting on a volcano." The wonder is that we have not been blown to atoms by an exploited and enraged people.

My very estimable friend and colleague from Illinois [Mr. KELLER] spoke yesterday about the cost of war, stating: "Our trouble is not the cost of war. Our trouble is the cost of panics and the depressions which inevitably follow them" (p. 6331, CONGRESSIONAL RECORD). Exactly. All this is the result of war. The grim and ghastly Four Horsemen of the Apocalypse ever ride in the wake of war, and their fearful depredations can be rightfully charged up to Mars, the war god. But let me remind my good friend that he did not count the whole cost. Let him go down across the Potomac to Arlington Cemetery and there sadly count the little white slabs, thousands of them, marking the last resting place of those who thought they were fighting the last war—the one to "make the world safe for democracy." Let him go to Flanders Field and there behold the "crosses, row on row" marking the graves of their brothers in delusion, and then let him tell me the cost of war. Nay, let him count the bitter tears of little orphans, the heavy sighs of grief-stricken widows, the sobbing heartaches of saddened mothers, and then let him tell me the cost of war. Only a merciful God in Heaven can count this bitter cost and forgive his misguided children here on earth. God grant that in my humble way, in or out of office, I may lend my voice and vote for a lasting peace. [Applause.]

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 17 minutes to the gentleman from Pennsylvania [Mr. FENERTY].

Mr. FENERTY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain data I have prepared.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RED MEXICO

Mr. FENERTY. Mr. Chairman, in order that I may proceed with my address in unbroken sequence, I request that I be not asked to yield until the completion of that which I hope this afternoon to say to the Membership of this House. And at this outset of my speech I ask unanimous consent to revise and extend my remarks that I may also include therein the full text of letters, editorials, manifestoes, articles, statements, and similar papers which, in part, I shall read or which may be otherwise referred to in the course of my address.

The CHAIRMAN. Is there objection? The Chair hears none.

FUNDAMENTAL PRINCIPLES

Mr. FENERTY. Mr. Chairman, deeply rooted in the heart and soul of America is the fundamental political principle that all men are created equal and endowed by their Creator with certain inalienable rights among which are life, liberty, and the pursuit of happiness, and that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed. These rights, which our Nation's founders declared to be self-evident, are held by every man, not by the tolerance or grant of any State but by the laws of nature and the immutable decree of nature's God. It is not within the authority of any government to hamper or destroy them, and the government which attacks them deserves the repudiation and the contempt of all right-minded men. While it is no easy task to enumerate all the rights comprehended under the primal right to life, liberty, and the pursuit of happiness, it is nevertheless certain, as the Supreme Court of the United States decided in the important case of *Meyer* v. *Nebraska* (262 U. S. 390) that among them is the right to worship God according to the dictates of conscience. The constant and unvarying interpretation of the Federal Constitution by our courts sustains our belief that the Government exists to secure the citizen in the exercise of his natural and inalienable rights, and that it may enact no law which destroys them.

To frame a constitution or to enact legislation which renders impossible man's enjoyment of his natural heritage of liberty is not within the legitimate power of government, no matter how constituted. For this inheritance descends to man by the natural law which is "coeval with mankind", and since it "is dictated by God Himself", as Blackstone writes in his celebrated Commentaries—introduction, section 2:

It is, of course, superior in obligation to any other. * * * No human laws are of any validity if contrary to this; and such of them as are valid derive all their force and all their authority, mediately or immediately, from this original.

The legislator who opposes the dictates of this law cannot prescribe a course which is reasonable, or which is profitable

to the community, and since his act in no way reflects the wisdom of the natural law, which is the wisdom of the Eternal Lawgiver, it is in violation of right reason, is not law, and can impose no obligations upon any citizen. An unjust law is a species of tyranny. Meriting no respect, it can evoke no loyalty, particularly from Americans whose principles of government it outrages.

AMERICAN PRINCIPLES ARE CENTURIES OLD

These American doctrines are in accord with the teachings of Christianity, whose most eminent thinkers, such as Bellarmine, Montesquieu, Locke, Thomas Aquinas, Hooker, Grotius, Kant, and Suarez, indicated the rights of the people with which no state or ruler may interfere, insisting that such rights are above and beyond the statutes made by kings and senates, because deriving their sanction, not from the will and power of earthly authority, but from the authority of God and the dignity of man as an intelligent being.

This being so, Mr. Chairman, we are correct in affirming, in true American fashion, that modern political tendencies in some nations have not antiquated or set aside this truth of the Divine source of all authority, for it is not within man's power to destroy that which is true, nor yet within his power to change that which is unchangeable. Truth is fixed and immutable. It is possible to discover new beauty in truth so that it shines more brightly to the eyes of man, but its light cannot be extinguished. Light does not destroy light, but dissolves into it according to the universal law of its essential unity. Nor is it possible to hold that, under exceptional circumstances, a nation may acquire or assume the right to set aside the principles upon which just governments are builded and thus interfere with the fundamental rights of conscience for the supposed good of the state. The state has no title to benefit by wrong, and rights bestowed by man's Creator are beyond the legitimate power of man to suspend or to revoke.

MEXICO SETS UP TOTALITARIAN STATE

The Government of Mexico, by insisting on obedience to a constitution made without reference to justice by a little group of military rulers, contrary to human rights, and never submitted to the people for ratification, declares that the individual citizen has no rights that his rulers are obliged to recognize, that there are no limits to the powers of government, and that the citizen is the mere creature of the totalitarian state. No teaching can more certainly sweep out of existence the sturdy self-reliance of a people, sow discord within and enmity without. The sanctuary of the soul and of conscience the state may not rightly invade. Yet it is precisely this which the present Government of Mexico seeks to do, and then to justify, before the bar of American public opinion, before a people whose national ideals are in direct contradiction to the evil spirit of despotism and tyranny that actuates the laws and rulers now making of Mexico a shocking example of wrong to the civilized world.

Today, Mr. Chairman, we have the extraordinary and shameful spectacle of a foreign government not only filling our country with propaganda in favor of plans and policies so decidedly at variance with American principles, but actually abusing the free franking privilege of the United States Post Office Department to send into our Nation attacks upon Americans and those things which Americans hold sacred, and even attempting to justify and defend among us laws and conduct wholly at variance with the fundamentals set forth in imperishable documents by the fathers of this Republic. Since the Government of Mexico thus submits its case for judgment to a court beyond its own boundaries, pleading not before its own citizens, who, according to its constitution, form the only court competent to pass upon it, but before strangers who claim no jurisdiction over their neighbor's political affairs, the Government of Mexico cannot, therefore, object if the case it has thus presented for judgment be considered in the light of American principles as embodied in our fundamental laws and in the light of Christian principles, since it appeals for the sympathy of Christians; nor, since it claims great zeal for the advancement of its "socialistic" education, if the statements it has presented in support of its pleading be submitted to the test of history.

JUDGED BY AMERICAN TEACHINGS

A comparison of the conception of civil and religious freedom enunciated by the American Constitution and that of the framers and defenders of the present Constitution of Mexico merely emphasizes their entire contrast. To demand American approval for the Constitution of Mexico is nothing less than a demand upon us to repudiate the work of the fathers of our own Republic. We cannot commend the one without registering our condemnation of the other. And what is in this regard true of the constitutions of the two countries is equally so with respect to the laws founded upon them in Mexico and the United States.

I need not enumerate for the Members of this House the rights of the citizen under the American Constitution. They are emblazoned upon every page of our history and written into the decisions of our courts. These rights have stood the test of a century and a half and our people today are undoubtedly more than ever convinced of the desirability of their continuance. For the American Government, fully and frankly recognizing the utility of religion to good government, encourages it to make greater and greater contributions to the happiness of the people, the stability of government, and the reign of order.

In disgraceful contrast to this, the Mexican Constitution and its enforcing acts thrust the citizen into a state of abject subservience to the Government, making him a creature of the dictators who, preaching communism and socialism, have enriched themselves by the debasement and at the expense of Mexico's forgotten people.

MEXICAN CULTURE HAS A GLORIOUS HISTORY

The gross inhumanity and injustice of the present Mexican Government and its oppression of the Mexican people become the more evident if we consider for a moment the possibilities of the Mexican character and the pinnacles of scholarship and cultural achievement to which the native Mexican attained before the anti-God forces assumed control.

Mr. Chairman, two centuries and a half before the Declaration of Independence was written in my own city of Philadelphia, gulf and lagoon in Mexico echoed to the music of Christian praise. The chaplains of the conquerors were still struggling with the hundred dialects of the land when, from Flanders and Spain, came 15 members of the Franciscan Order to receive the warm welcome of Cortes and win the souls and hearts of the natives of Mexico. So indelibly did the sacrificial humility of the missionaries impress itself upon the Indians that they gave to the friars a name that the seraphic Poverello would himself have loved when they called them "Motolinia—poorest of the poor"; and so enduring did the title become that one of the provincials of the order, who later founded churches, schools, missions, and towns from Nicaragua to the northern border, himself baptizing 400,000 souls and holding whole districts in civil and spiritual allegiance, is still affectionately known to history as "Fray Motolinia."

Not less typical of the friars' zeal for the cause of God was the princely kinsman of the Emperor Charles V, Peter of Ghent, who was unceasing in his establishment of churches and schools, whose primary school, with over 1,000 native pupils, gradually developed into a great civilizing center from which teachers and officials went forth for the education of the natives in their own tribal tongues. And it is amazing to realize that this devoted friar found time from his academic labors to translate the hymns of the church into the Aztec language, just as Father Alonzo de Molina composed a Mexican-Spanish dictionary that is regarded by scholars as standard even in our day.

Just as 2,000 years ago it was averred that no good could come out of Nazareth, so there were not lacking a few among the rough European soldiery who thought the Mexican Indian undeserving of the attentive care which the missionaries bestowed upon him. Reports were sent abroad expressing injured amazement that the priests were actually teaching

Latin to the Indians, and with such success that the natives spoke it "like Cicero."

Perhaps the most impressive illustration of this backward attitude of mind toward the native was afforded by the colonists along our own Atlantic seaboard; for, finding here the native North American Indian, no more savage than those the missionaries educated and Christianized, the English colonists adopted as their compelling principle of action the idea that "the only good Indian is a dead one", and destroyed the native races, until today, ingloriously herded into a few reservations, the Indians of this country form less than one-half of 1 percent of the people in the land in which their fathers had hunted centuries before the white man's foot was set on the alien soil.

IT IS NECESSARY TO UNDERSTAND THE INDIAN CHARACTER

To those who, moved by racial antipathy or blinded by historical ignorance, level the shafts of unthinking ridicule at the Indian culture of old Mexico, I say:

Who founded the culture of Mexico? Who created her ancient university and colleges and trade and primary schools? What glory has Mexico that has not been given her by the teachers of whom the Mexican militarist clique would now deprive her people?

Where is the Indian of North America? When England lost her American Colonies, Mr. Chairman, they were taken by descendants of the white man—civilized for over a thousand years—while the dusky native was pursued like a hunted animal across the Alleghenies, over the Ohio and the Mississippi, across the Rockies and the Sierra Nevada, until he sought shelter beneath the cross of the California mission.

In Mexico 90 percent of the people are of full or part Indian blood. There the Indian problem was solved by preservation, by education, and religion. Here the Indian problem was buried beneath the totem poles of the slaughtered natives. It is probably because there is thus no Indian problem here that there is such wide-spread misunderstanding on the part of Americans toward Mexico, and such indifference by much of our press toward that decivilization which is today prostrating our sister land. Such an unworthy attitude may in charity be explained, if not excused, by the fact that our American people as a whole are temperamentally incompetent to value or appraise understandingly a civilization that elevated and preserved the Indian while we exterminated him, or to interpret sympathetically the culture to which Mexico owes everything but her natural loveliness.

The friars' zeal for education of the Mexican Indian, however, was shared by the Queen of Spain, who entreated her subjects to consider him as a free man and a spiritual equal, even as Pope Paul III, as early as 1537, had issued documents condemning slavery in America, giving the Indian equal standing with the white man and asserting his right to the entire heritage of Christian faith.

It is not surprising, then, that so urgent was the desire for education that, during what might be called "the cultural period" in Mexico, there were founded no less than 9,000 churches, each with its own school, academies for adults with a thousand students, trade schools, numerous colleges, like Santa Cruz for Indians and San Juan de Letran for Mestizos, which, in addition to Latin and philosophy, had chairs of music, medicine, and languages, sending forth native graduates to become teachers, mayors, and Governors of the people.

FIRST PRINTING PRESS IN AMERICA

The first Bishop of Mexico, Fray Zummáraga, founded nine schools for Indian girls and an asylum for half-castes. Seventy-six years before the Pilgrims landed at Plymouth Rock, almost 90 years before the birth of George Washington, the Bishop of Mexico had had school texts and the Bible translated into Indian and, because of the extensive proficiency in reading taught by the missionaries, he set up the first printing press in the New World, a press which was actively productive of translations, copies, and original works even long before Father Andrew White, S. J., had performed a similar educational service for the American Colonies by establishing the first press in the United States in the little village of St. Marys, in Maryland.

AMERICA'S OLDEST UNIVERSITY

In the meantime the Jesuits, the Benedictines, Dominicans and Augustinians were busily pursuing the same plan of combining secular with religious instruction. The Jesuits founded the College of San Ildefonso, while the Augustinians established that of San Pablo. So wide-spread became the scope of missionary teaching that nearly 400 years ago, in 1553, the church founded the University of Mexico, with all the faculties and privileges pertaining to the renowned University of Salamanca. Ranking in repute with the mighty cultural establishments of medieval and later Europe, from the sixteenth to the beginning of the nineteenth century, when the antireligious group first began its destructive work, this ancient institution in the city of Mexico, the oldest university in America, coequal with San Marcos in Peru, with its affiliated institutions produced a brilliant galaxy of native poets, theologians, dramatists, historians, jurists, scientists, and even journalists, so that, comparing notably with Spanish culture and far outranking that of the contemporary English colonies, the University of Mexico was giving to the world graduates who won international renown generations before Harvard was founded and when the great monumental cities of our western world were still swamps in the prairie.

How many today remember that 200 years before Harvard began the study of medicine, 86 years before Hunter opened the first English school of dissection, the missionary teachers of Mexico had inaugurated the teaching of anatomy and surgery with dissection, while hospitals, like that of Guadalajara, founded 3 centuries ago by Mexican bishops, are regarded as models by American medical scholars of our own generation?

OUR COUNTRY'S DEBT TO MEXICO

American tourists who today gaze with wondering admiration upon the solidity and beauty of our western American missions should not forget that it was Mexico which sent the padres to our western slope. The glory of missionary culture in California was only an extension of the work in Mexico. I wonder how many of those Members of the Senate and House of Representatives who daily pass the statue of Junipero Serra, honored as California's heroic representative in the Hall of the Capitol here in Washington, recall that the beloved Franciscan educator came to us as an ambassador of that Mexican culture which the soviet dictators of Mexico would now have us forget. It was from civilized Mexico that the missionary teachers pushed their way through the uncivilized Mexican territories, through Texas and Arizona, New Mexico, and California.

It was Mexican culture that left the sandal print of missionary feet along every mile of El Camino Real—the royal road of California. It was the Mexican soul that left its monuments along the Rio Grande and the Pacific shores from San Diego to San Francisco. The old records speak in the liquid tongue of the Castilian to tell us that it was not Spain but Mexico that sent the sons of Assisi and Loyola to become the protomartyrs of our land. Through them we share in the impulse and inspiration of faith that Mexico gave to America. Her spiritual treasures become ours, her martyrs, our martyrs. Already, as has been eloquently written into history, our debt to Mexico has been acknowledged by voices which, if they do not all sing the old hymns, yet do all understand something of the message of the singers; if they do not all worship at the old altars, yet do all hold sacred the spots where the padres built them and give to the new cities that surround them the old names, to keep for our great West its traditions, its character, and its unfading charm.

BRILLIANT GALAXY OF MEXICAN SCHOLARS

Modern historians, while eulogizing progress in North America, sometimes forget whose cultural children we are, whose heritage we possess. Have we in America (even though our greatest artists study in Europe), have we produced a greater painter than the Mexican Indian Miguel de Cabrera, or Panduro, or Velazquez? Are our poets or orators superior to Altamirano? Have we produced a professor

like the humble Juan Esteban, to whom pupils were sent from the countries of the old world? What American voices had more of eloquent inspiration than that of Nicholas del Puerto? Is our philosophy more profound than that of Munguia? Have we, even in Philadelphia, the city of lawyers, an attorney whose fame will outlast that of Francisco Pascual Garcia or Sanchez Santos? Cannot our journalists learn from Ignatio Ramirez or Rodriguez or Gavan? Has any surgeon of his time surpassed the ability of Urrutia? What American Indian ever became such an expert Latinist as Adriano de Tlalteloleo? Or such a historian as Valeriano? Have our scientists overshadowed the acumen of Carillo y Azcona? Or our preachers the mental attainments of Bartolome de Alba? Even in political acumen can we ignore Estagnol? Or in intelligent courage excel Mejia? Was it not with reason that Baron von Humboldt testified —even as did the American Ambassador, Henry Lane Wilson, in later years—that no city of the new continent, without even excepting those of the United States, could display such great and solid scientific establishments as the capital of Mexico?

Such, Mr. Speaker, was the Mexico of other days, before the war drums broke out in the first quarter of the nineteenth century—Mexico during 3 centuries of such tranquillity as had not been known during that period to any other country, European or colonial, throughout the world.

ANTIRELIGIOUS GROUP SEIZES CONTROL

What, then, must be said of that system of antireligion that has now persisted in Mexico for 100 years when we recall, as a brilliant English writer has averred, that at the beginning of the nineteenth century, when the antichurch forces first assumed control, Mexico had proportionately more colleges and less illiteracy than Great Britain, whereas today her great university is closed, her colleges confiscated, her people cast into an abysmal ignorance imposed by the machine guns of a mongrel minority?

Is it any wonder that illiteracy today abounds in Mexico, when you recall that her greatest civilizing and educating force, the church, has for a hundred years been ostracized from the classroom? Children may not be brought to the Christ who asked that they be suffered to come unto Him. They may only be brought to Calles and his degraded votaries who demand that they be made the custodians of the conscience of childhood. For three-quarters of a century the church has been a constitutional outlaw, forbidden to exercise her cultural influence on the life and conduct of the Mexican people.

During the 50 years after the break with Spain there were 57 Mexican Presidents and numerous wars. A peaceful interlude under the benevolent dictatorship of Porfirio Diaz enabled education and religion to regain something of their lost inheritance. But when, in 1910, President Diaz began to look with disfavor on certain oil interests affecting the United States, believing that his country was being unduly exploited—though he was probably correct, as is evidenced by the fact that Americans owned half of Mexico's wealth—nevertheless that decision cost him the Presidency of his country.

AMERICAN INTERFERENCE WITH MEXICO

By a strange coincidence, a convenient revolution broke out with help for the rebels from the United States. You will notice that our Government is not really bashful about intervening in Mexico when oil or other material interests are at the base of the problem. America has interfered in Mexico a dozen times and invariably against the best interests of the Mexican people. There was a ray of hope for Mexico when Victoriano Huerta became President. Peace and prosperity were presaged when for the first time since Mexico became a republic, President Huerta opened Congress in the name of God, as our own sessions here begin, and urged it to pray that God's law and concord would reign.

The far-seeing diplomacy of Great Britain and Germany recognized the government of this unusual Mexican leader and the American Ambassador and consuls recommended that the President of the United States extend similar recognition to what appeared to be a stable de facto government. But after the oil companies had protested with many unctuous tears, the President of the United States, Woodrow Wilson, according to his closest confidant, Col. Edward House, entered into a secret covenant secretly arrived at with Sir William Tyrrell, as a result of which Mr. Wilson induced Congress to reverse its own and his position on the Panama Canal tolls question, allowing British ships equal privileges with our own in the use of the Canal, in exchange for which concession England agreed to repudiate the recognition of Huerta by her own Ambassador and permit Mr. Wilson to have a free hand in Mexico.

Mr. Chairman, it was from this action that there followed the orgy of anarchy and persecution that today is culminating in the sovietizing of Mexico. Carranza, Obregon, Calles, all of these parasitical bandits, secured their position by American intervention. Arms and munitions were sent to Carranza in his attack upon the real government of the Republic, and when the American Secretary of War, Josephus Daniels, by order of President Wilson, sent the American marines to Vera Cruz in 1914, the oil interests were jubilant. Huerta was banished from the Presidency and died asking God's forgiveness for President Wilson, who, he said, never really understood. Revolution flared forth throughout Mexico with America supplying the fuel. Between four and six thousand religious schools, tolerated during the Diaz regime, and numerous libraries and priceless manuscripts, were confiscated or destroyed. Colleges were turned into barracks, the Carranzistas stabled their horses in the churches, priests were murdered, nuns tortured, altars defiled, religion desecrated, God mocked by decree and word and act. Illiteracy, irreligion, vice spread over the land as Mexico lay helpless under the American guns supplied to the bandits. Carranza showed his contempt for the power of the United States by expelling the American Red Cross, just as the present Mexican Government has expelled the Red Cross of Spain. The next day President Wilson extended American recognition to him as the leader of the Mexican people.

Truly the sun had set in blood upon the Mexican hills. It was night—dark as that which Moses laid upon the land of Egypt—black, dismal, murder-filled night, lighted only by the distant glow of incendiary fires; and out of the dark and the terror, with the cunning of the native coyote, stalked a stealthy, animal-like creature, capable of any crime not requiring courage—Plutarcho Elias Calles, the Red Czar of the Montezumas.

THE RED CZAR OF MEXICO

Who is this man Calles, leader of the Revolutionary Party, the present Stalin of Mexico? Who is this half-breed murderer whose name will be remembered, if at all, only as a synonym for brutality and communism—the illiterate son of a Syrian peddler who by sheer disregard for humanity has secured for himself control of the armed minority? Styled "The Turk" by the Mexicans who suspect he is of alien blood, and therefore never qualified for the Presidency; fresh from the haunts of vice, after a youth of crime and violence; a bandit leader, despised even by Madame Kollontai, the Bolshevik representative, having little by little gained control of the army by the simple process of assasinating his competitors, he announced his candidacy for the Presidency and held an election, in which his opponent, Flores, received the votes, but, as Mr. Calles counted them, he rose to the presidential sash and the palace of Chapultepec. There he entertained and wined and dined with American representatives, chambers of commerce and other organizations which occasionally hold none too laudable conventions in Mexico, where they are shown exactly what the Government wishes them to see, and are then addressed by Calles, who finds it difficult to conceal his contempt for their gullibility.

Having stolen the municipal funds as a village treasurer, Calles now takes charge of the national treasury, from which he has paid out millions of pesos to finance revolution in Nicaragua and communistic propaganda in Mexico and Central America.

Having failed in youth as a primary-school teacher in Guaymas, he later seeks to reform the whole educational system of Mexico and boasts of having closed over 20 colleges.

Having been unsuccessful as a farmer at Santa Rosa, where under his devoted care the ranch became bankrupt, he introduces an agrarian scheme destructive of Mexican agriculture.

Having been a failure as an industrialist in charge of a flour mill at Fronteras, he later issues edicts ruinous to many Mexican industries.

Never having studied economics, he embarks on an economic revolution that has inflicted untold hardship on the Mexican people. Posing as a friend of the Indian, he makes inexcusable attacks upon them. Pretending to be a friend of labor, he merely uses labor, as did Lenin, as a stepping stone to power, and he did not hesitate to slaughter workmen during a Sonora strike, and then having murdered some of them, he forced the rest to return to work for 6 cents a day.

Never having attended any church, he founded a church of his own. Having spent a youth of shiftlessness, dishonesty, and poverty, he has now become a multimillionaire by the wanton seizure of haciendas and farms, of public lands in Vera Cruz, of oil wells, mines, and other valuable interests, in addition to forcing all employees to join a union to which they are obliged to pay 10 percent of their wages—to be managed by him.

Mr. Chairman, this is the power behind the Presidential chair in Mexico City, a man who, lifted into power through the subservience of an American administration, is sustained by the continued sanction of our present Government. He it is who is the "deus ex machina"—the man who pulls the strings—a man who is compelled to live on an island off the coast so that he may not be murdered by the oppressed people; the high-souled liberal who is responsible to the world for the enforcement of the communistic laws that today make the Mexican Government at once the execration and the laughing stock of the civilized world.

DESTRUCTION OF HUMAN RIGHTS

Under the system of Communist philosophy imposed upon Mexico by the guns of Calles and his official murderers, human liberty has gasped and died. Freedom of religion, of education, of speech, of the press, of assembly, of petition, of individual opportunity are destroyed under the scourge of a persecution that has won for Calles the unenviable blood aureole of a Caligula.

For, according to the prevailing oppressive regulations, the God-fearing citizen has practically no rights that anyone is bound to respect. No religious organization may own land or mortgages or any other productive property. If it have any money, however little, it may not invest it, and if it retain it, it will be stolen. Though its members be teachers, it may not conduct schools. Though it be dedicated to the poor and the lowly, it may not administer charities. Though in need of help, it may not solicit funds. Services are permitted only in certain authorized buildings, so that for future purposes the officials of the Government may know who the ministers of religion may be. But the right to wear a distinctive garb is denied, so that the poor may not recognize the spiritual leaders of the people.

If more than 10 persons gather at a house and conduct religious services, the house is confiscated, even though the owner knew nothing of the service. Though the antireligious constitution was never approved by the people or their representatives, no religious spokesman for the people may criticize the laws or even vote for their repeal. No minister of any creed may hold office or conduct an assembly to petition the Government to modify its tyrannical persecution of all religious faiths. All churches, asylums, orphanages, seminaries, convents, religious schools, and residences, with every object in any way pertaining to religion are confiscated by the parasites now enriching themselves at the expense of Mexico's underprivileged people.

Catholics in particular are spied upon, their wires are tapped, their mail opened, their publications banned, their organizations destroyed, even their secular newspapers suppressed for refusal to uphold the policies of the atheist dictators. Liberty in the American sense is totally nonexistent, for no political group may even adopt a name which indicates its belief in the Creator.

MEXICAN REFUGEES FLEE TO UNITED STATES

With poverty and distress on the increase, with thousands of refugees fleeing across the American border to seek food and shelter and clothing and employment from the relief organizations and overburdened taxpayers of this country, the Mexican Government has destroyed private charity by decreeing that every charitable society of more than 10 persons must be controlled by the money changers now selling the Mexican nation into slavery. Under this system the religious citizen, even if starving, can sustain his life only by the surrender of his faith, for the hope of private charity from religious organizations is destroyed by the provision that no minister of any church may inherit property except from certain blood relatives, and if it be anyhow devised to him, it is appropriated by the political despots now misgoverning the land. As a result of such policies, I am informed that Mr. Calles is now the third largest depositor in the Bank of England. Even the Home for the Aged in Mexico City, founded by the wife of President Diaz, was ordered closed, and then reopened after the aged destitute had been deprived of the gentle ministrations of the Little Sisters of the Poor who, upon their expulsion, sought refuge in Cuba and in Spain.

In Querétaro all public employees who are Catholic or married by a priest are subject to dismissal. Federal employees have been discharged for failure to parade in the Government's public demonstrations against God and religion. Internes at the Juarez Hospital have been dismissed from their treatment of the invalid poor because they refused to take part in a similar anti-God ceremony, and, since under the law the Mexican physician is obliged to complete his internship in the country, this is equivalent to the disbarment of decent doctors from their profession.

In Huijutla, imprisonment is the penalty for teaching religion. The Mexican Indians, whose ancestors, under the guidance of religious teachers, produced eminent scholars in all walks of life, are given small pieces of property only on condition that they promise never to go to Mass or receive the sacraments of their church. If they refuse, and a large proportion of them refused with scorn, their humble homes are sacked for religious images, which are confiscated and burned.

GOVERNMENT MURDER POLICY IN MEXICO

The fidelity of the Mexican clergy to God has been characteristic of them. For instance, from 1926 to 1929 over 200 priests were murdered because they clung to their faith. The Government had given them every inducement to apostatize. They were offered Government positions. As educated men, they were offered special privileges and rights and incomes. They were threatened with prison, exile, death, if they refused to yield. Surely must they have had something of the constancy of the early Christians under Nero, for not one surrendered his belief to the Government's blandishments or threats. The Mexican representatives, paid and unpaid, in this country may shout their denials of persecution to the top of the Washington Monument, but they cannot wash from their hands the blood of the 29 priests murdered in the last few months or the hundreds of clergy wantonly butchered within the past few years—crimes for which no murderer was ever tried!

MEXICAN AGENTS DISTORT FACTS

Yes, Mr. Chairman, the hirelings of the Mexican soviet continue to say that there is no persecution in Mexico. Piously they raise their eyes in holy amazement and deny that there is any violence done to any citizen because of his faith. If I were a diplomat or a politician, I might say that these Mexican representatives are unconsciously misinformed as to the true facts. But being an ordinary garden variety of Philadelphia lawyer, who spent most of his years since coming to the bar in prosecuting criminals and detecting fraud, I have no hesitancy in asserting that the Mexican hirelings are a rather nondescript variety of undiluted and unmitigated liars.

Any paid propagandist who could not manage a more plausible falsehood than these Mexican representatives should make a reasonable and occasional effort to tell the truth.

No persecution in Mexico! Mr. Speaker, let me read to you and the House this excerpt from an article by S. L. A. Marshall in the New York Times:

The question is asked whether religious persecution is occurring in Mexico. The answer depends upon one's understanding of the word "persecution" and the permutations whereby that which is, in fact, persecution may be made to appear as an act of spotless legality.

As a case in point, five men were killed in a riot while I was at the village of Guadalupe. The riot was precipitated when a squad of judicial police was assigned to take inventory of the abbot's furniture. Their method of going about what should have been a peaceful mission was to break in a window and then arrest the abbot for not opening the door. Word spread about the village that the "red shirts" were murdering the abbot, a thousand Indians swarmed to the rescue, and the deaths resulted.

Or let me take you to Querétaro. The hour is sun down, and we walk down the long hill from Convent de la Cruz where Maximilian awaited his firing squad. Slogging toward us comes a file of Indians. Feet bare save for their hand-made guaraches, faces muffled to the eyes in their drab zarapes, they walk mechanically like men moving in sleep, glancing neither right nor left. The guard halts them opposite us.

We ask: "What crime have these men committed?"

The guard answers: "They were caught breaking into a church."

"Did they intend to rob the church?"

"No; they wished to enter and pray."

The churches of Querétaro are padlocked. The Indians violated property in State custody by attempting to enter. It was all quite according to law, and hence no persecution was involved!

Yes; it was all legal, all proper and chivalrous according to the military soviet now misgoverning the land beyond the Rio Grande. As Benen once wrote in the Far East:

You may speak of Christ to the savage, you may raise the Cross on his land,
To the Yukon go, to the Ganges go, but halt at the Rio Grande!
The Mongol will never molest you, you are safe with the dark Malay;
But bring Christ's sign to the Mexican line and a "gentleman" bars your way.

You may build a hut in the jungle and kneel at your altar there,
And a barbarous chief will thank you for teaching the ways of prayer;
But speak of their God to the children in Our Lady's land of the South,
And a highly "civilized" señor will show you his pistol's mouth.

No Indian rajah jails you if he sees you with stole and pyx;
You will find no Dyak head-hunters thieving your crucifix;
The convert redskin's honor is free of the robber's smirch—
It takes a "civilized" señor to strip the walls of a church.

Ay, sometimes the heathen's sword blade has martyred the priest and nun;
In a raw and ignorant frenzy the puerile thing was done;
But this is no band of Zulus that down on the orphanage swoops—
'Tis a highly "civilized" señor with his highly "chivalrous" troops.

You may speak in Mexico City in the name of Lenin the man,
You may speak in the name of Mammon, you may speak in the name of Pan,
You may speak in the name that is legion, you may speak in the name of hell
And you're safe. But speak in the name of Christ—there's a different tale to tell.

The teaching that tamed the vandal, the spirit that chastened the Goth,
The wisdom that gave us Christendom, sole check on man's lust and wrath,
You may spread it in cave or igloo, but not in your Mexican school—
It displeases a "civilized" señor and it's banned by his "civilized" rule.

To Christ in His living members, Good Friday comes anew.
To be honored thus by the world's dark hate is proof of their lineage true.
The spittle is flung on the Kingly Face, the thorns pressed down on the brow,
And Our Lady of Guadalupe mourns—she is Mother of Sorrows now.

"I must follow the laws of the nation", he says, and so echoes the cry
Of the Deicide rabble: "We have a law, and by that law let Christ die!"
So the minions of Nero were righteous? And Robespierre's ethics unflawed?
"Give unto Caesar", your gospel runs, "the things of both Caesar and God."

And the gentle women you harass—we know them and know their works.
Do you hate them for serving, fearless, where the deadly fever lurks?
Do you hate them for shielding the orphan, for keeping the child's soul white?
Is your warfare waged against them for this, O most doughty knight?

You may speak Christ's Name to the savage, you may raise the Cross on his land,
To the Ganges go, to the Yukon go—but halt at the Rio Grande!
Eat bread and salt with the tribesman—he will honor and guard his guest;
But break God's Bread for peon unfed—there's a señor's gun at your breast!

"A DANIELS COME TO JUDGMENT"

To add to the burden of the poor people of Mexico in their fight for freedom of conscience, our Government has sent as our Ambassador to that country a man who apparently is intellectually incapable of understanding Mexico, its people, or its traditions. Without impugning his motives, it is at least amazing that at the very time the people of Mexico are being persecuted for attempting to practice any form of religion, at a time when the Mexican Government is admittedly imprisoning and mistreating innocent men and women for daring to display any faith in a Creator, when Government employees and medical students are discharged for refusal to join in official public manifestations against God, and Americans are deprived of freedom of worship, our erratic Ambassador, according to an Associated Press dispatch of last Sunday, blandly and inanely says:

They—

the Mexican people—

deny there has been any religious persecution.

As a sample of ambassadorial stupidity, Mr. Speaker, there is a choice morsel for you. Actually the lists of official outrages upon Mexico's persecuted people show that thousands upon thousands of crimes from murder to mere overnight kidnaping have been committed by the Government officials in the name of communism and atheism in Mexico. Our Ambassador somehow never hears of them, although millions in every country in the world have the actual proofs of their perpetration and there are affidavits here in this city citing the abuses to Americans.

In addition to this, in the Weekly News Sheet of April 12, sent free through the American mails by the Mexican Ministry of Foreign Affairs, there is a copy of a radio speech by our Ambassador in which he turns press agent for the Mexican communists in an effort to round up some trade for the Rotary Convention in Mexico and says:

* * * They—

The Mexican people—

are going forward in education.

And so forth. And yet, at the very time he is uttering these words, Mexico is dedicated to a system of socialistic education that, as I shall show you in a few minutes, instills hatred of Americans into the minds of the young, that boasts that God is excluded from Mexico, that brings the most perverse forms of degenerate immorality into the classrooms, and compels the children to greet their teachers with the morning salutation, "Good day, teacher, there is no God!"

President Roosevelt knows all this—or he should. And yet he smiles and smiles and plays Pollyanna while men and women die and little children suffer in body and in soul.

COLLEGE STUDENTS CONDEMN MEXICAN OPPRESSION OF LABOR

It is but natural that the educated citizens of Mexico should condemn the tyranny now prevalent there. A strong group of college students arose to protest the 6-year plan, but the newspapers, completely cowed by the Government, refused to carry a line concerning the students' action. The Theresian College for Women in Mixcoac was, only a year ago, surrounded by Government agents who announced that they had come to assume control. The students, knowing the Government and its agents, refused to submit, locked themselves in the building, held their position for 5 days, and faced starvation as a protest against the closing of their

school. Three hundred of them pledged themselves to die as martyrs rather than submit to the sacking of their college by a group of God haters. Fearing that the example of this brave revolt might inflame other student groups and dreading the possibility of this news reaching the outside world, the Government made the students a number of promises. If they submitted, their school was to be left untouched and their rights respected. At the end of the fifth day the 300 young women accepted the promises and left the school. The moment they had done so the Government violated its pledges and seizure and confiscation ended the existence of their beloved institution.

Is it any wonder, Mr. Chairman, that the Federation of University Students of Mexico, in Mexico City on February 25 last, issued this manifesto?—

The people of our country suffer misery and hunger. Innumerable working men's strikes have been called all over Mexico. The Workingmen's Syndicate of the El Mantes region, in the hacienda of El Mante, property of Plutarco Elias Calles; in the hacienda San Fernando, property of Rodolfo Elias Calles, in the hacienda El Guayalejo, property of Aaron Saenz; and in the well-known contracting company, the F. Y. U. S. A., whose principal stockholders are Calles, Saenz, and their political associates; in all these centers of production the laborers have tried in vain to improve their working conditions by means of unsuccessful attempted strikes. Their petitions have been rejected by all the above-mentioned property owners who are no others than the very ones who preach official socialism and who call themselves the "deliberators" of the proletariat. This fact completely proves the selfishness of official socialism and clearly proves before public opinion that the laboring classes are yet the victims of the abuses and the vexations committed by the men in power—the protégés of Calles.

CHILDREN DEBAUCHED BY PERVERSE SEX TEACHINGS

You can readily understand the fear that today grips the youth of Mexico when you remember that Mexican children in primary coeducational grades have been stripped naked to illustrate the facts of sex. According to writers in American publications, animals have been introduced into the classrooms to further the same ends. As stated by a writer of the Philadelphia Evening Bulletin for March 19, 1935, (p. 14):

Sex education is being frankly propagated as social education. Children just out of the kindergarten are to study nude pictures of men and women, with the inscription "This is nature."

Children in some localities were even taken to maternity hospitals to witness that which in all other countries is considered to be in the exclusive domain of the physician. One child went mad as a result of this experience.

This sexual system began under Tomas Garrido Canabal, as Governor of Tabasco, and extended to Sonora, where Calles' son is Governor, and in at least eight other States in accordance with instructions of Secretary of State Bassolls, who enforced it in the Federal District until stopped by the protests and demonstrations of some 60,000 outraged parents.

The Mexican consul general who these days apparently has a set-up line of type waiting—like a trained firehorse—which reads: "It is untrue. I deny it, whatever it was," Well, the Mexican consul general denied these facts when news of them first reached the United States. Unfortunately for the official Mexican denial man, his denial contradicted the Mexican press and his own State records.

The Secretary of Public Education in Mexico issued in January of this year a pamphlet in support of sexual education prescribing for teachers the official program for sexual instruction. This, as published in Excelsior, of Mexico City, January 9, 1934, ran a set of headings for boys of the sixth grade in primary schools that are too obscene to be published in the CONGRESSIONAL RECORD of the United States Congress, and a more detailed list for sixth-grade girls which was even more indecently specific. It included the minutest detail of every organ and function concerning propagation of the species. It also contained such naked details of sex as are taught only in medical schools of civilized countries.

Excelsior, of January 14, 1934, informs us, moreover, that the Secretariat of Education was distributing gratis to all Mexican children, thousands of pamphlets on sexual education and other productions, which even Excelsior refrains from describing because, as it states:

We feel that the ribbon of the typewriter on which we would type them would turn from black to red. They are calculated to awaken the most brutal instincts and excite the most feverish passions of lust.

That the Secretary of Education and General Calles' favorite, Governor Garrido Canabal, of Tabasco, did prescribe and have enacted the naked exposure of the sexes in mixed schools for object lessons in sexual instruction, the consul general in El Paso may find recorded in Excelsior and Universal and the general Mexican press; and any of the 400 Mexican mothers who braved Bassolls' soldiers to protest to him against these outrages will tell the consul all about it.

He can get it also from the 25 schools of Mixcoac, in the Federal District, that went unanimously on strike when Bassolls rejected the parents' protests; and from the 600 in the city school that revolted against their director of sexual methods, denouncing her as a "she-wolf", and from all the daily papers which record these events.

But all this, and more, and worse, the consul knows very well. He also knows that this is the meaning of the socialistic education which his headmaster Calles is just now having his Congress inject into what they call the Mexican constitution. And yet he denies what all the world knows to be true!

GRAVES OF DEAD MUST BE MARKED BY A NUMBER

Indeed, so inhuman is this Government, dominated by men who for 30 pieces of silver would not hesitate to burn a house or cut a throat, that they have even disturbed the ashes of the dead. Monuments of faith have been demolished and in certain sections of the country these vandals have ordered the removal of Christian names from the tombstones, so that, forfeiting their repose and even their identity to the communist state, the dead must now be marked by a number.

PERSECUTION OF PROTESTANTS

When you consider that the Catholic faith is the belief of nine-tenths of the Mexican people, you will realize what an easy step it is from persecution of the Catholic to persecution of all other religions. According to the Christian Index of Atlanta, the organ and property of the Baptists of Georgia, in its issue of November 15 last, the Baptist missions were closed because of the Socialist program of education and the law on religion. That my colleagues in this House may know the extent to which the Mexican dictators have carried their excesses against decency and religion, I feel that I should read to you part of the announcement:

* * * The Government of Mexico has put on an extensive socialistic program of education throughout the Republic. They have placed a ban on the teaching of all religions. The Bible is excluded from all schools, and they have now closed our Baptist Theological Seminary at Saltillo. All church properties being federalized, they have passed into the hands of the Government. Some of our Baptist churches have already been taken over as offices for school superintendents, mayors, or other public officials, and the Mexican flag is now flying from the steeples of Baptist churches. * * *

The Mexican Government is determined to exclude Catholicism in all of its phases from the Republic, and in doing so, of course, they are excluding all Baptists, Presbyterians, and Methodists alike. * * *

The Protestant Review, Puerto Rico Evangelico, which had hitherto been a defender of Calles, now denounces his Government, complaining that Protestants are prevented from placing crosses and inscriptions in their cemeteries and that Christianity is "shackled in the dungeon of governmental tyranny." And last fall it was reported that the Methodist school at Guadalajara has also been closed, while even the Mormon meeting houses have been closed in Chihuahua, despite the fact that the Mormons were in genuine accord with the requirements of the law on religious worship.

ANTI-JEWISH POLICY

It is apparent, too, that anti-Semitism is raising its ugly head with the benediction and approval of those high in the councils of the Mexican Government. The writer to whom

I referred a few minutes ago noted in the Philadelphia Evening Bulletin for March 20 that as he was inspecting some projects with a central department official, the Mexican pointed to a street of small shops near the National Palace and said:

In 2 years all this will be changed. These shops are now run by Jews. We are widening the street and rebuilding the stores. When they are open again there will be no Jews.

Very justly and wisely has the editor of the American Hebrew condemned the Mexican persecution in vigorous terms. But remembering the perennial perseverance of the Children of Israel, I imagine that it might have been more accurate to say that the Jews will be there after there are no more Calles officials left to persecute them.

A MILLION PROTESTS

The protests that have deluged our State Department and the White House in hundreds of thousands, and by this time totaling millions of our citizens, have been representative of every religion, of every profession, of every station of life in America. Catholics, Protestants and Jews have not hesitated to raise their voices in vigorous and emphatic demand that our Government arouse itself to the fact that the Rio Grande is now our bolshevist border and communistic propaganda is daily being poured across the boundary into our country. To say that America has no right to intervene is entirely missing the point. No one has ever asked for American intervention and no one expects it. But, nevertheless, President Roosevelt has it in his power to stop the Mexican persecution if he has the will to do so. Mr. Speaker, Americans are being robbed and murdered—and yet the White House remains silent, timidly hoping that things will somehow right themselves.

Outstanding Americans like Newton D. Baker, Alfred E. Smith, Bainbridge Colby, Prof. Carlton J. H. Hayes, Roger W. Straus, Fiorello LaGuardia, Rabbi Stephen S. Wise, and others have not been so timorous in asserting human rights. Independent newspapers throughout the land have repeatedly condemned the Mexican Government policy.

Some weeks ago 500 clergymen, 5 Catholic and 495 of other faiths, signed a statement of condemnation. In Detroit a meeting was held at which the speakers were Catholics, Protestants, and Jews, and later in Brooklyn, a meeting was held in which the speakers were a Presbyterian minister, a Jewish rabbi, and a Catholic layman, the resolution of protest being offered by a prominent Methodist layman. Innumerable mass meetings of protest have been held in every State.

At least five States, Arizona, Illinois, New York, Massachusetts, and Maryland, have adopted resolutions demanding an inquiry into the Mexican situation.

Rabbi Philip Bernstein, who recently returned from Mexico, in a strong protest against the Mexican persecution during a recent sermon in Temple B'rith Kodesh in Rochester, N. Y., gave a luminous illustration of how the Mexican antireligion laws affect individual cases. He said:

I was standing in the antechamber of the priest's office in a little church on the Avenue Enrico Martinez, in Mexico City, when a girl rushed in weeping. She begged the secretary to let her see the priest at once, for her mother was dying and the last rites had to be administered immediately. The secretary explained in as kindly a manner as possible that the priest could not come for many, many hours. He reminded her that according to the law of Mexico there was only one priest allowed for every 50,000 inhabitants and that the priest, working day and night, could not adequately care for the needs of so many people. Others also were dying and this girl's mother would have to wait her turn. "But my mother may die in the meantime", sobbed the girl. "I am sorry", said the secretary, his face expressing sorrow and pity, "but we cannot help it."

Here was the first striking and tragic evidence of religious persecution in Mexico. A recent governmental interpretation of the antireligious constitution of 1917 limits the priests in most of the Mexican States to 1 to 50,000 of population. Obviously, no priest can serve so many people. In certain States of Mexico, as, for example, Sonora, Tabasco, Vera Cruz, Yucatan, and several others, not a single priest is permitted to officiate. How in the face of these facts known to every Mexican, President Cardenas can deny the existence of religious persecution in Mexico is hard to understand. That it was insincerity rather than ignorance which prompted his public denial recently is revealed clearly by the fact that on the very day he issued his denial to the assembled foreign correspondents, the press announced that several additional churches had been confiscated by the Government for secular purposes.

Is it any wonder that Rev. Dr. W. W. Van Kirk, of the Federal Council of Churches of Christ in America, in an address before the State Federation of Women's Clubs in Buffalo, declared that Mexico is "bent on the extermination of all religion" and that the time has come "to think less of the things that divide us and more of the things that unite us"?

EFFORTS TO DEGRADE MEXICAN CHILDREN

The intent of the Calles faction to reduce the youth of Mexico to complete atheism and communism is evidenced by the fact that, as I told you a few minutes ago, in the State schools the children are not only debauched by public instruction in immorality, but they are taught to recite antireligious verses, just as our children recite the multiplication table. For example, "Uno, dos; no hay Dios", or as we might translate it, keeping the rime, "One, two, three; no God for me"!

Mr. Chairman, you can read the purpose of this campaign against all religion in the succinct and blasphemous utterance of a public official, Arnulfo Perez, of Tabasco, who said: "The revolution means to burn and destroy the images of the saints, to grab from the paws of religion all men, women, and children, to fight the clergy and—we must courageously say it—fight God." And you can find a real clue to the Mexican Government's attitude and intent supplied by the Calles' Governor of Tabasco, now a member of the Mexican cabinet, who gave his paternal blessing to his three sons in typical fashion when he named them "Lenin", "Lucifer", and "Satan."

MEXICAN GOVERNMENT UNITES WITH RUSSIA

There seems to be no doubt that the entire Mexican campaign against God and morality is sponsored by communist Russia. Ignoring such childish extremists as the Under Secretary of Public Education, Ignatio Garcia Tellez, who issued an order that, in deference to communism, all offices of the department must use only red ribbons on their typewriters, yet it is true that original documents are at hand in both Baltimore and Washington showing a definite link between Calles, supreme chief of the Mexican revolution, and the Union of Soviet Socialist Republics. The Soviet Union is described in these letters written on official stationery of the Permanent Commission of the Mexican Congress and signed by the actual secretaries of that body as "The Fatherland of the Workers of the World." It is recommended in this message, meant to be a confidential communication to all State governors, that any offense toward communist adherents is to be avoided in view of important diplomatic and commercial negotiations now under way between the Mexican Government and Joseph Stalin, head of the Third International in Moscow. In another of these documents it is disclosed that the sexual and socialistic educational program of the Mexican Government is a concrete, carefully planned preparation for the dictatorship of the proletariat.

OFFICAL MEXICAN PROOF OF SOVIET DOMINATION

You will doubtless be interested in this copy of a circular letter to local legislatures from the Permanent Commission of the Congress of the United States of Mexico. The circular is signed by the two secretaries of the commission. It is dated October 2, 1934. I quote from this official circular the following, in translation:

This honorable permanent commission of the Chamber of Deputies has resolved to express to you that, making ourselves the echo of the ideology that is supported by the division general, Plutarco Elias Calles, supreme chief of the Mexican revolution, we advise you to have conferences with the C. C. governors in their respective states, so that secretly a census may be made of the so-called "Knights of Columbus", with the address of their homes, as well as the so-called "Knights of Guadalupe" and the most prominent Catholics, who at a ripe moment might constitute a danger to the dictatorship of the proletariat toward which we are going. On the other hand, all persecution against the communist elements of the Third International of Moscow shall be suspended, because our revolutionary government is having communications with Joseph Stalin in order to resume conferences, commercial and political

and ideologic agreements at this very time with the great Soviet Russia, mother country of the Workers of the World. * * * It should not escape your notice, esteemed colleagues, that it is necessary to act with extreme caution and special secrecy, because the interests of a whole country are found under our immediate responsibility. * * * Before finishing the present, please keep in mind that this permanent commission will back you against the local executives if quarrelsome or fearful.

And that red socialism in a most perverse form is the primary objective of the soviet group in Mexico is evidenced by this next document, a State dispatch addressed to the governors of the State and municipal presidents by the secretariate general. Dated May 23, 1933, it reads as follows:

By express agreement of the national executive committee of our N. R. P. and superior of the C. division general, Plutarco Elias Calles, supreme chief of the Mexican Revolution, you shall take cognizance that you are to prepare the elements at your disposal for the establishment of the sexual education as the forerunner of the socialistic school which will be implanted when the next government assumes office. This measure is of supreme priority (Es de gran transcendencia) to prevent the great revolutionary family from being divided by fights of merely political ambition. The reactionary element will be frightened and will make the game easy for us.

In addition to this, Mr. Speaker, the following communication, under the state seal of Querétaro, will indicate the communist type of dictatorship now misgoverning the unfortunate people of our sister Republic. My translation is liberal:

By order of the governor, I manifest to you, that the agreement reached by you with General Calles is transcendental, and its realization with admirable exactness will be the definite victory of our cause.

Nothing is better as a banner to accomplish the dictatorship of the proletariat than the systematic attack against the clergymen, the Knights of Columbus, and of Gaudalupe, without forgetting the Catholic parishioners as their necessary aids.

The persecution of this element will impress the workers in our favor, and the socializiation will be finished "with a golden brooch"—"con-broche de oro."

The socialistic school and the sexual education will be magnificent auxiliaries in the endeavor, etc.

(Signed) FERNANDO ZAPATA ARJONA.

You will see how thoroughly this soviet campaign against all religious belief is carried on when I read to you this translation of the oath extorted from all teachers in Mexican schools at the expense of their positions:

I * * * in the presence of the Directorate of Federal Education, solemnly declare that I will accept without any sort of limitation the program of the socialistic school, and that I will be a propagandist and defender;

I declare that I am an atheist, an irreconcilable enemy of the Roman Catholic Apostolic religion, and will do all in my power to destroy it, uprooting from the conscience all religious cult, and that I am disposed to fight against the clergy wherever and whenever it may be necessary;

I declare that I am disposed to take a principal part in the campaign of "defanaticizing" (desfanatizacion) and will attack the Roman Catholic Apostolic religion wherever it might be manifested;

Equally, I shall not allow any religious practice whatsoever to be carried on in my home, nor shall I permit the existence of images; I shall not permit any of my household who may be under my paternal power to assist at any act of a religious character.

I repeat the avowal of my full mind.

JANUARY 23, 1935.

This is what Ambassador Daniels calls "going forward in education."

COMMUNISTIC POSTERS

Even the posters that are placed in strategic positions for the intimidation of the people are Russian and communistic in their inspiration. The rhetorical bombast of Mexico's leaders is the language of sovietism. Official oratory bristles with the verbiage of class unrest. Bookstore windows bulge with Marxist literature. The banner and scythe adorn public buildings and political posters, as you can see by these pictures of them which I hold in my hand. Indeed, the very display of Communist posters by the red artists in Mexico was held in a building which the Government agents proudly point out to gaping American tourists and convention delegates as a newly erected structure, no reference being made to the fact that it was once one of the great Jesuit colleges of the city.

Handbills are distributed urging the youth to despise their parents who forbid them to enter the schools of the revolution and hold them in slavery to religion's fanatic bonds. For example, one reads:

Break the bestial yoke of him you call father and of her you call mother and run to the schools of the revolution where socialist masters will teach you to be free.

Every department has sent out a questionnaire to all teachers and directors, officials and employees in schools, banks, public utilities, and all industries demanding that they state whether they profess, practice, or propagate the principles of the revolution; whether they ever attended church or Mass or any other religious service or permit their wives or children to do so; whether they ever took part in religious processions or had relatives who were clergymen or enemies of the revolution. There is a long list of similar soul-searching in order to secure absolute certainty that none but an unadulterated, antireligious communist shall hold office or position in Mexico, and that wherever the Government's power can reach there shall be excluded from position and economic employment all who are even suspected of belief in God.

BIBLE EXCLUDED FROM MAILS

In addition to this, there is further evidence of the communistic spirit of the military dictatorship now holding the people in subjection in the recent governmental edict that all works or publications teaching a religious idea are to be excluded from the mails. This decree excludes the Bible, the Imitation of Christ, the works of Dante, Shakespeare, Milton, Luther, Calvin, Wesley, St. Augustine—the works of all ancient and modern Catholic, Protestant, and Jewish religious authors, publications, or newspapers. I have an idea that it would exclude even copies of this address I am now making, though it might be good Mexican diplomacy to permit the RECORD of the American Congress to slip by. I suggest that some of you send it down there and see what happens. But you will first have to delete the Chaplain's prayer.

Our Post Office Department has weakly complied with the Cardenas orders and promptly informed some of our most worthy American publications of their exclusion from Mexico, even while Mexican propaganda attacking religion and casting slurs on Americans is carried free in the United States mails. How long is it going to take the administration to wake up to the fact that our public officials are not the masters but the servants of the people who are paying the bills for the mails and all other departments of the Government?

Not without reason, Mr. Speaker, has the State of Arizona served warning on the American people that communism is becoming deeply rooted south of the American border. Senator W. E. Patterson stated, according to the Phoenix Gazette for March 6, that handbills are being distributed in Phoenix practically threatening death to Mexicans in the United States who sign petitions asking for investigation into the true facts in Mexico. Communism in Mexico is no less audacious than its parent in Europe. National boundary lines merit no respect from the spawn of red internationalism.

INTIMIDATING AMERICANS

As another illustration of this communistic disregard of sovereign national borders, the Mexican consul at San Bernardino, Calif., had done his utmost to deter American citizens of Mexican origin from attendance at religious services held on our American soil. He inserted large advertisements in newspapers warning residents of southern California against being present at one of the religious festivals so beloved of the people of that region. According to the testimony given by the mayor and police chief of San Bernardino, it was a clear case of intimidation and threats exercised by a foreign functionary with respect to the rights of individuals domiciled within the borders of the United States. Our present administration did just nothing about it and the State Department did its best to keep the committee from including this fact in its report. Meanwhile, the

Mexican consul at Los Angeles had similarly interfered in our country. Finally American indignation caused the Mexican Government to transfer to Tucson, Ariz., and to Denver, Colo., these hirelings who should have been ignominiously sent home by our Government, had there been any real American statesmanship in control of American destinies.

SCHOOL BOOKS TEACH HATRED FOR AMERICA

As a singularly impressive illustration of the soviet communistic hatred for the United States being instilled into young Mexican hearts, I now hold in my hand copies of the school books, or "readers", as we call them, used today in the socialistic Mexican schools. These, published only a few weeks ago, are for the first and second grades and are entitled "Socialistic School Series." Written by Maria Luisa Vera and Jose Munoz Cota, who call themselves "Miembros de la Federacion de Escritores Proletarios", the book for the first grade is dedicated to the "youth of the proletariat" and they are replete with revolutionary doctrine, attacking religion and America.

I have not the time to read to you all of the "red" attacks made upon religion and authority in these books. It is only necessary to point out that the State of Texas is mentioned for particular execration. Under the title "The Song of Cotton", there is a vicious attempt to stir up in the minds of Mexican children a hatred for Americans as the "white" race and for the plantation owners of Texas in particular. It might be a good thing for you gentlemen from that great State to remember that just south of your border the school books are teaching the youth that your plantation owners are exploiting the groaning workers as "blood drips from their hearts", and verses are printed in these school texts expressing the hope that "the red glow of the sun will be covered by the red blood" of the plantation owners and employers of Texas. What a gentle batch of murderers are these Mexican leaders, who, like Sir Francis Drake, are "as mild-mannered men as ever scuttled ship or cut a throat." Doubtless you will be at least mildly interested in the fact that the children in the socialistic schools of Mexico are taught that it is American throats that need cutting—a real bit of nice, official Mexican discrimination.

So too, in this other school book, at page 103, there appears a story of the protest of the laboring class of Chicago against "excessive work." In part, it reads:

> The police were given orders to disperse the multitude without the authorities taking into account the fact that there were defenseless women and children in the crowd. An enormous confusion took place; shrieks of women and children mingled with the cries of the wounded men. The ground was covered with the bodies of murdered men, but the fight for the 8-hour day had been won.

This story is accompanied by a picture of a marching crowd of laboring people with banners, one bearing an inscription to the "Victims of Chicago" and another, "May the First."

How far Mexican communism has gone in its hatred for the United States can be seen in these two instances. What remains of the policy of the "good neighbor" when the official school teaching is thus deliberately intended to arouse racial and international hatred?

Even the fulsome flattery of our forgetful Ambassador who speaks of such education as "building for all the tomorrows" cannot conceal the fact that official red Mexico is today fomenting in the school hate for America and Americans. There is something more to this propaganda than mere dislike of the American. In the very text you can see the sinister leer of Moscow. For example, in one paragraph, describing the cruelty of the mill owner, it says that "if the Negroes suffer in the fields of cotton (in Texas), in the textile mills they suffer still more cruelly." Here is a typical passage:

> But the employer thinks only of making himself rich. He exploits the machinery of his factory in order to amass money. He never gives a thought to the workers who are left to die of hunger.

Mr. Speaker, I hold no brief for the wrong sort of capitalism any more than I do for the wrong kind of labor theories, but if the Mexican Government and school authorities wish to educate their people for the dictatorship of the proletariat according to the principles of Lenin and Stalin, why do they not call attention to the so-called "capitalistic abuses" in the factories of Monterrey and Mexico City? What about the capitalist Calles, who murdered laboring men during a strike? What about his compelling others to return to work for a daily wage of 6 cents? Where did he make his millions—a bandit leader with no mental attainments worthy of serious mention? What about his rich holdings in England and other countries? What of the exploitation of Mexican workers? No reference is made to these facts. But Mexican children too young to discriminate are being taught that the United States, that Texas and Chicago, are names synonymous with slavery, race hatred, cruelty, and exploitation.

GOOD-NEIGHBOR POLICY DESTROYED

Mexican officials ask Americans to visit Mexico, to be so recreant to our own American principles as to spend our money as tourists in a land whose Government thus makes open and vicious attacks upon our country. They succeeded in inducing our Ambassador to act the part of a travel agent, to laud this sort of teaching, and to extend the welcoming hand to such Americans as are unpatriotic enough and foolhardy enough to run the risk of involving America in the broils of a foreign communist state.

Oh, the White House talks about the "good neighbor" policy! But apparently the policy does not work both ways. We must be a good neighbor to all the world at the expense of the American taxpayer, but the Mexican Government is charitably excused from displaying any good neighborliness on its own account.

Is it possible, Mr. Speaker, that the President of the United States can be ignorant of all this? And if not, how long does he expect the patience of Americans to continue? Why is there such subservience to the communists of Mexico? What has he done about the murders of the Americans, Ahern, Wilkins, and Carpenter? Why does he fail to realize that Americans have been murdered and mistreated in Mexico? Why did he (or someone purporting to speak for him) unceremoniously refuse to receive the protesting delegation of the Knights of Columbus, an organization of three-quarters of a million American men, who proved their patriotism in time of war? Like England and France, why does he not instruct our representatives to conduct an investigation into the present denial to Americans of freedom of worship in at least 14 Mexican States? If he could insist upon this in Russia, why not closer to home? Why does he not see that no permanent arrangements for the lease or purchase of Magdalena Bay as a naval base in Lower California are possible with the present treaty-breaking Mexican Government? Why does he encourage our blundering Ambassador? For the President thus constantly to shirk his sworn responsibilities to the millions who are protesting such attacks upon Americans and upon civil and religious liberty is not only aiding and abetting the red enemies of America, but seriously endangering the peace and happiness of our own people. If, as a statesman, he will not think of human rights, let him, as a politician, think of the next election.

NO ONE DEMANDS INTERVENTION

Lest our present position, as Americans, be misunderstood, let me now reassert that it is not the purpose of any American to seek intervention in the purely internal affairs of any other sovereign nation. No resolutions sent to the President have demanded that. It has never been our policy even to attempt to impose our American political principles on any people. While it is true that our Government intervened to place the bandit minority in power and by the present shipment of arms and ammunition from our munition plants to the Mexican dictators, by the sale of gold and silver, and also by the undisciplined and random utterances of its accredited representatives, still actively intervenes to sustain the tyrannous existence of the communist subsidiaries now strangling the Mexican Nation, yet speaking for myself and those I represent, we demand no intervention.

The United States Foreign Relations Papers, 1914, disclosed direct Bryan-Wilson activity in arming and urging the rebels, at the very time when Mr. Wilson was delivering beautiful utterances at Swarthmore, Pa., to the effect that "in no part of this continent can any government survive that is stained with blood", and at Mobile, Ala., that "we shall never condone iniquity solely because it may be most convenient for us to do so." This was intervention without the consent of our American people. Of course with Wilsonian consistency, Mr. Wilson, at or about the same time, stated that we should not deny to Mexico the right to spill blood.

PRECEDENTS FOR AMERICAN PROTEST

It is true that there is ample precedent for official protest. The distinguished gentleman from New York [Mr. CELLER], a few weeks ago, inserted in the CONGRESSIONAL RECORD innumerable instances in which America had used her voice and her influence to defend the down-trodden and the oppressed of every nation and clime. (See CONGRESSIONAL RECORD, pp. 1362 and 2747.) The waters of the Caribbean, of Manila Bay, the coasts of China and Ireland, the hills of Kishinev and Hungary, testify to America's warm intercession for the victims of persecution and tyranny. We believe that our American people still love freedom and human rights. We know that they stand aghast as Mexico is engaged in a rabid campaign out of the Soviet manual to destroy freedom and morality. We are forced to realize that American institutions built at tremendous cost are being undermined by a red government that utilizing American broadcasting stations for the dissemination of vile songs and propaganda, boasts that it acts under American sanction. We are aware that such an autocracy, distributing soviet literature through the gratuitous use of our mails, an autocracy so maliciously opposed to all sound ideas of human freedom, is a definite peril to religious and civil liberty in the United States, and a threat to our policy of the "good neighbor" with all the Central and South American Republics.

AMERICAN INTERVENTION MUST BE STOPPED

But yet we do not ask intervention. We ask that intervention be stopped. It was American intervention for the sake of oil or other material interests that turned Mexico toward communism. It is American guns that are turned against the innocent worshipers as they leave the Mexican churches. It is American voices that, making careless and thoughtless statements, have given Latin America the conviction that our Government is in harmony with the murderous minority now seeking to communize the people from Panama to the Rio Grande.

Not intervention, Mr. Chairman, but statesmanship; not interference, but withdrawal of interference is the demand of all liberty-loving Americans toward the wealthy military clique now debauching the lives of the unhappy Mexican people.

The United States Government, which reprimanded England for her price-raising rubber monopoly, which prohibited an English radical from entering America, which now threatens to deport one, which refused recognition to the Soviet until it hypocritically promised to respect liberty of conscience in Russia, which went to war to "make the world safe for democracy" at our expense, which sent battleships to China, which intervened in Cuba, which dominated Haiti and the Philippines, which forbade Chile to mobilize against Peru, which admonished Panama because it objected to its settlement of a boundary dispute with Costa Rica, which furnished arms to Obregon and crushed Huerta—this Government goes serenely on and timidly says, "Nothing can be done about it."

Mr. Chairman, something can be done about anything, if those intrusted with the people's affairs have the vision to see and the courage to act. You do not need force, you do not require an army or a navy, you do not even need to threaten. All that is necessary is a little tactful diplomacy, a little unyielding courage, and a goodly portion of sympathetic understanding of forgotten people. And we on the Republican side of the aisle will continue to demand that something be done about it until the voice of the 40,000,000 Christians and 5,000,000 Jews in America can be heard even in the White House and the State Department.

AMERICAN LEADERS FAIL TO LEAD

The Mexican situation has revealed the hypocrisy of much of the present American Government's talk about liberty. It has revealed the unreliability of some of our press. It has revealed the superficiality of our so-called "liberals". It has revealed the weakness of world-peace programs. It has revealed the weakness of those who should be strongest in defense of the people. It has revealed the lack of courage in our "great men." It has revealed so-called "statesmen" as cheap, fearful, picayune, petty politicians.

The truth can be learned by anyone who seeks it. And the truth about Mexico is the truth of brutality, barbarism, and anti-American radicalism.

I do not know what the attitude of you gentlemen over there may be, but I believe in saying what I think. You may not all agree with me, but you will have no doubt about what I mean. I can see no reason for timidity in talking about civil and academic and religious liberty. I am not awed by childish rumors of the wishes of the President and the Secretary of State. Mr. Speaker, it still is better to be right than to be President. It is said that "orders" have been given to let the Borah resolution die in committee. If that happens to the resolution of the eminent Senator from Idaho, Heaven only knows what will happen to the Mexican resolution that I introduced on February 1, 1935! I suppose orders will be sent to take it out some dark night and drop it into the Potomac from the Francis Scott Key Bridge. My resolution may be buried, but I expect to be here for a little while yet and, like William Lloyd Garrison, "I am in earnest, I will not retract, I will not equivocate, I will not be silent, and I will be heard!"

Has the Secretary of State or the President given orders to the chairman of the committee that no resolutions favoring freedom of conscience in Mexico are to be considered? What does the Secretary of State mean in inferring, as was stated in the review America for March 16 last, that such an inquiry would be an infringement upon the prerogatives of the President of the United States? "To what base uses have we come" when a similar argument was dispatched by the Secretary against the plan for public hearings on the Tinkham resolution asking withdrawal of Soviet recognition, only to have the committee set the date and then cancel the hearings after American witnesses against Soviet propaganda in America had come across the continent from California to testify? Why were the hearings canceled? Who gave the orders? Who is now stifling inquiry into the effects of Mexican communism on the United States of America?

What sort of statesmanship is it that denies to the American public the story of the atrocities cited in the files of the American Embassy and consular offices in Mexico and in those of the United States Naval Intelligence? I challenge the administration and the State Department to make public these outrages on American citizens in Mexico—Americans who had believed that even today the United States Government would have the courage to protect its nationals anywhere in the world.

MEXICO'S PLEDGE TO RESPECT LIBERTY OF CONSCIENCE INDUCED AMERICAN RECOGNITION

Is it not a curious thing that Emilio Portes Gil, Attorney General of the Republic of Mexico, who had the temerity to insult American citizens by sending here at the expense of our taxpayers under the franking privilege of the United States post office propaganda attacking the religious belief of the Mexican people—only, I may add, to discover his document totally refuted by the answer of Bishop Francis C. Kelley, of Oklahoma, in his work, Blood Drenched Altars—I say, is it not strange that Senor Gil should so emphatically deny that America had demanded a promise from Mexico that she would respect liberty of conscience as a prelude to recognition? Mr. Gil—and I remind you that he is the Attorney General of Mexico—this paladin of truth and honor declares that no such promise was ever made.

In order to refresh another official Mexican memory, I will now narrate the facts and read to you the letter that those who were most concerned in it have conveniently overlooked. On January 6, 1916, the United States Senate adopted a resolution calling upon the President to disclose what assurances had been given by the Mexican Government as to the protection of foreigners and citizens, particularly in the free exercise of their religion, in public or in private. On February 17, 1916, the President transmitted to the Senate a letter to himself from the Secretary of State, enclosing various documents. The Secretary's enclosure no. 4, representing a letter from Senor Arredondo, headed "The Confidential Agent of the Constitutionalist Government of Mexico to the Secretary of State of the United States", reads as follows:

Mr. Venustiano Carranza, depositary of the executive power of Mexico, whom I have the honor to represent in this country, has authorized me to say to Your Excellency that his public declarations of December 12, 1914, and June 11, 1915, bear the statement that the Government he represents in its capacity of a political entity, conscious of its international obligations and of its capability to comply with them, has afforded guaranties to the nationals and has done likewise with regard to foreigners and shall continue to see that their lives and property are respected in accordance with the practices established by civilized nations and the treaties in force between Mexico and other countries. That besides the above, he will recognize and satisfy indemnities for damages caused by the revolution, which shall be settled in due time and in terms of justice.

HERE IS THE LETTER WHOSE EXISTENCE MEXICAN AGENTS NOW DENY

The enclosure marked no. 7, referred to in paragraph 7 of the letter of the Secretary of State to the President, is this:

MY DEAR MR. LANSING: Complying with Your Excellency's request asking me what is the attitude of the constitutionalist government in regard to the Catholic Church in Mexico, I have the honor to say that inasmuch as the reestablishment of peace within order and law is the purpose of the government of Mr. Venustiano Carranza, to the end that all the inhabitants of Mexico without exception, whether nationals or foreigners, may equally enjoy the benefits of true justice, and hence take interest in cooperating to the support of the Government, the laws of reform, which guarantee individual freedom of worship according to everyone's conscience, shall be strictly observed. Therefore, the constitutionalist government will respect everybody's life, property, and religious beliefs without other limitation than the preservation of public order and the observance of the institutions in accordance with the laws in force and the constitution of the Republic.

Hoping that I may have honored Your Excellency's wishes, I avail myself of this opportunity to reiterate to you the assurances of my highest consideration.

E. ARREDONDO.

This letter was dated October 8, 1915, and 11 days later Secretary Lansing wrote to Señor Arredondo stating that the President of the United States—

Takes this opportunity of extending recognition to the de facto government of Mexico, of which Gen. Venustiano Carranza is the chief executive.

The final outcome of the Mexican pledge to respect liberty of conscience, a pledge that was iterated and reiterated by the head of the Mexican Government and by its representatives in Washington, appeared when the new constitution of Mexico was adopted by the Carranza party on January 31, 1917, without reference to the people. An inspection of that instrument shows that every pledge made by the representatives of the Mexican Government was deliberately and completely violated. The record made by the Mexican Government since the adoption of the constitution has shown an almost unbroken violation of the rights which the Government promised to respect.

As a result of this recognition, Mr. Speaker, we permitted Carranzista troops to ride on American railroads through United States territory in order to attack Villa, in consequence of which Villa, in reprisal, raided Columbus, N. Mex., killing a number of the citizens and several United States soldiers.

Some politicians certainly have short memories. Mr. Portes Gil now denies all this. So that the record will be in permanent and succinct form, here let me round out this phase of the question by reading to you this article of David Lawrence, the noted Washington correspondent, in the issue of the Philadelphia Evening Bulletin for August 19, 1926, showing that even before Mr. Lansing became Secretary of State, religious freedom was made the basis of Mexican recognition:

WILSON AND BRYAN WARNED MEXICANS—RELIGIOUS FREEDOM MADE BASIS OF RECOGNITION OF REPUBLIC IN 1915 BY UNITED STATES—CARRANZA MADE PROMISE

Search of the files of the Department of State in the latest volumes made public shows that both President Wilson and Secretary of State William Jennings Bryan felt that the treatment by the Mexican authorities of Catholics was a subject for informal diplomatic protest by the American Government.

On the whole it shows, however, that the American Government did make religious freedom a condition of the extension of recognition to the Carranza Government, which has since been succeeded by other governments in Mexico.

Secretary Bryan said March 20, 1915: "The President has referred to me your important letters of the 23d of February concerning the present distressing situation in Mexico, with the request that I tell you very definitely what the attitude and acts of the administration have been in the matter of the protection of the rights of conscience and of worship there, a matter in which the administration, I need not say, is deeply interested, as all true Americans must be.

"A democracy must be sustained by education, and, above and beyond all, the full flower of democracy lies in religious freedom, the principle which the builders of our own Republic made the crown of the whole structure.

"This administration is, of course, the servant of the American people. It seeks to be governed by their convictions and by the principles which have governed their political life. It has felt to be its duty to urge upon the leaders of Mexico, whenever an opportunity offered, the principles and methods of action which must underlie all real democracies as they have supported ours.

"The Mexican leaders will certainly know that, in order to command the sympathy and moral support of America, Mexico must have, when her reconstruction comes, just land tenure, free schools, and true freedom of conscience and worship."

In October 1915, when recognition was extended to the Carranza government, the latter gave a written assurance to the Wilson administration that "all the inhabitants of Mexico, whether nationals or foreigners, may equally enjoy the benefits of true justice" and that the new government "will respect everybody's life, property, and religious beliefs."

Again the record shows that in 1915 the Senate of the United States requested the then Secretary of State to secure assurances from the Carranza government, recognition of which was then in question, that the said government, if recognized by the United States, would grant religious liberty to all its—Mexico's—citizens. The Mexican Government recognized our right to make the inquiry and its confidential agent—practically its then Secretary of State—wrote to the Secretary of State, as I have already stated, under date of October 8, 1915, assuring him the constitutionalist government of Mexico would respect religious liberty. The United States Senate accepted this statement and the Carranza government received recognition.

The records of the State Department will show that throughout 1914 and into 1915 up to the time of the written Arredondo pledge, President Wilson delayed recognition of the so-called "constitutional" government of Mexico. It was this pledge, the result of a conversation between Señor Arredondo and Mr. Lansing, who had succeeded Mr. Bryan as Secretary of State, that overcame the last obstacle and paved the way to the prompt recognition of the very government that Mr. Calles now dominates. Sic transit another "scrap of paper." Another pledge to America is broken and our present administration apparently does not care.

AMERICAN FEDERATION OF LABOR GOES ON RECORD AGAINST MEXICAN POLICIES

I am glad to inform the House that the American Federation of Labor has publicly announced its adherence to the principles of religious and other liberty. Only a few weeks ago, on March 13, 1935, I placed in the CONGRESSIONAL RECORD (p. 3582) copies of correspondence between the President of the American Federation of Labor, Mr. William Green, and myself, in which Mr. Green read an emphatic and much-needed lesson to the Federation of Labor in Mexico concerning the principles of liberty.

This is particularly interesting at this time in view of the fact that my resolution, now reposing comfortably in the committee, besides asking our Government to protest against the Mexican war on liberty, requests that the Department of Labor investigate the condition and manner of entrance to this country of aliens in the Mexican border States who may be on relief, occupying positions normally held by American labor or otherwise disemploying our people. There are, for example, approximately 95,000 Mexicans in Bexar County, Tex., in which San Antonio is situated. For over 200 years San Antonio has been a veritable Mecca for Mexicans. Before Texas independence, of course, residents of Mexico

had extensive commerce with it as one of their own cities. For the last century they have carried on a traffic with it as if it were one of their own. They like San Antonio, they enjoy visiting it, they respect its people, they think of it in their daily lives. Los Angeles is the only other city in the country which enjoys a similar reputation and it draws chiefly from western Mexico.

There are probably 70,000 Mexicans in Los Angeles, more than 50,000 in Colorado, thousands in Chicago, in the industrial region of northwestern Indiana, and elsewhere in the North, though they naturally prefer the southern climate.

Since the difficulties in Mexico began, there has been a continual exodus to San Antonio. Refugees cross the border at many towns, but San Antonio is their goal. They do not consider such ports of entry as Brownsville, Laredo, Eagle Pass, or Del Rio as goals, but as passage points. They are bound for San Antonio. With such a great affluence as there has been in the last few years, it is impossible to keep track of the numbers, and even if agencies were disposed to do so, it would be difficult to be accurate, for many are reticent about revealing their status, and they can obtain refuge among their own people without a great deal of questioning.

MEXICANS SUPPORTED BY AMERICAN RELIEF AGENCIES

While my figures may be wrong and you may correct me if you think so, I believe 8,000 would be a conservative figure of the number of refugees of all classes now in San Antonio alone. It would probably not be inaccurate to say that there are 5,000 of them receiving some form of relief.

Let us consider that 87,000 Mexicans are normal and legitimate residents of San Antonio. We add to this figure 8,000 refugees of all types. Suppose that 4,000 of these are workers capable of holding some sort of position, who have earning power. The other 4,000 we shall consider as relief subjects, without going into further detail about their status.

The economic condition of the 87,000 normal Mexicans in San Antonio is, at any time, very low. There are some who are rich and some who are well-to-do, and others who are comfortable, but the vast majority must depend upon an income of from a few cents a day to $1 as a maximum. There are many families of from 7 to 12 members who live on $1 a day or less. Under the present depression there is a high percentage of unemployment among these people. The result of these conditions is an abnormal percentage of sickness, including tuberculosis. At the last meeting of the Bexar County Tuberculosis Association it was revealed that San Antonio has the second highest death rate from tuberculosis in the United States.

You can therefore see the urgent necessity for adjusting the Mexican problem without unreasonable delay. A great burden will be lifted from the shoulders of American labor and American charity. Economic losses will be reduced by the return of thousands of Mexicans to their own country. For this reason, then, Mr. Speaker, if not from the higher aspect of human rights, our President and Secretary of State should no longer remain unmoved. And I repeat that my resolution is still awaiting action.

AMERICA IS ON TRIAL

It is a strange thing that while real Americans have the utmost contempt for the hypocritical tenets of red radicalism, yet at our very door the poisonous passion flower of virulent international sovietism blooms under the nurture of a wealthy despotism. The Government of Mexico is a bolshevist and military dictatorship that, just as in Russia, holds the population in subjection without their approval or consent and in defiance of their appeal and protest against the oppression imposed upon them.

Borrowing the words of the United States Supreme Court, we say: "The child is not the mere creature of the State", and back to us from Guadalajara comes the taunt of the red czar of Mexico: "This is selfish doctrine—the children and the youth belong to the community, they belong to the collectivity—the revolution has the inescapable duty to take possession of consciences." This is the lip service rendered to communism by the wealthy military junta now debasing the lives of the poor Mexican people. This is the challenge which they hurl at lovers of freedom in America and throughout the world.

Mr. Chairman, America is on trial before the entire world. Our people are the exponents and protagonists of freedom for all mankind. From us, from this House of Representatives, there must go forth today a mighty roll call, a call not to partisan or political bias but to patriotism and humanity. Why are you timid, you Americans of little faith? Where now is our vaunted love of liberty? Where is our unfettered American press? Where our boasted world peace programs? Where now are our courageous, upstanding, and independent statesmen? Where are those who so incessantly prate about "human rights"?

Remember that every individual, every publication, every statesman, every representative, every organization that supports the Calles campaign of revolution and robbery is his ally. The blood of the martyrs is on their consciences. Those who are driven against the walls and shot down for the crime of loving Christ better than their lives are their victims. The helpless peasants, exiled to the penal islands or massacred for the offense of believing in God, are the prey not only of Calles but of all who are silent while innocent blood drips from their fingers. Take care, men and women of America, lest it happen that there today be men and women and children under the blue skies of Mexico who will yet die, because American leaders lack moral courage!

THE VOICE OF A WASHINGTON

Yes, Mr. Chairman, the Government of Mexico has submitted its case to the consideration of enlightened American opinion. By its own actions, through its own utterances, it must be judged. We have weighed Mexico's official conduct and declarations in the scale of the American principles to which she has appealed for support. What do we find? Can we discover one vestige of freedom in all the land of Mexico?

Liberty as we know it is dead, crushed and lifeless and in its place a degradation of human rights that is not less than persecution and enslavement.

"Such," says a noble descendant of an illustrious family, "such is the slavery that today oppresses our sister nation, Mexico. There a decadent government, controlled by men who know not God nor care for His laws nor the right of men, whose only thought is self-aggrandizement, and who are devoid of every instinct of truth and honor and justice, have taken from the people the right to life, liberty, and happiness. Such was the slavery of ancient Rome when religion was dead, when morality was destroyed, when patriotism was extinguished. But the church enjoined justice in the hearts of masters and forbade hatred in the hearts of slaves, implanting there instead a mutual sense of love and loyalty, and so down through the ages has she stood by the cradle of liberty. She has unflinchingly opposed tyranny and despotism, proclaiming every man to be free and equal in the sight of God. There is nothing in the Catholic Church opposed to the genius of our Government. Here church and state function in highest harmony. Each stands for the betterment of man, for his betterment spiritually and materially. Patriotism and Catholicism to the consistent American Catholic are one and the same thing."

Who was it who declared this truth? A man, Mr. Speaker, whose noble ancestors have written their names in luminous characters into the history of mankind, a man who, honored in our midst, would today be an outcast, an outlaw, a criminal in the land beyond the Rio Grande. These are the words, my colleagues, of the great-grandson of John Augustine Washington, the brother of our first President, Father Richard Washington, now rector of the Chapel of the Sacred Heart at Hot Springs, Va.

But out of the Kremlin at Moscow comes the red doctrine that the citizen is the mere chattel of the dictator, the slave of the ruthless red International. The Soviet agents in Mexico echo the cry. They boast that they have destroyed academic freedom, political equality, religious liberty at our very door. America, they dare to assert, is next.

MOSCOWISM BLOODY AND UNADORNED

Mexican communism no longer hides its grim features. It is Moscowism, bloody and unadorned—the law of the bayonet, the law spoken by the fiery mouth of the musket, the law that gives power of tyranny to a few and misery and slavery to thousands. It is red sovietism undermining the foundations of the New World. We saw it born in Russia, but it was afar off. Now it thunders at our gates.

Persecution of religion is only a step in its program, in the creation of the red dynasty. The Soviet leaders know that communism will be accepted only by men who have their souls crushed out of them, when they are slaves, cowed and hopeless and groveling. It cannot live in a land where men are men, where they can fortify themselves with spiritual strength and stand up and say, "I am free; I am the captain of my soul!"

Mr. Chairman, behind all the persecution in Mexico is red Russia, offering help if Mexico will set up from the Rio Grande to the Panama Canal an association of radical republics. It was not without reason that delegates have been sent by the Mexican dictator to study in Moscow the Russian principles and methods of government. Communism looks across the seas, and observes that here the western world stands open. Why strain at the cross-crowned portals of Poland, Christian and warrior for a thousand years, when Mexico, already subdued by an irreligious and illiterate military clique, is ready at hand, and just beyond, the goal of all Soviet ambition—America, and American riches? The dark forces of the ancient gods, throwing out their vanguards from the battle ground of the Ural Mountains, have carried the war to us. The forces of pagan darkness, of reversalism, of communist animalism are arrayed against reason, against America, against the Christian culture of the new world. The fight is not now on the blood-stained steppes of Siberia, it is at our own door—the fight to save America from the degradation of Russia, a degradation that reduces man to the level of a soulless animal, a communized, high-powered beast. It is the old warfare between the Powers of Light and the powers of darkness, the struggle of freedom against the red czar of Mexico and the Russian Soviet in their mad endeavor to crucify Christian civilization upon the crimson cross of communism!

This, Mr. Chairman and my colleagues of the House, is the perilous situation that today confronts our Nation. I ask the President of the United States, I ask you Members of this Congress, I ask every God-fearing citizen of this country, I ask every friend of liberty in the land: In the name of God and the American Republic, what must be our answer? [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Chairman, my sole purpose in rising at this time is to read into the RECORD an unusual statement which appears in today's Washington Daily News from the hand of Heywood Broun, and also for the edification of the faithful 15 Members who still remain in the Chamber. Under the consent to speak out of order, I am going to read this article myself instead of sending it to the desk:

"Born while the guns were roaring, some of them not yet quite 17, the youth of France takes up where another generation stopped from wounds and death and exhaustion."

I quote from a press dispatch which reads: "Paris, April 23.—'War babies,' 120,000 strong, streamed to the colors today to swell the number under arms in France to 420,000. In cities and villages throughout the land the conscripts—born while the big guns of the World War were roaring—thronged railway stations, leaving for barracks for the start of their 18-month training period. Gay for the most part, the recruits sang and joked as they said 'au revoirs.' Many carried gifts of candy, cake, and delicacies."

Born while the guns were roaring, some of them not yet quite 17, the youth of France takes up where another generation stopped from wounds and death and sheer exhaustion.

"And how old did you say Pierre was now? Seventeen his next birthday? I suppose he must be quite big by now. It's years since I saw him. And yet it seems like yesterday that he was just a baby crawling along the parlor floor. And certainly it can't be so long ago that I watched him playing with his blocks in the garden in front of the house and building forts and castles."

"Oh, yes, Pierre is taller than his mother now. He has to shave regularly once a week. Only yesterday we saw him off when he went to join his regiment. He's a man and he's gone to serve his country."

Born while the big guns roared in the Great War, carried by some woman of France heavy already with the fear for her loved ones on the battle line. And perhaps she prayed for a daughter or she said, "They fight that this one close to my heart may never know the agony which is theirs."

Surely no woman bargained that she should conceive in pain to place new recruits upon the altar of anguish. "Sleep, little cabbage, close your eyes and heed not that distant rumble. It is the guns, but they are separated from you by many miles and by the years of your infancy. Daddy's gone a-hunting for that peace which shall be everlasting."

The war babies were gay as they set forth to put on horizon blue and take the chance of what the next 18 months may bring. They never heard the screams and moans of those who lay in No Man's Land throughout the night cut off from stretcher bearers.

And as they munched their chocolate they sang the lively songs of the boulevards. Not yet have they learned, "Here's a toast to the dead already and a cup to the next man that dies."

The Penrods of Paris play as yet something which is a game. They've cut the apron strings and are rollicking off to barracks. Who's afraid of the big bad war? And not even the littlest of the new recruits will whimper in the night or say to the sergeant, "Comrade, I'm homesick." And yet Herod was more merciful when he killed the new-born while they were still in swaddling clothes. These are the lads torn loose after 16 or 17 years of nurture. Nor are they being sent to war. They will but drill and fight sham fights and thrust bayonets a little awkwardly into the straw bellies of dummies swung upon a crosspiece.

"This is the thrust, little man, if you would disembowel your adversary."

Of course, this isn't war. This is the preparedness which makes for peace. The next world war is all the way around the corner.

Pierre and Gaston, Henri and Georges, be choosy with your bon bons. Take one of the better sort all wrapped in foil. Here's a maraschino cherry. You play at war. You lark and sing. But note that something stirs in the wheatfield below the ridge where you and the other babies are encamped. It moves slowly and on its belly. Infants, that is the next war. It creeps up upon you. And it will be a war of blood and torture. Take another chocolate.

You did not hear, your mother did, the guns of the last conflict. You must break free of that prenatal curse. Now is the time to say, "I will not." Speak for your own integrity and that of the woman who bore you. You are life and old men would condemn you. Death always condemns life. Choose for yourself and for the young and the quick of all the world. They are your comrades.

And you, the women of England and Germany and Italy and America, how old is your son? And are you content to wean him to carry on the line of crosses?

[Here the gavel fell.]

Mr. CARY. Mr. Chairman, I yield 7 minutes to the gentleman from Nebraska [Mr. LUCKEY].

Mr. LUCKEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a table.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. LUCKEY. Mr. Chairman, I want to speak on the naval appropriation bill now before this House. I rise to voice the sentiment of the peace-loving element in America. Let us pause for a moment and consider what we are doing. Just the other day we passed in this House a bill carrying the second largest peace-time Army appropriation ever enacted. We have now before us H. R. 7672, calling for the huge expenditure of $485,443,847 for the Navy Department and naval service for the fiscal year of 1936. When we contemplate the huge sums appropriated in past years for Army and Navy purposes, especially in 1935, and then note that to those large sums there was diverted from the P. W. A. fund $238,000,000, we may well ask, "What does this all mean?" and "Where are we going?"

Are we not a peace-loving Nation, and are we not at peace with the world? Is attack or invasion imminent? If not, against whom are we preparing? Is not our geographic position one of the most favored in the whole world? Yet, in the face of all this, we propose to spend more for preparedness than any other nation. Does this not stamp as a lie our oft-repeated assertion that we are the most peace-loving Nation in the world?

Let us look at the facts and see where we stand. I give here the figures for naval appropriations and expenditures

for the years 1924–34, inclusive. These figures have been compiled from Government records at Washington and they appear on page 941 of the 1935 World Almanac. I leave off the odd dollars:

Expenditures, by years	United States	Great Britain	France	Japan
1923	$346,000,000	$315,000,000	$31,000,000	$137,000,000
1924	328,000,000	281,000,000	43,000,000	196,000,000
1925	323,000,000	271,000,000	40,000,000	124,000,000
1926	317,000,000	327,000,000	49,000,000	112,000,000
1927	320,000,000	281,000,000	72,000,000	119,000,000
1928	336,000,000	282,000,000	96,000,000	127,000,000
1929	366,000,000	278,000,000	99,000,000	130,000,000
1930	375,000,000	271,000,000	64,000,000	130,000,000
1931	357,000,000	281,000,000	134,000,000	131,000,000
1932	353,000,000	250,000,000	109,000,000	104,000,000
1933	349,000,000	245,000,000	94,000,000	146,000,000
1934	282,000,000	260,000,000	106,000,000	201,000,000
Total	4,052,000,000	3,342,000,000	937,000,000	1,657,000,000

Now, what do these figures show? They show that we are appropriating and expending for our Navy more money than any other nation, and yet it is asserted that we are woefully unprepared. Then, in the name of common sense, where is this money going and why have we so little to show for it?

Is it not about time that we call a halt to this orgy of spending? Our Nation is groaning under the heavy and terrific burden of taxes. Why is the Congress asked year after year for even bigger and bigger appropriations for the Army and Navy? It is because these Army and Navy people are military minded. They think in terms of preparedness. They think in terms of war. It is their profession to do so. They ever want a bigger and better war machine.

We do not condemn them for this. We have employed them to do this very thing. But let us check their demands by the yardstick of common sense and reason. Let us not be led off on a tangent. Let us examine each item and cut out the useless and obsolete deadwood which dissipates the Navy's strength. One of the sharpest indictments of waste in the Navy comes from one of its own officers, Rear Admiral T. P. Magruder, who, a few years ago, had the courage to tell the public where he thought the Navy was inefficient. A prominent Washington writer, Raymond Clapper, in his recent book entitled "Racketeering in Washington", points out many wasteful practices in the Navy.

But why a big Navy? One of the chief arguments in favor of a large military machine is that it is the best insurance for peace. If that were true, Europe, in 1914, should have been safe from war, for all her nations were prepared to the highest degree.

It has been stated here on the floor of the House by the proponents of this bill that we must build a Navy second to none, that we must become the mistress of the sea. We must do this to protect our commerce. Well, we went into the World War ostensibly to protect our foreign commerce and to make the world safe for democracy. But where is our foreign commerce today and what has become of democracy? Our ill-fated effort has cost us over $40,000,000,000, and thousands of our boys are sleeping in Flanders Field. The tears of our Gold Star Mothers have been shed in vain and we have reaped the enmity of the world.

Are we so stupid that we cannot see the futility of it all? Have we forgotten that "righteousness exalteth a nation"? Is not the just and fair dealing with other nations the greatest safeguard for peace? Let us come back to our senses and reason together. If nations must depend on force to settle their misunderstandings, then modern scientific warfare spells the doom of civilization. I am opposed to this huge appropriation.

Mr. Chairman, I am opposed to this huge appropriation, and I appeal to the peace-loving American people to deluge their Representatives in Congress to put a stop to this war racket. [Applause.]

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. FOCHT].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 2½ minutes.

Mr. FOCHT. Mr. Chairman, I would rather have the honor of returning this time to the House at this late hour than to try to condense what I have to say to fit this short time. I thank the chairman very much for his generosity in yielding to me.

Mr. CARY. Mr. Chairman, I ask that the Clerk start reading the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read the first paragraph of the bill.

Mr. CARY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill H. R. 7672, the Navy Department appropriation bill, 1936, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—ESTATE OF THE LATE MR. JUSTICE HOLMES (H. DOC. NO. 166)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on the Library, and ordered printed:

To the Congress of the United States:

The Congress is aware that Mr. Justice Holmes bequeathed his residuary estate to the Government of his country. It is the gift of one who in war and in peace devoted his life to its service. Clearly he thereby sought, with a generous emphasis, to mark the full measure of his faith in those principles of freedom and justice which the country was founded to preserve.

I shall, I think, be interpreting aright the feeling of the country and the wishes of the Congress if I suggest that this striking gift be devoted to some purpose worthy of the great man who gave it. Mr. Justice Holmes was fond of saying that we live by symbols. Our fellow citizens of this generation would, I am confident, desire the Congress to translate this gift into a form that may serve as a permanent impulse for the maintenance of the deepest tradition that Mr. Justice Holmes embodied.

That tradition was a faith in the creative possibilities of the law. For him law was an instrument of just relations between man and man. With an insight into its history that no American scholar has surpassed; with a capacity to mold ancient principles to present needs, unique in range and remarkable in prophetic power; with a grasp of its significance as the basis upon which the purposes of men are shaped, Mr. Justice Holmes sought to make the jurisprudence of the United States fulfill the great ends our Nation was established to accomplish. Our generation will not soon forget, as the learned the world over will long remember, his extraordinary achievements as judge, as historian, and as philosopher of the law.

The Congress will, I am sure, agree that it is fitting to utilize this opportunity to remind those who will come after us of our sense of the eminence of Mr. Justice Holmes. In so doing we do not merely commemorate the distinction of an American to whom the whole world has paid tribute. We also mark for posterity our pride in his faith in American democracy, his confidence in the power of our legal institutions to realize, when rightly used, the highest American ideals. Posterity which learns the significance of a life such as that of Oliver Wendell Holmes, Jr., draws inspiration from its understanding.

I therefore commend to the Congress that the bequest of Mr. Justice Holmes be not covered into the general fund of the Treasury but that it be set aside in a special fund at this time, and at a later date be devoted to purposes which will effectively promote the contributions which law can make to the national welfare. Once it is decided that the Holmes bequest be set apart for special use the precise object may await ample deliberation. A select committee of the Congress, acting in collaboration with a committee of

the Supreme Court of the United States, will doubtless evolve the wisest uses to which this noble bequest should be put.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 25, 1935.*

CONSTRUCTION OF CERTAIN MUNICIPAL BUILDINGS, DISTRICT OF COLUMBIA

Mrs. NORTON, from the Committee on the District of Columbia, presented a conference report (Rept. No. 793) on the bill S. 2035, to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, for printing under the rule.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1936

Mr. TAYLOR of Colorado, from the Committee on Appropriations, submitted a conference report (Report No. 794) on the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, for printing under the rule.

STATE ALLOTMENTS UNDER THE COTTON CONTROL ACT

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 258, to provide for certain State allotments under the Cotton Control Act.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. SNELL. Mr. Speaker, reserving the right to object, I am faced with the same proposition that confronted me last night in connection with another bill which was brought up at the close of the day under a unanimous-consent request. This is not a proper practice to follow. I do not know that there is anything wrong with this resolution; the gentleman from Illinois spoke to me about it as far as that is concerned, but this is not the way to legislate, and I am opposed to it.

Mr. KELLER. Mr. Speaker, will the gentleman reserve his objection a moment?

Mr. SNELL. Certainly.

Mr. KELLER. This is simply a committee amendment to the Cotton Control Act. The amendment passed the House unanimously.

Mr. SNELL. I know the gentleman presented it, but I did not think it was unanimously adopted.

Mr. KELLER. The amendment passed unanimously. I say "unanimously", it was accepted by everybody; there was not a single voice raised against it.

This amendment is necessary by reason of the fact that Illinois was not known as a cotton-raising State. She had been raising some cotton, but not more than five, six, seven, or eight thousand bales. The Bankhead bill provided that the allotment should be made on the previous 5-year record. During those 5 years Illinois had had a major flood in 1927, a secondary flood in 1928; and there was a very severe drought during the years 1929, 1930, and 1931. Figured on the basis of the Cotton Control Act, the amount of cotton we would be allowed to raise would be next to nothing. This amendment merely increases the amount of the allotment.

Mr. SNELL. I think the explanation of the gentleman is all right, but I do not think it is proper to legislate in this way. If the Speaker intends to continue recognizing Members to bring up matters of legislation in this way I shall insist on having a quorum present so that every Member can look out for himself.

I have tried to be decent about this matter, and I do not want to object to individual bills being brought up, but it is not the fair and legitimate way to legislate.

Mr. KELLER. I entirely agree with the gentleman, but I consulted him on Monday when I introduced the resolution.

Mr. SNELL. The gentleman has been fair as far as I am concerned.

Mr. KELLER. The resolution was published in the RECORD, and I stated then that I intended to call it up at a later day. I published it for the information of the House, and unless there is some very good reason for the objection, it should not be made.

Mr. SNELL. But I am opposed to this way of legislating.

Mr. MAPES. Mr. Speaker, reserving the right to object, as far as I am concerned this question is purely impersonal. However, it seems to me that during this session of Congress we have got into a bad habit of calling up resolutions and bills by unanimous consent late in the day when very few Members are on the floor. It is not very much of a job to get unanimous consent to pass important legislation if only the introducer of the legislation is on the floor. I think the membership of the House generally has the right to assume that after general debate during all the afternoon on a bill such as we have had this afternoon, no important legislation is going to be brought up. I believe, out of fairness to the membership of the House generally, it is a bad habit to allow Members to ask unanimous consent to bring up and pass important legislation at this time.

The bill which the gentleman from Illinois seeks to have called up now was introduced only 2 days ago and was referred to a committee. The committee has taken no action on it, and the purpose of the Unanimous-Consent Calendar is to bring up legislation by unanimous consent. On those days every Member of the House is put on notice that unanimous consent may be asked to pass bills, but Members of the House generally have the right to assume that after general debate such as we have had today, legislation of this kind will not be called up. I think it is a bad practice to allow it to be done.

Mr. KELLER. May I make a suggestion to the gentleman? I spoke to the committee to try to find out about this matter. The bill became marooned over in the Senate. The people out in Illinois are ready to plant cotton in the two counties where they depend on cotton crops for a living, and these people ought not to be penalized in this way unless there is some greater principle involved.

Mr. MAPES. Every Member may work himself up into the feeling that the legislation which he proposes is very important and should be brought up at once. I think we ought to have action by a committee on important legislation before it is called up in the House.

Mr. KELLER. I have consulted members of the committee.

Mr. MAPES. I do not believe that legislation should be brought up at the end of the day by unanimous consent.

Mr. KELLER. I agree with the gentleman. I asked the committee if there was any other way I could get consideration of the resolution, and they informed me there was no other way.

Mr. SNELL. Consent Calendar day is not very far distant.

Mr. MAPES. Mr. Speaker, I do not believe this sort of thing should be allowed, and therefore, on the principle of the thing, I object.

REVENUE

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain revenue figures of foreign governments.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under leave to extend my remarks, I include the following figures of revenues of certain foreign countries derived from lotteries.

The Kingdom of Italy supports its Navy in part by lottery money. The gentlemen who referred to the lottery this afternoon seem to fail to grasp the significance of a national lottery. It perhaps could not be expected of these great naval experts.

Data of the receipts from Italian lotteries follow:

	Lire
1923–24	195,500,000
1924–25	210,900,000
1925–26	475,800,000
1926–27	481,000,000
1927–28	526,000,000
1928–29 [1]	480,000,000

Lottery revenues of certain other foreign countries [2] which are modest compared to the revenues from the most popular lotteries participated in by the American people:

AUSTRIA [3]

	Schillings
1923	1,381,000
1924	2,824,000
1925	6,404,000
1926	5,805,000

BRAZIL [4]

	Milreis
1923	1,800,000
1924	1,100,000
1925	1,100,000
1926	2,100,000

CZECHOSLOVAKIA [3]

	Crowns
1924	27,300,000
1925	29,100,000
1926	45,600,000
1927 [1]	42,300,000
1928 [1]	42,100,000

DENMARK [3]

	Krones
1924–25	2,500,000
1925–26 [1]	2,500,000
1926–27 [1]	2,500,000

HUNGARY [3]

	Pengos
1924–25	200,000
1925–26	800,000
1926–27	1,200,000
1927–28 [1]	1,400,000

GERMANY [4]

	Reichsmarks
1926–27	35,800,000
1927–28	42,800,000
1928–29	47,700,000
1929–30 [1]	50,000,000

PORTUGAL [3]

	Escudos
1922–23 [1]	870,000
1923–24 [1]	1,860,000
1924–25 [1]	1,560,000
1925–26	6,600,000
1926–27	5,700,000
1927–28	9,300,000
1928–29	17,000,000
1929–30 [1]	16,900,000

SPAIN [3]

	Pesetas
1925–26	95,700,000
1926 (6 mos.)	102,100,000
1927	112,300,000
1928 [1]	113,800,000

The receipts from lottery monopolies and taxes are given in the domestic currencies of the various countries. The following are the par rates of exchange as quoted in the Federal Reserve Bulletin for January 1931 in cents per unit of foreign currency:

	Cents
Austria, schilling	14.07
Czechoslovakia, crown	2.96
Denmark, krone	26.80
Germany, reichsmark	23.82
Hungary, pengo	17.49
Italy, lira	5.26
Portugal, escudo	4.42
Spain, peseta	19.30

[1] Budget estimates.
[2] League of Nations: Memorandum on Public Finance 1922–26; 1926–28.
[3] Lottery is a government monopoly.
[4] Lottery tax.

ADJOURNMENT OVER AND HOUR OF MEETING TOMORROW

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow. I may say I make this request because it is felt that if we begin at 11 o'clock tomorrow we may be able to finish the consideration of the pending bill tomorrow and adjourn over Saturday.

Mr. SNELL. Reserving the right to object, I shall not object to the gentleman's request if he will include in the request that when the House adjourns tomorrow it adjourn to meet on Monday next; otherwise I shall object. If that situation is definitely in front of the membership tomorrow, we will get through.

Mr. TAYLOR of Colorado. Then, Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning and that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. TRUAX. Mr. Speaker, reserving the right to object, I may say that I agree with the gentleman from New York. We convened at 11 o'clock this morning. There were very few Members on the floor. Some of us have work to do in the mornings and also have committee meetings to attend. It was practically 12 o'clock today when we got started with general debate on this bill. I know of one Member who was promised 20 minutes and was cut down to 10 minutes. This is not the fault of the gentleman handling the time. It seems it is of little avail in the long run to meet at 11 o'clock.

Mr. TAYLOR of Colorado. I think that is true, generally speaking, but at the same time the occurrence that happened this morning might have occurred if we had met at 12 o'clock. I make this request at the suggestion of the chairman of the committee, who advises me that if we begin at 11 o'clock tomorrow we can finish the bill tomorrow, and I am hopeful we may do so.

Mr. TRUAX. Mr. Speaker, when we meet at 11 o'clock the attendance in the afternoon during general debate dwindles down to a corporal's guard. Some of us stay on the floor nearly all the time, and I think it is manifestly unfair to those who do spend their time on the floor to meet at 11 o'clock. It is also hard on the newspapermen in the press gallery. They are not always able to be here at 11 o'clock and in this way miss a great deal that goes on. However, I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KELLER. Mr. Speaker, I would like to serve notice now that on tomorrow morning, after the reading of the Journal, I shall ask unanimous consent for the consideration of the resolution which I called up this afternoon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BOEHNE, for 2 days, on account of important business.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.) the House adjourned to meet, in accordance with its previous order, tomorrow, Friday, April 26, 1935, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON POST OFFICES AND POST ROADS

(Saturday, Apr. 27, 10:30 a. m.)

Subcommittee will hold hearings on bill (H. R. 6374) providing compensation for the Post Office Department for the extra work involved in the return of valuable packages from the dead-letter office to the writers. Room 213, old House Office Building.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 6607. A bill authorizing a preliminary examination

of Fox River and its tributaries in Clark County, Mo., with a view to the control of floods; without amendment (Rept. No. 788). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. S. 865. An act authorizing a preliminary examination of the Willamette River and its tributaries in the State of Oregon, with a view to controlling floods; without amendment (Rept. No. 789). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 6829. A bill authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods; without amendment (Rept. No. 790). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. S. 1531. An act to credit certain Indian tribes with sums heretofore expended from tribal funds on Indian irrigation works; without amendment (Rept. No. 791). Referred to the Committee of the Whole House on the state of the Union.

Mr. WERNER: Committee on Indian Affairs. S. 1537. An act to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children; without amendment (Rept. No. 792). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAINES: A bill (H. R. 7731) to provide for the erection of a statue of Abraham Lincoln in the Gettysburg National Cemetery; to the Committee on the Library.

By Mr. MORITZ: A bill (H. R. 7732) to reduce the rent of houses and apartments for Government employees in the District of Columbia; to encourage the investment of idle capital; to put laboring men to work; to take men off the relief rolls and put them on pay rolls; and to reduce the hazard of disease; to the Committee on the District of Columbia.

By Mr. WILSON of Louisiana: A bill (H. R. 7733) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; to the Committee on Flood Control.

By Mr. DEMPSEY: A bill (H. R. 7734) for the economic rehabilitation of the Mescalero Indians of New Mexico; to the Committee on Indian Affairs.

By Mr. GREEN: A bill (H. R. 7735) to authorize the erection of additional facilities to the existing Veterans' Administration facility, Lake City, Fla.; to the Committee on World War Veterans' Legislation.

By Mr. KNUTE HILL: A bill (H. R. 7736) to provide for the establishment of the Whitman National Monument; to the Committee on the Public Lands.

By Mr. LLOYD: A bill (H. R. 7737) to increase the minimum salary of deputy United States marshals to $1,800 per annum; to the Committee on the Judiciary.

By Mr. ELLENBOGEN: A bill (H. R. 7738) to prohibit the transportation in interstate commerce of the products of child labor, and for other purposes; to the Committee on Labor.

By Mr. RAMSAY (by request): A bill (H. R. 7739) to amend chapter 104, section 6, of the acts of 1887 of the United States, relating to the printing of schedules showing the rates of fares and charges for the transportation of passengers and property; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIMMERMAN: A bill (H. R. 7740) granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. DEMPSEY: A bill (H. R. 7741) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

By Mr. COCHRAN: Resolution (H. Res. 204) for the consideration of H. R. 151; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

By Mr. COLE of New York: A bill (H. R. 7742) granting an increase of pension to Carrie L. Fay; to the Committee on Invalid Pensions.

By Mr. DEEN: A bill (H. R. 7743) for the relief of Mrs. David C. Stafford; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 7744) for the relief of J. T. Schoolcraft; to the Committee on Claims.

By Mr. McCORMACK: A bill (H. R. 7745) for the relief of George E. Collins; to the Committee on Naval Affairs.

Also, a bill (H. R. 7746) for the relief of Herbert Winn Casey; to the Committee on Naval Affairs.

Also, a bill (H. R. 7747) for the relief of Walter Herbert Green; to the Committee on Naval Affairs.

Also, a bill (H. R. 7748) for the relief of William Martin; to the Committee on Naval Affairs.

Also, a bill (H. R. 7749) for the relief of Elmer Burlingame; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H. R. 7750) granting an increase of pension to Mary Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7751) granting an increase of pension to Ella N. Nerwick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7752) granting an increase of pension to Georgiana K. Griest, widow of William P. Griest; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 7753) granting an increase of pension to Addie L. Wright; to the Committee on Pensions.

By Mr. WITHROW: A bill (H. R. 7754) granting a pension to Kathryn Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7508. By Mr. ROGERS of Oklahoma: Petition headed by W. H. Clark, of Ashland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7509. Also, petition headed by Frank L. Clark, of Decatur, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7510. Also, petition headed by J. P. Cummings, of Leeds, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7511. Also, petition headed by M. Summerset, of St. Petersburg, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7512. Also, petition headed by Cape Smith, of Morris, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7513. Also, petition headed by C. A. Hollis, of Beaverton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7514. Also, petition headed by D. J. Wordlan, of Altoona, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7515. Also, petition headed by A. Sinnington, of Lawrenceburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7516. Also, petition headed by James A. Wingo, of Empire, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7517. Also, petition headed by Jim Benton, of Carbon Hill, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7518. Also, petition headed by M. Clifton, of Lanett, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7519. Also, petition headed by A. Brown, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7520. Also, petition headed by A. Wright, of Owensboro, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7521. Also, petition headed by A. T. Martinez, of Las Vegas, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7522. Also, petition headed by Pat Vecehione, of Benwood, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7523. Also, petition headed by J. A. Stevens, of New Hanover, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7524. Also, petition headed by S. W. Cox, of Cherokee, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7525. Also, petition headed by C. M. Harvey, of Elizabethton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7526. Also, petition headed by Lionel Myers, of Elizabethton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7527. Also, petition headed by Fred Austin, of Pastura, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7528. Also, petition headed by Charles Montgomery, of Monroeville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7529. Also, petition headed by K. Ballentine, of Cloverdale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7530. Also, petition headed by G. Jackson, of Tuscumbia, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7531. Also, petition headed by John L. Smith, of Grand Ridge, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7532. Also, petition headed by O. W. Cason, of Otter Creek, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7533. Also, petition headed by I. B. Garrett, of Fayetteville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7534. Also, petition headed by C. T. Robinson, of Amory, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7535. Also, petition headed by Willie Hainfield, of Glenora, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7536. Also, petition headed by G. F. Scoggins, of Siluria, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7537. Also, petition headed by John Cook, of Bremen, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7538. Also, petition headed by Frank Kniser, of Edwardsville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7539. Also, petition headed by Nicholas Byrnes, of Topeka, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7540. Also, petition headed by J. R. Phillips, of Almo, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7541. Also, petition headed by Joseph Sarlo, of Melrose Park, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7542. Also, petition headed by R. E. Carter, of Mascot, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7543. Also, petition headed by John C. Satter, of Harpers Island, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7544. Also, petition headed by Edward Austin, of Pastura, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7545. Also, petition headed by W. B. Ford of Trezevant, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope Plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7546. Also, petition headed by C. L. Curkling, of Puryear, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7547. Also, petition headed by Harvey Martin, of North Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7548. Also, petition headed by Martin Ujdur, of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7549. Also, petition headed by V. Batts, of Mayfield, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7550. Also, petition of J. F. Drake, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7551. Also, petition headed by G. W. Childs, of Zwolle, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7552. Also, petition headed by Willie Robison, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7553. Also, petition headed by David Smith, of Madison, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7554. Also, petition headed by J. C. Norrid, of Barnhart, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7555. Also, petition headed by W. F. Wilson, of Cabot, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7556. Also, petition headed by M. S. Roper, of Danville, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7557. Also, petition headed by R. H. Lucas, of Owensville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7558. Also, petition headed by S. Spicer, of Tamo, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7559. Also, opinion headed by M. Hatchett, of North Little Rock, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7560. Also, petition headed by Henderson Phelan, of Aberdeen, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7561. Also, petition headed by W. T. Brown, of Bridgeport, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7562. Also, petition headed by R. L. Bellville, of Weston, Mass., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7563. Also, petition headed by Fred Jefferson, of Hub, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7564. Also, petition headed by W. E. Barrett, of Jasper, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7565. Also, petition headed by Lorenzo Copua, of Steger, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7566. Also, petition headed by C. L. Slaughter, of Ensley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7567. Also, petition headed by Elbert Wright, of Harrisburg, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7568. Also, petition headed by S. Thomas, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7569. Also, petition headed by Robert Summitt, of Trussville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7570. Also, petition headed by N. E. Carroll, of Maryville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7571. Also, petition headed by R. J. Bass, of Trussville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7572. Also, petition headed by S. Emmerson, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7573. Also, petition headed by John Ward, of Perry, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7574. Also, petition headed by H. Eisenberg, of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7575. Also, petition headed by John McComb, of Houlka, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7576. Also, petition headed by D. A. Morris, of Patsburg, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7577. Also, petition headed by C. H. Hand, of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7578. Also, petition headed by S. Harper, of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7579. Also, petition headed by M. Reynolds, of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7580. Also, petition headed by Jeff Mare, of Shorter, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7581. Also, petition headed by M. Bullocks, of Trenton, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7582. Also, petition headed by Bruce Medians, of Hub, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7583. Also, petition headed by Lorenzo Maloney, of Marshall, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7584. Also, petition headed by A. T. Stanford, of Quinton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7585. Also, petition headed by M. Lewis, of Decatur, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7586. Also, petition headed by J. T. Williams, of Albertville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7587. Also, petition headed by A. M. Cooper, of Hickory, Miss., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7588. Also, petition headed by Jim Lynch, of Heth, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7589. Also, petition headed by T. N. Stripling, of Kennedy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7590. Also, petition headed by Clark Allis, of South Pittsburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7591. Also, petition headed by T. P. Jenkins, of Irondale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7592. Also, petition headed by G. S. Parish, of Bonifay, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7593. Also, petition headed by Bert Goodwin, of Crane Hill, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7594. Also, petition headed by W. C. Harnil, of Bremen, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7595. Also, petition headed by S. Nabors, of Wilton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7596. Also, petition headed by M. Fairchild, of State Line, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7597. Also, petition headed by J. Whitman, of Altamont, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7598. Also, petition headed by J. E. Logan, of Ashland, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7599. Also, petition headed by John Alexander, of Madison, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7600. Also, petition headed by A. Watts, of White Rock, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7601. Also, petition headed by H. Armstead, of Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7602. Also, petition headed by B. Helton, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7603. Also, petition headed by John R. Price, of Madisonville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7604. Also, petition headed by General Smith, of Roland, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7605. Also, petition headed by Robert Shipp, of Proctor, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7606. Also, petition headed by C. Henderson, of Boaz, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7607. Also, petition headed by B. R. Perry, of North Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7608. Also, petition headed by P. M. Morris, of Glen Allen, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7609. Also, petition headed by J. H. Young, of Memphis, Tenn, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7610. By Mr. BOYLAN: Concurrent resolution of the Senate and Assembly of the State of New York, relative to the program of Federal acquisition of land for State forests included in House bill 6914; to the Committee on the Public Lands.

7611. By Mr. BUCKLER of Minnesota: Petition of George S. Douglas, president, and Gust H. Bachmann, secretary, of the Perham Game and Fish Protective League, of Perham, Minn., praying for the support and vote of legislation that would establish a closed season on migratory birds; to the Committee on Agriculture.

7612. By Mr. DRISCOLL: Petition of the Security Holders Protective Association of Oil City, Pa., signed by John Reid, president, and John H. Glass, secretary, both of Oil City, Pa., opposing House bill 5423; to the Committee on Interstate and Foreign Commerce.

7613. By Mr. KENNEY: Resolution of the International Workers Order of Hackensack, N. J., endorsing the unemployment and social-insurance bill (H. R. 2827), and demanding its immediate enactment by the Seventy-fourth Congress of the United States of America; to the Committee on Labor.

7614. By Mr. MERRITT of Connecticut: Resolution of the General Assembly of the State of Connecticut, urging the Congress of the United States to terminate the application of the cotton-processing tax and the North-South wage differential in the cotton-textile industry, and to enact legislation which will restrict the importation into this country of any textile article from any country in a greater volume than the average annual volume of importation of that article from such country during the years 1930–34, inclusive; to the Committee on Agriculture.

7615. By Mr. PFEIFER: Petition of Charles Schaefer & Son, Inc., Brooklyn, N. Y., endorsing House bill 5802, introduced by Congressman LEA of California, to protect the American poultry and egg industry; to the Committee on Ways and Means.

7616. Also, petition of the New York Credit Men's Association, New York, concerning the proposed banking bill for 1935; to the Committee on Banking and Currency.

7617. Also, petition of the State of New York Conservation Department, Albany, N. Y., concerning the Fulmer bill (H. R. 6914); to the Committee on Agriculture.

7618. Also, petition of the Legislature of the State of New York, concerning the repeal of the charter of the North River Bridge Co., which was granted by an act of Congress of the United States (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong., 1922); to the Committee on Interstate and Foreign Commerce.

7619. By Mr. POLK: Petition signed by Oregon E. Evans, L. D. Spencer, S. P. Sigesmund, and 342 other citizens of Scioto County, Ohio, urging the early passage of House bill 5262, entitled "A bill for the purpose of regulating interstate highway transportation for the protection of the public as well as in the interest of orderly and coordinated transportation"; to the Committee on Interstate and Foreign Commerce.

7620. By Mr. SHANLEY: Petition of the General Assembly, State of Connecticut, January session, 1935, concerning the textile industry; to the Committee on Agriculture.

7621. By Mr. SMITH of West Virginia: Petition of Kanawha Camp, No. 2, United Spanish War Veterans, of Charleston, W. Va., urging the passage of House bill 6995; to the Committee on Pensions.

7622. By Mr. TRUAX: Petition of Local Union 7070 of the United Mine Workers of America, New Philadelphia, Ohio, by their secretary, Lawrence Minnis, urging support of the Guffey coal bill, Wagner labor-disputes bill, and the Black 30-hour-week bill; to the Committee on Labor.

7623. Also, petition of the American Blue Shirts of Cuyahoga Falls, Ohio, by their secretary, C. C. Cunningham, urging support of the Nye-Sweeney bill; to the Committee on Banking and Currency.

7624. Also, petition of Local 1418, United Mine Workers of America, New Philadelphia, Ohio, by their secretary, Joseph Walker, urging support of the Guffey coal bill, the Wagner labor-disputes bill, and the Black 30-hour-week bill; to the Committee on Labor.

7625. Also, petition of H. J. Donnelly and numerous other citizens of Columbus, Ohio, urging support of the Townsend plan; to the Committee on Ways and Means.

7626. Also, petition of the United Textile Workers of America, Cleveland, Ohio, by their secretary, Theo. R. Longmire, urging support of the Wagner labor-disputes bill; Connery bill, providing labor representation on codes; Connery Resolution No. 141, to prohibit use of Federal arms and supplies during strikes; and Byrnes bill, S. 2039, stopping shipment of strikebreakers over State lines during strikes; to the Committee on Labor.

SENATE

FRIDAY, APRIL 26, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 25, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hatch	Nye
Ashurst	Connally	Hayden	O'Mahoney
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Costigan	King	Radcliffe
Bankhead	Couzens	La Follette	Robinson
Barbour	Cutting	Lewis	Russell
Barkley	Dickinson	Logan	Schall
Bilbo	Dieterich	Lonergan	Schwellenbach
Black	Donahey	McAdoo	Sheppard
Bone	Duffy	McCarran	Shipstead
Borah	Fletcher	McGill	Smith
Brown	Frazier	McKellar	Steiwer
Bulkley	Gerry	McNary	Thomas, Utah
Bulow	Gibson	Metcalf	Trammell
Burke	Glass	Minton	Vandenberg
Byrd	Gore	Moore	Van Nuys
Byrnes	Guffey	Murphy	Wagner
Capper	Hale	Murray	Walsh
Caraway	Harrison	Neely	Wheeler
Carey	Hastings	Norris	White

Mr. ROBINSON. I announce that the Senator from Connecticut [Mr. MALONEY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], the Senator from Georgia [Mr. GEORGE], the Senator from Oklahoma [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], and the senior Senator from Louisiana [Mr. LONG] are necessarily detained from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I wish to announce that the Senator from Delaware [Mr. TOWNSEND] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Public Lands and Surveys:

Senate Memorial 6

Whereas the city of Palatka, Putnam County, Fla., has, with the cooperation and the financial assistance of the Federal Government, converted its municipal waterworks property into one of the outstanding beauty spots of not only Florida but of the entire Nation; and

Whereas great numbers of citizens of the United States, including residents of every State in the Union, have during the winter season just closed visited and enjoyed Palatka's Ravine Azalea Gardens; and

Whereas the gardens, with their thousands of azaleas, magnolias, flame vines, crepe myrtles, cherokee roses, and a profusion of tropical plantings, have attained to the proportions far beyond local or even State-wide interest and scope: Therefore be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States be, and it is hereby, respectfully memorialized to enact the necessary legislation to authorize the United States Government to receive and accept as a gift from the city of Palatka, in the State of Florida, the said Palatka Ravine Azalea Gardens, embracing 85 acres of land and all plantings and improvements thereon, and to constitute and maintain such gardens as a national park or garden for the pleasure, education, and edification of all persons seeking beauty in and knowledge of flowers, vines, plants, and native trees such as are found in this place of indescribable beauty; and be it

Resolved further, That the secretary of state of the State of Florida is directed to transmit a duly authenticated copy of this memorial under the great seal of the State to the Congress of the United States and to each of Florida's Senators and Representatives in the Congress; and that our said Senators and Representatives are most earnestly requested to employ their best efforts to induce the Congress to act favorably to the accomplishment of the purposes outlined in this memorial.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Nevada Home Labor Association, Reno, Nev., favoring modification of the law governing the awarding of contracts so as to more rigidly compel contractors to employ Nevada citizens and workers on any and all public works within the State of Nevada, which was referred to the Committee on Education and Labor.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate the petition of the Interdenominational Ministerial Alliance, of Little Rock, Ark., and vicinity, praying for the enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by Westmoreland County Council, Veterans of Foreign Wars, Jeannette, Pa., favoring the prompt enactment of the so-called "Patman bill", providing for the immediate cash payment of adjusted-service certificates of World War veterans, which was ordered to lie on the table.

He also laid before the Senate the memorial of John B. Watson, of Media, Pa., remonstrating against the enactment of legislation providing for the prepayment, or payment in advance of maturity, of the adjusted-service certificates of World War veterans, which was ordered to lie on the table.

He also laid before the Senate a telegram from the Square Deal Association of Louisiana, by Oscar R. Whilden, leader of the First and Second Congressional Districts, New Orleans, La., relative to certain alleged statements of the senior Senator from Louisiana [Mr. LONG] in connection with the disbursement and distribution of Federal funds in Louisiana, and pledging the support of the association to the national administration, which was ordered to lie on the table.

Mr. BARBOUR presented a memorial of the New Jersey Women's State Republican Club, representing 1,500 women, remonstrating against the enactment of the so-called

"Wheeler-Rayburn public-utility-regulation bill", a "central banking bill", and the "Wagner labor-disputes bill", which was ordered to lie on the table.

Mr. COPELAND presented a letter from Earl B. Clark, chairman of the Chenango County Farm Bureau Executive Committee, Norwich, N. Y., favoring insertion in the "Banking Act for 1935" of clauses which will result in the revaluation of the dollar to raise commodity prices to the level prevailing from 1921 to 1929, also the inclusion of clauses that will create the commodity dollar, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Arizona State Chamber of Commerce, favoring the extension of the present excise tax on copper, which was referred to the Committee on Finance.

He also presented a resolution adopted by Glenwood Landing Post, No. 336, American Legion, of Glenwood Landing, Long Island, N. Y., favoring the enactment of legislation to create a bureau of alien deportation in the Department of Justice, which was referred to the Committee on Immigration.

He also presented a petition of sundry citizens of Binghamton, N. Y., praying for the enactment of House Joint Resolution 167, known as the "Ludlow resolution", to take the profit out of war, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Memorial Associates, Inc., of New York City, N. Y., protesting against the enactment of legislation permitting the Secretary of War to furnish bronze markers for soldiers' graves instead of stone, which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of Buffalo and vicinity, in the State of New York, praying for the enactment of House bill 1411, permitting full cuts of United States postage stamps to be printed in stamp catalogs, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of members of Local No. 46, Metal Polishers International Union, of Ilion, N. Y., praying for the enactment of the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

He also presented a resolution adopted by Branch No. 359, Workmen's Sick and Death Benefit Fund, of Hewlett, Long Island, N. Y., favoring the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

NATIONAL INDUSTRIAL RECOVERY ACT

Mr. SCHALL. Mr. President, on April 15, 1935, the Philadelphia Board of Trade adopted a report of one of its committees relative to the N. R. A. wherein it urges that individual enterprise be encouraged and given a freer hand, and that the law of supply and demand in an open and competitive market be restored in place of the N. R. A. policy of freezing prices at a certain level, upsetting the whole price structure, both in domestic and in foreign trade. The report deplores the administration policy of making reciprocal-trade treaties, letting in foreign goods produced at lower prices, causing our manufacturers to close down, thus creating more unemployment. The small business man is unable to defend himself in this scheme of things, and is compelled to close down. He can afford neither to appear at code hearings nor to carry out the codes when adopted, because the small man has not the reserves or the financial strength to compete with the united strength of the favored trusts.

The report urges Congress to deny N. R. A. a longer lease on life. I ask that it be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the report was ordered to be printed in the RECORD and referred to the Committee on Finance, as follows:

EXTRACT FROM MINUTES OF STATED MEETING, PHILADELPHIA BOARD OF TRADE, HELD APRIL 15, 1935

The following report was submitted by the committee on domestic productions and on motion adopted:

"NATIONAL INDUSTRIAL RECOVERY ACT

"This board having been among those who cheerfully subscribed to the voluntary movement initiated by the administration in 1933, sincerely seeking the rehabilitation of our commerce and manufactures, now presents to you its convictions concerning the policy then proposed, urging that individual enterprise be permitted a freer hand, that commercial and industrial competition be encouraged, and that the immutable law of supply and demand be again recognized as an inevitable force determining the value of our commodities in the open market.

"We have participated with our membership in a sincere effort to accomplish results desired under the National Industrial Recovery Act of June 16, 1933, and it is now opportune that unprejudiced consideration be given the results experienced under the Federal policy thus enunciated.

"The undersigned, therefore, have watched with interest the development of conditions under this policy and are impressed with the economic futility of this policy, viz, the attempted Federal dictation of prices, hours of labor, wages, working conditions, and trade practices, especially when the same are subject to the partisan political activities and influences characteristic of the day.

"This board of trade thoroughly respects the rights of the individual citizen as defined in the Constitution of the United States. It is sympathetic with the desire of labor to better its social position and, as consistent with sound business economy, has urged the reasonable protection of labor in the position which it occupies in the conduct of our industrial and economic affairs.

"However, the conflict and discord which obviously has been created—with or without the approval of the National Industrial Recovery Administration—by exciting the demands in one faction against another with the effect, so apparent, of preventing a reasonable adjustment of these demands in the interest of practical business economy, in our opinion, demonstrates the futility of the Federal policy referred to and prompts this emphatic request that the National Industrial Recovery Act be permitted to expire June 16, 1935.

"Exhaustive statistical exhibits are scarcely necessary in this communication to direct your attention to the impracticability of any other attitude toward the National Industrial Recovery Act as a policy than that which is now urged.

"Concurrent policies established by the administration are seeking the establishment of commercial treaties with foreign countries, admitting foreign-made merchandise to our domestic markets at prices cheaper than such merchandise can be made or marketed by our domestic manufacturers.

"The inevitable result is now apparent with the abandonment of millions of spindles in our textile trade and sharply reduced production activities asserting themselves throughout this country in almost every line of trade.

"It may be admitted that the N. R. A., so called, has favored commercial rehabilitation with certain manufacturing interests capable of a low-cost production on a capacity basis, but always this has been realized at the expense of smaller producers whose economic position does not permit of a reasonable profit on such a productive basis as that to which the N. R. A. subjects them.

"Thus, such encouragement as the N. R. A. offers certain industrial interests is afforded to the discouragement of many more individual enterprises which, if individually smaller in their corporate capacity, represent in the grand total an even larger number of employees, and hence the social status as well as the purchasing power of a greater proportion of citizens of this country is impaired rather than enhanced.

"This board of trade so recorded its convictions in the referendum of the Chamber of Commerce of the United States (no. 68), and thus summarizing its reactions to the policy enunciated from Washington reiterates its urgent request of you that you exercise your influence in defeating Senate bill 2445, which would reenact and amend title no. 1 of the National Industrial Recovery Act approved June 16, 1933, by further extending the powers accorded under that act of Congress."

THE PHILADELPHIA BOARD OF TRADE,
GEORGE L. MARKEAND, JR., *President*.

Attest:

H. W. WILLS, *Secretary*.

REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Commerce, to which was referred the bill (H. R. 7132) to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla., reported it without amendment and submitted a report (No. 554) thereon.

Mr. SHEPPARD (for Mr. REYNOLDS), from the Committee on Military Affairs, to which was referred the bill (H. R. 2294) for the relief of Thaddeus C. Knight, reported it without amendment and submitted a report (No. 555) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 98)

to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library", reported it without amendment and submitted a report (No. 556) thereon.

INVESTIGATION OF LABOR CONDITIONS IN PANAMA CANAL ZONE

Mr. SHEPPARD, from the Committee on Military Affairs, reported a resolution (S. Res. 122), which, under the rule, was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to investigate the labor conditions in the Panama Canal Zone with a view to determine the advisability of enacting S. 1819, Seventy-fourth Congress, first session. The committee shall report to the Senate, as soon as practicable, the result of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed $1,500, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 25th instant that committee presented to the President of the United States the following enrolled bills:

S. 1209. An act to authorize the Secretary of the Navy to relinquish an easement for a water main at Pearl Harbor, Hawaii; and

S. 1610. An act authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the following nominations:

Brig. Gen. Carl Eugene Nesbitt, Adjutant General's Department, Texas National Guard, to be brigadier general, Adjutant General's Department, National Guard of the United States, from April 19, 1935, under the provisions of section 38 of the National Defense Act, as amended;

Capt. Elmer Dane Pangburn, Infantry (detailed in Quartermaster Corps), for appointment, by transfer to the Quartermaster Corps, in the Regular Army, with rank from March 26, 1934; and

Second Lt. Charles Gates Herman, Infantry, for appointment, by transfer to the Quartermaster Corps, in the Regular Army with rank from June 10, 1932.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEIWER:

A bill (S. 2687) for the relief of Henry Ziegenhagen; to the Committee on Military Affairs.

By Mr. KING:

A bill (S. 2688) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended; to the Committee on the Judiciary.

By Mr. COPELAND:

A bill (S. 2689) for the relief of the city of New York; to the Committee on the Judiciary.

A bill (S. 2690) for the relief of the Eberhart Steel Products Co., Inc.; to the Committee on Claims.

By Mr. NYE (for Mr. NORBECK):

A bill (S. 2691) for the relief of E. E. Sullivan (with accompanying papers); to the Committee on Indian Affairs.

A bill (S. 2692) granting a pension to Walter E. Fink (with accompanying papers); to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 2693) for the relief of Fred P. Halbert; and

A bill (S. 2694) to add certain lands to the Columbia National Forest in the State of Washington; to the Committee on Public Lands and Surveys.

By Mr. CAREY:

A bill (S. 2695) to add certain lands to the Medicine Bow National Forest, Wyo.; to the Committee on Public Lands and Surveys.

By Mr. GORE:

A joint resolution (S. J. Res. 109) providing that the Superintendent of the Five Civilized Tribes shall be appointed by the President and confirmed by the Senate; to the Committee on Indian Affairs.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT—AMENDMENTS

Mr. HARRISON submitted three amendments intended to be proposed by him to the bill (S. 2445) to amend title I of the National Industrial Recovery Act, which were referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. WHEELER submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

WELFARE OF INDIANS OF OKLAHOMA—AMENDMENT

Mr. GORE submitted an amendment intended to be proposed by him to the bill (S. 2047) to promote the general welfare of the Indians of the State of Oklahoma, and for other purposes, which was referred to the Committee on Indian Affairs and ordered to be printed.

ADJUSTED COMPENSATION OF WORLD WAR VETERANS—AMENDMENT

Mr. GORE. Mr. President, I desire to offer an amendment to House bill 3896, the soldiers' bonus bill. I have not finished preparing the amendment, and I should like to reserve the right to hand it in to the Secretary of the Senate after the Senate adjourns or recesses, if I cannot do so at an earlier hour.

The VICE PRESIDENT. Is there objection? The Chair hears none, and permission is granted.

Mr. GORE subsequently submitted an amendment intended to be proposed by him to the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, which was ordered to lie on the table and to be printed.

THREE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF CONNECTICUT

Mr. LONERGAN. Mr. President, I send to the desk Senate Joint Resolution 94, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The clerk will read the joint resolution for the information of the Senate.

The legislative clerk read the joint resolution (S. J. Res. 94) establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, I inquire of the Senator from Connecticut whether the joint resolution has met the sanction of the Committee on the Library?

Mr. LONERGAN. I will say to the Senator from Oregon that the joint resolution has been considered by the committee and was favorably reported yesterday with amendments.

The VICE PRESIDENT. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on the Library with amendments, on page 1, line 6, before the word "commissioners", to strike out "fifteen" and insert "sixteen"; and in line 8, before the word "Members", to strike out "five" and insert "six", so as to make the joint resolution read:

Resolved, etc., That there is hereby established a commission to be known as the "United States Connecticut Tercentenary Commission" (hereinafter referred to as the "Commission") and to be composed of 16 commissioners, as follows: Five persons to be appointed by the President of the United States, 5 Senators by the President of the Senate, and 6 Members of the House of Representatives by the Speaker of the House of Representatives. The Commission shall serve without compensation and shall select a chairman from among their number.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to be expended by the Commission for actual and necessary traveling expenses and subsistence, while discharging its official duties outside the District of Columbia.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

COINAGE OF 50-CENT PIECES—CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

Mr. FLETCHER. Mr. President, I am informed by the junior Senator from California [Mr. MCADOO] that the construction of the California-Pacific International Exposition at San Diego, Calif., is moving along rather rapidly, and those in charge thereof are anxious to have the bill (H. R. 5914), Calendar No. 569, with reference to the coinage of 50-cent silver pieces in connection with that exposition passed. There is no opposition to it, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5914) to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936, which was ordered to a third reading, read the third time, and passed.

ADDRESSES ON OCCASION OF PRESENTATION OF SILVER PLAQUE TO SENATOR PITTMAN

Mr. ADAMS. Mr. President, I ask unanimous consent to have printed in the RECORD the speech of Ygnacio Soto, on behalf of the committee of La Fiesta de la Plata and the silver miners of Mexico, on Mexican-American boundary line, at Nogales, Mexico, August 18, 1934, in presenting to the Senator from Nevada [Mr. PITTMAN], on behalf of the State of Sonora, Mexico, and the silver fiesta, a silver plaque in the form of a reproduction of the wonderful Aztec calendar in recognition of his distinguished and effective services in the cause of silver. I also ask that the speech of the Senator from Nevada in acknowledgment of the presentation, together with a translation of an editorial from El Nacional of September 2, 1934, of the City of Mexico, entitled "Mexico and Senator PITTMAN", may be printed in the RECORD. These statements will be found interesting and pertinent and prophetic of events of today.

There being no objection, the speeches and editorial were ordered to be printed in the RECORD, as follows:

PRESENTATION SPEECH BY SEÑOR YGNACIO SOTO

My dear Senator PITTMAN, Señor Gobernador de Sonora, distinguished guests, gentlemen, ever since immemorial times nations have come to regard as divine gifts such resources and elements as afforded, in one way or another, permanent means to further their progress and strength—spiritually and materially. Anything that helped to make them respected and superior to others was considered as a reward and a blessing for their superiority, and such beliefs had much to do historically.

It does not sound logical nor proper to establish a direct contact between spiritual and intellectual accomplishments and physical elements, whose worth does not go beyond their intrinsic value; it does not seem usual to regard one as necessary for the other, and yet they bear a very close connection. I do not mean to say by this that moral betterment invariably keeps a definite relation to the wealth and strength of a nation; I do not mean to say that the richer a nation in money the richer is she spiritually. We have seen where nations of old and modern times have gone to their complete destruction from having too much power and too much wealth. In these instances, however, wealth and power came too fast and too easy; education could not keep the proper pace and distance, and the people were not prepared for a higher level of living conditions overnight, which accounts for such nations losing their heads completely, going after more wealth and power, forgetting the limit beyond which wealth and power only meant selfishness and destruction.

There are many notable instances where nations have acted differently, so that it can be said that physical elements can also bring sound and lasting benefits, when used properly; your great nation and my great nation are very good examples of such a statement. When and where such gifts are made good use of they may be depended upon to bring along added benefits of greater endurance, of a higher moral and educational benefit; and such advancement, beginning with the understanding and preparation of each individual nation, should eventually extend to other nations as an example to the strong ones who are likely to forget their duties and as an aid to the weak nations who need a mentor.

The silver metal in Mexico can be justly considered a gift of God that was given most abundantly; the Indians that inhabited our country centuries ago, those Indians that had such a remarkable civilization and gave us much to be proud of, primarily the blood that made us the proud and progressive Nation that we are today; those Indians that so valiantly defended their past, but were vanquished because the unavoidable sequence of events so demanded it, considered silver as one of the most valuable gifts of nature, and their remarkable perfection in the art of working and carving silver is today shown by that wonderful piece of work that has been presented to you in behalf of the mining industry of Mexico. Many other nations have also regarded silver in the same sense, notable among them stands India, where the white metal is considered something enjoying close to a Divine endorsement and demanding their veneration; after all, anything that is instrumental in furthering our own betterment should be considered in a higher level than dollars and pesos.

If silver has played an important part in Mexico in the past, with the undervaluation she has endured so much of the time, she is about to be a greater factor when silver is given a fair appreciation and value, as this will stimulate added production more than anything else. While Mexico enjoys the distinction of being the largest producer of silver, her production can be increased substantially, her mining resources being entirely unknown because of very little prospecting and development work that has been done; I dare say a lot of her mountains have not been even prospected, and this confirms what an American mining engineer said in New York sometime ago, when, referring to the mining possibilities in Mexico, he said that the amount of mining operations going on could not be considered more than a mere scratch.

The silver industry in Mexico has been most fortunate, as during the very trying conditions that she has gone through recently, including a record bottom level for our star metal, silver, when the price received per ounce did not even cover production costs, and when it looked as though she was doomed completely, a man of remarkable foresight, faith, and determination took what was then considered very daring steps that meant the salvation of the silver producers of Mexico, and, I dare say, had a far-reaching effect for the cause of silver the world over. This remarkable man, who has steered our Nation out of the stagnation and has safely piloted the ship to the port where we are making a better use for mankind of our fabulous resources, is none other than Gen. Plutarco Elias Calles. What was then considered a daring experiment, a strictly silver basis or bimetalism, as you might also call it, has been resorted to by many nations, some of which had taken action within very recent times contrary to this principle.

We have watched your untiring efforts in behalf of silver, and we have watched the splendid spirit of cooperation of some of your very notable colleagues; you have accomplished much, but we know from your own expressions that you are not satisfied and that you propose to continue your fight for the white metal until such a time as it is permanently stabilized at a fair and adequate price. We are very glad to know this, as we also propose to keep up this fight and we want you to know that we are with you; that we will give you our support according to our means.

The time is most favorable for your activities in this connection; you should lose no time in furthering your campaign, as you can gain maximum results from your activities at this time, because of the remarkable intellect and foresight of your great President Roosevelt, who has already given you so definite proofs of his faith in silver and, among other measures, enacted and put into effect the coinage of silver in a proportion of 1 to 3 of gold and the nationalization of the silver stocks in the United States.

I hope, my dear Senator, that the calendar presented to you by our beloved Governor Elias Calles will be emblematic to you of the faith, confidence, and appreciation that we hold for each other on the Mexican border, as you have plainly seen here today; of the appreciation for the work you have already done in behalf of the betterment of international relations and what you have accomplished for the white metal; of our expectations for your continued fight until you reach our common goal; and of our sincere good wishes for the welfare of your great Nation and your good self.

ADDRESS BY SENATOR KEY PITTMAN

Governor Calles, members of the committees of La Fiesta de la Plata, and the silver miners of Mexico: My dear Governor, your generous and warm-hearted words on behalf of yourself and your citizens, whilst they have touched me deeply and filled me to overflowing with sentimental emotions, have lodged in my heart and mind a great affection and admiration for you and the Mexican people that will abide there eternally. No greater gift was ever presented to a foreign citizen or more noble and generous act done by any people.

This beautiful plaque made of silver delved from the mines of Mexico, an exact and artistic replica of the wonderful Aztec calendar, the most remarkable product of ancient civilization, and conclusive evidence of the earliest achievements of learning on this continent, is humbly and gratefully accepted by me in the spirit in which it is tendered, and as a permanent memento of the great accomplishments of your President and our President and their distinguished representatives to the world conference at London.

At that conference, where 66 governments of the world were represented, pessimists may contend that little material progress was made. Had nothing been accomplished at the conference save the meeting on common ground of representatives of all these nationalities, still it will have brought about a better comprehension between peoples which is so essential for peace and prosperity throughout the world.

President Woodrow Wilson in his great speech at Mobile in the State of Alabama in 1913 said: "Comprehension must be the soil in which shall grow all the fruits of friendship." But there was material accomplishment. The representatives of 66 governments unanimously recognized silver as the basic money of over half of the people of the world, and that the prosperity and happiness of these peoples and their power to exchange their money for the products of other countries where gold is the basic money required the protection of the monetary value of silver against destruction by the adverse action of governments.

This resolution expressly provides that governments will refrain from legislation that can substantially depreciate the value of silver in the world markets; that governments will abandon the policy and practice of melting up and debasing silver coins and that low-valued paper currency will have substituted therefor silver coins. This resolution is the magna carta of silver. It ends the unnatural supply of silver that had been and was being dumped on the markets of the world derived from the melting up and debasement of silver coins. It ends forever the enactment of further adverse legislation that was the cause of the discredit of silver money, and which was rapidly working its destruction.

There is an unnatural surplus of silver on the markets of the world. This surplus is estimated from seven hundred and fifty millions to one billion ounces. This surplus cannot increase because the unnatural source has been destroyed by the London resolution and the production of silver from the mines is sufficient only to meet the current demand.

The President of the United States at the last session of the United States Congress was the proponent of silver legislation which became law. Under that act he is to restore to our monetary stocks silver to the extent that there will be at least one-third as much silver as there is gold. That means, according to the estimates of our Treasury Department, that the President will be required under present conditions to purchase in the world markets at least 1,300,000,000 ounces of silver. This will more than consume the entire unnatural surplus of silver now existing throughout the world. The effect of this process is inevitable. Through the orderly and conservative purchases made by the President the price of silver must gradually rise until it reaches the price of $1.29 an ounce. The President has the power to stabilize silver at such a price or at a higher parity price if he sees fit, because after purchasing the surplus supply of the world he will still have authority and power to purchase any additional silver that may be offered for sale. The stabilization of silver in accordance with such a program will, in my opinion, result in the opening of the mints throughout the world to the free and unlimited coinage at the stabilized price and ratio. This will mean more to Mexico and the United States than to any other countries in the world. They are the greatest producers of silver, and I believe that the great silver resources of Mexico have hardly been touched. It will make of Mexico one of the richest countries on earth.

These are the material effects of the great accomplishments for the cause of silver money. This occasion, however, may be taken as an evidence of the rapidly increasing friendship and spirit of cooperation between the people of Mexico and the people of the United States. The harsh and sometimes cruel acts of depredation along the border that marked the acts of desperate men, unrestrained by love of God or adequate law enforcement, which is natural in every pioneer section, has disappeared with the development of these sections and the growth of the power of governments to enforce justice, law, and order. Too often, and I do not deny that it is natural people judge the entire people of another country by the few outlaws and adventures who invade their borders and with whom they first come in contact.

The great development of Mexico and the southwestern portion of the United States, the settlement of these sections by intelligent God-fearing, industrious, law-abiding people, the closer communications by telegraph, telephone, radio, moving pictures, railroads, air and motor transportation, interchange of experiences and thoughts is bringing about rapidly mutual comprehension of the character, aspirations, laws, and conditions in our respective countries. Fear and suspicion have been replaced by mutual confidence and respect.

The Monroe Doctrine, which was pronounced solely for the purpose of protecting the new Republics of Mexico and South America at their inception, gradually developed with the changing times until it was the cause of exasperation to the great governments in Mexico and South America, and even aroused suspicion in the minds of the people in those countries. Woodrow Wilson, the great Democratic President and a great world statesman and humanitarian, first placed definite limitations on this doctrine when at Mobile, State of Alabama, he declared to the world "that the United States will never again seek one additional foot of territory by conquest." The new doctrine of our Government and our country has been announced by the greatest and most universally beloved ruler in the world—by our President and your neighbor and friend, Franklin D. Roosevelt. In his address before the Woodrow Wilson Foundation on December 28, 1933, at the time he quoted with approval the pronouncement of Woodrow Wilson, he declared: "The maintenance of constitutional government in other nations is not a sacred obligation devolving upon the United States alone. The maintenance of law and the orderly processes of government in this hemisphere is the concern of each individual nation within its own borders first of all." And then he goes further to pronounce the new American doctrine. In that speech he said: "It therefore has seemed clear to me as President that the time has come to supplement and to implement the declaration of President Wilson by the further declaration that the definite policy of the United States from now on is one opposed to armed intervention."

Again in that celebrated and epoch-making address he laid down a rule for conduct for nations which he invited all nations to adopt and follow, in the following language: "A simple declaration that no nation will permit any of its armed forces to cross its own borders into the territory of another nation. Such act would be regarded by humanity as an act of aggression and, as an act, therefore, that would call for condemnation by humanity." These were not empty words. They were for him the foundation for action. Cuba by its constitution had adopted the so-called "Platt amendment" to the treaty between the United States and Cuba permitting the United States the right of armed intervention in Cuba. By the treaty of Washington of 1934 between the United States and Cuba the United States Government has definitely and voluntarily repealed the Platt amendment and denied its own right of armed intervention in Cuba. Under these new doctrines which in spirit were accepted in Montevideo there must exist the highest spirit of confidence and cooperation that inevitably will draw closer and closer the ties, both social and economic, between the great Latin American Republics and the United States. I deeply appreciate this opportunity here on the border line of Mexico and the United States to repeat the words of Woodrow Wilson and our great President which mean so much happiness for both of our people. I personally wish you, Governor, and your citizens and all of the citizens of Mexico, a rapid accomplishment of all of your ideals and aspirations, and eternal prosperity and happiness.

[Editorial from El Nacional, Mexico City, Sept. 2, 1934]

(Translation)

MEXICO AND SENATOR PITTMAN

Because we consider it of special significance to our country, both internally and internationally, we refer in these comments to the cordial and elevated conceptions solemnly expressed a few days ago by United States Senator KEY PITTMAN during the silver fair on the border at Nogales.

As an antecedent to this we must record that upon the initiative of the present Governor of Sonora, Rodolfo Elias Calles, there was organized at Nogales a concourse of Mexican mining men as a manifestation of the great vitality of our country in the silver industry. To this meeting, which constituted a veritable celebration, a special invitation was extended to Senator PITTMAN, who, as is already known, is recognized throughout the world as a powerful leader in the campaign in favor of the white metal. To honor him and as a manifestation of Mexican friendship, and at the same time as a demonstration of the richness of our mines, there was presented to Senator PITTMAN a valuable piece of carved silver, displaying the Aztec calendar, which gratefully impressed the heart of the illustrious visitor. It was on this occasion that Senator PITTMAN, in expressing his appreciation, disclosed the ideas to which we shall refer.

In advance we should say that Senator PITTMAN is one of those public men who, beyond specializing his activities in the prosecution of a determined ideal, considers that all the thoughts of the public men of our time must refer to the establishment on the most solid basis of international confraternity as the best means of extending a service to contemporaneous humanity, which is so much in need of high conciliatory spirits.

In this connection the Senator referred to the World Conference in London, held a short time ago, at which 66 nations were represented, and during which, besides the fact that the conference succeeded in bringing together an exceptional international concurrence, which in itself alone permitted much getting together and the clearing up of many misunderstandings, it was unanimously recognized that silver was the basic monetary metal of more than half of the world's population, and declared that the prosperity of these peoples and the possibility of their exchanging

their money along acquisitive lines for the products of other countries which are on a gold basis required that the monetary value of silver be protected.

From those proceeded the legislation which very shortly changed for the better the condition of the finances of the world, and which has brought about an increasing rise in silver in the international markets. It has been established that governments will abstain from legislating in a sense that will considerably depreciate the value of silver as merchandise and abandon their practices and programs of melting and despising silver moneys. Since the London Conference the war against silver has ceased, which was at the point of impoverishing world circulation through the predominance of the policy of the monometallic countries on a gold standard.

Effectively it happened that silver was demonetized and melted, and from this source it was sought to supply the industrial and commercial necessitives which worked with this metal, and so, practically, the silver industry was in danger of falling into moribund inactivity, highly compromising to the economic consolidation of the producing countries. After the London Conference, which brought about the rehabilitation of silver in circulation as money, this current of economic destruction was halted and an energetic equilibrium has been established, in the shade of which mining wealth has profited by an open revival.

From the beginning Senator PITTMAN has been one of the most decided supporters of this economic policy in favor of the white metal; and as much because of his experience in these matters as on account of the merit of the thesis sustained by him his activity has been of the highest importance in the world campaign for silver, headed by President Roosevelt and the United States Government.

"In conformity with the present law of the United States", said Senator PITTMAN, "there must be restored to our monetary stock the silver which represents a third of the gold value of the stock. This signifies that the United States Treasury must purchase, according to the circumstances of the world markets, not less than 2,000,000,000 ounces of silver, which will inevitably cause the price of silver gradually to rise. * * * The stabilization of the white metal, in accordance with this program, will, in my opinion, result in reopening mints throughout all the world to its free coinage, in unlimited form, according to its price and the ratio established between it and gold."

[It will be interesting to see the changes in these remarks undergone in the translation of the original from English into Spanish and then back to English.]

Considering the importance of our wealth in silver, this pro-silver movement and its powerful development day by day, under the influence of United States legislation and by its propagation in other countries, offers a brilliant future to our mining industry, or, as Senator PITTMAN eloquently said, "The great sources of silver in Mexico are still intact; it will simply make Mexico one of the richest countries on earth."

Historical fate has brought Mexico and the United States to collaborate in the phenomenon of rehabilitating silver, which, according to the perspicacity and generosity of the illustrious Senator, is a clear sign of the rapid increase of friendship and of a spirit of cordiality between the two nations. He believes that there will be terminated all the epochs of confusion and enmity that there might have been between both peoples by the working of an imperfect social development in the frontier communities of both countries. "The great development of Mexico", he went so far as to affirm, "and that of the western part of the United States; the colonization of those regions by good people, industrious and law-abiding; rapid communication by telephone, telegraph, railways, films, and automobiles; the interchange of ideas and experiences are bringing, gradually but rapidly, a comprehension of the character, aspirations, laws, and conditions which prevail in our respective countries and ambients. Fear and suspicion have been supplanted by confidence and mutual respect."

The warm and sincere words of Senator PITTMAN did not abound only in these generous doctrines. He also referred in his discourse to the transformation undergone by the judgment of the present Government of the United States to the old and discussed topic of the Monroe Doctrine, and in effect cited the words of President Roosevelt in declaring that the conservation of constitutional government in other countries is not a sacred obligation of the United States only, but that it devolves upon every nation individually, within its own limits, before anyone else. And, thinking of that other great President, who was called Woodrow Wilson, he closed by saying that from now on the absolute policy of the United States would be opposed to all armed intervention, inasmuch as "understanding must be the soil in which international friendship flourishes."

FARMERS' HOME CORPORATION—EDITORIAL FROM BIRMINGHAM NEWS

Mr. BLACK. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Birmingham News of April 24, 1935, on the farm tenant bill. I should like particularly to call the attention of the Senate to this editorial by reason of the arguments made in favor of the bill and the quotation from an editorial in the Commonweal, setting up reasons why this measure should be passed.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

[From the Birmingham (Ala.) News of Apr. 24, 1935]

THE BANKHEAD BILL TO REDUCE FARM TENANCY

The Birmingham News on several occasions has spoken in favor of Senator Bankhead's bill to create a billion-dollar Government corporation to aid tenant farmers and share-croppers to acquire small farms of their own. When the Alabama Senator first announced his bill it appealed to this newspaper as one of the most significant and hopeful measures introduced in Congress in many years for the benefit, not merely of the agricultural population, but of our entire economic system, for the successful operation of his plan would undoubtedly have far-reaching consequences in many directions.

Above all, of course, it would aid that class of our agricultural population which is most in need of assistance, and which must be assisted if our country is not to be confronted with the danger of the development of a peasant system. The growing evil of farm tenancy, particularly in the South, has been a cause for alarm for years, since long before the depression began, and the situation has been made worse by the depression. There is no doubt that farm tenancy is the South's gravest agricultural problem, and the chief cause of the low standards of living which prevail so widely throughout this section. The farm tenant system is the root of most of our agricultural and sociological problems in the South. Reliable observers have expressed the fear that out of our tenant and share-croppers there is being created an American peasant class.

Recently a survey of farm tenancy in the South was made by a committee representing several leading educational, sociological, and other groups. The findings, to which the News called attention in an editorial a few weeks ago, were appalling. The committee, as this paper pointed out at the time, made recommendations which were precisely in line with the purposes of Senator BANKHEAD'S bill.

Now further support of the bill is forthcoming from an important source. This week's issue of the Commonweal devotes its leading editorial to the Bankhead bill, and announces that a statement is being prepared to be signed and issued by a group of Catholic leaders, both of the clergy and of the laity, in support of the measure.

The Commonweal says: "Whether or not the bill introduced by Senator BANKHEAD will be enacted into law in the present session of Congress is questionable; but it seems to us unquestionable that the proposed measure, or one similar to it, should be given the strongest support of all Americans who desire the reestablishment of the principle of private property, and of the principle of personal and family liberty—which is dependent for its practical realization upon the possession of real personal property in land by great numbers of individuals, and not upon the possession of vast holdings in land, and great wealth of other sorts, by a small minority of the Nation."

It is for that reason, the magazine continues, that the statement by Catholic leaders is being issued. The Commonweal suggests that all who agree with it "should at once begin to urge their Representatives in Congress to vote for the Bankhead bill, and to obtain public discussion and study of the measure." Its editorial gives the text of the statement, which is well worth reproducing here because of its clear exposition of the purposes of Senator BANKHEAD'S bill and its thoughtful comment on the proposal:

"The undersigned sees much merit in the Bankhead bill, which proposes to establish as an instrumentality of the Federal Government the Farmers' Home Corporation, authorized to issue bonds to the extent of $1,000,000,000 for the purpose of obtaining funds to make loans for and assist in the establishment of small individual farms and farm homes. As we understand it, the objective of the measure is the conversion of tenants and share-croppers, and of those who were formerly on the land but are now adrift, into independent small landowners upon a cost basis low enough to make it feasible for them to secure, over a considerable period of time, the independence derived from unencumbered landowning.

"Excellent precedents for the underlying ideas of the bill can be found in the successful efforts of the British to promote land ownership, through the extension of Government credit, and of the Danes to foster it through Government efforts in their country. * * * Authoritative pronouncements of Catholic spokesmen, favoring the general principles upon which the measure is based, are readily at hand. There is, for instance, the statement of Pope Leo XIII, in his encyclical letter on The Condition of Labor, that 'the law should favor ownership, and its policy should be to induce as many people as possible to become owners', and his striking description in the same document of the social benefits that would result 'if working people could be encouraged to look forward to obtaining a share in the land.'

"We deem it particularly significant that the Honorable Henry A. Wallace has seen fit to speak in favor of the measure. This would seem to indicate that it can be carried into effect without creating conflict with the present agricultural-adjustment program.

"Only two generations ago we were at the height of our homestead movement, which aimed directly at the creation of an agriculture based upon the privately owned small farm. Today fully 45 percent of our farms are being operated by tenants. Needless to add, such a development bodes nothing but ill for our country and there is every justification for taking determined steps to check it and even to turn the tide in the opposite direction. We feel that the Farmers' Home Corporation, proposed by the Bankhead bill, offers an effective medium for accomplishing this. We

submit, furthermore, that because of the present disturbed and transitional condition of agriculture the time is particularly opportune.

"We take occasion to warn, however, against two possible dangers: (1) Restricting the application of the measure to only certain parts of the country; (2) linking the proposed Farmers' Home Corporation too closely with present rural relief and rehabilitation efforts. We suggest that the administration of the bill be placed under the direction of the Secretary of Agriculture.

"None of the many and sometimes powerfully cogent arguments advanced against governmental 'interference' in economic problems, as tending inevitably—even in spite of contrary intentions—to bring about State socialism, can justly be made against the Bankhead bill", the Commonweal declares, and with that opinion the News agrees. Precisely those arguments have been advanced in the Senate against the measure, but the majority of the Senators have not been impressed by them.

The enactment of the Bankhead bill at this session of Congress is not so questionable as the Commonweal thinks. The Senate seems to be on the verge of passing it. For 2 days Senator BANKHEAD and other supporters of the measure have succeeded in defeating efforts of opponents to kill it by recommittal and by striking out the billion-dollar bond authorization. The indications are that the Senate will soon pass the bill. If it does, there is every reason to think that the House will pass it also. The administration, it is to be remembered, is favorable toward the bill.

With the passage of this important measure, several cubits will be added to the stature of JOHN H. BANKHEAD as the foremost agricultural statesman in the Senate.

BILATERAL TRADE PACTS—ARTICLE BY HON. WALTER E. EDGE

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article by Hon. Walter E. Edge, former American Ambassador to France and also formerly United States Senator from my State of New Jersey, which appeared in the Herald Tribune on Sunday, April 21, 1935.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of Apr. 21, 1935]

BILATERAL PACTS NO TRADE AID, ABROAD OR AT HOME, SAYS EDGE—EX-AMBASSADOR FINDS DOLLAR DEVALUATION RESPONSIBLE FOR UNSETTLED WORLD COMMERCE; FAVORABLE BALANCES WON ONLY BY UNITED STATES SACRIFICES

By Walter E. Edge, former American Ambassador to France

No doubt the midwest Republican powwow, scheduled for Kansas City next month, will effectively throw the spotlight on the many inconsistencies of the Washington merry-go-round. However, thousands of eastern compatriots trust that the conferees will recognize that a national calamity demands the same receptive cooperation among members of a political party as all shades of thought have given the present administration, irrespective of partisan alinement.

The Roosevelt honeymoon has been extended long beyond the traditional period, and almost everyone not on relief is bitterly disappointed. Now is the time for the Republican Party to present a united front and save the day, as it has done on so many historic occasions. Republicans will get nowhere scolding each other. On the contrary, if they can't initiate their campaign by a display of tolerance, they will emphasize their inability to rule. This doctrine applies to the old and young, conservative or liberals.

Most of the appeals for a rejuvenated Republican Party demand what the critics term "liberalism", and then usually fail to present the specifications.

Many agree with the formula, if the definition is what history has accepted and recorded.

LIBERALISM VERSUS NEW DEAL

Liberalism, as I understand it, is the antithesis of the policies now prevailing in Washington.

Liberalism, as defined by Professor Collingwood, of Oxford University—even before the advent of the new deal—"begins with the recognition that men are free; that a man's acts are his own, spring from his own personality, and cannot be coerced." And, again, "The function of the liberal state is not to oppose the freedom of personality, but to realize it in practice."

The liberalism as practiced in Washington today, under the new deal, is the exact opposite. There dictatorship and competition have succeeded democracy and cooperation. Extravagance and inflation take the place of a balanced Budget and sound money.

Demands that private business assume the burden and the country return to a normal state are coupled with such checks, confusing and overpowering nostrums, and even coercion that a favorable response is impossible, notwithstanding that there can be no question but that the country is "raring to go."

The administration is apparently so sensitive on this point that it has reached the nauseating stage of calling names.

Only last week in Philadelphia a Cabinet officer accused capital of cowardice because its custodians hesitated to embark on new or enlarged business activities.

EXPERIMENTS

I repeat, the Government need have no misgivings. If the theorists now in command in Washington will give business half a chance, plain, ordinary common sense, not to speak of business acumen, will assure that capital will do its full part as a matter of self-preservation as well as loyalty.

The army of unemployed is just as much, if not more, interested in a return to normal business, conducted by the individual, as the employer or the stockholder. Two years of the new deal, notwithstanding all types of temporary employment, have resulted in placing one-sixth of the country's population on relief.

The sooner unemployed labor realizes that it will not be permanently placed until capital has at least a fair chance, the sooner the depression will be effectively broken, and not before. Many of the experiments in Washington, heralded with a blare of trumpets, have been discarded, but more seem to be promised.

During my recent visit to the Orient and southern Europe I was particularly interested in observing trade and economic conditions as they might affect the United States.

If the Washington administration seriously believes the proposed bilateral commercial treaties will provide relief or make any substantial dent in the existing business stagnation, or materially increase our export trade, it will be grievously disappointed.

I use the words "materially increase our export trade" with qualifications, as, of course, it is always possible to boost a favorable trade balance, if the United States is prepared to make the major part of the sacrifice. I am convinced, because of trade conditions and policies one finds in vogue in almost every country abroad, that for any new business our producers obtain we will give up much more than a quid pro quo or we won't get the order. In other words, our experience with Soviet Russia, where we were held up with a demand for the goods and the wherewithal to purchase as well, may be an extreme, but at least should be a warning.

In the first place, the greatest detriment to increasing our international trade are the feverish and entirely undependable conditions existing with international exchange, to a great extent brought about by the unnecessary, unwise, and unproductive action of the present administration in devaluing the American dollar. Until the monetary policies of at least the major nations of the world are stabilized, business commitments beyond the necessities of the hour are out of the question.

REVERSED EMPHASIS

By urging commercial treaties under present conditions, the administration is putting the cart before the horse. Its proposed Yankee trading between countries may have some advantage in isolated instances, but as a national policy with any expectation of gain we haven't a chance.

I have no intention of engaging in an old-fashioned protective-tariff argument, but it is difficult for some of us to understand just how it is possible to decrease industrial unemployment at home through the lowering of the tariff on dutiable commodities for the obvious purpose of permitting some country to increase its sales within our borders. On the other hand, we would be giving no concession to any country with which we were negotiating by urging it to make greater efforts to increase its exports of undutiable commodities. Then when our importers are called upon to buy, as all agree trade cannot flow but one way, our devalued currency compels them to pay a 40-percent tribute. Therefore, any way you look at this so-called "Yankee" trading we must be prepared to give up something we now possess. In a word, the United States will never recover her economic or commercial prosperity if she depends on increased exports to bring it about.

As students of the situation well know, our manufactured products needed or desired by the nationals of other countries are almost prohibited by quotas, increased duties, or other trade restrictions. The devaluing of our currency only inspired other nations to instigate all types of reprisals. For example, an automobile costing about $500 in the United States costs more than $3,000 in Rome. The moment the administration made it possible to buy American dollars at a 40-percent discount other countries, in most cases, increased their tariffs or decreed partial embargoes.

Our raw materials, which ordinarily accounted for 8 percent of our exports, are annually becoming less necessary for foreign consumption, for the simple reason that our former customers abroad either have developed their own supplies or consummated more advantageous terms with our competitors. In fact, a report from the Department of Commerce, published last week, admitted that cotton exports, formerly our most eagerly sought exportable product, had decreased 40 percent during the last 8 months.

TRADE WITH JAPAN

Again, how can we compete with Japan under present price conditions?

You can buy a fully equipped bicycle in Tokyo for $5, a custom-made silk shirt for $2, a pure silk necktie for 50 cents. Compare those prices with the American schedule and with the administration's effort to have domestic commodity prices rise and tariffs lowered. The Japanese are manufacturing almost everything for the world market except the better type of automobiles, and from all indications they won't be long reaching that accomplishment.

Our relief lies right at home. We must revive our domestic market and bring back some of the 40 or more percent of shrunken or diminished local purchases. I am not attempting to make a political argument at this time, but I am convinced that we will never enjoy anything comparable to permanent recovery until we transfer the activity of stimulating trade from the Government to the governed. Colossal expenditures with increased taxation won't do the trick.

DELAYING RECOVERY

Submerging individual enterprise and initiative into regimentation and centralized bureaucratic control only will deter and delay

permanent recovery. The Government may stimulate in spots and, no doubt, through these tremendous expenditures and a $10,000,000,000 deficit, has done so; but as the last 2 years have certainly demonstrated, until the public gets more confidence, it cannot be expected to assume the responsibility and take up the slack, particularly when one reviews the confusion and uncertainty at the National Capital.

I can hear an immediate observation that such a program would be going back to the old order. Such expressions are childish. There is no power, even among the most conservative and reactionary, to ever return to the so-called "old order." The experiences of the past have reached every class. Business has learned a lesson at a terrible cost, and, if government will limit or minimize its destructive competition, the results to every type of citizenship will be far more satisfactory than the apparent determination at Washington to administer as well as to regulate. The latter must always come from the Government, and should. It is the function of Congress; that is, if Congress does not completely abdicate its responsibility.

WHO LOST THE MOST

The debacle of the last 5 years has brought relatively much more catastrophe and ruin to the formerly so-called "prosperous" than to those the drastic policies propose to protect. Everyone knows the water has been pretty well squeezed out of the pre-'29 bubbles, and, with many regulatory and remedial laws since put into effect, we can be reasonably sure a return to real encouragement of the individual would promote permanent recovery rather than licentiousness.

Surely with unemployment, as recently announced by William Green, president of the American Federation of Labor, having reached the highest peak in history; and with the cost of relief millions above that at the advent of the present administration, no one can successfully contend that the policy of experimentation has gotten us anywhere excepting further in the mire.

No school of thought, so far as I know, differs with the conviction that the lessons of the last 5 years have made necessary a complete social-insurance program, but liberalism, so called, should be clearly defined, and not consist of a race between two political parties for popular approval and acclaim.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. COSTIGAN. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COSTIGAN. Am I correct in understanding that, under the rules and practices of the Senate, if at the close of today's proceedings the Senate should recess, the pending motion would not be displaced; but if, on the other hand, the Senate shall adjourn, the effect will be to displace the pending motion?

The VICE PRESIDENT. The Senator has stated the parliamentary situation correctly.

Mr. BAILEY. Mr. President, as the Senate approached the hour of recess yesterday, I had taken up the bill with a view to going through the more significant sections of it and undertaking to show their import. So, by way of beginning today, I wish to read for a second time the second section of the bill, as follows:

SEC. 2. If any State or governmental subdivision thereof fails, neglects, or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob or riotous assemblage, whether by way of preventing or punishing the acts thereof, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person due process of law and the equal protection of the laws of the State, and to the end that the protection guaranteed to persons within the jurisdictions of the several States, or to citizens of the United States, by the Constitution of the United States, may be secured, the provisions of this act are enacted.

Mr. President, this section is the heart of the proposed legislation. It undertakes to lay the foundation for all the provisions, all the extraordinary provisions, which are contained in the sections which follow. Let us look at this section. In the first place, section 2 provides in language as follows:

If any State or governmental subdivision thereof fails, neglects, or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob or riotous assemblage, whether by way of preventing or punishing the acts thereof, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person due process of law—

And so forth. That language is a judgment by act of law, and it negatives every theory of jurisprudence from which this country derives its life. The simple failure of an American Commonwealth to cope with a mob or the acts of three or four persons by way of interfering with the right of a man to pursue his ordinary existence or to live, the mere fact that the failure is adjudged not by a court of justice but is adjudged by the Congress of the United States to have been a denial by the State to such person of due process of law and the equal protection of the laws of the State, constitute an irrebuttable presumption of law, regardless of the innocence or the guilt of the party affected, which happens to be one of the sovereign States of the Union. I wish to dwell upon that point.

Congress has no power to convict anybody, and when it assumes that power we may write "Ichabod" over our doorposts. Its glories will have departed, and I should not hesitate to say that its right to existence will have been forfeited. Yet here we are, with the legislation before us seriously put forward, pleas made for it by two Senators—legislation which undertakes to arrogate to the Congress of the United States the power to declare an irrebuttable conclusion of guilt regardless of trial and regardless of the facts. If there were no other reason for the defeat of the legislation, that would be sufficient.

Congress must have a care. Once the Congress conveys to the minds of the American people that it can determine who is guilty and who is innocent, once it declares in the law that under certain circumstances either an individual or a State shall be deemed to have violated the law, it has struck down on one hand the judicial department established in the Constitution and from which the country derives its life, because we live by way of justice; and, on the other hand, has stricken down the right of every individual in the land.

If this proposed legislation should be enacted, I imagine there would rise a cry throughout the land addressed to the Congress, "Who art thou that thou hast presumed to be the judge over us?" It is absurd, it is unfounded in reason, it is a violation of the Constitution which the bill itself purports to maintain, and it is a denial of the fundamental rights of the freemen who constitute the Republic of the United States. It is an imposition upon the States, which, carried out, will destroy them.

Let me make an application which will be pertinent to the thought of one of the authors of the bill. I do not know the facts, but I read from time to time in the New York papers of gangsters, 3 or 4 or 5. The bill defines a mob as "an assemblage composed of three or more persons acting in concert." I read of three or more persons acting in concert in the streets of the city of New York, with their machine guns concealed in milk wagons, shooting down for price some citizen who walks the street. If there is virtue in the bill now before us, if the Senator from New York [Mr. WAGNER] means that the bill shall be given in New York the force and effect which he expects it to be given in the State of North Carolina, then under the terms of the bill the State of New York can be deemed to have denied to the person so shot down due process of law and the equal protection of the laws of the State, and the Federal Government must intervene. I do not hesitate to say that if the bill should pass, the first victim of its injustice and the first to feel the weight of its unconsidered folly would be the city of New York in the State of New York.

Moreover, Mr. President, the first section of the bill undertakes by legislative act to interpret the Constitution of the United States. It does not subordinate the law to the Constitution, but it undertakes to say what is the Constitution, and by way of saying it it provides that the fourteenth amendment of the Constitution is an amendment which provides that where three or four men may take the life of another, the State in which they take his life has defeated the amendment and violated the due-process-of-law clause of the Constitution and the further clause providing the equal protection of the laws of the State. It is an effort, Mr.

President, to strain the Constitution and to write into that great document ideas and conceptions, powers and force, never contemplated even in the heated hours when the fourteenth amendment was adopted by the people of the United States.

Again, the section I have read gives directly, and in unqualified terms, the supervision of the sovereign States of the Union to the Federal Union. When did North Carolina fall so low, when did New York fall so low, when did Colorado fall into such depths that we are here inviting the Federal Union which the 13 States created—it did not create North Carolina—to become the lord and the supervisor of the sovereign Commonwealths which constitute the Union?

Imagine the situation if this section should pass some watchful eye at Washington, some new bureau, some branch of the Department of Justice, sitting here upon the watchtower at Washington, casting a suspicious eye throughout this broad land, to see, not whether crimes are being committed against the Federal Government, not whether Federal laws are being complied with, not whether taxes are being paid, but whether the sovereign States of the American Union are doing their simple duty as written in their own constitutions as well as in the Constitution of the United States!

I will read now section 3, subdivision (a):

> Any officer or employee of any State or governmental subdivision thereof who is charged with the duty or who possesses the power or authority as such officer or employee to protect the life or person of any individual injured or put to death by any mob or riotous assemblage or any officer or employee of any State or governmental subdivision thereof having any such individual in his custody, who fails, neglects, or refuses to make all diligent efforts to protect such individual from being so injured or being put to death or any officer or employee of any State or governmental subdivision thereof charged with the duty of apprehending, keeping in custody, or prosecuting any person participating in such mob or riotous assemblage who fails, neglects, or refuses to make all diligent efforts to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment under the laws of such State all persons so participating, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding five years, or by both such fine and imprisonment.

That section takes in every policeman in America. It takes in the mayor of every city of America. It takes in every sheriff and every deputy sheriff in America. It takes in the governor of every State in America. It takes in every prosecuting officer in America. It probably takes in every judge on every local bench in America. It ties to the responsibility of the Federal Government these officers of the law who derive no authority from the Federal Government, who are elected by the people of their counties and their cities and their States, who are paid by the people of their counties and their cities and their States, who are responsible at the polls to the people of their counties and their cities and their States. It makes felons of them if, in the judgment of the Federal authorities, they fall short of their duty. Worse than that, it provides as to these immense classes of our population—the local officers of the law from the governor all the way down to the coroner—that if they fail in any case to arrest the processes of a mob, if they go out and face the mob and do all that men can do, and the mob overcomes them, nevertheless, under the proposed law, failure—the mere human impossibility of coping with a dreadful situation—is made a felony, and a man is subject to a fine of $5,000, or imprisonment for 5 years.

Mr. President, I hope Senators get the significance of that. We propose in this measure, or this measure proposes—I do not assume for one moment that Senators propose it, other than the two who introduced it—to set over the governors, the judges, the solicitors, the sheriffs, the mayors, the policemen, the deputy sheriffs, and the coroners throughout the country the force and effect of a criminal law which would deprive them not only of their property but also of their liberty.

When did we ever before hear anything like that in the United States of America? Grant that mob law is bad; grant that lynching is horrible; I do not know but that a law which proposes to subject every officer of the law in the American Union, notwithstanding there is no official privity between him and the Union itself, notwithstanding he is a local officer, notwithstanding he may do his duty, to the disgrace of felony and the ruin of a fine is comparable, at any rate, in its dreadfulness to the mob law itself. It proposes, in the form of law, to oppress, to constrain, to control, to condemn, and destroy every officer in every local government in the land.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. BAILEY. Yes.

Mr. COSTIGAN. The Senator is commenting on a general declaration in the proposed legislation. I submit to him that he has overlooked the controlling language with respect to the officers, to be found in section 3 (a) on pages 2 and 3 of the bill——

Mr. BAILEY. That is what I am reading. I have not overlooked it.

Mr. COSTIGAN. Which states, on line 22, following the reference to officers and employees having individuals in their custody, that if they fail, neglect, or refuse to make all diligent efforts to protect an individual—I am paraphrasing, rather than reading the exact language—from being injured or put to death, certain consequences shall follow. I desire to say in this connection that the able Senator from Arkansas [Mr. ROBINSON], the Democratic leader, has proposed one or two amendments under which that precise language would be incorporated in other parts of the proposed legislation.

Mr. BAILEY. Very well, Mr. President; I am glad the senior Senator from Arkansas has proposed some amendments. I have not seen them. I am discussing the bill as it is written. I shall discuss the amendments when they are brought forward.

I notice the attitude of my friend the senior Senator from Colorado. He is, all the way through, throwing tubs to the whales. No one here, perhaps, understands the weaknesses of this proposed legislation any better than he does. On day before yesterday the senior Senator from Alabama [Mr. BLACK] called the attention of the Senator from Colorado to the fact that under the proposed act the workingmen of America in the midst of a strike could, with one motion of the Federal Government, be brought under its jurisdiction, charged with carrying on an unlawful assemblage, brought into the grasp of the Federal power.

What was the answer? The Senator from Colorado said he had never thought of that before, that he would be perfectly willing to accept an amendment that would except that type of men.

Mr. COSTIGAN. Mr. President, will the Senator yield again?

Mr. BAILEY. I yield.

Mr. COSTIGAN. The able Senator from North Carolina, who never, I am sure, purposely misrepresents, will look in vain in the RECORD for a statement that the point now being pressed by the Senator from North Carolina was not heretofore "thought of" by me. As a matter of fact, that subject has been freely and frequently discussed by those who have been most actively concerned in the drafting of the proposed legislation.

Mr. BAILEY. Mr. President, I distinctly recall that colloquy, but I shall read what was said from the RECORD. This is the language as it appears on page 6358 of yesterday's RECORD:

> Mr. BLACK. Mr. President, I do not know exactly what statement was made today, but the question I asked was based upon my belief that the bill as it is written would give the greatest weapon to the opponents of labor organizations that has ever been extended to them since the beginning of the history of this Government.
>
> I base my statement on this fact: I do not believe there is any lawyer who can read this bill and not be convinced that every time three or more members of a labor organization meet, when they are on a strike, and it can be charged that they have the intention of injuring somebody——
>
> Mr. CONNALLY. Suppose they do injure somebody?
>
> Mr. BLACK. And they also do injure somebody; they can then be tried in a Federal court.
>
> This is the point I have in mind: For years and years and years the labor organizations have been seeking to deprive the Federal courts of that very jurisdiction.

Now let us see what the Senator from Colorado said. I read from the same page:

Mr. COSTIGAN. With full appreciation of the generous words of both the Senator from Texas [Mr. CONNALLY] and the Senator from Alabama [Mr. BLACK] I desire to say that the Senator from New York and I do not share the apprehensions expressed. I desire also to thank the Senator from Alabama for making clear this morning, as I think he did not make clear last night, the extent of his concern and the grounds on which he bases that concern.

Without interrupting the Senator from Texas at this moment, and reserving, of course, the right to refer to the subject at a later time, I merely suggest to the two able Senators, whose admirer I am, that if they will join in the preparation of some constructive amendment which they really believe will protect the reasonable and lawful activities of organized labor, and on the adoption of such an amendment will support the pending bill, I shall, of course, be happy to endeavor to cooperate with them.

Mr. President, that is the record. I take it that it is somehow in the contemplation of one of the authors of the bill that he can have a measure enacted which will convict the officers of the law in my State of crime, under which my State can be deemed guilty of denying to American citizens equal protection of the laws and the right of due process of law, and at the same time find some means, somewhere in the United States, some sort of an amendment, whereby we can drive a horse and wagon through his own legislation in order to make an escape for one class of our citizens. That is denying equal protection of the laws also. That defeats the whole theory of the bill.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. COSTIGAN. It is not my purpose continuously to interrupt the able discourse of the Senator from North Carolina. I feel, however, that I ought once and for all to state what I stated on more than one occasion yesterday, and what was stated, in effect, in the very paragraph which was read by the able Senator from North Carolina, that neither the Senator from New York nor I joins in the conclusion expressed by the Senator from North Carolina, the Senator from Alabama, or the Senator from Texas. The purport of the remarks read from the RECORD was that, if the Senator from Alabama or any other Senator here entertains apprehensions, which we think are unwarranted, we shall, of course, cooperate, so far as it is within our power, to aid them in the consideration and adoption of an amendment which will more securely guard the rights which we think are already protected in the proposed measure.

Mr. BAILEY. Very well; I shall propose an amendment. This is one of the definitions in the Senator's bill:

That the phrase "mob or riotous assemblage", when used in this act, shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person in the custody of any peace officer—

And so forth. Just insert there a provision that that language shall not relate to the constituents of the Senator from Colorado, and it will be all right.

There cannot be a law for one class in the United States and another law for another class. The Commonwealth of North Carolina cannot be deemed guilty by the enactment of a law and everybody else in the United States not deemed guilty by the same means; and no one can crawl out of that situation, however he tries to do it. The proposition here was for constructive legislation which would exonerate one class of citizens from the force and effect of the proposed law. I would exonerate all classes. So much for that.

Let us take the other feature of this section. All the officers in all the States, in all the counties, and in all the cities are brought under the provisions of the bill. They would be subjected to criminal penalties for the commission of felonies.

I desire to know when the Federal Government became powerful enough to do that. I want to know what are the implications of that proposal. What power has the Congress over a sheriff in North Carolina? Congress did not elect him. Congress does not pay him. He is not responsible to the Congress. He is responsible to the people of his community; and when that responsibility is destroyed, free government in this land is destroyed. That is the clear implication.

Imagine the picture of this Union, just imagine the picture of this American Republic, with a Federal Government having power of imprisonment over local officers in every State and city in the land.

Mr. President, I know there is a considerable movement in this land to extend the powers of the Federal Government. Inch by inch the encroachment has gone on. But the pending bill is notification to the United States that there are those who intend to destroy the States and destroy local self-government, and take jurisdiction over the rights of individuals, not by way of courts of justice which could ascertain their rights, but by casting them into the grip of a central power, not governing by courts of justice, but governing by arbitrary law.

I wish to know where the Federal Union gets the power to punish a sheriff. Where is the privity? If in his capacity as an individual he violates a criminal law of the United States, to be sure it has power; but if in his official capacity he fails or neglects or refuses to carry out some State law, there is but one judge for him, and that is the judge in the jurisdiction in which he is elected and in which he lives. There is but one power to control him, and that is the power of the government which pays him and which he serves. There is but one tribunal before which he answers, and that is the tribunal of the people who put him into office by their suffrage. When that is denied, we are at the end of local self-government in the United States of America.

Again, subsection (b) provides:

(b) Any officer or employee of any State or governmental subdivision thereof, acting as such officer or employee under authority of State law, having in his custody or control a prisoner, who shall conspire, combine, or confederate with any person who is a member of a mob or riotous assemblage to injure or put such prisoner to death without authority of law, or who shall conspire, combine, or confederate with any person to suffer such prisoner to be taken or obtained from his custody or control to be injured or put to death by a mob or riotous assemblage, shall be guilty of a felony, and those who so conspire, combine, or confederate with such officer or employee shall likewise be guilty of a felony. On conviction the parties participating therein shall be punished by imprisonment of not less than 5 years nor more than 25 years.

Mr. President, we already have the law on that subject. The law against doing the things described in that paragraph is the law of murder, and I defy any man to say that my Commonwealth has failed to prosecute murderers when they have committed the crime of murder. I do not wish to make an invidious distinction; but if the standing and character of American States is to be tested by the number of murderers who escape, I point Senators to those cities from which come records day after day and week by week of the deaths of men at the hands of gangs with machine guns. No one ever hears of their arrest or indictment. They escape, and that is the last of it.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BLACK. With reference to the part of the bill which the Senator has just read, I recall that several years ago in the State of West Virginia it was charged that a number of miners who were on strike went from one county to another county, and it was charged that they constituted a riotous assemblage and a mob. It was charged, as I recall, that the officers of the State, the sheriff and other county officers, either conspired or colluded with the strikers in the acts which were committed, and, as I recall, some people were killed. Can the Senator see any possible manner in which, if this proposed law had then been in effect, a defense could in any way have been pleaded to keep that case from being tried in the Federal court?

Mr. BAILEY. I cannot.

Mr. BLACK. In other words, we would have transferred the jurisdiction of the trial of those miners from the State courts to the Federal courts.

Mr. BAILEY. Yes. I am coming to that. I am dwelling now, though, on another feature of the bill. The suggestion here is that certain Commonwealths in America, concerning

which certain statistics have been put in the RECORD with the index finger pointed directly at them, do not enforce the law of murder and of manslaughter against men who commit murder and manslaughter; and I resent the suggestion.

When North Carolina reaches the point where she must get down upon her knees and beg the Federal Government to enforce her criminal laws, for one, I shall be willing for that Commonwealth to go out of business as a free government, and not until then. I am perfectly willing to invite comparison between the Federal Government and the government of North Carolina, and I do not hesitate to say that I will prove by statistics that we are just as instant and just as efficient in enforcing our laws as is the Federal Union. Even if it were not, the time will never come while I am alive that I will stand here and ask that a guardian ad litem or a next friend be appointed for the Commonwealth of North Carolina.

Mr. President, so much for that section. Let me move over.

I come now to section 4, as follows:

> The district court of the United States judicial district wherein the person is injured or put to death by a mob or riotous assemblage—

That is, three people or more—

> shall have jurisdiction to try and to punish, in accordance with the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who participate therein: *Provided*, That it is first made to appear to such court (1) that the officers of the State charged with the duty of apprehending, prosecuting, and punishing such offenders under the laws of the State shall have failed—

The first time in my life, Mr. President, ever I understood that failure was crime—

> neglected, or refused to apprehend, prosecute, or punish such offenders; or (2) that the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is probability that those guilty of the offense will not be punished in such State court. A failure for more than 30 days after the commission of such an offense to apprehend or to indict the persons guilty thereof, or a failure diligently to prosecute such persons shall be sufficient to constitute prima facie evidence of the failure, neglect, or refusal described in the above proviso.

Mr. President, that section in plain language ousts the jurisdiction of the State courts throughout the American Republic. That destroys the State rights of trial by jury. That strikes at the very foundation of the life of the State and the jurisprudence of America. Then we have the other purpose in this bill that upon somebody making it appear—that is, by an affidavit, I take it; and anybody could take the oath—that the officers of the State charged with the duty of apprehending have failed, immediately the District Courts of the United States, stepping in in the name of the Federal Union, shall oust the courts of the several States, take charge of their trials, shall oust the jurors in the panels of the State courts, and substitute jurors in the panels of the Federal courts.

I confess, Mr. President, that I never expected to live to see the time when anyone bearing the name of American citizen, brought up in the traditions—traditions now of nearly 150 years of local self-government, of the rights and the powers of the States, of the right of a citizen of the Commonwealth of North Carolina to be tried by the courts which his fathers wrought out and handed down to him—I never expected to live to see the time when he should have those rights taken away on the filing of an affidavit before a Federal judge.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. GORE. Does the bill provide for disqualifying of persons for jury service who do not take an oath in advance that they will return a verdict of guilty against the defendant?

Mr. BAILEY. Well, not exactly that, I will say to the Senator, but it suggests that. I think the suggestion is there.

Mr. BLACK. Mr. President, does the Senator object to my presenting another state of facts with which I am familiar in connection with that particular phase?

Mr. BAILEY. Not at all; I yield.

Mr. BLACK. I happen to know that several years ago there was a strike of certain railroad men throughout the country. I recall that a number of those men gathered together and that two men were killed. There were more than three of the railroad men who were on strike gathered together. After these two men were killed, the grand jury in Alabama met and declined to indict the men who were on strike. The charge was made that the grand jury was sympathetic with the strikers. The charge was also made that some of the other people were sympathetic with the strikers who were charged with the violation of the law. If this bill had been a law in effect at that time, is it or is it not true that 30 days after those deaths had occurred the railroad operators could have gone to the Federal court and again tried these striking railroad men in the Federal court for that offense?

Mr. BAILEY. I think so, but I look forward with a great deal of expectation to the amendment which is going to be offered to exempt railroad operations, although everybody else will be included.

Now, listen to this, Mr. President:

> A failure for more than 30 days after the commission of such an offense to apprehend or to indict the persons guilty thereof, or a failure diligently to prosecute such persons, shall be sufficient to constitute prima facie evidence of the failure, neglect, or refusal described in the above proviso.

When someone kills another in Colorado, if the murderer is not caught within 30 days, the State jurisdiction is gone, the Federal Government steps in, and the Federal court tries the case. That is the effect of the provision. When a man commits a murder ordinarily he can hide himself for 30 days, and most of them do. Under this provision just a little 30-day delay is interpreted as the denial of due process of law. That is a monstrous absurdity on its face, and I do not think I need to discuss it further.

Mr. President, in this section it is further provided that if it shall be made to appear to the district court of the United States—

> That the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is probability that those guilty of the offense will not be punished in such State court.

That may be made to appear on an affidavit filed with the Federal judge. Some fellow comes up there and swears that he does not think the jurors over in a court in the State of North Carolina would try the case fairly, and immediately the Federal judicial system steps in, and the Federal Government takes charge, and we in that jurisdiction have granted to us the humble privilege of having a trial according to the laws of our State. I think the authors of this bill, as a mere matter of logical consistency, ought to have stricken that provision out and have written a new set of laws for the trial of people under those circumstances. I would suggest to the eminent gentlemen that they go back down the path a thousand years and uproot the common law, which is the law of North Carolina and the law of most of the other States on the Atlantic seaboard, destroy all its precedents, destroy all its advantages, and while they are writing a new law of murder and of trial, and finding a new jurisdiction, that they be not content with destroying the character of the Union and the rights of the people, that they do not stop with a centralized arbitrary Federal power and the destruction of the States and the obliteration of local self-government, but that they devise some sort of a new system of law to fit the extraordinary character of their proposal.

Again—and here is the gem of all the wisdom of this great proposition; Solomon in all his glory and the Queen of Sheba, with all her charm, never beheld the like of this:

> SEC. 5. Any county in which a person is seriously injured or put to death by a mob or riotous assemblage shall be liable to the injured person or the legal representatives of such persons, or the estate of such deceased person for a sum of not less than $2,000 nor more than $10,000 as liquidated damages——

Mr. GORE. There is no jail penalty provided for the county?

Mr. BAILEY. I will read on to see if there is a jail penalty. It is impossible for one to tell what he may find when he is pursuing this sort of a lead—

which sum may be recovered in a civil action against such county in the United States District Court of the judicial district wherein such person is put to the injury or death. Such action shall be brought and prosecuted by the United States district attorney of the district in the United States District Court for such district.

We have the United States now suing our counties.

If such amount awarded be not paid upon recovery of a judgment therefor—

I hope the Senate will appreciate the implications of this provision—

such court shall have jurisdiction to enforce payment thereof by levy of execution upon any property of the county—

The Federal court can take the county courthouse and walk off with it; and I think they might as well, for if this bill should pass what use would we have for courthouses? We might turn them over to the welfare department.

Mr. SMITH. To Colorado and to New York.

Mr. BAILEY. I read further from the same provision:

or may otherwise compel payment thereof by mandamus or other appropriate process.

An order will be sent down to Wake County, N. C., some of these days to pay somebody some money; the order will come from the Federal court, and if the mandamus is exhausted, then there is an "appropriate process." I understand what that means. The proponents of the bill do not dare use the word, but that means the machine gun in the hands of the United States soldier. That is the "appropriate process." What else could it mean? They will exhaust the powers of the judiciary; they will exhaust the means provided by mandamus; and if the county refuses, then there is to be invoked the "appropriate process." The "appropriate process", under the circumstances and the spirit of this bill, cannot be anything short of a regiment of soldiers. The Federal Government is going to compel payment.

But, Mr. President, that is not all. So far as I know, this is the first time the Federal Government has ever undertaken to impose a penalty upon innocent people. I did think that innocent men and women in America were immune from the interference of the law. I felt that if a man kept the laws and behaved himself the hand of the policeman would never be laid upon him; that the power of execution would never be invoked against him.

Mr. SMITH. Mr. President, will the Senator allow me an interruption?

Mr. BAILEY. Certainly.

Mr. SMITH. It is manifest that this is an implication, or more than an implication, that there are no innocent ones in the section from which the Senator and I come. We are all particeps criminis; we are all in such a nefarious business that it takes the undefiled mind and the philanthropic brain of Colorado and New York to find out about it. [Laughter.]

Mr. BAILEY. I thought, Mr. President, if I trained my little children to keep the law that the law would always throw the power of a great government round about them and protect them and make the way of life easier for them. God helping me, I do not want to die anyhow, but if I had no other inducement to live I would want to live to see the day when this sort of threat would not be possible in a free land.

I live in a county; I am against any kind of mob action; but if in that county three or four men overreach the power of the law—as sometimes they do everywhere under the sun, for there is not a land but that the law and its officers are not always sufficient—and injure or kill some man there, they may escape, they may flee to the wilderness, they may disappear, but I remain, and, if this bill should pass, I pay the penalty. I cannot find words to express my horror and disgust at legislation of this sort.

That, however, is not all of it—

The amount recovered shall be exempt from all claims by creditors of such injured or deceased person, or the legal representatives of such injured person or of the estate of such deceased person. The amount recovered upon such judgment shall be paid to the injured person, or where death resulted, distributed in accordance with the laws governing the distribution of an interstate decedent's assets then in effect in the State wherein such death occurred.

Now I come to section 6:

SEC. 6. In the event that any person so injured or put to death shall have been transported by such mob or riotous assemblage from one county to another county or counties during the time intervening between his seizure and injury or putting to death, the county in which he is seized and the county in which he is injured or put to death shall be jointly and severally liable to pay the forfeiture herein provided, and action shall be brought and prosecuted by the United States district attorney of any district wherein any such county is located. Any district judge of the United States district court of the judicial district wherein any suit or prosecution is instituted under the provisions of this act may by order direct that such suit or prosecution be tried in any place in such district as he may designate in such order.

They not only want to hold the innocent in the county where the man is seized, but if he is carried to another county they want the right to sue in both counties. Should this legislation pass, can Senators imagine what thoughts would be in the minds of innocent people throughout our country? Every one of them would know that the whole power of the Federal Government, in the event, through some dire break-down of the powers of our laws, one man should be injured or killed, would be utilized to require every man, woman, and child in the county of the occurrence to pay taxes at the demand of the Federal Government by mandamus or other appropriate process.

Mr. President, that is coercion. Coercion is the most dangerous thing in all the life of the country. The American people cannot be coerced. They may be led, they may be persuaded, and there are those who think they can be fooled. We can work with them, we can deliberate with them; but, by the eternal gods, neither the Federal Government nor the State government nor the powers in the heaven nor the powers in hell can coerce an American citizen. He will not yield.

Something grew up with us over here. We are the heirs of a thousand years of free existence. We are the children of the Magna Carta. We are the sons of the men who wrested from Great Britain the right of representation. We will not be coerced.

When the time comes that the Federal Government makes it known to the American people that it is seeking by an act like this to coerce them—and I do not for one moment intimate that it is—when that time comes, the Congress of the United States and the Federal Government will learn the lesson learned long since by those who have tried to coerce English-speaking freemen.

Mr. President, I have discussed all the provisions of the bill. I have omitted no section. I have laid down what the bill implies and what is clearly written on its face. I shall come now to the constitutional aspects of the bill. I stated on yesterday that I desire to take some time on that matter. I think it would probably pay me to take more time than I could have taken between yesterday afternoon and this morning. However, it is not a difficult constitutional question. The question here is settled, and historically settled. I had thought it never again would be revived. The Slaughter House cases and the Civil Rights cases, back in that period of reconstruction when men's minds were inflamed, settled this question, and settled it right.

Mr. President, I digress for a moment. We had thought the question was settled; we thought the character of the American Union had been determined, and determined under extraordinary circumstances. However, if it is unsettled—and the bill implies as much—it will not be amiss for some of us to struggle here until we are exhausted to see that the settlement which was made shall be maintained for ourselves and the generations to follow.

Mr. President, I shall read first from a constitutional history of the United States by Andrew C. McLaughlin, a very recent publication by the Appleton-Century Co. It is dated 1935. I have been in possession of it only a few weeks. I shall read from page 691.

There was evidence that the war was finished when Charles Sumner declared in the Senate, "* * * it is contrary to the usage of civilized nations to perpetuate the memory of civil war", and proposed that "the names of battles with fellow citizens" be no longer "continued in the Army Register or placed on the regimental colors of the United States." And perhaps there was even greater proof of the dying of old animosities when L. Q. C. Lamar, of Mississippi, eulogizing Sumner in Congress, said, "Charles Sumner was born with an instinctive love of freedom. * * * To a man thoroughly permeated and imbued with such a creed and animated and constantly actuated by such a spirit of devotion, to behold a human being or a race of human beings restrained of their natural rights to liberty, for no crime by him or them committed, was to feel all the belligerent instincts of his nature roused to combat. The fact was to him a wrong which no logic could justify."

That is the great scene, Mr. President, when Charles Sumner announced that the war should be forgotten and when Lucius Quintus Curtius Lamar, upon his death, paid tribute to his memory in words like these.

I read again:

Though the day of new force bills was gone by—

We thought so!—

Congress did not quite surrender the hope of compelling, by direct legislation, a recognition of the civil rights and, in large measure also, the social equality of the Negro. Sumner died in 1874, but as a memorial to him and his ambitions, Congress passed the Civil Rights Act the next year. It declared all persons within the jurisdiction of the United States entitled to the full and equal enjoyment of the accommodations and privileges of inns, public conveyances, theaters, and other places of public amusement, "subject only to the conditions and limitations established by law, and applicable alike to citizens of every race and color, regardless of any previous condition of servitude." It made the act of any person denying to any such citizen such full enjoyment and privilege a misdemeanor, punishable by fine or imprisonment, and it allowed the offended party to sue for civil damages. It proved to be an instance of misdirected legislative zeal. Eight years after its passage the essential portions of the act were pronounced unconstitutional by the Supreme Court.

That act was incomparably more moderate than the bill we are now asked to consider. Here is what the Court held. I shall quote from the Court's decision, though I am reading from McLaughlin's summary:

It was held by the Court to assume the existence of Federal power unwarranted by either the thirteenth or the fourteenth amendment. "It would be running the slavery argument into the ground", the Court declared, "to make it apply to every act of discrimination which a person may see fit to make as to the guests he will entertain, or as to the people he will take into his coach or cab or car." * * * And while positive rights and privileges are undoubtedly secured by the fourteenth amendment they are secured by prohibition against State laws and State proceedings affecting these rights and privileges. * * * It is proper to state that civil rights, such as are guaranteed by the Constitution against State aggression, cannot be impaired by the wrongful acts of individuals, unsupported by State authority in the shape of laws, customs, or judicial or executive proceedings.

I read again:

The principle laid down in the decision was not altogether novel, but it made perfectly clear that the fourteenth amendment was not to be enforced by congressional acts directed against the misconduct of individual citizens unsupported by the authority of the State. The case ranks in importance with the Slaughter House cases (1873), an account of which will be given in a succeeding chapter.

That states the case. The fourteenth amendment, under which this legislation is proposed, relates to the actions or the proceedings of a State, and under no circumstances to the actions or the proceedings of individuals or of mobs.

I read again from page 737, from Mr. McLaughlin's work, heretofore referred to:

For nearly 20 years after the adoption of the amendment there appeared no tendency to give the first section any very serious weight. In spite of strenuous opposition of the dissenting justices, the decisions appeared to be, almost literally, reading the amendment out of court. (1) Even before the Civil Rights cases (1883) the amendment had been interpreted quite inevitably to mean that State action, and State action only, was referred to in the first section—

This bill does not refer to State action; it refers to mob action—

(2) It was made fairly clear in the Slaughter House cases that primary legislation by Congress—

And this is primary legislation—

for regulating the internal affairs of the State was not justified by this section.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BAILEY. Yes; I yield.

Mr. CONNALLY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hatch	Nye
Ashurst	Connally	Hayden	O'Mahoney
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Costigan	King	Radcliffe
Bankhead	Couzens	La Follette	Robinson
Barbour	Cutting	Lewis	Russell
Barkley	Dickinson	Logan	Schall
Bilbo	Dieterich	Lonergan	Schwellenbach
Black	Donahey	McAdoo	Sheppard
Bone	Duffy	McCarran	Shipstead
Borah	Fletcher	McGill	Smith
Brown	Frazier	McKellar	Steiwer
Bulkley	Gerry	McNary	Thomas, Utah
Bulow	Gibson	Metcalf	Trammell
Burke	Glass	Minton	Vandenberg
Byrd	Gore	Moore	Van Nuys
Byrnes	Guffey	Murphy	Wagner
Capper	Hale	Murray	Walsh
Caraway	Harrison	Neely	Wheeler
Carey	Hastings	Norris	White

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. BAILEY. Mr. President, I shall read now from the second volume of the work entitled "The Supreme Court in United States History", by the Honorable Charles Warren, and I shall read his commentary on the Slaughter House cases:

Two months after the second argument the opinion of the Court was rendered by Judge Miller, on April 14, 1873, Judges Clifford, Davis, Strong, and Hunt concurring. It stated that it was "impressed with the gravity of the questions raised" and recognized the "great responsibility" of the decision.

I read those words because the bill we are discussing presents the same gravity and the same responsibility.

That no questions so far-reaching and pervading in their consequences, so profoundly interesting to the people of this country, and so important in their bearing upon the relations of the United States and of the several States to each other and to the citizens of the States and of the United States, have been before this Court during the official life of any of its present members.

That is, since 1858.

After considering the history of the fourteenth amendment—

And that is the amendment under which this legislation is proposed—

the evil which it was designed to remedy, and its "pervading spirit", the Court held that the Louisiana statute did not violate the amendment in any particular; that if the right claimed by the plaintiff to be freed of monopoly existed, it was not a privilege or immunity of a citizen of the United States as distinguished from a citizen of a State; that the amendment, in defining a citizen of the United States, did not add any additional privileges and immunities to those which inhered in such citizens before its adoption; that it was only rights which owed their existence to the Federal Government, its national character, its Constitution, or its laws, that were placed under the special care of the National Government.

Mr. President, that is a very important distinction. The effort is made here to maintain, in the name of the Federal Government, rights which, from the foundation of every State in the American Union, have been written either in their constitutions or their bills of right.

That it was not intended to bring within the power of Congress or the jurisdiction of the Supreme Court "the entire domain of civil rights heretofore belonging exclusively to the States."

This is worthy of comment. There are people in the United States, there are politicians in the United States, there are agitators in the United States, who do desire and who are moving to bring within the power of Congress the entire domain of "civil rights heretofore belonging exclusively to the States."

And that to hold otherwise would "constitute this Court a perpetual censor upon all legislation of the States on the civil rights of their own citizens." Such, very briefly stated, was this momentous opinion. That the decision, so far as it concerned the provisions of the amendment forbidding the States to abridge the privileges and immunities of a citizen, rendered that clause a

practical nullity, was pointed out by dissenting judges (Justices Field, Swayne, Bradley, and Chief Justice Chase).

I shall read from Mr. Justice Bradley where he takes another view from his dissenting opinion in this case:

The construction given by the majority of the Court made of this clause, they said, "a vain and idle enactment which accomplished nothing, and most unnecessarily excited Congress and the people on its passage."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CONNALLY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hatch	Nye
Ashurst	Connally	Hayden	O'Mahoney
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Costigan	King	Radcliffe
Bankhead	Couzens	La Follette	Robinson
Barbour	Cutting	Lewis	Russell
Barkley	Dickinson	Logan	Schall
Bilbo	Dieterich	Lonergan	Schwellenbach
Black	Donahey	McAdoo	Sheppard
Bone	Duffy	McCarran	Shipstead
Borah	Fletcher	McGill	Smith
Brown	Frazier	McKellar	Steiwer
Bulkley	Gerry	McNary	Thomas, Utah
Bulow	Gibson	Metcalf	Trammell
Burke	Glass	Minton	Vandenberg
Byrd	Gore	Moore	Van Nuys
Byrnes	Guffey	Murphy	Wagner
Capper	Hale	Murray	Walsh
Caraway	Harrison	Neely	Wheeler
Carey	Hastings	Norris	White

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. BAILEY. Mr. President, when the decision of the Court in the slaughter House cases came down it was regarded universally in America as of the utmost importance and of perpetual significance. There was comment throughout the country by the newspapers, and Mr. Warren has preserved for us certain of these comments. I propose to read them mainly because the present generation seems to be less appreciative of the values in that great decision than was the generation which fought the Civil War, and that the modern generation, with nothing of that atmosphere about it, is less regardful of the rights of free men and the sovereignty of the States than was the generation which made the great decision on the fields of battle.

The New York Times said of the opinion that it was—

Calculated to throw the immense moral force of the Court on the side of rational and careful interpretation of the rights of the States and those of the Union. It is calculated to maintain, and to add to the respect felt for, the Court, as being at once scrupulous in its regard for the Constitution and unambitious of extending its own jurisdiction. It is also a severe, and we might hope a fatal, blow to that school of constitutional lawyers who have been engaged, ever since the adoption of the fourteenth amendment, in inventing impossible consequences for that addition to the Constitution.

I should like to read that again. The New York Times thought it was—

A fatal blow to that school of constitutional lawyers who have been engaged, ever since the adoption of the fourteenth amendment, in inventing impossible consquences for that addition to the Constitution.

It was fatal, as I thought, until this bill lifted its ugly head, its monstrous form, in the Congress of the United States.

The New York Tribune termed it—

A most important decision.

It said that it—

Set up a barrier against new attempts to take to the National Government the adjustment of questions legitimately belonging to State tribunals and legislatures.

The Philadelphia Press said that it would—

Clear away a tolerably dense legal fog.

The Boston Advertiser said that a contrary decision—

Would constitute this Court a perpetual censor upon all State legislation concerning the rights of its citizens.

That is from Boston. One is from New York and the other is from Philadelphia.

Now we come to Chicago. The Chicago Tribune said that the decision plainly indicated two things:

That the Court will not construe the constitutional amendments as upsetting State governments; and that the people of every State must look to their own protection against monopolies when they frame their constitutions and elect their legislatures, and not come to the Court afterward and ask them to undo what the legislative authority had done.

Of the soundness of the decision, it said that there could be no doubt that—

The constitutional amendments, beyond their estoppel of the States from enslaving the Negro or depriving him of the privilege of the elective franchise and the other rights of white men, cannot interfere with State rights. Any other interpretation of these amendments would be glaringly in conflict with historical facts. * * * The Federal Government thus becomes absolute in its jurisdiction, and State governments only exist or exercise their powers by its sufferance. * * * The principal value of this decision grows out of the fact that it clearly and unmistakably defines the province of the constitutional amendments and will hereafter put a quietus upon the thousand and one follies seeking to be legalized by hanging onto the fourteenth amendment. * * * The decision has long been needed as a check upon the centralizing tendencies of the Government and upon the determination of the administration to enforce its policy and to maintain its power, even at the expense of the constitutional prerogatives of the States. The Supreme Court has not spoken a moment too soon or any too boldly on this subject.

I now read Mr. Warren's comment:

Sentiments like these, widely expressed in the North, the East, and the West, afford an interesting illustration of how far the pendulum had swung away from centralization and toward the most extreme State-rights views held by the Democratic Party before the war.

An opinion similar to that of the daily press was also held by the American Law Review, which said:

"In its results it is of untold importance to the future relations of the different members of our complex system with the whole. The line which separates the Federal Government from the States, and which of late years has trenched on what are called the reserved rights of the latter, was never so precisely defined as to make trite or tiresome new descriptions of its position; and the interpretation of the thirteenth, fourteenth, and fifteenth amendments to the Constitution of the United States, which was called for by attempts to apply their letter, if not their spirit, to new states of fact not contemplated by the Congress nor the legislatures that made them, is the latest and one of the most important acts of Government growing out of the war."

I read again, and this is from Mr. Warren:

Had the case been decided otherwise, the States would have largely lost their autonomy and become, as political entities, only of historical interest.

That is Mr. Warren's commentary by way of interpreting the Slaughter House cases based upon the fourteenth amendment, from which the extraordinary powers of the pending bill are sought to be derived. I will read it again:

Had the case been decided otherwise, the States would have largely lost their autonomy and become, as political entities, only of historical interest.

If Mr. Warren is right, and this bill should be enacted and go to the Supreme Court, and the Supreme Court should reverse its position taken in the Slaughter House cases and the Civil Rights cases, then we could invoke precisely this language, and notify the world that the States have lost their autonomy and become, as political entities, only of historical interest. Mr. Warren said:

If every civil right possessed by a citizen or a State was to receive the protection of the national judiciary, and if every case involving such a right was to be subject to its review, the States would be placed in a hopelessly subordinate position; and the ultimate authority over the citizens of the State would rest with the National Government.

That is a precise description by the Honorable Charles Warren, one of the great lawyers of the country, and one of the great historical authorities on all matters touching the judiciary and the development of our law.

The ultimate authority over the citizens—

I could almost read his language into my remarks here—

The ultimate authority over the citizens if this legislation shall be passed will, so far as this Congress is concerned, rest with the National Government. The boundary lines between the States

and the National Government would be practically abolished, and the rights of the citizens of each State would be irrevocably fixed as of the date of the fourteenth amendment, without power in the State to modify them, and with power in the Supreme Court of the Nation to review any State statute asserted to be in violation of such rights, even if such statute affected solely a matter of State policy. Inasmuch as about 800 cases have been before the Court since 1873, involving State statutes under the due-process clause of the fourteenth amendment, it is impossible to conceive of the amount of litigation on which that Court would have been called to pass, if State legislation involving every possible civil right of a State citizen could also have been brought before it under the privilege and immunity clause.

Mr. President, I turn from historical works and the constitutional history of the United States and the Supreme Court of the United States in the history of the United States to a volume of the Supreme Court reports. I turn to the Civil Rights case, reported in One Hundred and Ninth United States Reports, October term, 1883, at page 11. For the benefit of those who may be interested, I will state that these cases are known as the Civil Rights cases. They were five in number, but were consolidated for the purposes of the opinion of the Court. I read first the Court's quotation from the fourteenth amendment:

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

It is State action of a particular character that is prohibited—

Says the Court—

Individual invasion of individual rights is not the subject matter of the amendment.

That is the decision of the Supreme Court in 1883, a few years after the surrender at Appomattox and almost in the midst of reconstruction.

It has a deeper and a broader scope. It nullifies and makes void all State legislation and State action of every kind which impairs the privileges and immunities of citizens of the United States or which injures them in life, liberty, or property without due process of law, or which denies to any of them the equal protection of the laws. It not only does this, but, in order that the national will, thus declared, may not be a mere brutum fulmen, the last section of the amendment invests Congress with power to enforce it by appropriate legislation. To enforce what? To enforce the prohibition. To adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts and thus to render them effectually null, void, and innocuous.

Where is there a State law, where is there a State act that denies to anybody in America due process of law or the equal protection of the law? And yet that is the excuse, that is the pretext upon which this bill is brought here. That could be its only justification, and that is why in the second section of the bill States are deemed, in the event a man is destroyed or injured by a mob, to have denied those rights. The authors of the bill undertake to write into the law what the Supreme Court of the United States declares cannot be written into it.

This is the legislative power conferred upon Congress, and this is the whole of it.

If it is the whole of it, all this bill is out of court.

It does not invest Congress with power to legislate upon subjects which are within the domain of State legislation—

Congress cannot legislate upon murder; it cannot legislate upon lynching; they are in the domain of State legislation—

but to provide modes of relief against State legislation, or State action, of the kind referred to. It does not authorize Congress to create a code of municipal law for the regulation of private rights, but to provide modes of redress against the operation of the State laws, and the action of State officers, executive or judicial, when these are subversive of the fundamental rights specified in the amendment. Positive rights and privileges are undoubtedly secured by the fourteenth amendment; but they are secured by way of prohibition against State laws and State proceedings affecting those rights and privileges, and by power given to Congress to legislate for the purpose of carrying such prohibition into effect; and such legislation must necessarily be predicated upon such supposed State laws or State proceedings, and be directed to the correction of their operation and effect. A quite full discussion of this aspect of the amendment may be found in *United States* v. *Cruikshank* (92 U. S. 542); *Virginia* v. *Rives* (100 U. S. 313; and Ex parte Virginia, 100 U. S. 339).

Mr. President, I should like to read a great deal more from this opinion. I desire to see if I can look through it and abbreviate the reading.

An apt illustration of this distinction may be found in some of the provisions of the original Constitution. Take the subject of contracts, for example. The Constitution prohibited the States from passing any law impairing the obligation of contracts. This did not give the Congress the power to provide laws for the general enforcement of contracts; nor power to invest the courts of the United States with jurisdiction over contracts, so as to enable parties to sue upon them in those courts.

And again:

And so in the present case, until some State law has been passed, or some State action through its officers or agents has been taken, adverse to the rights of citizens sought to be protected by the fourteenth amendment, no legislation of the United States under said amendment nor any proceeding under such legislation can be called into activity, for the prohibitions of the amendment are against State laws and acts done under State authority.

Mr. President, when a mob gathers and lynches a man that is not under any State law and that is not under any State authority.

Again:

An inspection of the law shows that it makes no reference whatever to any supposed or apprehended violation of the fourteenth amendment on the part of the States.

The present bill undertakes to constitute a violation of the fourteenth amendment by act of law, an arbitrary declaration of an irrebuttable presumption.

It proceeds ex directo to declare that certain acts committed by individuals shall be deemed offenses and shall be prosecuted and punished by proceedings in the courts of the United States. It does not profess to be corrective of any constitutional wrong committed by the States; it does not make its operation to depend upon any such wrong committed. It applies equally to cases arising in the States which have the justest laws respecting the personal rights of citizens, and whose authorities are ever ready to enforce such laws, as to those which arise in States that may have violated the prohibition of the amendment. In other words, it steps into the domain of local jurisprudence and lays down rules for the conduct of individuals in society toward each other, and imposes sanctions for the enforcement of those rules, without referring in any manner to any supposed action of the State or its authorities.

And again:

These sections in the objectionable features before referred to are different always from the law ordinarily called the "civil-rights bill", originally passed April 9, 1866 (14 Stat. 27, ch. 31), and reenacted with some modifications in sections 16, 17, and 18 of the Enforcement Act passed May 31, 1870 (16 Stat. 140, ch. 114). That law, as reenacted, after declaring that all persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and none other, any law, statute, ordinance, regulation, or custom to the contrary notwithstanding, proceeds to enact that any person who, under color of any law, statute, ordinance, regulation, or custom, shall subject, or cause to be subjected, any inhabitant of any State or Territory to the deprivation of any rights secured or protected by the preceding section (above quoted), or to different punishment, pains, or penalties, on account of such person being an alien, or by reason of his color or race, than is described for the punishment of citizens, shall be deemed guilty of a misdemeanor, and subject to fine and imprisonment as specified in the act. This law is clearly corrective in its character, intended to counteract and furnish redress against State laws and proceedings, and customs having the force of law, which sanction the wrongful acts specified.

In the Revised Statutes, it is true, a very important clause, to wit, the words "any law, statute, ordinance, regulation, or custom to the contrary notwithstanding", which gave the declaratory section its point and effect are omitted; but the penal part, by which the declaration is enforced, and which is really the effective part of the law, retains the reference to State laws, by making the penalty apply only to those who would subject parties to a deprivation of their rights under color of any statute, ordinance, custom, etc., of any State or Territory, thus preserving the corrective character of the legislation.

The distinction is perfectly clear. The fourteenth amendment relates to the States and their formal action. The State acts only by authority of law and by its ministerial officers executing the law.

The distinction is perfectly clear. The fourteenth amendment relates to the States in their formal action. The State

acts only by the authority of law and by its ministerial officers executing the law.

But here it is proposed that upon a mob breaking loose in a State we may tear down the Constitution, overrule these decisions, and bring into the jurisdiction of a sovereign State the power of the Federal Government.

In this connection it is proper to state that civil rights, such as are guaranteed by the Constitution against State aggression, cannot be impaired by the wrongful acts of individuals, unsupported by State authority in the shape of laws, customs, or judicial or executive proceeding. The wrongful act of an individual, unsupported by any such authority, is simply a private wrong, or a crime of that individual—

Yet the bill proposes to put a penalty upon all the people in a county because three individuals interfere with the rights of another individual—

an invasion of the rights of the injured party, it is true, whether they affect his person, his property, or his reputation; but if not sanctioned in some way by the State, or not done under State authority, his rights remain in full force, and may presumably be vindicated by resort to the laws of the State for redress. An individual cannot deprive a man of his right to vote, to hold property, to buy and sell, to sue in the courts, or to be a witness or a juror; he may, by force or fraud, interfere with the enjoyment of the right in a particular case; he may commit an assault against the person, or commit murder, or use ruffian violence at the polls, or slander the good name of a fellow citizen; but, unless protected in these wrongful acts by some shield of State law or State authority, he cannot destroy or injure the right.

Nothing could be clearer than the distinction between the doctrine of the courts with regard to the acts of the States, and the doctrine regarding the acts of a mob as written in the language of the proposed legislation:

Hence, in all those cases where the Constitution seeks to protect the rights of the citizen against discriminative and unjust laws of the State by prohibiting such laws, it is not individual offenses, but abrogation and denial of rights, which it denounces, and for which it clothes the Congress with power to provide a remedy. This abrogation and denial of rights, for which the States alone were or could be responsible, was the great seminal and fundamental wrong which was intended to be remedied. And the remedy to be provided must necessarily be predicated upon that wrong. It must assume that in the cases provided for, the evil or wrong actually committed rests upon some State law or State authority for its execution and perpetration.

I shall take no further time reading this historical opinion of our great court. I shall content myself by saying that the Slaughter House cases and the Civil Rights cases, which involved the thirteenth, fourteenth, and fifteenth amendments, up until now have been regarded as having determined once and for all the relation of the States to the Federal Union under these amendments.

The war settled the question of slavery. There were those on the Federal side who said that those on the Confederate side were fighting to perpetuate the institution of slavery. Those on the Confederate side, I will say with my latest breath, justly said they were fighting to preserve the rights of the States of the American Union. The question of slavery was merely the match which set off the explosion of war. The war determined the question of slavery probably a little sooner than it otherwise would have been determined. But after the war was over there still remained to be settled the question of State rights.

I have read today the testimony from the highest Court in the land, the ultimate authority, that although the question of State rights seemed to go down with the surrender at Appomattox, it still lives in the hearts of the American people, North and South. It was drawing its life and its sustenance from the Federal Constitution, which our fathers wrought 145 years ago, and at length, as the clouds of civil conflict were rolling from this land, never again to return, I hope and pray, the Supreme Court of the Federal Union determined that State rights had not in any degree been impaired. The South lost the war, but the American spirit preserved State rights.

We lost the war. Our fathers preserved our rights. It remains for us here today to preserve the heritage which they handed down to us.

Mr. President, I have finished for the time. I am going to yield to the Senator from Kansas [Mr. CAPPER] in a moment, but before doing so I wish to say just a word or two further. I was reading the address of my honored friend the junior Senator from the State of New York [Mr. WAGNER] on this subject——

Mr. BANKHEAD. Mr. President, I suggest the absence of a quorum. If we are going to carry on the debate, we ought to have more of an attendance or else take a recess. Therefore I suggest the absence of a quorum.

Mr. BAILEY. Mr. President, will the Senator permit me to finish just the one thought before that is done?

Mr. BANKHEAD. Very well; I withdraw the suggestion.

Mr. BAILEY. I said I was reading the address of my honored friend the distinguished and able junior Senator from the State of New York [Mr. WAGNER], and I came upon these words:

Far from depriving the States of their obligations and power to preserve order, it (the bill) gives them added incentive to do their duty.

We need no incentive to do our duty! Holding in trust for my State all that a United States Senator can hold in the National Council, what can a Senator say when a fellow Senator introduces a bill and tells me that the bill is an incentive to my Commonwealth to do its duty? Mr. President, it is best that I should say nothing! Is it possible that we have reached the hour in America when it is proposed to ride us with whip and spur? Is that to be the incentive to a State to do its duty? If so, I want to be there when they saddle the nag!

Mr. CAPPER. Mr. President——

Mr. BAILEY. I yield to the Senator from Kansas.

Mr. CAPPER. It seems to me the pending measure, Senate bill 24, must appeal to and command the support of every Member of the Senate who believes in law and order.

I am not going to take the time of the Senate to recite the great volume of statistics which tells the story of the prevalance of lynching in this country. That information already has been laid before the Senate. Everyone knows that this blot on our civilization, lynch law, is far too prevalent in the North as well as in the South, and neither its victims nor its executioners are confined to any one race.

Neither am I going into a gruesome relation of stories of mob murders. Suffice it to say that the details of cruelty and barbarity, of savagery and bloodthirst, as related from time to time in newspapers and magazines and by word of mouth, stagger the imagination. That such scenes are enacted in enlightened America is a sinister blot on our boasted civilization.

I do desire, however, to call attention to the fact that persistent propaganda calculated to make it appear that rape is practically the sole cause or excuse for lynching and that Negroes are lynched only for crimes against white women is not true. Men are tortured, maimed, killed for minor crimes; all too frequently for imaginary offenses.

Every such mob crime weakens the moral fiber of the people who participate and many of those not actually participants and tends to the substitution of mob law for statute law.

Surely no one needs to argue the injustice, the danger, the shame of lynching. That much is conceded. Lynching works a gross injustice, because the accused is denied the fundamental and constitutional trial by due process of law. This injustice operates most generally against our colored citizens. Will anyone deny that, as a race, these are good and loyal citizens? Has this race ever been lacking in loyalty to our country and our flag? Will not its record, in peace and in war, compare very favorably with any other class of our population? Does not the splendid force of 400,000 Negroes in the Military Establishment of the United States during the World War speak with sufficient emphasis of their valor, of their devotion to their country?

By what process of reasoning can anyone justify the people of this race being denied the constitutional right to trial by jury when accused of crime? There can be only one answer to that question.

Lynching is not only a monstrous injustice to those persons lynched and to the group against which it is chiefly

practiced; it also is a danger and a menace to orderly government in the United States.

Moreover, it is a shame and a humiliation and a disgrace to the name of America among the nations of the world; it holds up to scorn, it sets at naught our protestations about democracy, justice, equality before the law. It cannot be tolerated for long if our Republic is to endure.

I do not know that this measure, enacted into law, will bring an end to this barbaric hangover from the Dark Ages. I do believe it will go far toward curbing lynchings and bringing about orderly government by law; and we should do everything in our power to bring this about.

One of the chief talking points urged against this measure is the question of its constitutionality. I am not disturbed by that question. To my mind, it has been very ably disposed of by previous speakers supporting the proposed legislation. To those worrying about the alleged unconstitutionality of the bill I suggest that it is the duty of the courts to pass on the constitutionality of legislation enacted by Congress. If this measure is unconstitutional, its opponents need not worry about its ever becoming the permanent law of the land; the courts will take care of that by promptly setting the act aside.

Mr. President, I can see no reason for a prolonged argument in support of this measure. Its purposes are so laudable, its motives so much in the interest of humanity, its need so manifest, that I cannot understand why anyone should oppose its passage. I intend to vote for the measure if given the opportunity. It is a matter of regret to me that apparently we are not to be allowed a vote on the proposed legislation today.

Mr. President, I ask unanimous consent to include in the RECORD as a part of my remarks an able and forceful editorial from the Washington Daily News of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of Apr. 26, 1935]

NOT DIXIE'S VOICE

A small group of southern Senators threaten to filibuster the Costigan-Wagner antilynching bill just as a similar group killed the Dyer bill 12 years ago.

They may succeed. But if they do the country should know that their specious pleas in behalf of State rights or chivalry do not echo the sentiments of the whole South.

Organizations representing some 42,000,000 Americans urge passage of this bill. How much of this support comes from south of the Mason-Dixon line may be judged from its approval by many of Dixie's leading papers.

"Its (the Costigan-Wagner bill's) invasion of State rights should cause no southern heartburning", says the Norfolk (Va.) Virginian-Pilot. "There is no such thing, morally speaking, as a reserved right to deal in our own way with a form of collective murder which our own way has uniformly failed to punish."

"It may be", says the Newport News (Va.) Press, "that the antilynching bill will not be adopted by the Congress now in session. But if it is not, and lynchings do not stop, it will be adopted by some other Congress; in fact, must be adopted if the machinery of justice is to function."

"Apparently", says the Macon (Ga.) Telegraph, "the mere threat of the Federal antilynching bill has a wholesome effect, and the time has come when even the South would vote for such a bill."

Southern women, too, have been quick to resent Senator SMITH'S quaint argument that "lynchings are necessary for womanhood's protection." Scores of letters, telegrams, and resolutions from southern women's religious, welfare, and club organizations have repudiated the preposterous claim that the South's law is helpless to protect the South's women.

Proponents of this measure claim 59 Senate votes from all over the country and a big majority in the House. Only 20 Senators are called irreconcilables. It is neither just nor gallant of them to filibuster against this popular national movement.

Mr. BAILEY. Mr. President——

Mr. COSTIGAN. Mr. President, I thought the Senator had yielded the floor.

Mr. BAILEY. No; I stated before concluding for the time that I would yield to the Senator from Kansas [Mr. CAPPER] at his request. I had also agreed to yield to the Senator from Oregon [Mr. STEIWER]. I rather think it is my duty now to yield to him; so I yield to the Senator from Oregon.

Mr. STEIWER. I thank the Senator. Does the Senator from Colorado wish me to yield to him?

Mr. COSTIGAN. Mr. President, will the Senator yield to me in order that I may place in the RECORD some telegrams and newspaper articles?

Mr. STEIWER. I am glad to yield for that purpose.

Mr. COSTIGAN. I ask unanimous consent to have placed in the RECORD a number of telegrams received by me today, strongly urging the passage of the present legislation and expressing the hope that no filibuster will be allowed to succeed; also an editorial attributed to the New Orleans (La.) Item of April 3, 1935; also an article in this morning's Washington Post, under caption of the Associated Press, stating that the Interracial Commission meeting in Atlanta, Ga., composed of 50 members from 11 States, at its seventeenth annual gathering, came out for the first time yesterday in favor of a Federal law against lynching.

The PRESIDING OFFICER (Mr. SMITH in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

PHILADELPHIA, PA., *April 26, 1935.*

Senator EDWARD P. COSTIGAN:

I desire to record with you at this time my deep appreciation of your efforts in behalf of antilynching legislation in the Congress. Although myself not a member of the minority group most victimized by this form of oppression, it seems to me it ought to be clear to all who are not yet ready to abandon our democratic form of government that this Nation's duty to stamp out the lynching custom is, of all its important duties, one of the most pressing and imperative. While the struggle to enact an antilynching statute is fought with great emotional excitement, I submit that you and the other friends of this worthy cause can afford to stand your ground without flinching, convinced of the ultimate success of any cause that is noble, just, and fundamentally sound, even if temporarily unpopular.

HENRY CATER PATTERSON.

CHICAGO, ILL., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate:

The 53 newspapers serviced by this organization urgently request you to resist filibuster and stand firm for passage for antilynch bill.

INTERNATIONAL PRESS SERVICE,
PERRY C. THOMPSON, *Director.*

BALTIMORE, MD., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building:

I hope you will insist on consideration of the Costigan-Wagner bill and not allow it to be blocked by any minority group.

ASBURY SMITH, *Chairman,*
MARYLAND ANTILYNCHING FEDERATION.

JACKSONVILLE, FLA., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
The Senate:

As chairman of public affairs for Florida for national Y. W. C. A. and representing hundreds of Y. W. C. A. members, I urge the passage of the Costigan-Wagner antilynching bill.

MRS. WALTER S. JONES.

NEW YORK, N. Y.

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Strongly commend you and Senator WAGNER in determination to bring antilynching bill to vote. Trust all friends of bill will resist efforts to adjourn, rather than recess today.

KATHERINE GARDNER, *Secretary.*
CHURCH WOMEN'S COMMITTEE,
FEDERAL COUNCIL OF CHURCHES.

PHILADELPHIA, PA., *April 26, 1935.*

Senator EDWARD P. COSTIGAN:

We urge passage of antilynching bill to wipe out barbarism; to promote justice.

THE PRINCIPAL AND FACULTY,
HILL SCHOOL, GERMANTOWN.

PHILADELPHIA, PA., *April 25, 1935.*

Senator EDWARD COSTIGAN,
United States Senate, Washington, D. C.:

Am 100 percent back of Wagner-Costigan bill. Do not surrender to filibuster.

F. BECKER,
Representing Young People's Christian Endeavor.

PHILADELPHIA, PA., *April 25, 1935.*

Hon. EDWARD COSTIGAN,
Senate Office Building, Washington, D. C.:

Pennsylvania Branch Women's International League hopes all possible efforts will be made to break filibuster and push anti-lynching bill through to success. We wish to give you every support in your excellent work.

EMILY COOPER JOHNSON,
Chairman.

PHILADELPHIA, PA., *April 25, 1935.*

EDWARD COSTIGAN,
United States Senator, Washington, D. C.:

The Young People's Fellowship of St. Thomas Church is behind you. Fight hard to break the filibuster. Don't be discouraged. We are hoping for success. Fight against adjournment. Here's luck. Seventy-five of us are behind you; we must win. Phi Omega Tau Fraternity is with us.

JOSEPH E. BRINKLEY,
President.

PHILADELPHIA, PA., *April 25, 1935.*

Senator EDWARD P. COSTIGAN,
Washington, D. C.:

Urge you not to surrender to filibuster. We ask you to use all your influence to prevent the side-tracking of the Costigan-Wagner bill. Our group is backing the bill and we have confidence in you.

GEO. DEVINE,
Young People of the Reformed Church in Philadelphia.

PHILADELPHIA, PA., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building:

Understand over 50 Senators favor Costigan-Wagner antilynching bill. As editor Friends Intelligencer, organ Society of Friends, urge you break filibuster and call for record vote.

S. C. YERKES.

PHILADELPHIA, PA., *April 26, 1935.*

Senator EDWARD COSTIGAN,
Senate Office Building:

Encourage efforts for antilynching bill. Stop filibuster. Watching and praying.

ETHEL RHOADS POTTS,
Member Society Friends.

PHILADELPHIA, PA., *April 25, 1935.*

Hon. EDWARD COSTIGAN,
Senate, Washington, D. C.:

Trust that friends of the Costigan-Wagner bill will not allow any surrender to filibuster. Know you will use all your influence. Important to avoid adjournment. Our group more than interested in attitude of Senators. Power to you.

TIOGA PEACE GROUP,
KATHRYN PATTERSON, *Chairman.*

PHILADELPHIA, PA., *April 25, 1935.*

Senator COSTIGAN,
Washington, D. C.:

We wish to commend the passage on the floor of the Costigan-Wagner bill, and urge in the name of all that is righteous that you do all in your power to stop all filibustering that might influence the retraction of said bill.

THE ENTIRE DELAWARE YOUTH CONFERENCE.

PHILADELPHIA, PA., *April 25, 1935.*

Senator EDWARD COSTIGAN,
United States Senate, Washington, D. C.:

We members of the Methodist youth conference of Philadelphia area urge all continued efforts to avoid adjournment while pushing Costigan-Wagner antilynching bill. Interested in support by all Senators. All success to you.

JACK LAMPING,
President Philadelphia Methodist Youth Conference, Membership 500.

PHILADELPHIA, PA., *April 25, 1935.*

EDWARD COSTIGAN,
United States Senate Office Building, Washington, D. C.:

Strongly in back of Costigan-Wagner bill. Anxiously watching stand of the Senators. All power behind you.

MARY COOPER,
Baptist Young Peoples Union.

PHILADELPHIA, PA., *April 25, 1935.*

Hon. EDWARD COSTIGAN,
Senate, Washington, D. C.:

Trust that friends of the Costigan-Wagner bill will not allow any surrender to filibuster. Know you will use all your influence to prevent. Important to avoid adjournment. More than interested in attitude of Senators.

DOROTHY BRADBURY.

PHILADELPHIA, PA., *April 25, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

As president of District Sunday School Union of Philadelphia, representing 75 schools, with a membership of 10,000, urge you not surrender to filibuster; bring bill to vote. Confident you will use every effort to get bill passed.

EUSTACE GRAY.

PHILADELPHIA, PA., *April 25, 1935.*

Hon. EDWARD COSTIGAN,
Senate, Washington, D. C.:

Trust that friends of the Costigan-Wagner bill will not allow any surrender to filibuster.

FLORENCE EVANS.

WASHINGTON, D. C., *April 25, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

I wish to thank you and Senator WAGNER for the fine work you have done to kill the filibuster. May God help you to pass this bill that will wipe out the most regrettable blot on American civilization.

Director GEORGIA A. COLEMAN,
Member of Women's Political Study Club.

PHILADELPHIA, PA., *April 25, 1935.*

Senator EDWARD COSTIGAN,
United States Senate, Washington, D. C.:

Do not surrender to filibuster on Costigan-Wagner bill. I represent the race relations committee of the Philadelphia Young Friends movement. We are watching the bill.

EMMA SIDLE.

PHILADELPHIA, PA., *April 25, 1935.*

Senator EDWARD COSTIGAN,
Senate Office Building, Washington, D. C.:

Please don't submit the Costigan-Wagner bill to filibuster; use all your influence to push this bill through. It is one of the most important bills this year; to us the most important.

BETTY CRAMER,
Representative of Philadelphia Inter-Collegiate Club.

MOORESTOWN, N. J., *April 26, 1935.*

Senator COSTIGAN,
Senate Office Building:

Don't let filibuster or adjournment prevent passage antilynching bill.

ELEANOR WILDMAN.
CAROLYN JOHN.

PHILADELPHIA, PA., *April 25, 1935.*

Senator EDWARD COSTIGAN,
United States Senate, Washington, D. C.:

Don't let the filibuster defeat the Costigan-Wagner bill. The young peoples' city-wide forum group of 300 young people.

RANDOLPH BAYLOR, JR.

WASHINGTON, D. C., *April 26, 1935.*

Hon. EDWARD J. COSTIGAN:

The Washington Federation of Churches heartily commends your faithful work and that of Senator WAGNER in behalf of the antilynching bill. We hope you will resist all efforts to prevent it from coming to a vote and wish you ultimate success.

W. L. DARBY, *Secretary.*

[From the New Orleans (La.) Item of Apr. 3, 1935]

LYNCHING AND PUBLIC?

The New Orleans Ministerial Union endorses the Costigan-Wagner lynching bill. Clergy elsewhere in the South have endorsed it, and other southern organizations have called for the bill's passage in sufficient numbers to make a respectable showing for the orderly and humane elements of the South's population.

A conviction persists in other parts that a majority of the countryfolk of the South approves of lynching and will make short work of any Congressman who dares to interfere with it as an "institution." A good deal of evidence exists that much of this rural barbarism is mythical. The news for several years has abounded in stories of village constables and private citizens who have defied and outwitted mobs and foiled lynching bees.

If lynching were held as sacred in the country districts as some timorous Congressmen believe it is, some or all of these constables, clergymen, and private citizens would have been run out of their communities. Perhaps an occasional reprisal of this kind can be cited, but if it were the common practice practically nobody would dare defy lynch mobs.

[From the Washington Post of Apr. 26, 1935]

ATLANTA, April 25.—A call for a Federal antilynch law came from the Interracial Commission here today.

Composed of 50 members from 11 States, the commission in its seventeenth annual meeting came out for a Federal law against lynching for the first time. The organization expressed itself as "disappointed" by the record of State and local officials in lynching cases.

The commission also gave its endorsement to the Bankhead farm-tenant bill now pending in Congress.

Mr. COSTIGAN. Mr. President, I also desire to insert in the RECORD a telegram received this afternoon from Mr. W. W. Alexander, recently, I am advised, elected president of Dillard University, of New Orleans, La., in which references are made to the membership of the Interracial Committee, and the resolution adopted yesterday is detailed. The telegram is not long, and I ask unanimous consent to have it read at the desk.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, the telegram will be read.

The Chief Clerk read as follows:

ATLANTA, GA., *April 26, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senator:

Membership of the Commission on Interracial Cooperation comprises 130 representative citizens, educators, ministers, editors, business men, leaders of women's organizations of 13 Southern States. Affiliated are State and local interracial committees with aggregate membership running into thousands. Following is the statement unanimously adopted yesterday by the commission in annual session at Atlanta: "Hitherto the commission has taken no position relative to Federal antilynching legislation. We were agreed that the primary responsibility for the prevention and punishment of lynching rested upon State officials and courts, and that in the last analysis public opinion was largely the determining factor. Consequently, the commission from its inception has worked continuously along these lines, seeking special antilynching legislation in a number of States; urging vigorous preventive measures when lynchings were threatened; asking effective court action against the members of mobs; and, at the same time, seeking through all possible avenues of publicity and education to build up a public opinion that would no longer tolerate crimes of this character. Lynching records of the last 15 years indicate progress along the line of prevention. Officers generally are more vigilant than formerly in the protection of prisoners, thereby reducing the lynching toll. Meantime intelligent public opinion is practically unanimous in condemnation of mob violence. On the contrary, with rare exceptions, attempts at prosecution in lynching cases continue to be futile. In nearly every case the community hysteria which gives rise to a lynching makes impossible any effective court action against the perpetrators of the crime. Consequently, in not 1 case in 10 is an effective effort made by the authorities to identify and prosecute the members of lynching mobs. Even in the rare cases in which such efforts have been made, indictments have seldom been obtained, and convictions have usually proved impossible. Disappointed by this record of impotence on the part of State and local officials, the commission has reluctantly been forced to the conclusion that little is to be expected from this source, at least in the immediate future, and that an appeal to the Federal courts in such cases is justified and demanded by the conditions. The commission favors, therefore, the enactment of Federal legislation to this end, in the hope that Federal agents and courts would be in better position to act fearlessly and effectively in the prosecution of participants in the crime of lynching."

WILL W. ALEXANDER.

Mr. SMITH. Mr. President, I wish to request the Senator from Colorado to try to obtain information as to the names, residences, and occupations of the "patriots" who sent this telegram. I should be obliged to him if he would do that.

Mr. COSTIGAN. Mr. President, in answer to the Senator from South Carolina I will say that during the day I have made an effort to obtain precisely what he requests, and I have received information giving names of a number of prominent people who are reported connected with the association to which he refers.

Mr. SMITH. I do not ask the Senator to read them, but to have them put into the RECORD.

Mr. COSTIGAN. I shall take pleasure in doing so. The public will likewise be interested in the names.

Mr. SMITH. I shall be glad if the Senator will put them in the RECORD.

Mr. COSTIGAN. I ask unanimous consent to have the names printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

NAMES OF A NUMBER OF CITIZENS REPORTED ACTIVELY INTERESTED IN THE WORK OF THE COMMISSION ON INTERRACIAL COOPERATION

E. McNeill Poteat, Jr., president (said to be a young southern minister of distinguished family connections; was elected, it is reported, in 1934).

Mrs. Mary McLeod Bethune (colored), first vice president, president Bethune-Cookman Institute.

Mrs. W. A. Newell, second vice president.

John H. King, third vice president.

Emily H. Clay, secretary.

J. Sherrard Kennedy, treasurer.

Will W. Alexander, executive director (elected president Dillard University, New Orleans, La.).

R. B. Eleazar, educational director.

Mrs. Jessie Daniel Ames, director of woman's work.

RECIPROCAL-TARIFF AGREEMENTS

Mr. STEIWER. Mr. President, on June 12, 1934, Congress enacted an amendment to the Tariff Act of 1930. The amended act is commonly called the Trade Agreements Act. Pursuant to its provisions the Executive, acting largely through the Department of State, has attempted to negotiate a number of treaties, and has in fact negotiated four so-called "trade agreements". These four agreements are with Cuba, Brazil, Belgium, and Haiti.

These agreements are not important in the sense that they affect to a substantial degree the whole schedule of duties, nor in the sense that they affect on a large scale the total volume of commerce of the country. They are important chiefly in that they reveal the processes by which this program is to be carried out and the Trade Agreements Act is to be administered.

I shall attempt presently to describe as best I am able to describe these processes, and to exhibit to the Senate the system which is resorted to by the executive branch of our Government in bringing into being the trade agreements.

First, I wish to call attention to a series of letters, which I will later ask to have printed in the RECORD as part of my remarks.

The letters to which I refer consist of the following:

A letter written by me to the President under date of March 18.

A subsequent letter upon the same subject written to the Secretary of State.

The President's answer to my letter of March 18, under date of April 8.

My letter to the Secretary of State, of date April 8, and the Secretary's answer, which is dated April 16.

I shall send these letters to the desk after I shall have proceeded further with my statement.

These letters on my part seek to raise the question of the propriety of the system which is resorted to in the negotiation of these treaties. The letter of the President, evidently written in the office of the Secretary of State but signed by the President under date of April 8, 1935, is in the nature of a defense of the present procedure.

Senators who have had some contact with the State Department and with the other agencies of Government in connection with the tariff-treaty negotiations know that the system, in substance, is something like this:

A "public notice" is given. This notice is a mere press release. It comes from the Department of State. It is to the effect, in brief, that a treaty is to be negotiated with an identified nation. It fixes a date for interested persons to be heard, and directs the nature of the hearing or the showing which may be made.

The showing is not made, however, before the Department of State. One of the significant phases to be considered in studying the sufficiency of this system is the fact that the showing made by American producers is not made before those who are conducting the negotiations. It is made before a committee called the "Committee for Reciprocity Information." This committee has no authority, it claims no authority, and it exercises no duties at all with respect to the negotiation of the treaty. The committee sits in formal session, and permits those who are interested, upon application, to appear before the committee, to file briefs, and to make verbal statements in which and through which they may either support the treaty or may object to the making of the treaty, or they may speak in defense of their own industry and resist reductions in the duties in which they are interested.

The committee, I am told, announces at each of these hearings that it has no part in the negotiation of the treaty. It

advises those who are interested that the briefs filed and the oral statements made will be transmitted to the agencies which in fact conduct the negotiations.

The committee on reciprocity information, in some cases, at least, if not in all cases, makes an outline or summary of the evidence. That summary is also transmitted to the agency which is negotiating the treaty.

The group which has to do with the making of the treaty is a group which we may call, for convenience, the "trade agreements committee." Concerning this group I am not able to inform the Senate accurately, and the reason I am not able to inform the Senate accurately is that the committee is a variable committee. There is some difficulty in ascertaining the membership of the committee. It is said frankly at the State Department that the committee changes from time to time. It varies as between different treaty negotiations, and I believe it is accurate to say that it even varies in respect to the study of different commodities which are under consideration in the making of one treaty.

One of the letters which I should like to have printed contains an interesting statement over the signature of the President. The statement is to this effect, and I read from the President's letter of April 8, as follows:

> In addition to the trade agreements committee, a number of special or technical interdepartmental committees have been set up to facilitate the full consideration of important trade-agreement matters.

My office was advised that as a matter of fact there is no standing trade agreements committee. Some of those who have been interested in presenting the viewpoint of American producers to the Department of State, and to others who are charged with administration of the act, had asserted to me that there was in fact no committee, and that if such a committee existed, its personnel was confidential; that there was no way to identify the people who made up the committee.

I accordingly wrote a letter to the Secretary of State in which I asked him for his advice concerning the personnel of the committee or group directly in charge of the negotiation of the reciprocal trade agreements. From the Secretary I have an answer under date of April 16, and from that answer I read:

> The actual negotiations with representatives of foreign governments are conducted by officers of this Department, with the assistance of representatives of other departments, and on the basis of information and advice supplied by the interdepartmental organization and by nongovernmental interests through the Committee for Reciprocity Information.
>
> The personnel of the group participating in the actual negotiations varies for each agreement. However, Mr. Henry F. Grady, Chief of our Trade Agreement Section; Assistant Secretary of State Sayre; and, in the case of Latin American countries, Assistant Secretary of State Welles, as well as Under Secretary of State Phillips and myself, participate in or keep closely in touch with all negotiations.

Taking this statement at its full face, as, of course, we would all desire to do, it would seem that those who have said that this committee is variable are entitled to make that statement. The Secretary, it will be noted, does not assert that Dr. Grady or Mr. Sayre or the others whose names I mentioned are in fact members of the committee. He does assert that these gentlemen whom he names, as well as the Secretary himself, "participate in or keep closely in touch with all negotiations."

The result of my inquiry, made formally to the Secretary, and informally to members of his staff, and the information I have gathered through others who have attempted to arrive at a conclusion concerning the identity of this organization, is that this committee for trade agreements, if there be such a committee, is a variable committee, the membership of which is not publicly known. It advises with or is advised by the people on the staff or in the office of the Secretary of State. In the Department there are a number of economists who make studies of trade questions.

There has been no announcement by the State Department concerning the names of advisers to the State Department or to the trade agreements committee in reaching conclusions concerning proposed reductions of tariffs or other concessions to be made as a part of these international trade agreements. I am not prepared to state the reason why so much secrecy surrounds the make-up of this committee; nor am I prepared to advise the Senate either the reason or the necessity for the secrecy of the negotiations which are carried on by the committee on behalf of our Government in dealing with the representatives of the other governments which may be involved. I merely state the fact.

It is obvious to those who give even a moment's reflection to a system of this kind that very serious defects may creep into it. It is obvious, I think, that every care should be taken, and I imagine that the President believes that every care is taken in order to safeguard American interests when they are placed in jeopardy by secret and confidential negotiations of this kind.

I want to note three defects in the system which I think ought to be corrected. The first is that the committee on reciprocity information stands rather as a barrier to all American interests and to all Americans. In my letter to the President I characterized it as a "buffer" committee. That may not be a fair characterization, but as a matter of practical administration American interests are apt to regard it as a buffer committee because it is to that committee and to that committee alone that American interests are permitted to address their case.

After their case has been submitted to this committee on reciprocity information, American interests are obliged, in a practical sense, to withdraw from further participation in the matter. They know that their briefs and oral arguments reduced to writing will be transmitted to some other person or group of persons, and that this other group, in part known and in part unknown, may or may not give the consideration to the arguments made to which the American interests may think their arguments are entitled.

It is a little like trying a lawsuit in a court which appoints a referee or a master in chancery, and where the court might say to a party litigant, "Both interests may appear before this referee, or before this master in chancery. One side may argue its case there and not be heard further, but the other litigant will be permitted to carry his case to the court that is to make the determination and argue it there."

It seems to me most unfortunate, Mr. President, that in this disparity between interests which are involved the American interest should be afforded the least advantage and that the foreign interest should be afforded the greatest advantage, as is the case, because the foreign interests, through their representatives, go straight to our State Department and deal, it is believed, with the committee which has the full responsibility and which negotiates the treaty. I say it is unfortunate that the American interests should not be on a basis of parity with foreign interests which are seeking our market, a market which they recognize as the greatest and most profitable market on earth.

There is a disparity between the American interests and the foreign interests on the question of knowledge. It is most certain that those who are negotiating with the agents of our State Department will learn, as they proceed, something of the questions in the minds of the American representatives. They will learn of the economic theories entertained by them and the reasoning upon which the American agents are seeking to gain an advantage in the trade treaties. They therefore acquire a knowledge of the kind or type of argument which must be offered. It is a knowledge which they gain from their contact with our State Department, but it is a knowledge which is denied to the American interests, who are obliged to appear before the committee on reciprocity information without knowing the economic theories entertained in the State Department or the particular arguments which are there being presented to secure reduction of a duty upon a commodity which some foreign group desires to ship into our country.

The second of the objections we make to this system grows out of the fact that there is no obligation on the State Department to advise American interests concerning the identity of the articles or commodities which are to be con-

sidered in making treaties. The State Department does not advise the American interests, save in a very general way, and I believe the State Department feels itself under no obligation to give any advices at all. Those conducting the negotiations, of course, in the very nature of things learn before the negotiations proceed very far just exactly what is involved in the discussion, because they themselves suggest the identity of the commodities, and the identity of the tariffs and duties and the classifications which they would seek to change to their advantage in the trade agreements. In connection with all four of the treaties heretofore executed, no information has been furnished to American interests of the type which would enable them to stand upon a parity with the foreign interests in the matter of presenting their case against proposals to cut down duties and to facilitate bringing in foreign articles.

Mr. President, if the commodities to be considered in the treaty are not known, it follows that the industries which are affected by the treaty are not known. An entire industry might rely, for one reason or another, upon a belief that its commodity was not to be affected; and yet, if it should turn out that that commodity was affected in the making of the treaty, the entire industry would have been misled, possibly to its very great injury.

The third of the defects in or objections to this system, in my opinion, is the inadequacy of the "public notice."

These notices do not receive conspicuous attention of the press. I have no doubt that there are literally countless people who are interested in tariff rates who in fact do not see the notices, and who have no information at all concerning the purpose of the State Department, or of its unidentified committee, in conducting the tariff negotiations, and certainly no notice at all that the particular commodity in which they may be interested will be affected by those negotiations.

The fact that there is no identification of the products involved creates a situation whereby it is literally impossible for these groups to be aware of the nature of the proceedings.

The President's letter to me, to which I made reference earlier in these remarks, implies that the people interested know where their competition is coming from, and that their particular commodity may be drawn into the controversy; but I submit to the Senate that a general notice merely identifying the country with which the proceedings are to be had is not a sufficient prompting as to the need to be on the defensive. Import statistics are not available by countries of origin for a very considerable number of the commodities on which duties have been reduced in the agreements which have been completed. In the Belgian agreement the language of 11 paragraphs was rewritten to provide for concessions on a part of the imports covered by a broader classification. In a case like this it is utterly impossible for interested persons to anticipate the need of presenting their side of the controversy.

The law under which these agreements are to be negotiated—that is, the trade-agreement law—and the rules which are to be promulgated by the State Department do not give a single specific statement as to the type of evidence that is desired from the interested parties. Nor do these authorities give a single specific test as to what conditions of fact warrant a reduction of duty. This lack of information or guiding principle makes it absolutely impossible for a majority of those who testify, or who might testify if they were informed, to appear and present their affidavits and to address themselves properly to the significant questions which may be involved. Everyone knows innumerable arguments are offered on both sides of any tariff question. Some of these arguments are apparently completely unconvincing to one person, although they may be entirely convincing to another. Some of the arguments may be convincing to the persons who are conducting the negotiations; yet there is no way by which the American producers can tell which of these propositions are regarded as important and which are regarded as unimportant.

In this respect, again, the American is at a disadvantage with the foreigner, because the foreigner, by reason of his close relationship in conducting the negotiations, learns of the economic theory in the mind of the American agents and has in his possession facts which the American producer cannot acquire. Therefore, the foreigner deals advisedly, with the knowledge of the type of argument which is weighing heavily with our executive department, whereas the American deals blindly, in the dark, and without knowledge at all, as to the character or type of evidence which might be made effective if the American producer could but know in advance what that evidence is.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. WHITE. I take it there is no doubt that when the foreign representative comes to our State Department to make his representations he at least knows what he is asking for in behalf of his own country.

Mr. STEIWER. Of course, Mr. President, he knows that; and the discussion develops the kind of reception which is accorded to his suggestion, and if he is as able as we assume him to be he soon learns what type of argument is necessary to overcome the reluctance of our representatives.

Mr. WHITE. He knows not only what he is asking for, but presumably he gets some suggestion as to what our representatives are asking for in return.

Mr. STEIWER. Of very necessity he must know it.

Mr. WHITE. But the American citizen has no such information, and cannot get any such information. I recall that when, a short time ago, because of the interest of the people of the State of Maine in the prospective Canadian reciprocity treaty, I went to the State Department and undertook to find out, in behalf of citizens of Maine, what Canada was asking for and what was under consideration by the Department, I received no information whatsoever. Then, if I am not unduly interrupting the Senator, Maine citizens, in their anxiety and in their distress, began to send in their representations both to the President and to the State Department. In response they got no information, but there was a press release from the State Department, a part of which I should like to read, if the Senator will indulge me.

Mr. STEIWER. Does it support my theory?

Mr. WHITE. It does not conflict with it, so far as I understand it.

Mr. STEIWER. Very well; I am glad to have you read it.

Mr. WHITE. I will read only a portion of the press release. The State Department put out this press release, commenting on the fact that the school children and others in the State of Maine were making representations with respect to the threatened reduction in the duty on potatoes, and then there is this paragraph:

> The fact that the pleas voiced in the letters are based on the wholly false assumption that it has already been decided to reduce the duties on potatoes and certain other products, or remove them altogether, creates the distinct impression that those who have inspired the correspondence are propagandists of high protection who are not so much distressed over the condition of the producers as they are desirous of furthering their own selfish interests and of hampering the whole trade-agreement program by arousing fears that have no basis in reality. It would appear that these tariff lobbyists, or ex-officials, interested in maintaining their positions in Washington, or regaining their public offices, have generated these fears by circulating rumors and false statements designed to befuddle and mislead the farmers and others whose interests they profess to safeguard.

So in substance the people of Maine, instead of getting information, got a lecture and got abuse.

Mr. LEWIS. Mr. President, will the Senator from Oregon yield so that I may ask a question of the Senator from Maine [Mr. WHITE]?

Mr. STEIWER. I yield.

Mr. LEWIS. I have asked the accommodating Senator from Oregon to yield so as to allow me to ask the Senator from Maine a question. I now ask the able Senator from Maine [Mr. WHITE], having heard the statement he has just made, whether he personally, as a representative of the sovereign State of Maine and its authorized agent, went to the State Department for information necessary to his people,

and could get no information whatever; and then does my able friend the Senator from Maine say that in the Department they were so discourteous as to refuse to comply with his request and refuse to accommodate him, and that no effort was made to give him information accessible to our Government?

Mr. WHITE. I did not receive discourtesy, but I obtained no information. I asked specifically for information as to what products of my State Canada had asked for tariff concessions, and the information was not disclosed. So I left the Department wholly as ignorant as when I went there.

Mr. LEWIS. I know that could hardly be possible. [Laughter.] That statement I feel goes a little further than was intended. I meant it could hardly be possible that they could be so ungenerous and lacking in common manners——

Mr. WHITE. I accept the Senator's apology.

Mr. LEWIS. That it could hardly be possible that they would decline to give information if the Senator addressed himself to the appropriate and proper department. May I ask the Senator to what department he addressed his inquiry?

Mr. WHITE. I addressed the inquiry to the Assistant Secretary of State and to another gentlemen who, I understand, is chairman of the reciprocity committee, or some committee of a similar name, in the State Department.

Mr. LEWIS. May I ask the Senator if he knew whether those to whom he addressed the inquiry were the source through whom information should be communicated and who possessed it to a degree that they could give the Senator that which he desired?

Mr. WHITE. They were the gentlemen to whom I had been referred by the Secretary of State as the proper persons with whom to discuss the subject matter.

Mr. LEWIS. Nevertheless, the Senator leaves the intimation that they did not give him the information which was accessible then to the Department?

Mr. WHITE. It is not an intimation; it is a very broad and positive statement that they refused to give me the information.

Mr. LEWIS. I am very anxious that the facts so stated be brought to the attention of the State Department, and it is for that reason that I put the query so directly, as I am going to make free to communicate to the Department, in the humble position I may occupy here, that such discourtesy was extended to a fellow Senator of this body. I thank the Senator from Oregon.

Mr. STEIWER. Mr. President, I am sure that no one regards it as a matter of discourtesy. The treatment accorded to the Senator from Maine is the same treatment which has been accorded to others; and my good friend, the Senator from Illinois, may well be a little disturbed by it. I think the entire Congress will be disturbed when they learn the exact nature of this system. It is not discourtesy that is to be cried out against; rather it is the vice of the system itself. It is the wickedness of putting foreigners in a preferential situation and giving them an advantage over Americans in dealing with their own State Department. I hope that the distinguished Senator from Illinois will, as he has implied, take some active and effective interest in this matter, in order that there may be a better system.

I wish to say in that regard, Mr. President, that I am not criticizing any one for negotiating treaties under the law. I have not detained the Senate today in order to make argument against the law itself, although I disapproved that measure and made arguments against it at the time it was before this body. The Secretary of State and the other executive agencies of our Government are entirely within their rights in the negotiations of such treaties, because Congress enacted the law giving them the authority to negotiate them but, even when they are clothed with that authority and that right, I submit that they owe it to the country which they serve to put American producers on a parity with foreigners and stop the wicked system by which others have better opportunities, better advices, more information, and closer contact than we have, and in every way are in strong position to defend themselves, while our own citizens are helpless in their ignorance. In conclusion, Mr. President, I wish to add a further observation. The method of making and adjusting tariffs and scaling duties down in order to negotiate trade agreements has had the result of substituting secret and confidential processes for the former legislative processes in tariff making. I know that much may be said against the system by which our National Legislature made the tariffs in the past; much will be said, no doubt, in the future; much may be said that ought to be said; I am not defending the system in its entirety. But there is this much to be said in its behalf: That tariffs made by the Congress were made in the open and in the light of day.

Everybody knew who was responsible. Hearings were held before committees of both the Senate and the House. Those hearings were reduced to writing and printed. They became permanent records of the legislative branch of our Government. The votes here upon the floor were held in the presence of the entire country and every vote cast, where there was a roll call, is recorded in the permanent records of this body. Under the old legislative system we at least had what President Woodrow Wilson called "pitiless publicity." If I may borrow further from his language, we had in our legislative efforts "open covenants openly arrived at."

We have lost the entire advantage that comes to the country from proceedings that are aboveboard and in the daylight. We have substituted for light the darkness of subterranean passages; and I think that I was justified in suggesting to the President, in my letter to him, that this system ought to be improved, and in saying to him that unless it shall be improved it will result in improvident action. I am going to say now that improvident action has already been had. I may illustrate that in two or three ways.

Let me call attention first to the reduction of the duty on manganese brought about by the treaty with Brazil. Senators will remember that manganese was placed upon the dutiable list in the act of 1922, and that it has been upon the dutiable list since that time. Senators will remember also that the steel interests of the country have sought to remove manganese from the dutiable list, or at least to cut down the protection from 1 cent a pound to a rate of one-half of 1 cent a pound. The War Department, regarding manganese as important to the national defense, has earnestly endeavored to develop a manganese industry in this country, and has urged upon the Congress that an adequate duty be maintained upon that commodity. In the making of the 1930 tariff there was a controversy before the Finance Committee and upon this floor. In that controversy the steel interests sought to decrease the manganese duty from 1 cent a pound to one-half of 1 cent a pound; but this body, in its wisdom, whether right or wrong, after mature deliberation, restored the duty of 1 cent a pound and declined to yield to the steel interests of America with respect to this duty. But, lo and behold, when the secret processes are resorted to by this variable committee and finally the agreement is made with Brazil, we find that the duty on manganese has been cut down from 1 cent a pound to one-half of 1 cent a pound, and the objective which the steel industry of America was trying to attain, and which it failed to attain by the open processes of congressional legislation, was attained through this trade agreements committee.

Not only that, Mr. President, but the manganese interests were quite awake to the situation. They had made an effort to hold the duty on manganese in connection with the negotiation of the treaty with Brazil. Someone—I cannot state who it was—circulated here a letter addressed to the President of the United States. I have in my hand a copy of that letter, which bears date of June 28, 1934, and which is signed by 41 Senators and by 145 Members of the House of Representatives. In that letter, or petition, to the President the signers appealed to him for action that would insure the maintenance and further development of the manganese industry of this country. The State Department knew of this petition; they knew that 41 Senators and 145 Members of the House had taken their stand against

this tariff reduction; but, nevertheless, the administration permitted this matter to be handled through secret processes by which the judgment of a great number of the legislators of the United States was utterly disregarded and the wishes of the steel industry were acceded to.

There is another illustration, Mr. President, which, to my mind, is still more important. I refer to the fact that in the Belgian treaty we find that concessions have been made as to a number of articles of which there were no importations at all in the year 1934. I think with respect to some of them there had been importations in previous years; but so far as the year 1934 is concerned, there were seven or eight articles of which there had been no importations at all. There were other articles which Belgium supplied to our country only to a very limited extent but concerning which it may not be said that there were no importations at all in the year 1934.

In the published statement containing a detailed analysis of the concessions which we made to Belgium in this treaty we find that there were some articles included of which the Belgians supply a great part of our importations. Take the case of aluminum sulphate. We find that they supplied in the year 1934, 94 percent of the total. There is some reason in making a concession on an item of that kind; certainly I do not criticize it now; but we find also other articles in connection with which the Belgian contribution to the total importations of that year was on a very nominal basis. Here is chalk or whiting, which, I think, is called "paris white", the importations of which from Belgium in 1934 were 13 percent of the total. Here is the case of lead pigment, which is one of the articles of which there were no importations from Belgium in that year. We find the case of manufactured laminated glass, of which there were no importations in 1934. We find in the case of hoop or band iron or steel, cut, that the Belgian importations constituted 21 percent of our importations in 1934.

I shall not detain the Senate to read further from the list, because it is a rather laborious and tiresome enterprise.

Mr. KING and Mr. LEWIS addressed the Chair.

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield to the Senator from Utah.

Mr. KING. I am not sure that I understand the point which the able Senator is attempting to make and probably is making. Is he contending that the State Department in its negotiations with Belgium has reduced the tariff rates even to where they were almost insignificant and importations were unimportant in order to secure some reciprocal or alleged reciprocal benefits?

Mr. STEIWER. I am happy to answer the question, but the Senator makes it difficult by asking if a certain thing has been attempted in order to do something else. I cannot answer the Senator from Utah by saying what it was the State Department was seeking to do by the concessions made to Belgium. It is assumed that they are seeking to advance or extend American trade. It is assumed they were granting concessions to Belgium for concessions which Belgium made to us in our trade. I am not sure that I know with respect to any one of the items what the particular inducement was. It would be revealing if the country could know what the inducements were. Throughout the remarks I have been making today I have been complaining that we do not have that knowledge and cannot get it.

To answer the Senator's question a little more categorically, it is true that upon certain items of which the Belgians made no importations in 1934 or of which they made a relatively small or negligible importation in 1934, we find concessions; that is to say, we have reduced the tariff on those particular items. Does that answer the Senator's question?

Mr. KING. I think it does; but may I say that if, by a sort of gesture upon our part in the way of reducing the tariff upon commodities which we import, if at all, in insignificant quantities, we thereby extend our market for American products, certainly the able Senator ought not to complain, because even if we make a gesture, and, as a result of that gesture, we open up a market for one more bushel of potatoes or one more ton of steel or one more automobile, pro tanto that benefit comes to the United States.

Mr. STEIWER. If the concession made to Belgium were a mere gesture, I should not criticize it; but the vice of that kind of gesture is that under the favored-nation clause contained in existing trade agreements, when we concede to Belgium by reducing a duty upon an article which Belgium does not furnish us in any substantial amount, we are obliged to cut the duty on that same article to other countries which do furnish the article in large amount, countries which are not parties to the treaty.

The net result of the whole thing is that we have to make a concession to a country which has nothing to trade, nothing with which to pay us back. We let the benefit inure to producers of other nations, and then when we seek to negotiate a trade agreement with the other nations we find that we have already made the concession, and if we are to obtain any concession from such countries, it will be necessary for us to give something in addition.

It is all quite improvident, it seems to me, thus to barter away our advantage by conceding to a country upon an item with which they are, after all, not very much concerned. A "gesture" of that kind may be very injurious to our trade without any compensating benefit.

Mr. KING. Mr. President, will the Senator yield further?

Mr. STEIWER. I yield.

Mr. KING. May I say to the Senator that in the tariff hearings in 1922 and in the tariff hearings in 1930 there were scores of individuals, representing industries, who appeared before the Finance Committee and before the Ways and Means Committee of the House, insisting upon prohibitive tariffs, notwithstanding the fact that in hundreds and hundreds of items the importations were less than 1 percent of domestic consumption.

I am not complaining and not desiring to be critical, but the Republicans yielded to those demands, made in some instances by trusts and monopolies, or by industries which had not been developed and which could not be developed, in order to satisfy domestic demands—yielded to the importunities and granted high tariffs—indeed prohibitive tariffs, so that on the insignificant quantities which were imported, less than 1 percent of domestic consumption, and in many instances less than one-thousandth of 1 percent, the tariff rates were increased and the domestic demands were adhered to.

That is the way, unfortunately, in which tariff duties have been imposed and tariff laws have been written. One of the great Senators who sat upon the other side of the aisle for many years, a distinguished senior Senator at that time from Minnesota, rose in his place and said that the lobbyists came down here representing various industries, industries which had not been developed and could not be developed; that they came here and made their demands and got what they wanted because they knew what they wanted. He condemned his own party for yielding to the demands to the disadvantage of our country.

While the Senator has yielded to me, let me say that he mentioned, as I came into the Chamber a few moments ago, the question of manganese. In 1922 the manganese producers of the United States came before the Committee on Finance begging for a tariff. The evidence showed they were producing but inconsequential amounts, wholly inadequate to meet the demands of the steel interests of the United States. Of course, as the Senator knows, manganese and chrome and those elements, the production of which is limited in this and other countries, are indispensable in the production of steel. However, they insisted on getting a tariff and it was granted. They said, "If you will give us this tariff we will not ask any additional tariff, and we will assure the country and the steel industry that we will soon develop a great manganese industry."

In 1930 the same representatives came here, scores of them, not all of whom testified, and demanded a higher tariff upon manganese. When they were confronted with their former testimony and promises and asseverations, they said, "Give us an additional tariff and we will develop the manganese

industry." They did not develop it; they have not developed it; and they could not develop it. It seems to me that the testimony which was given then by the protagonists of the demand as well as the opponents of it was accurate, for I have found nothing to indicate that the testimony was inaccurate.

Coming from a mining section, may I say that if there had been evidence showing there would be a production of manganese adequate to meet the demands of our country at reasonable rates, I should have been inclined to grant a tariff perhaps even higher than that which was asked by those who were demanding a tariff.

Mr. STEIWER. Mr. President, there are two suggestions I want to make to the Senator from Utah in answer to what he has said.

It is true the American producers of manganese have been disappointed in the development of their own industry in this country. Yet very much may be said for the duty. It did provide some protection. It did permit several thousand people in the United States to earn their livelihood in the manganese industry. It did give to our national defense a little semblance of local support.

But above that it did another thing which is very significant, with which I think the Senator from Utah would not want to quarrel. It paid a revenue to our Government. It paid a revenue since 1922 in excess of $50,000,000, and now, at a time when we need revenue as we never needed it before, either in peace or in war, the State Department has cut that duty in half, from 1 cent per pound down to one-half cent per pound, and our Treasury is losing that revenue.

I address that argument to the Senator from Utah merely because of his orthodox views as a Democrat.

The other suggestion I wish to make to the Senator relates to the subject I was discussing at the time I yielded to him a few minutes ago. He said, and he said truly, that in the previous history of tariff making we sometimes had accorded duties to commodities which we did not produce except in a negligible way. That is true, and it is not to the credit of our legislation that it is true; but I wish to call to the Senator's attention the fact that as between the two kinds of mistakes, if we are obliged to resort to mistakes in fixing tariff duties, it is better to put a duty upon the importation of an article which we do not extensively produce, for the benefit and advantage of our own people, than it is to concede a reduced tariff rate to a country which does not have any importation in a substantial way of the article affected by the tariff, because then we may injure the American industry and we benefit nobody, not even the country with which we are negotiating our trade agreement. We may possibly benefit somebody else, but we destroy our trade-promotion possibilities in dealing with other nations of the world, and put ourselves at a disadvantage in every quarter.

This complaint is not novel with me. It was urged in committee against the very thing which has happened here. Mr. Sayre, one of those appearing before the committee in support of the trade-agreements legislation, gave to the committee and to the Congress an assurance to which I now call attention. He said:

> The whole purpose of the program of trade bargaining is this—to restrict the commodities covered in the agreement with any specific country to commodities of which that country furnishes the chief source of supply of importation into the United States.

Mr. President, I have not risen for the purpose of criticizing Mr. Sayre. Indeed, I have no desire to criticize anybody. I wish my remarks to be just as impersonal as I can make them. I direct them against the defects of a system, and not against any person who may be involved in the administration of this law; but I think I am justified in saying that the assurance upon which Congress enacted this legislation has not been lived up to, and that we have a right to demand of the executive branch that these assurances be strictly kept, and that importations shall not be permitted from other countries under the guise of making a trade agreement with Belgium.

American interests cannot be served in that way, when we thus generously perform what the Senator from Utah has characterized as a gesture. The opportunity is lost to us, and the American people will be injured by a system which operates under the guise of trade extension. We will suffer trade losses as well as losses at home with relation to our domestic business.

Mr. VANDENBERG and Mr. KING addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the Senator has been emphasizing the fact that the American producer is at a relative disadvantage as compared with the foreign producer when one of these tariff-bargain contracts is negotiated. I wish to call his attention to the fact that this disadvantage carries on subsequently into the relationship after the trade agreement is created, because we continue thereafter to be at the mercy of monetary manipulations in these other countries; and I give the Senator this example in connection with the Brazilian trade treaty to which he has referred:

The Brazilian treaty was signed by President Roosevelt on February 2. On February 11, just 9 days later, the Brazilian exchange control authorities issued a decree changing the nature of exchange in which these transactions should be paid, with the direct result, as reported officially by the Bureau of Foreign and Domestic Commerce of the United States, that practically all the advantage which we thought we had gained on February 2 by our reciprocity treaty was wiped out on February 11 by a monetary decree against us. So there is this continuing disadvantage and hazard and jeopardy always following American interests, in addition to those to which the Senator has referred.

Mr. STEIWER. I thank the Senator for that contribution. It is revealing for more than one reason. Not only may Brazil wipe out the advantages which we thought we had obtained in making this treaty but varying exchange rates constitute only one of the procedures to which she may resort in order to wipe out every advantage. I submit to the Senator from Michigan and for the consideration of the Senate that it is not possible, in a treaty of this kind, to write enough clauses to bind the hands of the other country to the extent that they cannot wipe out the advantages which they appear to grant in the trade agreement. It is not possible because the imagination of man would not suggest all the variety of advantages that might be taken by the other country at a subsequent time, not only with respect to exchange and monetary matters but in a hundred other ways the nations which are parties to these agreements will be able to undo that which we may hope we have accomplished. I believe it emphasizes the point I made earlier in these remarks, namely, that in making agreements of this kind we are entitled to a better system. We are entitled to a method under which we may know, so far as knowledge of that kind is obtainable, that American interests are not to be sacrificed and frittered away by improvident traders who possibly are not so well versed in the problems in which they are dealing as some of those with whom we deal. We are entitled, I say, to the most perfect system that can be devised, in order that there may be some guarantee against improvident action, against mistakes, and against injurious results to American commerce and business.

Mr. President, in conclusion I send to the desk and ask unanimous consent to have incorporated in the RECORD at the end of my remarks the various letters to which I referred earlier in the debate.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 18, 1935.

The Honorable FRANKLIN D. ROOSEVELT,
President of the United States, The White House.

MY DEAR MR. PRESIDENT: In presenting certain arguments this morning before the committee for reciprocity information in connection with the proposed negotiation of a foreign-trade agreement with Canada my attention was drawn again to the system under which part III of title III of the Tariff Act of 1930, as amended, is administered.

The representatives of the domestic industries interested in this proposed negotiation presented their views before the committee for reciprocity information. This committee advised the representatives appearing at the hearing that the information would be

transmitted to the appropriate agencies, which, I assume, include the committee on foreign-trade agreements. The net result of this system is that the Canadian Government, seeking to acquire a share of the American domestic market on behalf of the Canadian producers, will deal directly with the American agencies which conduct and control the negotiations, whereas the American producers do not enjoy access to those agencies but present their cause through an information committee which at the most can act only as an intermediary. Under this system Canadian competitors may have their views presented more effectually than can the Americans.

I make no criticism here and now of the Reciprocal Trade Agreement Act, nor of the effort to negotiate any treaty. Such effort is authorized by an act of Congress, but I most respectfully suggest that the President consider an improved system which will permit interested Americans immediate access to the agencies which negotiate the foreign-trade treaties in order that they may be on a parity with foreign competitors.

It was believed by some Members of the Congress that the purpose of section 4 of part III was to provide the American producers a direct means of presenting their views to the President or "to such agency as the President may designate", meaning the agency designated to negotiate the treaty, and not a buffer agency set up for the sole purpose of collecting information and then transmitting it to a committee on foreign-trade agreements. The present division of authority between two committees, one on reciprocity information and the other on foreign-trade agreements, in my judgment will never be accepted as satisfactory by the American producers.

Permit me to suggest also that the organized American groups be fully informed concerning the commodities which may be affected, and that they be advised the theories of economic reasoning entertained in the committee on foreign-trade agreements so that the American producers may have opportunity to show that the theories entertained do not justify a reduction in duties. The representatives of American producers, where they can be identified through established associations, should be given a reasonable opportunity to comment upon the evidence in the hands of the committee on foreign-trade agreements on the score of its sufficiency to justify a reduction in duty.

I suggest also that the commodities upon which duties are reduced shall be only those included in the lists submitted to the American producers. I am advised that this was not done in negotiating the trade agreement with Belgium.

It is my opinion that unless the procedure is modified improvident action will be inevitable.

With assurances of esteem, I am,

Respectfully yours,

FREDERICK STEIWER.

UNITED STATES SENATE,
April 4, 1935.

Hon. CORDELL HULL,
Secretary of State,
Department of State, Washington, D. C.

MY DEAR MR. SECRETARY: May I request that you read the enclosed copy of letter, the original of which I sent to the President under date of March 18. I have received no acknowledgment of this letter and have no means of knowing whether it came to the personal attention of the President or of anyone else charged with the responsibility for the administration of part 3 of title 3 of the Tariff Act of 1930, as amended. I, therefore, feel justified in submitting the matter to you.

It ought not to be necessary in correspondence with any official of the United States Government either to prove or defend the proposition that American producers should be on a basis of not less than parity with their foreign competitors. To my mind, it is equally clear that the effect of proposals for tariff adjustment ought not to be determined in private conference by Government officials without receiving first hand the views of those whose business will be directly affected by the proposed tariff adjustments. The economic theories maintained by the advisors in the Government agencies may well be theoretically valid and at the same time be wholly unsound. I hope I will not be charged with intent to disparage anyone when I say no man is wise enough to know all the important practical considerations affecting all lines of production. Unless those engaged in the various industries are permitted to discuss the economic theories upon which the tariff-adjustment proposals are to be predicated, tragic mistakes inevitably will result.

Even though the objectives sought under the Reciprocal Trade Agreement Act were in every way defensible, I cannot escape the conclusion that the results will be more satisfactory to all American interests if every facility for the development of the American viewpoint be afforded and every American argument be accorded the fullest possible consideration.

With assurances of esteem, I am, respectfully yours,

FREDERICK STEIWER.

THE WHITE HOUSE,
Washington, April 8, 1935.

The Honorable FREDERICK STEIWER,
United States Senator.

MY DEAR SENATOR STEIWER: I have given careful consideration to the views expressed in your letter of March 18, 1935, with reference to the procedure which is being followed in carrying out the purposes of the Trade Agreements Act of June 12, 1934.

This procedure has been worked out after most careful consideration of all aspects of the matter. Its effect, I am sure, is not to give Canadian or other foreign interests, through their own Governments, better access to the agencies responsible for formulating recommendations concerning proposed trade agreements than is afforded to our own domestic interests. On the contrary, the procedure being followed is designed to provide domestic producers and other American interests an orderly and certain means of bringing their information and views to the attention of these agencies.

A reasonable period of time is given after public notice of intention to negotiate a trade agreement for interested persons to submit written statements to the Committee for Reciprocity Information. Oral statements are received by that committee a week or so later from persons whose applications to present supplementary views orally have been approved. The Committee for Reciprocity Information distributes these written and oral statements to the agencies concerned in carrying out the trade agreements program, namely, the Departments of State, Commerce, and Agriculture, the Treasury Department, the Tariff Commission, the Office of the Special Adviser to the President on Foreign Trade, and the National Recovery Administration. Competent experts and high officers of these agencies study all proposals and views transmitted to them by the Committee for Reciprocity Information and cooperate in formulating specific recommendations on the basis of such information and that available from other sources. In addition to the Trade Agreements Committee, a number of special or technical interdepartmental committees have been set up to facilitate the full consideration of important trade-agreement matters.

The Committee for Reciprocity Information is in no sense a "buffer agency." It is a convenient channel through which interested persons may bring their views to the attention of the several governmental agencies actively concerned in formulating recommendations in regard to proposed trade agreements. With reference to your statement concerning the "present division of authority" between the Committee for Reciprocity Information and the Trade Agreements Committee, I may say that no such division of authority exists or can exist, since the committee is only an agency of the trade agreements organization for obtaining the information and views of interested persons. In addition to the above-mentioned channel—that is, the Committee for Reciprocity Information—domestic interests have access to each of the governmental agencies concerned in the trade-agreements works.

In regard to your suggestion that organized groups be fully informed concerning the commodities which may be affected, you may be assured that full consideration has been given to the possibility of announcing the products or subjects to be considered in connection with any proposed trade agreement. The conclusion was early reached that such a procedure would be impracticable. At the time public notice is given of intention to negotiate a trade agreement, the administration itself may not know what products or subjects may come up for consideration. If an all-inclusive list should be announced at the time notice is given, and later on it seemed desirable to consider other products, it would be necessary to announce a supplementary list and provide interested persons an opportunity to present their views to the Committee for Reciprocity Information. Such a procedure, if adopted, probably would so complicate and delay the negotiation of trade agreements as to hinder seriously the carrying out of the purposes of the act.

Because of this and other considerations, I believe that the present procedure of announcing only the name of the foreign country concerned and making readily available statistical and other information concerning the trade between the United States and that country is quite satisfactory. It seems reasonable to assume that domestic producers, importers, and other American individuals or organized groups should know whether their interests are in fact involved.

With reference to your suggestion that the commodities upon which duties are reduced "shall be only those included in the lists submitted to the American producers" and to your statement that you have been advised that this was not done in negotiating the trade agreement with Belgium, I should like to point out that no such lists are given out. Whoever advised you that such was the case may have been referring to the statistical information concerning the principal items entering into the trade between the United States and the foreign country concerned, which is issued in the form of a press release at the time public notice is given, for the convenience of interested persons and is in no sense a definitive list of the products which may be considered. At the head of every such tabulation of trade statistics is the following statement:

"The following table indicating in a general way the nature of the trade between the United States and Belgium has been compiled by the Division of Foreign Trade Statistics of the Department of Commerce. The table shows the principal commodities entering into this trade. More detailed statements of the trade with Belgium will be available shortly at the Division of Foreign Trade Statistics and the district offices of the Department of Commerce."

The statement quoted above is taken from a Department of State press release of September 4, 1934, a copy of which I enclose, which was issued in connection with the public notice given on that date of intention to negotiate a trade agreement with Belgium.

The purpose of the Trade Agreements Act is to facilitate the restoration of our foreign trade by means of agreements with foreign countries providing for reciprocal reductions of excessive trade barriers. In carrying out this purpose the trade agree-

ments organization is actuated by a sincere desire to conclude trade agreements which will promote the national interest. By making possible an increased flow of trade, these trade agreements should contribute materially to the relief of unemployment and to the improvement of the general economic situation in this country.

If you would like to study further the trade-agreements organization and the procedure which has been adopted in connection with its work, I suggest that you talk with Assistant Secretary of State Sayre or with Dr. Henry F. Grady, Chief of the Trade Agreements Section of the Department of State. They would, I am sure, be glad to have an opportunity to discuss these matters with you.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

UNITED STATES SENATE,
April 8, 1935.

Hon. CORDELL HULL,
Secretary of State, Department of State.

MY DEAR MR. SECRETARY: I have had an inquiry concerning the personnel of the committee or group directly in charge of the negotiations for reciprocal trade agreements. I will be most appreciative if you will advise me the names of this committee or group at your earliest convenience.

Respectfully yours, ——— ———.

APRIL 16, 1935.

The Honorable FREDERICK STEIWER,
United States Senate.

MY DEAR SENATOR STEIWER: I have received your letter of April 8, 1935, in which you state that you have had an inquiry concerning "the personnel of the committee or group directly in charge of the negotiations for reciprocal trade agreements." I understand that your office telephoned on April 10 concerning this same matter.

The actual negotiations with representatives of foreign governments are conducted by officers of this Department, with the assistance of representatives of other departments, and on the basis of information and advice supplied by the interdepartmental organization and by nongovernmental interests through the Committee for Reciprocity Information.

The personnel of the group participating in the actual negotiations varies for each agreement. However, Mr. Henry F. Grady, Chief of our Trade Agreements Section; Assistant Secretary of State Sayre; and, in the case of Latin American countries, Assistant Secretary of State Welles, as well as Under Secretary of State Phillips, and myself participate in or keep closely in touch with all negotiations.

Sincerely yours,

CORDELL HULL.

Mr. KING. Mr. President, will the Senator yield?

Mr. STEIWER. I yield the floor.

Mr. KING. I desire to state that I think the Senator from Oregon attributed to me a characterization which certainly I did not intend to make. I did not characterize the transaction with Belgium as being a mere gesture. I predicated the statement I made upon the assumption made by the Senator that Belgium, with respect to the commodities to which he referred, was sending no imports into the United States, but we entered into an agreement under the terms of which we might find an exportable market for some of our commodities; and I suggested that if that were true, and Belgium had not sent into the United States any articles which were the basis of this commercial relation, it might be a mere gesture upon our part. I then asked the Senator, however, whether he was justified in making complaint if by that gesture we found a market for some of our surplus products.

I did not characterize the transaction as a gesture. I do not know what are the facts. I am not assuming, as the Senator did—doubtless he has superior knowledge, because he has made inquiry, and I have not—that there were no imports coming from Belgium, and that there was not a quid pro quo for the mutual agreement which was entered into between the two countries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

WHEN THE KING CONTROLS THE PURSE STRINGS

Mr. SCHALL. Mr. President, if the wisdom of article I of the Constitution, placing control of the Federal purse strings in the hands of Congress, were ever in question, any doubt would now be removed by arbitrary Executive actions, even in the first week after the enactment of House Joint Resolution 117, with its delegation of power to the Executive in the allocation of $5,000,000,000.

Mr. Hopkins, of the F. E. R. A., announces that Georgia will be cut off the relief rolls on June 1, following the published statements of Governor Talmadge of Georgia opposing Rooseveltian and "brain-trust" policies.

Mr. Ickes, of the P. W. A., declares that Louisiana shall have no public-relief funds, because the distribution would aid the political machine of the Senator from Louisiana [Mr. LONG], who, likewise, opposes Roosevelt.

Scarcely a week has passed since the signing of the measure turning over to the President and his alphabetical bureaus this vast fund, which exceeds the total annual revenues of the Government, yet already the Executive allocations are showing their teeth and exposing the fangs of political favoritism.

Does anyone believe that if Governor Talmadge were shouting for Roosevelt and the N. R. A. and the A. A. A., for the processing taxes and the corn-hog checks, for the substitution of the "Blue Eagle" for the Stars and Stripes, and for the substitution of the new deal for the Constitution the State of Georgia would be thus cut off from Federal relief, like a daughter disowned by an irate parent because she would not marry the man assigned to her?

Does anyone believe that if the Senator from Louisiana [Mr. LONG] were now singing the praises of Roosevelt and Ickes the State of Louisiana would be consigned to the River Styx?

The administration hereby serves notice on the States that if they expect to share in the benefits of public funds they must, as the first essential, proclaim their fealty to the king who controls the purse strings. They must shout his praises. They must join in the Te Deum and sing:

"Long live the king—our one and only Roosevelt and his prime ministers, Ickes and Hopkins."

When the $4,800,000,000 allocation was voted, subject to the will of the Executive to carry him through the 1936 campaign, all the small boys who govern their respective States should have shouted "Selah!"

They should have read to their congregations the scriptural injunction that "the new Lord God of Israel is a jealous God, and we should have no other god before us." Had the Governor of Georgia and the Senator of Louisiana [Mr. LONG] done that and disclosed no signs of independence, the States of Georgia and Louisiana might today be sitting serene, with halos over their heads like unto the glory of Arkansas and Texas, or the most-favored State of all, New York, whence comes the President himself, his "brain trust", and half his Cabinet and bureau chiefs.

It was because of such conditions of executive favoritism and exploitation, court favors, and star-chamber persecutions that the farmer barons of the thirteenth century took control of the public purse strings from King John and made him sign the great charter, which placed control over appropriations and taxes in the hands of the commons. Parliamentary bodies were created in the first place for the exclusive function of taking out of the hands of the ruling monarch the power to tax, which is the power to destroy, and the power to allocate public funds, which is the power to corrupt the body politic and all its instruments.

Says the historian, Green, in speaking of the methods of King John at the time of the great charter:

> John starved Rochester into submission * * * while his mercenaries spread like locusts over the whole face of the land.

And again:

> Robert Fitz-Walter was taken prisoner.

Thus the royal measures of 300 years ago are repeated in 1935. The new deal is a revival of the days when John's power over the public purse strings paralyzed England. The

Governor of Georgia and the Senator from Louisiana are in the same boat as Rochester and Fitz-Walter 3 centuries ago. The two English leaders named would not crook the hinges of their knees to the royal freebooter in London. Today Georgia and Louisiana will not sing Te Deums to the royal irresponsibles of the raw deal in Washington. So they are to be either starved out or taken prisoner, according to the measures devised by John's "brain trust", and revived here today as a new deal—the same old wolf in sheep's clothing.

For the control of a King whom no man could trust—

Says the historian—

a council of 24 barons were chosen from the general body of their order to enforce on John the observance of the charter.

John's reaction to this control over his allocation of public funds was not unlike the reaction of the White House today against any attempt of Congress to resist White House domination.

"They have given me four and twenty over-kings," cried John in his fury, flinging himself upon the floor and gnawing sticks.

Now, as I recall, the Senate Committee on Appropriations likewise has 24 members, who in a measure acted as "overkings" in regard to the provisions of House Joint Resolution 117 providing for the appropriation of billions by the present Congress.

What was the White House reaction to the attempts of these "overkings", headed by the distinguished Senator from Virginia [Mr. GLASS], for control of the executive allocations of the relief billions? The first act of the White House was to snatch the bill from the Senate for a period of 2 weeks, and the second act of the White House was to go fishing for 2 weeks with Admiral Astor on the flagship *Nourmahal*.

On a like occasion, in 64 A. D., Nero played his fiddle while Rome burned, and Nero's mercenaries persecuted the Christians who refused to recognize his gods.

Coming down to 1215 A. D., John gnaws sticks and then starves or imprisons his political opponents.

Coming down again to 1935, our new potentate goes fishing 2 weeks and directs his mercenaries against Georgia and Louisiana.

Fiddling, gnawing sticks, and going fishing have their respective merits with which we here are not greatly concerned. But we are concerned when the "mercenaries spread like locusts over the whole face of the land", and today on a scale never before known in world history. We are concerned when public debt, doles, and deficits are piled up to such a height that taxes may destroy public credit and industry and the hopes of permanent recovery and liberty as completely as the fires destroyed Rome. And we are concerned when the unbridled powers of a Federal imperialism are used to "crack down" sovereign States and deny them the constitutional guaranties of equal rights and a republican form of government, and when liberty and equality are jeopardized by Executive mandates which take the place of due process of law.

The ways of Nero, John, and the autocrats of today, may differ in minor particulars. They may fiddle, gnaw sticks, or go fishing. They may wear blue eagles, black shirts, or brown shirts. They may call themselves Fascists, Nazis, Soviets, or bear sundry alphabetical titles. All of them in their time called themselves "new dealers", but they all belonged to the same old school of executive autocracy—the wolves which harass and fatten upon the sheep which support them. If their official tenure is temporary, they are known as "dictators" or "bureaucracies." If their official tenure is made permanent by the extension of their so-called "emergency" under grants in perpetuity, they are known variously as "kings", emperors", or "lord protectors" of those they plunder.

The particular mannerisms and titles and halos of publicity are of minor consequence, just a matter of taste and style. But the fundamental issues—the questions of liberty and equality of the Nation's future and constitutional existence—no Congress holding the responsibility of legislation by and for the people of 48 sovereign States can in conscience either ignore, surrender, or betray.

If this vast sum of $5,000,000,000, together with other billions far in excess of the annual revenues of the Government, is to be used as an instrument of political favoritism, or as a political bludgeon to enforce allegiance from the States to a potentate who not only violates all the pledges of the platform on which he was elected by the people, but encroaches upon and threatens the integrity of the Constitution upon which the Republic stands, the Senate of the United States cannot escape its due share of the responsibility.

We are here assembled, two Senators from each of the 48 sovereign States, sworn to uphold the Constitution, and sworn to uphold the sovereign rights of those States as the constituent parts of the Republic. Equality of rights as between the States, and equality of rights as between the citizens thereof, are the cornerstones of our national freedom. To secure that equality as between States, each State has the same representation in the Senate. Georgia and Louisiana, under the law of the land, have the same rights to Federal cooperation as belong to New York and Texas, to Alabama and Arkansas.

Have Ickes and Hopkins, the bureaucratic heads of P. W. A. and F. E. R. A., a voice greater than that of Congress in the allocation of public funds to the respective States? Is that allocation of public funds subject to the provisions of article I, and the constitutional guaranty of equality, or is it subject to the will of two bureaucrats and to their political interest in the reelection of their appointing chief? Is fidelity to the Constitution or fealty to a candidate for office the guiding rule in the distribution of $5,000,000,000?

I have no ax to grind, certainly no political concern, with regard to the status of Georgia or Louisiana. But what happens to Georgia and Louisiana may happen, on the same political grounds, to any State in the Union. States which now seem to be in the high light of royal favor may yet stand in the desperate strait of that British archbishop, who, faced by the beheading block, declared:

> Had I but served my God with half the zeal
> I served my king, He would not in mine age
> Have left me naked to mine enemies.

The past 30 days have certainly furnished an object lesson to the people of the United States on this point, namely, that the makers of the Constitution in the Convention over which Washington presided, in 1787, had powers of vision worthy of our respect and veneration, when in article I they took all control of the purse strings from the Executive, and created the legislative body called Congress to levy the taxes and control the disbursements.

This administration and this and the preceding session of Congress furnish the only examples of violations of that constitutional provision in American history.

Under Executive control of the tax power, which includes duties on imports, the country is now being flooded by foreign imports which have taken from the farmers their home markets for $500,000,000 of food products last year, and are destroying the textile industries of both New England and the South.

Under Executive allocation of $5,000,000,000 of Federal relief, at the end of the first fortnight two States are read out of the Union so far as concerns distribution of Federal relief.

Under Executive domination of debts and doles, there is a threat to a free and fair national election in every State in the Union. The national debts and deficits are piled to heights which threaten not only national credit, but the development of private enterprise, and the expansion of the productive resources which both maintain the Government and furnish employment to the wage-earners.

We are having our object lesson. It is our responsibility to derive wisdom from the lesson so painfully imparted. Shall we uphold the tradition of the United States Senate as the world's leading parliamentary body?

P. W. A. LOANS FOR MUNICIPAL CONSTRUCTION IN THE DISTRICT—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agreed to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by said amendment, and in lieu thereof, on page 1 of the Senate bill, line 9, delete the first comma and after the word "Act" insert the following: "(which, for the purposes of this act, shall be construed to include any agency created or designated by the President for similar purposes under the Emergency Relief Appropriation Act of 1935)"; and the House agree to the same.

WILLIAM H. KING,
CARTER GLASS,
ARTHUR CAPPER,
Managers on the part of the Senate.

MARY T. NORTON,
HENRY ELLENBOGEN,
EVERETT M. DIRKSEN,
Managers on the part of the House.

The report was agreed to.

PROPOSED ADJOURNMENT TO MONDAY

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon on Monday next.

Mr. COSTIGAN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MINTON in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Lewis	Radcliffe
Austin	Copeland	Logan	Robinson
Bachman	Costigan	Lonergan	Russell
Bailey	Couzens	McCarran	Schall
Bankhead	Dieterich	McGill	Schwellenbach
Barbour	Donahey	McKellar	Sheppard
Bilbo	Duffy	McNary	Shipstead
Black	Fletcher	Metcalf	Smith
Brown	Frazier	Minton	Steiwer
Bulkley	Gerry	Moore	Thomas, Utah
Bulow	Gibson	Murphy	Trammell
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norris	Walsh
Capper	Harrison	Nye	White
Caraway	Hatch	O'Mahoney	
Carey	King	Overton	
Clark	La Follette	Pittman	

Mr. LEWIS. Mr. President, I rise at this moment to make an announcement in order that the RECORD may show the absence of Senators, and the reasons therefor, as announced by me on previous roll calls.

The PRESIDING OFFICER. Sixty-nine Senators have answered to their names. A quorum is present.

Mr. COSTIGAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COSTIGAN. If a motion to adjourn shall be adopted, does the Presiding Officer rule that the result will be to displace the pending motion?

Mr. CONNALLY. Mr. President, I submit that is not a parliamentary inquiry. That question can only rise when that motion is made on Monday, or on whatever day we adjourn to.

Mr. COSTIGAN. It has been made, I will say to the Senator.

Mr. CONNALLY. I know, but that is not a parliamentary inquiry, and I challenge the good faith of it.

Mr. COSTIGAN. I call for a ruling of the Chair.

The PRESIDING OFFICER. It seems to the Chair that the inquiry is not in order on the motion which is now before the Senate.

Mr. COSTIGAN. Which is a motion to adjourn?

The PRESIDING OFFICER. Yes.

Mr. COSTIGAN. Mr. President——

Mr. CONNALLY. Mr. President, I make a point of order that the motion to adjourn is not debatable.

The PRESIDING OFFICER. The point of order is well taken, and will be sustained.

Mr. COSTIGAN. I am not debating the motion to adjourn.

Mr. CONNALLY. The Senator is trying to do so.

Mr. COSTIGAN. Mr. President, I make another parliamentary inquiry, which is: If the Democratic leader shall substitute for the motion to adjourn to recess, will the pending motion retain its place upon the calendar?

Mr. CONNALLY. I submit that is not a parliamentary inquiry and is not in order. There is no such matter pending.

The PRESIDING OFFICER. The Chair is advised the motion will die with an adjournment, but will not on recess. The question is on the motion to adjourn.

Mr. COSTIGAN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered and the legislative clerk called the roll.

Mr. AUSTIN. I wish to announce the following general pairs:

The Senator from New Mexico [Mr. CUTTING] with the Senator from Virginia [Mr. GLASS];

The Senator from Iowa [Mr. DICKINSON] with the Senator from Oklahoma [Mr. THOMAS]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Missouri [Mr. TRUMAN].

I also announce the necessary absence of the following Senators: The Senator from Iowa [Mr. DICKINSON]; the Senator from New Mexico [Mr. CUTTING]; the Senator from Delaware [Mr. HASTINGS]; the Senator from New Hampshire [Mr. KEYES]; the Senator from South Dakota [Mr. NORBECK]; and the Senator from California [Mr. JOHNSON].

I am not advised how any of these Senators would vote if present.

I also wish to announce that if present and voting the Senator from Delaware [Mr. TOWNSEND] would vote "nay."

Mr. LEWIS. I desire to announce that the following Senators are unavoidably detained from the Senate:

The Senator from Arizona [Mr. ASHURST]; the Senator from Kentucky [Mr. BARKLEY]; the Senator from Washington [Mr. BONE]; the junior Senator from Virginia [Mr. BYRD]; the Senator from Massachusetts [Mr. COOLIDGE]; the Senator from Georgia [Mr. GEORGE]; the senior Senator from Virginia [Mr. GLASS]; the Senator from Pennsylvania [Mr. GUFFEY]; the Senator from Arizona [Mr. HAYDEN]; the Senator from Louisiana [Mr. LONG]; the Senator from California [Mr. MCADOO]; the Senator from Idaho [Mr. POPE]; the Senator from North Carolina [Mr. REYNOLDS]; the Senator from Oklahoma [Mr. THOMAS]; the Senator from Missouri [Mr. TRUMAN]; the Senator from Maryland [Mr. TYDINGS]; the Senator from New York [Mr. WAGNER]; and the Senator from Montana [Mr. WHEELER].

I also wish to announce that the Senator from Connecticut [Mr. MALONEY] is detained by illness.

I am authorized to announce that the Senator from North Carolina [Mr. REYNOLDS] is paired with the Senator from New York [Mr. WAGNER]. Were the Senator from North Carolina [Mr. REYNOLDS] voting, he would vote "yea." Were the Senator from New York [Mr. WAGNER] voting, he would vote "nay."

I announce further that the Senator from Virginia [Mr. BYRD] has a pair with the Senator from Pennsylvania [Mr. GUFFEY]. I am authorized to say that if the Senator from Virginia [Mr. BYRD] were present and voting he would vote "yea", and if the Senator from Pennsylvania [Mr. GUFFEY] were present and voting he would vote "nay."

Mr. MCKELLAR (after having voted in the affirmative). I have already voted, but I notice my pair, the senior Senator from Delaware [Mr. TOWNSEND], is not present. Therefore, I transfer my pair with that Senator to the Senator from Georgia [Mr. GEORGE] and allow my vote to stand.

Mr. LOGAN. I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS]. If he were present, I understand he would vote as I intend to vote, and I am therefore at liberty to vote. I vote "nay."

The result was announced—yeas 33, nays 34, as follows:

YEAS—33

Adams	Connally	King	Russell
Bailey	Couzens	Lonergan	Sheppard
Bankhead	Dieterich	McKellar	Smith
Bilbo	Duffy	Murphy	Thomas, Utah
Black	Fletcher	Norris	Trammell
Brown	Gerry	Overton	Walsh
Bulow	Gore	Pittman	
Byrnes	Harrison	Radcliffe	
Caraway	Hatch	Robinson	

NAYS—34

Austin	Costigan	McGill	Schall
Bachman	Donahey	McNary	Schwellenbach
Barbour	Frazier	Metcalf	Shipstead
Bulkley	Gibson	Minton	Steiwer
Burke	Hale	Moore	Vandenberg
Capper	La Follette	Murray	Van Nuys
Carey	Lewis	Neely	White
Clark	Logan	Nye	
Copeland	McCarran	O'Mahoney	

NOT VOTING—28

Ashurst	Davis	Johnson	Reynolds
Barkley	Dickinson	Keyes	Thomas, Okla.
Bone	George	Long	Townsend
Borah	Glass	McAdoo	Truman
Byrd	Guffey	Maloney	Tydings
Coolidge	Hastings	Norbeck	Wagner
Cutting	Hayden	Pope	Wheeler

So the Senate refused to adjourn.

Mr. GLASS (subsequently said): Mr. President, I was necessarily absent from the Chamber when a motion was made to take a recess. The RECORD does not show how I would have voted had I been here. I desire the RECORD to show that I would have voted to adjourn, and against the recess, had I been permitted to vote; but I was paired on the question with the senior Senator from New Mexico [Mr. CUTTING]. Therefore, nothing was lost by my absence.

Had I been present, I would, of course, have voted to adjourn, and therefore to dispose, for the time being, of this wretched bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado [Mr. COSTIGAN] to proceed to the consideration of the bill.

Mr. VANDENBERG. Let us have the yeas and nays.

The yeas and nays were ordered.

Mr. CONNALLY. Mr. President, I understood there was a motion pending to take a recess until Monday.

The VICE PRESIDENT. A motion was made to adjourn until Monday, and the motion was rejected.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT (putting the question). The Chair is in doubt.

On a division, the motion was agreed to; and (at 4 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Saturday, April 27, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 26, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord and Father of the eternal past, we rejoice that there is one God, one law, one element, and one far-off event toward which the whole creation moves; with passionate hope help us to cling to this ideal. By the tranquil guidance of Thy Holy Spirit, O carry on the work of man's redemption. Bring unity into the divided and estranged members of the family universal. Lift the clouds of discord and reveal the divine purpose to the pressing hosts of earth. Be with us, our Heavenly Father, and arm us with jealous care; may we be chivalrous of heart toward the weak, always striving higher for the standards of personal honor. Bless and strengthen with the spirit of forgiveness of injuries and with the other excellences of unsullied manhood. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

Mr. VINSON of Georgia. Mr. Speaker, in view of the fact that amendments will be offered at the very beginning of the reading of the naval-appropriation bill, it is highly important, in my judgment, that we should at least have 100 Members present, a quorum of the Committee.

Mr. SNELL. If the gentleman from Georgia is going to make the point of no quorum, I want to say that you will not, by unanimous consent, meet at 11 o'clock hereafter.

Mr. VINSON of Georgia. During the 21 years that I have been here I have never made a point of no quorum, but I think the House should know what the amendments are and have a large number of the Membership present.

Mr. SNELL. That is all right; we yielded to meet at 11 o'clock today at the request of the majority leader, but I am opposed to coming here at 11 o'clock and wasting an hour in the call for a quorum.

Mr. VINSON of Georgia. I am not willing to take up these amendments without having at least a quorum of the Committee present.

Mr. SNELL. All right, go ahead; but we will not come in at 11 o'clock hereafter.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask the gentleman from Georgia to withhold his point of no quorum. We will endeavor to have the whip get Members in as expeditiously as possible.

Mr. VINSON of Georgia. Mr. Speaker, in view of the statement of the majority leader, for the time being I will withdraw the point of no quorum, but I do insist that there shall be at least a quorum of the Committee present.

Mr. TAYLOR of Colorado. The only reason that I asked to have the House meet at 11 o'clock was with hope that we might finish the bill today. A large number of Members have stated that they want to go out of town tomorrow to attend to other official matters, and the House has agreed to adjourn this afternoon until Monday, and we are quite anxious to finish the bill today.

Mr. VINSON of Georgia. You can count on my full cooperation to expedite the consideration of the bill, but when we consider these amendments to the bill I think we should have a quorum present.

WASHINGTON-LINCOLN MEMORIAL-GETTYSBURG BOULEVARD

Mr. HAINES. Mr. Speaker, I send to the desk Senate Joint Resolution 43 and ask for its immediate consideration.

The Clerk reported the title, as follows:

Senate Joint Resolution 43 for the establishment of a commission for the construction of a Washington-Lincoln Memorial-Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield at Gettysburg in the State of Pennsylvania.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. BLANTON. Mr. Speaker, I do not think a resolution of this importance ought to be taken up out of order and passed by unanimous consent. I do not know when all of this continued orgy of money-spending is going to stop. It has got to stop some day. If it does not, our Nation will be bankrupt. I am not willing to tax the posterity of the American people for all of this continued debt making when we have no reasonable assurance they will have means of paying, when the inevitable pay day comes.

Mr. HAINES. This resolution has passed the Senate.

Mr. BLANTON. Oh, anything on God's earth can pass—somewhere else. They have recently passed a bill—and a House committee is now holding hearings on it—to spend $3,500,000 to ruin this Capitol Building, one of the best types of colonial buildings anywhere on earth. That passed the Senate without the majority of the Senators knowing anything about it.

Americans spend millions of dollars abroad every year looking at old buildings in Europe, but as soon as a build-

ing gets old in this country they want to ruin it or tear it down. I object, Mr. Speaker.

COTTON

Mr. KELLER. Mr. Speaker, I shall not try to call up my cotton resolution this morning, but give notice that I shall do so on Monday next.

NAVAL APPROPRIATION BILL, 1936

Mr. CARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the naval-appropriation bill, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

NAVAL RESEARCH LABORATORY

For laboratory and research work and other necessary work of the naval research laboratory for the benefit of the naval service, including operation and maintenance of a laboratory, additions to equipment necessary properly to carry on work in hand, maintenance of buildings and grounds, temporary employment of such scientific and technical civilian assistants as may become necessary, and subscriptions to technical periodicals, to be expended under the direction of the Secretary of the Navy, $310,000: *Provided*, That $50,000 of this appropriation shall be available for the temporary employment of civilian scientists and technicists required on special problems: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $90,000, in addition to the amount authorized by the preceding proviso.

Mr. CARY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CARY: Page 5, line 15, strike out "$90,000" and insert in lieu thereof "$120,000."

Mr. CARY. Mr. Chairman, this amendment does not add any money to the bill. The committee increased this appropriation $100,000. Of that amount we made $30,000 available for the appointment of civilian scientists and technicians, the remainder being for general appropriation uses. Admiral Robinson, the Chief of the Bureau of Engineering, has indicated to me that to get full value out of the additional amount, it more than likely would be necessary to expand the staff of nontechnical civilian employees, and has suggested that the limitation upon the total pay of such employees be expanded to the figure stated in the amendment. The amendment adds nothing to the bill.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Instruction: For postgraduate instruction of officers in other than civil government and literature, and for special instruction, education, and individual training of officers and enlisted men at home and abroad, including maintenance of students abroad, except aviation training and submarine training otherwise appropriated for, $178,000: *Provided*, That no part of this or any other appropriation contained in this act shall be available for or on account of any expense incident to giving special educational courses or postgraduate instruction to officers with view to qualifying them or better qualifying them for the performance of duties required to be performed by or in pursuance of law by officers of the Supply Corps, Construction Corps, or Corps of Civil Engineers, except present students and except such officers who are commissioned in such corps or who have not been commissioned in the line of the Navy more than 2 years;

Mr. VINSON of Georgia. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 8, strike out lines 12 to 22, inclusive.

Mr. VINSON of Georgia. Mr. Chairman, I rise to submit an amendment. Strike out lines 12 to 22, inclusive, page 8. This new language inserted in the appropriation bill which I move to strike out is personnel legislation under the guise of a limitation. I may add that this question, that is the detail of line officers for specialist duty has heretofore been fully considered by the Naval Affairs Committee of the House which Committee recommended legislation to the House embodied in H. R. 5599 which passed the House on March 27, 1935, and is now pending before the Senate. The provisions I refer to are in section 6 providing for transfer of line officers to the staff. This provision was inserted in order to improve the quality of specialists within the Navy, that is, it enables the Secretary of the Navy to transfer from the line to the Construction Corps, the Civil Engineer Corps, or the Supply Corps, a line officer at a later date than is now permitted under existing law. This delay will give the Department a greater period of demonstrated experience from which to select officers who may show a particular aptitude and a desire for the special duties of the staff corps. It is also the long-established practice with regard to the most numerous specialist branch in the Navy—the marine engineers. As this practice has operated for so long a time to the great satisfaction and efficiency of the marine engineers of the Navy, a highly specialized group, it is only reasonable to assume that the same practice will operate similarly for the other staff specialties mentioned. It conforms in general to civilian practice. A doctor must be a doctor prior to being a specialist in any branch of medicine or surgery. The legislation which has passed the House, H. R. 5599, will enable the staff corps concerned to more carefully select and to surely obtain officers of proven ability in their particular specialties instead of taking in young men of slight experience who may prove to be unsatisfactory.

The provision inserted by the Appropriations Committee of the House which I seek to strike out will be uneconomical, and will be contrary to the best efficiency of the Navy. The present practice is to assign young officers with from 2 to 7 years' commissioned service to special instruction for the Civil Engineer Corps, the Construction Corps, and the Supply Corps. It is believed that this period of time is necessary in order that the young officers concerned may have time to demonstrate their suitability for specialist work, and that the best available material may be selected for the important work of the specialist corps.

As I said before, the Naval Affairs Committee has carefully studied this question and is convinced that the language inserted by the Appropriations Committee should be stricken out, and that the plans embodied in H. R. 5599 should be given a fair trial. The Navy Department agrees with the Naval Affairs Committee, as indicated in its recommendation thereon, which is in accordance with the report of a reorganization board of March 6, 1934, approved by the President.

Any prevention by legislative enactment of a free selection of specialists in the Navy would be destructive of efficiency.

It appears that the inserted language is impossible of any reasonable execution. The course of postgraduate instruction for the Construction Corps and the Civil Engineer Corps is 3 years. Manifestly, an officer of the line, if he should be sent to the postgraduate school immediately upon graduation would, under the provision under discussion, have to be transferred to the corps concerned upon completion of only 2 years of his postgraduate instruction before having fully demonstrated his ability in order that he may pursue the course to completion.

Mr. PEARSON. Will the gentleman's amendment mean an increase in the appropriation?

Mr. VINSON of Georgia. No. It will mean a reduction.

If the provision recommended by the Appropriations Committee should become a law, it will result in considerably more officers being commissioned for limited corps duties than under the present and proposed plan of the Navy Department.

The authorized number of officers in the different staff corps in the Navy allowed by existing law is as follows:

Medical Corps, 1,207; Supply Corps, 660; Construction Corps, 275; Civil Engineer Corps, 110; Chaplain Corps, 149; Dental Corps, 186; Professors of Mathematics, 1.

The Department is now in process of reaching a radical reduction in the number of officers in the different staff corps and expects eventually to have the number reduced to the following numbers: Medical Corps, 745; Supply Corps, 440; Construction Corps, 140; Civil Engineer Corps, 80; Chaplain Corps, 76; Dental Corps, 211. A total reduction in all the staff corps of 329 officers will eventually result in a material saving in the annual expenditures for pay of the Navy on both the active and retired lists.

This plan in operation since March 1934 has already accomplished a reduction of 57 in the total number of staff officers.

It is my personal belief that the Navy now has a greater number of officers in some of the staff corps than is necessary to efficiency, and that the demands of economy in annual expenditures for pay of the Navy necessitate keeping the number down to that strength which is necessary. The Navy Department is at the present time endeavoring to accomplish this reduction by the slow process of normal attrition, which will give the staff corps concerned ample time to adjust their processes to meet the reduction, and which will not adversely affect the prospects of any individual now in the service.

As an illustration of the possibility of economy in expenditures for the personnel of naval staff corps, the following comparison of the number of staff officers in comparable navies is interesting:

Medical officers

American Navy	836
Japanese Navy	502
British Navy	346

We have more than twice as many medical officers as the British Navy.

Naval constructors

American Navy	224
British Navy	118
Japanese Navy	74

We have nearly twice as many naval constructors as the British Navy.

Civil engineers

American Navy	107
British Navy	59

We have nearly twice as many civil engineers as the British Navy.

It is natural that each staff corps should desire to increase its membership to such a number as can be justified by the desires and the vision of the persons interested, and without adequate consideration of the essential necessity for over-all economy in annual expenditures for the Navy.

The enactment of the provision which my amendment proposes to strike out will result in an immediate demand for an increase in the numerical strength of the staff corps concerned with a resulting extravagance of expenditures in future years.

It will also in the opinion of both the Naval Affairs Committee and the Navy Department accomplish a reduction in the quality of the officers selected for assignment to the highly technical specialist work of the corps, and in a definite decrease in the existing efficiency of the Navy.

I have a full appreciation of the present efficiency and superior performance of the staff corps of the Navy; and particularly with the purpose of maintaining, and if possible improving, the superior standards and accomplishments of the individuals who will in the future be intrusted with the specialist technical work of the Navy, I propose that this proposed unworkable limitation on freedom of selection by the Secretary of the Navy be eliminated from the current naval-appropriation bill.

Mr. CARY. Mr. Chairman, I move that all debate on this amendment close in 18 minutes, and that one-half of the time may be controlled by the gentleman from Michigan [Mr. McLEOD].

The CHAIRMAN. The Chair will recognize the gentleman to move to close debate, but the Chair has the responsibility of recognizing Members.

The gentleman from Kentucky moves that all debate on this amendment close in 18 minutes.

The motion was agreed to.

Mr. CARY. Mr. Chairman, the question raised by the gentleman from Georgia of limiting officers in the several staff corps is not involved in this proposition at all; it has nothing whatever to do with it. I was very much surprised, indeed, to hear him stand up on the floor of this House and talk about economy in a naval-appropriation bill. What we are trying to do in this bill is to at least maintain the existing degree of efficiency in the Navy of the United States, and that naturally would result in economy.

The portion of this proviso to which objection is raised is comprised within the last two lines, which read:

> Or who has not been commissioned in the line of the Navy more than 2 years.

We are only undertaking to require conformance with what the law has provided should be done all these years, because rather recently high Navy officials have begun to disregard it and have been attempting to procure their staff officers in a way suitable to them without any regard for what the Congress has said about it in years past.

Mr. Chairman, on pages 8 and 9 of the report on this bill will be found the explanation for the inclusion of this limitation. I enlarged upon that explanation in my speech on the bill last Tuesday—page 6234 of the CONGRESSIONAL RECORD. There is little more that I can add.

The Nation pointed with pride to the way the Navy functioned during the war. That was the acid test. That was the proof of the efficiency and effectiveness of its organization. It had a trained and efficient line and it had a trained and efficient staff. Each had prepared well and each functioned well-nigh perfectly. And why? Simply because each was composed and directed by men who were trained specialists in their allotted fields.

Let me recall to you some names of outstanding specialists: Chief Constructor Bowles; Chief Constructor Capps; Chief Constructor D. W. Taylor, internationally known and an international authority; the present chief constructor, Jerry Land, whom you all know; Naval Constructor Du Bose, who is a real genius.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield at this point?

Mr. CARY. I do not like to be interrupted.

Mr. VINSON of Georgia. Captain Du Bose, whose name the gentleman just referred to, endorsed the Department's report.

Mr. CARY. Possibly the gentleman has a right to that inference. I know whereof I speak when I say that staff officers generally do not and have not endorsed it. The fact of the matter is they are afraid to come out and say anything; they are afraid they will get their heads chopped off if they do; and the gentleman from Georgia knows it as well as I do.

Mr. VINSON of Georgia. Oh, not at all.

Mr. CARY. Let me continue with the names of a few more renowned specialists. There were Sam McGowan, the war-time Paymaster General; Admiral Peoples, the most capable and popular present Paymaster General; Admiral Harris, the war-time Chief of the Bureau of Yards and Docks; and our very capable friend, Admiral Parsons, but recently head of that Bureau.

Mr. Chairman, none of these men had or has a peer in his particular field. There are many others I might name, and they attained or have attained their distinguished positions because they started in as specialists right out of Annapolis or college and continued as specialists throughout their naval service.

This provision is directed at a move to let men prepare for specialist duty even when they have reached midlife; to let them alternate between line and specialist duty; to educate them as specialists and leave to their election whether or not they shall permanently become specialists. In short, it is directed at a move that spells ruin for these splendid, effi-

cient staff corps, which are so largely responsible for the standing the Navy has in the business world today.

I have been told by naval officers that it is their judgment that none of the outstanding officers trained as specialists under the scheme now afoot will elect permanent specialty duty after receiving this special training; that only those officers who will be fearful of a line selection board—in other words, the least promising material—will volunteer for permanent special duty. I concur in that view.

The Navy's specialists should be equal or superior to those of the industry. It is my judgment, by this system we are trying to curb, that the matériel efficiency of the Navy is left to chance. At present the Navy's matériel efficiency is excellent, so why change? For greater efficiency we should be working to expand it to include ordnance, aeronautics, and engineering. Such a course conforms to the judgment of both the recent Baker Board and the Howell Commission.

Mr. Chairman, I submit that this new arrangement does not have the approval of members of the staff corps affected, and that if a poll could be had of their views they would be found to be overwhelmingly against it. They have not been consulted. It is but the initial step to complete amalgamation with the line. When that time comes, if it ever shall, you will have a lot of line officers nominally in charge of activities now directed and performed by specially trained staff officers, with civilian technicists and warrant officers and petty officers actually doing the work. It borders on a crime, gentlemen, to do aught to tear down the splendid system that has prevailed down through the years.

Do you think, Mr. Chairman, it is a proper thing for us to do to wait until naval officers have performed 12 or 14 years of duty in the line and then decide to pick them out and train them along some special line? Or should we take the young graduates from the Naval Academy and begin to prepare them for this special work as soon as they come out of the academy? Under the plan the gentleman from Georgia is endorsing we will let men stay in the Navy as much as 12 or 14 years before we start preparing them as specialists, a time when they ought to be giving their best service as specialists to their country.

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CARY. I thank the gentleman.

Mr. Chairman, there is but one thing to this proposition and that is whether in the interest of efficiency we are going to require these staff officers to be started upon their careers within 2 years after they have graduated from the Naval Academy, or permit someone high up in authority among the line officers to say we shall educate men at the expense of the Government after they have reached middle life and then make it optional with them whether they perform specialized duties for the Government.

I think in the cause of efficiency we should require that when these men are selected as specialists they be selected within 2 years after they come out of the Academy in order that the Government may get the full benefit of whatever their services may be worth. I think it is a mistake to do it in any other way. I think it should be done as it has been done heretofore, and if we will do that we will continue to have efficiency in the Navy. The Congress should say how these staff officers shall be selected, and not some two or three high-ranking line officers in the Navy.

Mr. Chairman, I hope the Committee will defeat this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON].

The question was taken; and there were on a division (demanded by Mr. VINSON of Georgia)—ayes 23, noes 80.

So the amendment was rejected.

The Clerk read as follows:

PAY, SUBSISTENCE, AND TRANSPORTATION OF NAVAL PERSONNEL

Pay of naval personnel: For pay allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: *Provided*, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1935, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act), pay—$32,948,940, including not to exceed $1,628,858 for increased pay for making aerial flights, no part of which shall be available for increased pay for making aerial flights by more than three rear admirals nor by nonflying officers or observers at a rate in excess of $1,440 per annum, which shall be the legal maximum rate as to such nonflying officers or observers; rental allowance, $6,685,447; subsistence allowance, $4,257,791; in all, $43,892,178; officers on the retired list, $7,717,150; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, $3,000; pay of enlisted men on the retired list, $6,050,042; interest on deposits by men, $3,000; pay of petty officers (not to exceed an average of 7,040 chief petty officers, of which number those with a permanent appointment as chief petty officer shall not exceed an average of 6,150), seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Fish Commission, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps, extra pay for men for diving, and cash prizes (not to exceed $75,000) for men for excellence in gunnery, target practice, communication, and engineering competitions, $73,872,972; outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, civilian clothing not to exceed $15 per man to men given discharges for bad conduct or undesirability or inaptitude, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water- or air-borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, $2,246,523; pay of enlisted men undergoing sentence of court martial, $64,400, and as many machinists as the President may from time to time deem necessary to appoint; pay and allowances of the Nurse Corps, including assistant superintendents, directors and assistant directors—pay, $498,320; rental allowance, $15,840; subsistence allowance, $15,152; pay retired list, $176,424; in all, $705,736; rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval Reserve, $12,125,039; reimbursement for losses of property as provided in the act approved October 6, 1917 (U. S. C., title 34, secs. 981, 982), as amended by the act of March 3, 1927 (U. S. C., Supp. VII, title 34, sec. 983), $10,000; payment of 6 months' death gratuity, $100,000; in all, $146,790,040; and no part of such sum shall be available to pay active-duty pay and allowances to officers in excess of 6 on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards as authorized by law: *Provided*, That during the fiscal year ending June 30, 1936, no officer of the Navy shall be entitled to receive an addition to his pay in consequence of the provisions of the act approved May 13, 1908 (U. S. C., title 34, sec. 867): *Provided further*, That, except for the public quarters occupied by the Chief of Office of Naval Operations, the Superintendent of the Naval Academy, and the commandant of the Marine Corps and messes temporarily set up on shore for officers attached to seagoing vessels, to aviation units based on seagoing vessels, including officers' messes at the fleet air bases, and to landing forces and expeditions, no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Naval Reserve without additional expense to the Government, nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department.

Mr. McGRATH. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McGRATH: On page 25, line 14, after the word "of", strike out the word "six" and insert in lieu thereof the word "eight."

Mr. CARY. Mr. Chairman, the amendment is acceptable.

The amendment was agreed to.

The Clerk read as follows:

In all, for pay, subsistence, and transportation of naval personnel, $168,283,083, of which sum $1,000,000 shall be immediately available, and the money herein specifically appropriated for "Pay, subsistence, and transportation of naval personnel", shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That additional commissioned, warranted, appointed, enlisted, and civilian personnel of the Medical Department of the Navy, required for the care of patients of the United States Veterans' Administration in naval

hospitals, may be employed in addition to the numbers appropriated for in this act: *Provided further*, That no part of this appropriation shall be available for the pay of any midshipmen whose admission subsequent to January 30, 1935, would result in exceeding at any time an allowance of 4 midshipmen for each Senator, Representative, and Delegate in Congress; of 1 midshipman for Puerto Rico, a native of the island, appointed on nomination of the Governor, and of 4 midshipmen from Puerto Rico, appointed on nomination of the Resident Commissioner; and of 4 midshipmen from the District of Columbia: *Provided further*, That nothing herein shall be construed to repeal or modify in any way existing laws relative to the appointment of midshipmen at large, from the enlisted personnel of the naval service, or from the Naval Reserve: *Provided further*, That no part of this appropriation shall be available for the pay of any midshipman appointed from enlisted men of the Navy for admission to the Naval Academy in the class entering in the calendar year 1936 who has not served aboard a vessel of the Navy in full commission for at least 9 months prior to such admission.

Mr. MAVERICK. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MAVERICK: Page 29, line 17, after the word "of", strike out "four" and insert "three"; in line 20, after the word "of", strike out "four" and insert "three"; in line 22, after the word "of", strike out "four" and insert "three."

Mr. MAVERICK. Mr. Chalrman, the purpose of this amendment is to keep the appointments at Annapolis to just exactly what they are at this time and not to reduce the present number of Annapolis cadets. The present allotment is sufficient; no necessity exists for an increase.

I want to call attention to the fact that West Point has 1,220 cadets and there are now 1,622 midshipmen in the Naval Academy at Annapolis. There are 118,000 soldiers in the Army, which will be increased by approximately 47,000 men. There are 81,000 enlisted men in the Navy and they already have 400 more cadets than West Point; 345 midshipmen will graduate from Annapolis this year and all will be commissioned in the Navy. In various years Annapolis has graduated too many midshipmen who have been unable to obtain commissions as ensigns.

May I call attention to one other thing: I received a letter from the Navy Department, Bureau of Navigation, which calls attention to the fact that this law will be brought up. I believe it is poor taste on the part of the Navy Department or the War Department to tell a Congressman in advance what kind of a law he is going to pass and then offer him an appointment in the Navy. Is the Navy running Congress or Congress running the Navy? This looks to me as just a little bit of gratuitous advice from the Navy Department. It may be considered by other gentleman as a courtesy and it may be intended as such. Of course, I do not think there is anything particularly sinister in it, but I am sure it is intended to make us favor this legislation so we can have another appointment to pass out.

On the general subject of education may I say that we have heard on this floor the statement made that after a man leaves Annapolis he has to go to universities and technical colleges to obtain special training. But do you ever think of it? A man may go to the Massachusetts Institute of Technology, where he may get education in marine engineering, shipbuilding, steam engineering, and get a good education along those and other lines. That man, however, cannot get an appointment in the Navy because of this old caste system which they have in the Navy, where everybody has to be a graduate of Annapolis, the United States Naval Academy. Now, what about the Army? The Army has always taken in civilians from the various colleges and these men have been trained to be very fine officers. They get into the Army and they receive a reasonable amount of military training.

The argument is going to be made that this seafaring stuff is a mysterious sort of thing, and that it is necessary to go to the Naval Academy in order to serve the Navy. That is not so at all. If a man has a sound college education, and if he can receive a little Navy experience and learn navigation, he will be as good as any officer in the Navy.

Mr. Chairman, here is what I object to. We ought to give the boys of this country a chance to get in the Navy, and I refer particularly to those boys who are not lucky enough to get a congressional appointment. These boys go to the universities in Nebraska, Texas, Washington, and other States and get a good education.

When a man goes to Annapolis or West Point, his teacher stands before him, not to teach him facts but to make him believe in a certain thing. As I said on the floor yesterday, they take these boys, put them in pots, pour hot metal in there, then send them out and use them as officers in the Army and Navy. Of course, they learn good manners at the Naval Academy and they get a good education. But you cannot tell me that a man who is a graduate of the Massachusetts Institute of Technology or any other good college, and he has a reasonable amount of training, cannot become as good a naval officer as a graduate of Annapolis. This is going to give the Congressman an additional appointment. As far as I am concerned, that is not an inducement and I do not think any Member particularly wants the appointment. But that is not the point. The point is we ought to have a Navy organization where they do not take a boy 17 years old, but one 21 years old, one who has a reasonable amount of maturity, as well as a good general education along economic lines and other lines, so that he may be broad-minded mentally to serve in the Navy.

So I believe we should not increase the number of midshipmen, but give other young people a chance.

Mr. DARDEN. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Let me make one more point and then I will yield to the gentleman.

We have already increased the Naval Reserve, especially for fliers, and one of the arguments that has been made in favor of increasing the number of cadets is that we needed more young men for the Air Service, but with this increased Naval Reserve that is not necessary.

I now yield to the gentleman from Virginia.

Mr. DARDEN. Do I understand that the gentleman is not opposed to the increase in the number of midshipmen, but wants to distribute them in a fashion different from that which now obtains?

Mr. MAVERICK. I am opposed to increasing the number of midshipmen at Annapolis. I want to make it so that a man who is graduated from a college like the Massachusetts Institute of Technology can join the Navy, and probably in a year can learn navigation after he has had a course of study in marine engineering, steam engineering, and mechanical engineering, and then may become as efficient an officer as a man who has been at the Naval Academy.

Mr. DARDEN. But the gentleman is agreeable to the additional appointments?

Mr. MAVERICK. No; I am opposed to the additional appointments at Annapolis.

Mr. MAVERICK obtained unanimous consent to extend and revise his remarks, and to insert therein a letter from the Navy Department.

The letter is as follows:

NAVY DEPARTMENT,
BUREAU OF NAVIGATION,
Washington, D. C., April 23, 1935.

Hon. MAURY MAVERICK,
House of Representatives, Washington, D. C.

MY DEAR MR. MAVERICK: The Navy Department and the Bureau of the Budget have recommended to Congress that the quota of midshipmen for each Senator, Representative and Delegate in Congress be increased from three to four. In contemplation of this increase being provided for in the current Naval Appropriation bill, and in view of the necessity for prompt action prior to the actual passage of the bill, in the way of making arrangements for the admission of midshipmen to the Naval Academy this summer, an entrance examination will be held on June 17, 1935 for candidates nominated for these vacancies.

In order to afford ample time in which to make arrangements to hold the examination, it will be necessary that your nominations reach the Bureau not later than May 29. While the law does not require these nominations to be made until March 4, 1936, the opportunity of making the nominations at this time is offered in case you do not wish to hold the vacancy over until next year. Nomination blanks are enclosed herewith.

There are three methods of qualifying mentally for admission to the Naval Academy:

(1) By passing the regular mental examination in all six subjects.

(2) By submission of an acceptable certificate of credits on graduation from an accredited secondary school, and passing a substantiating examination in English and mathematics.

(3) By submission of acceptable certificates from accredited secondary schools and colleges, without mental examination, in accordance with the entrance regulations.

Sincerely yours,

WILLIAM D. LEAHY,
Chief of Bureau.

(Enc.)

Mr. CARY. Mr. Chairman, the Government has committed itself to a naval policy. We are committed to building a Navy up to treaty strength. This bill provides for such appropriations as are now necessary to carry out that established policy of the Government. If we are going to build additional ships, if we are going to increase the Navy as we have been doing for the past year or two and continue to do so until we build up to treaty strength, it is an untenable position to favor the building of a lot of ships and oppose the provision of the officers required to man those ships.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. CARY. I yield.

Mr. MAVERICK. Is it not a fact that the gentleman himself cut down certain appropriations with the idea that there may be some limitation of armament; and inasmuch as that is in the air, it seems to me we do not necessarily have to pass this provision at this time, because we do not know how large the Navy is going to be 4 years from now?

Mr. CARY. Irrespective of the committee's action with respect to appropriations for shipbuilding, it is my judgment that this additional appointment is justified at this time. The House, as recently as March 27 last, expressed itself upon the need for additional officers in passing H. R. 5599, which looks to increasing the line-officer strength of the Navy to 6,531 by 1945. We are told, and I think it is true, that it will not be practicable to reach that number with three appointments, considering past experience of attrition from normal causes in conjunction with increased forced attrition incident to the legislation passed at the last session.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CARY. I yield.

Mr. VINSON of Georgia. It would be useless to authorize the construction of ships unless we provided for the officers to man the ships.

Mr. CARY. Manifestly, that is true.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. CARY. I yield.

Mr. KOPPLEMANN. Presuming that the naval conference which is in the air decided on a decrease in naval armament, will this provision that we have to appoint four cadets from each congressional district still hold?

Mr. CARY. We can control that each year. That can be controlled by limitation in this bill from year to year.

I hope the members of the Committee will defeat this amendment.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas [Mr. MAVERICK] evidently goes on the theory that you can train a naval officer as readily as you can an infantry officer. A battleship is a highly technical proposition and you cannot send a young man into an officers' training camp for a few months and have him come out equipped, trained, and ready to take such command.

There is another angle to this proposal that the House should look into. Our aim should be to create one of the largest merchant marines in the world, and we should have the largest merchant marine of any country in the world.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. BIERMANN. If the United States Government pursues the policy which the gentleman's party has sponsored for 70 years of a high protective tariff, what is this merchant marine going to haul?

Mr. KNUTSON. Some one always likes to drag a red herring across the trail.

Mr. KOPPLEMANN. That is a pretty good one, though. [Laughter.]

Mr. KNUTSON. I will admit that if you continue your processing tax on cotton we probably will not need any merchant marine or, at least, not much of a one, but I am assuming that the American people will return to sanity sooner or later and return the Republican Party to power, and when they do we are going to need a very considerable merchant marine.

Mr. SISSON, Mr. BIERMANN, and Mr. MAVERICK rose.

Mr. KNUTSON. No! I cannot be interrupted now, because I have only a few minutes.

Even though we do not commission these additional graduates they will nevertheless be available in time of crisis. They will be available in the building up of our merchant marine, and I consider that one of the best investments contained in this appropriation bill.

I am not in favor of a great big Navy, but I do believe that we should have trained personnel that will be available overnight, if a crisis should arise and it should become necessary for us to fight for our lives on the high seas.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. MAY. As I understand it, the cadets that come out of the Naval Academy are prepared largely for official duty and the gentleman will remember that the War Department reports show that our greatest difficulty when we entered the World War was lack of trained officers on land and sea.

Mr. KNUTSON. We took care of the situation very nicely on land, although it slowed up the prosecution of the war to establish training camps and run the students through them, but you cannot do that with respect to the Navy.

You talk about taking a boy out of the Boston School of Technology and giving him 6 months and then placing a battleship in his hands. Why, that is too absurd even to discuss seriously.

A battleship costs 45 or 50 million dollars. There are something like two or three thousand men whose lives are absolutely in the hands of the officers of that ship. Even after 4 years an Annapolis graduate has to be given practical and protracted instructions on the high seas before he is qualified to take command of a vessel. When they talk about availing ourselves of graduates of the Boston School of Technology, that is all poppycock. [Applause.]

Mr. CARY. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SISSON. Mr. Chairman and gentlemen of the Committee, I do not claim to know how many naval cadets we need. I am not sure that any Member of the House knows how many naval cadets we need. I do recall that 2 years ago a bill was introduced in this House to give a large percentage of these graduates from the Naval Academy at Annapolis a degree, because there was no place for them in the Navy. They could not receive a commission on graduation. I voted for that bill because I thought it a fair proposition that as long as they had spent 4 years of their lives in the Academy, and there was no place for them in the Navy, we should give them what little help we could to enable them to earn a living in industry.

After that we engaged in this bigger Navy building proposition. We had more men than ships then, and now they say we will have more ships than men.

I understood the gentleman from Georgia [Mr. VINSON], in making his argument for this proposition for spending $457,000,000, to say something to the effect that this Government owed it to our citizens, to our nationals, to protect them and their property wherever they are.

I say that is not the policy of this administration, it is not the policy of the Government, it is not the policy of the

Department of State, and, God willing, it will never be their policy. [Applause.]

It is that imperialistic policy which has brought on wars. I will never vote to send my boy or any other boy of anyone on the floor to fight the battles of the Rockefellers or the great oil interests. [Applause.]

We are trying to avoid foreign entanglements and keep ourselves out of foreign wars. The one thing I am praying for is that our business men, our oil interests, our commercial interests, will not be able to embroil us, but that we will keep our citizens off the seas in time of war.

In time of war the only thing to do is to win the war. They forget all rules of international law. England, whose colonies are all around the world, and upon whose territory the sun never sets, has spent 20 percent less in the last 13 years on her navy than we have spent on ours, and we are now building a Navy that is going to be, in the language of its advocates—even Assistant Secretary Roosevelt—even a greater brandisher of the big stick than in the days of his distinguished kinsman, the late Theodore—a Navy second to none. We are building a Navy to protect us against whom? Not one man comes here and points out why we need a larger Navy for defensive purposes. We are more advantageously situated than any other country in the world, and we are doing less to promote peace than the other great powers. We are not doing our part. I am in favor of cutting down the appropriations in this bill at least 25 percent. I understand from press reports—and I do not know how authentic they are—that there was considerable feeling in this subcommittee that this amount ought to be much further reduced. I am not a member of the committee, and I am not authorized to speak for them. I think they have brought in as good a bill as they could under the circumstances, and I think they brought in a fine report, and I want to go along with them. I am for a navy adequate for defense, but I would like to see the amount of this bill reduced.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired. The question is on the amendment offered by the gentleman from Texas [Mr. MAVERICK].

The amendment was rejected.

Mr. ANDREWS of New York. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of New York: Page 29, line 22, after the word "Commissioner", insert the following: "and of one midshipman from the Panama Canal Zone appointed on the nomination of the Governor of the Panama Canal Zone."

Mr. CARY. Mr. Chairman, on that I reserve the point of order.

Mr. ANDREWS of New York. Mr. Chairman, I understand that we have a very representative citizenship among our residents in the Panama Canal Zone. The young men of that zone have very great difficulty in arranging to even be considered for the Military Academy at West Point or the Naval Academy at Annapolis. The amendment which I have offered speaks for itself. The Governor of the Canal Zone is well qualified to use proper discretion in selecting young men of the Canal Zone, for which we are responsible. I think it ought to have representation in the appointment of at least one midshipman at the Naval Academy.

Mr. CARY. Mr. Chairman, I make the point of order. This provision is a limitation upon existing law and the amendment offered by the gentleman from New York is legislation.

The CHAIRMAN. Has the gentleman from New York [Mr. ANDREWS] any authorization of law for such an amendment?

Mr. ANDREWS of New York. I have not.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

MAINTENANCE, BUREAU OF SUPPLIES AND ACCOUNTS

For equipage, supplies, and services under the cognizance of the Bureau of Supplies and Accounts, including stationery for commanding, executive, communication, and navigating officers of ships, boards and courts on ships, and chaplains; commissions, interest, and exchange; ferriage and bridge tolls, including streetcar fares; rent of buildings and offices not in navy yards, except for use of naval attachés and recruiting officers; accident prevention; services of civilian employees under the cognizance of the Bureau of Supplies and Accounts; freight, express, and parcel-post charges, including transportation of funds and cost of insurance on shipments of money when necessary, and ice for cooling drinking water on shore (except at naval hospitals and shops at industrial navy yards), pertaining to the Navy Department and Naval Establishment, $8,300,000: *Provided*, That no part of this or any other appropriation contained in this act shall be available for or on account of the supply or replacement of table linen, dishes, glassware, silver, and/or kitchen utensils for use in the residences or quarters of officers on shore: *Provided further*, That no appropriation contained in this act shall be available for any expense for or incident to the transportation of privately owned automobiles except on account of the return to the United States of such privately owned automobiles as may have been transported to points outside of the continental limits of the United States at public expense prior to July 1, 1932: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $4,400,000: *Provided further*, That, without deposit to the credit of the Treasurer of the United States and withdrawal on money requisitions, receipts of public moneys from sales or other sources by officers of the Navy and Marine Corps on disbursing duty and charged in their official accounts may be used by them as required for current expenditures, all necessary bookkeeping adjustments of appropriations, funds, and accounts to be made in the settlement of their disbursing accounts.

Mr. DINGELL. Mr. Chairman, I move to strike out the last word. If it were in order at this time, I would offer an amendment that the bill include an appropriation of at least $6,000,000 for the construction of an all-metal lighter-than-air ship.

I want to discuss very briefly the question of continuing the development of lighter-than-air craft. While it is my purpose primarily to discuss metal-clad airship construction, I want to point out that I am of the opinion that the Government of the United States should continue to experiment with the Zeppelin type of rigid airship covered with fabric.

In the year 1921 a group of Detroit men associated principally in the automobile industry came to the conclusion that the successful rigid airship of the future would be built entirely of metal, even including the hull itself. Quiet though careful engineering investigation of the possibilities of metal-clad construction convinced this enterprising group that metal-clad construction was not only feasible but wholly practical.

In 1926 the technical problems had been mastered to a sufficient degree of certainty to justify the construction of the prototype, an all-metal craft of 200,000 cubic feet displacement, which is known as the "*ZMC–2*", and which is in active service of the Navy today.

I want to say to the Members of the House that the year of 1929 in the field of lighter-than-air ship construction was as revolutionary in development as the year 1834 when the first iron steamship was built at Savanah.

On August 19 of the memorable year of 1929 the skeptics the world over were convinced of the airworthiness and practicability of this unusual craft. The *ZMC–2* had been successfully flown from its hangar at the Grosse Ile Airport, Detroit, after most rigid and thorough tests. The acceptance of the ship by the Navy Department was predicated upon the test flight of 600 miles nonstop from Detroit to Lakehurst, N. J. She was then placed in the hands of the naval experts to complete their own tests with the "tin blimp", and it is significant that the *ZMC–2* met every requirement of the naval contract with a safe margin over requirements, and today, nearly 6 years after her first flight, I am informed by the Navy Department that this all-metal ship is in active service, in perfect unimpaired condition. She has worn out two sets of motors and her third set will have to be replaced shortly.

This revolutionary type, revolutionary in the sense, however, in that it is an original model, had made a total of 278 flights as of October 1, 1933. At that time she had had 1,016 hours in the air and a mileage estimated above 50,000 miles, or twice the distance around the world. She had been flown in all kinds of weather and had met every test of the Navy Department thus far. It is safe to assume that

her mileage and number of hours in the air has been increased since that time by at least 50 percent. This craft is unusually stable and airworthy. The retention of helium gas surpasses the requirements of the experts of the Navy Department. The only diffusion of gas is through the gas valves when they are in need of reseating.

On April 12 of 1933 the Bureau of Standards made tests of six samples of the metal hull plating. The tests indicate no loss in strength nor presence of crystalline corrosion. This Alclad plating, which is now over 7 years old, still exceeds in strength the original contract specifications. I submit for the RECORD the figures of the Bureau of Standards:

	Ultimate tensile	
Strength (pounds per inch²)	50,000	57,700
Yield point (pounds per inch²)	28,000	39,700
Elongation	12	16.5

It is now generally admitted in aeronautical circles that the metal-clad *ZMC–2* can no longer be regarded as an experiment. Quite the contrary, it is admitted that in the very first attempt in all-metal construction the designers evolved and completed a proven success.

The Metalclad Airship Corporation, of Detroit, enlisted the scientific cooperation and aid of the different departments of the United States Government, a number of nationally known engineers and experts connected with educational and industrial enterprises of this country. Among these I list the following:

United States Navy, Bureau of Aeronautics.
United States Army Air Corps.
National Advisory Committee for Aeronautics.
Bureau of Standards.
Prof. Herbert C. Sadler and Ralph H. Upson, of the University of Michigan.
Dr. William Hovgaard, of the Massachusetts Institute of Technology.
Dr. R. A. Millikan, of the California Institute of Technology.
William B. Mayo, formerly chief engineer for the Ford Motor Co.
C. F. Kettering, president of General Motors Research Corporation.
Alex Dow, president of the Detroit Edison Co.
Dr. E. Blough, Aluminum Co. of America.

Extensive study of lighter-than-air ships necessarily leads to but one conclusion. That is, that in order to be successful, this type of ship must meet the demands of commerce with speed in excess of 100 miles per hour. The metal-clad type is eminently suited to fulfill this demand.

Perhaps the supreme advantage of the metal-clad is its ability to develop adequate strength and high speed without any serious loss of efficiency from a pay-load carrying standpoint.

I want to cite some of the numerous advantages which the metal-clad ship enjoys over other types of lighter-than-air craft:

Simplicity of design and construction.
No indeterminate hull stresses.
Fireproofness.
Durability of plating.
Superior gastightness.
Ease of maintenance and inspection of hull.
Rigidity of hull shape at high speeds.
Greater gas volume for the same air displacement.
No moisture absorption.
No loss of speed due to flapping fabric.
Superiority at high speed.
No deterioration under tropical sun.
Ability to increase strength by higher pressure, yet rigid enough to fly with atmospheric pressure.
Wider range of inside pressure variation.
Perfect electric bonding of all structural parts.
Economy in operation.
Weatherproof qualities.
Commercial safety.
Adaptability to outside mooring at terminals.

Of the advantages cited above it appears that the most important to commercial operations are, first, inherent safety and, second, ability to operate continuously at high speeds in the region of 100 miles or more per hour. These advantages are due to—

Improved principles of design.
Choice of materials.
Integrity of hull structure.
Method of operation.

Eminent men the world over have expressed themselves very favorably as regards all metal construction in airships. The performance of the *ZMC–2* has furnished proof for the most critical observer. It is interesting to note the expression of Rear Admiral E. J. King. Under date of September 13, 1933, he states:

> The way that ship (*ZMC–2*) has been performing is rather surprising; little has been found wrong with her. If I had to choose between a sister ship to the *Macon* and a metal clad, I think I would take the metal clad. We have done all we can with the fabric-covered dirigible.

Admiral King's interview is based on his observation of the performance of the first and only ship of its kind which was completed before the *Akron* or the *Macon* was laid down. The *ZMC–2* continues to fly long after the tragic loss of these two leviathans of the air, and according to all reports will continue for a long time to come.

Such outstanding world experts as Maj. G. Herbert Scott, of England, Sir Dennistoun Burney, Col. V. C. Richmond, William B. Mayo, and C. F. Kettering, who is director of the International Zeppelin Corporation, are unanimous in the expression that the metal sheeting used in the construction of the *ZMC–2* is superior to the fabric-covered ship.

In the opinion of Ralph H. Upson, aeronautical engineer of the University of Michigan, a metal-clad ship of about 3,000,000 cubic feet, which is less than one-half of the 7,400,000 cubic feet of the *Akron*, would have a performance and general utility for naval purposes in many respects greater than that of the *Akron* or the *Macon*.

Dr. William Hovgaard, professor of naval design and construction at the Massachusetts Institute of Technology and consulting engineer of the United States Navy, states that the more he studies the metal-clad airship the better he likes it. He states:

> The principal difference between the metal-clad airship and the Zeppelin consists in the fitting of a thin gas-tight metal skin, which is riveted to the structure and which takes the place of the outer cover, the wire and cord netting, the gas-tight fabric, and the diagonal wires in the Zeppelin. The metal plating may be regarded as the principal strength member of the hull, and serves at the same time as a gas container. It excels by its simplicity, its superior strength, and its gas-tightness.
>
> The metallic skin, in conjunction with the rigid main frames and a high gas pressure, insure a maintenance of form not obtainable in Zeppelins, where the diagonals permit very great shearing deflections. The fact that its high internal pressure can be safely maintained is one of the most important advantages of the metal-clad airship. Associated with a rigid structure, the metal skin places this type of airship in a class by itself, superior in strength and stiffness to all former rigid and nonrigid airships.

Dr. Herbert C. Sadler, dean of engineering, University of Michigan, has this to say:

> It is a matter of common knowledge that a circular-shaped structure with metal disposed on the circumference is the lightest form from the strength point of view, and metal containers for holding gases are by no means new; so the question can be carried a step further from the more theoretical aspect of "Should it be done?" to the form of "Can it be done?"
>
> Here begins the cooperation of the scientist, engineer, and metallurgist in carrying out the necessary designs, investigations, and experimental research work to cover each and all of the details that may be involved in the problem. Today, with the development of such processes, the chances of failure are reduced to a minimum as compared with the rule-of-thumb methods.
>
> The present status of the metal-clad airship is a good illustration of the foregoing. Years of patient research, theoretical investigations, numerous types of design and details were undertaken before the *ZMC–2* was built.
>
> Although the very small size of this vessel introduced additional factors which made the problem more difficult of solution than that of a larger vessel, the result has proved that the fundamental conceptions are sound and that such ships are practicable. The *ZMC–2* may therefore be regarded as proof that certain elements on which there might have been some doubts have been dispelled. The strength of the structure, its ability to hold gas, its practicable

operation as an aircraft, and, so far as can be seen at present, its durability have been demonstrated.

The next step, namely, the proposal to build a large vessel of a really practical size for useful work in either the military or commercial field, will naturally involve carrying the designs, investigations, and research work to further stages.

While with the *ZMC–2* a number of men were willing to spend their time and money on the development of ideas in which they had faith and which subsequent events proved to be correct, it would seem not only proper but almost the duty of the Government of the United States to foster further developments in this new form of transportation.

Dr. Walter Bleistein, consulting aeronautical engineer of Berlin, Germany, has the following to say about the metal-clad airship:

In 1897 David Schwarz built an aluminum-covered airship in Berlin. Its power plant failed on its first test flight and the airship was dismantled by souvenir hunters. Because of the non-availability at that time of suitable sheet metal of a thickness required for the hull plating, airship designers in Germany then turned to the principles of the free balloon, using fabric as a covering.

However, it is most welcome news that the United States Navy *ZMC–2* has demonstrated such excellent possibilities for building and operating metal-clad airships. When American experience is available to our German airship works, then we shall once again turn to the building of metal-clad airships.

Expressions of absolute approval of the metal-clad ships have been made by experts and observers the world over, and are too numerous to mention in the short space of time allotted to me.

I have introduced a bill which will serve the Naval Committee as a basis for its consideration, and I hope that within a short time this group of very able and earnest Members will report favorably a bill based upon the advice of experts, so that the Government of the United States can proceed with the construction of a ship of suitable size to bring to America the laurels in the field of lighter-than-air aviation. It is my belief that the advice of C. F. Kettering should be taken into consideration by the committee. He is of the opinion that an all-metal dirigible of 100 tons, or about eight times the *ZMC–2*, is entirely practical at this time. He contends that the specialists in lighter-than-air research definitely worked out the problem of all-metal airships. He predicts rapid extension of this type of ship in the field of naval, military, and commercial service.

I read for your edification an interesting naval press release, under date of August 19, 1934:

Today marks the fifth anniversary of the launching of the Navy's metal clad *ZMC–2* at the Grosse Ile Airport, Detroit, Mich.

During this period of time the *ZMC–2* has been almost continuously in operation as a training and experimental ship assigned to the United States Naval Air Station, Lakehurst, N. J. She has flown approximately 50,000 miles during her 1,100 hours in the air.

Built by the Metalclad Airship Corporation of Detroit, Mich., the *ZMC–2* is the first successful airship with the hull, including the hull covering itself, built entirely of metal.

In 1922 a group of Detroit men identified principally with the automotive industry turned their attention toward the possibility of constructing airships with all-metal hulls, a step that seemed obviously desirable. Considerable experimentation and research were carried on, and 4 years later Congress was asked for an appropriation, later granted, to defray the cost of building a small experimental unit. Many new problems arose during the actual construction of the *ZMC–2*, but they were successfully solved by the engineering staff of the builders with the support and encouragement of the Navy Department's own engineers.

At that time a great deal of skepticism prevailed as to the success of the venture. Gas tightness of seams and durability of the very thin metal required for the hull covering were moot questions.

"Alclad", a strong aluminum alloy, now in general use in all types of aircraft construction, was employed commercially for the first a time in the building of the *ZMC–2*.

The Federal Government at the present time is working diligently on a plan to expend $4,800,000,000 to break the back of the depression. Here, in my estimation, is an opportunity for the Federal Government to undertake the construction of one or more metal-clad airships. Experts for this type of construction could be gainfully employed for the period of the next 2 years, and in a sense this assembly of pioneer builders would be a valuable reserve of the armed forces of this country.

In conclusion let me state that the Metalclad Airship Corporation was so firmly convinced that the tin blimp would fly that they agreed to build the first ship for the Navy at a cost of $300,000. The actual cost of the completed ship, however, was more than $750,000. The total development and research work plus the cost of the ship was upward of a million and a quarter.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes.

Mrs. KAHN. How many ships of that type has the Navy in use now?

Mr. DINGELL. Only one, the *ZMC–2*, the original and only ship of its kind in the world.

Mrs. KAHN. I had an idea that there were at least two.

Mr. DINGELL. No; only one. We should build one at least 10 to 15 times as large, because the *ZMC–2* is only of 200,000 cubic feet capacity. The ship should be of somewhere near 3,000,000 cubic feet capacity to be of proper experimental size. The *Macon* was, as you will remember, of 7,400,000 cubic feet capacity.

Mrs. KAHN. I remember at one time there was a bill before the Committee on Military Affairs for its consideration to authorize an appropriation to build one for the use of the Army. I do not remember just how far that proceeded, but I know the Navy had one, and I thought it had two.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

Mr. CARPENTER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it has been suggested here during the debates on this bill making appropriations for a Navy Department for the fiscal year ending June 30, 1936, that there will not be a record vote of this House upon this bill. Anticipating that such may be the case, it is therefore necessary to take this means to register my views in regard to this bill.

There are some things in relation to the Government of this country that I understand, and there are some things in regard to the operation of the Government that I do not understand. I understand that according to article 1, section 1 of the Constitution of the United States all legislative powers therein granted shall be vested in a Congress of the United States which shall consist of a Senate and a House of Representatives, and therefore it is not only the duty of Congress to pass the necessary legislation in connection with the operation of this Government, but the responsibility for such legislation that is passed rests upon this same body. I further understand that according to section 8 of article 1 that Congress shall have power to provide and maintain a navy, and therefore, according to my understanding, it is the duty and obligation of Congress to provide and maintain an adequate Navy; and that, of course, would include the providing of sufficient appropriations for such purpose.

We are all familiar with the age-old proverb, as old as the human race, namely, "Consistency, thou art a jewel"; and it seems to me if this proverb was ever true it is more true today than ever before. Now, the things that I cannot understand are, in view of the recent statement of Mr. Morgenthau, the Secretary of the Treasury, and others, declaring that the credit of the United States would be periled by the payment of what is commonly known as the "soldiers' bonus", which would amount, if paid out in cash by the Treasury of the United States at this time, to a little better than $2,000,000,000; in view of the representations made to us when the old-age pension bill, known as the "social security bill", was considered by Congress last week, that to adopt any other plan, other than the plan presented appropriating $49,750,000 for old-age pensions, would become extremely burdensome in future years; and in view of the fact that the second bill passed by the Seventy-third Congress was what was known as the "economy bill", and in regard to which I might say I cast the only vote from Kansas in the House against such bill, and Senator McGILL the only vote from Kansas in the Senate against this bill, and all pay cuts provided therein having now been restored, and practically every other economy eliminated except the cuts made in reference to our veterans, now leaving all the economy in this bill resting upon them practically alone, and

whereas there was introduced in the Senate last week a bill known as the "Harrison bill", which was introduced, as I understand it, as a compromise bonus bill, which, I understand, specifically provides that it would be in lieu of all future pensions due to the World War veterans, notwithstanding the fact when the adjusted-service certificate was given the veteran by the Government it was generally understood that it was in lieu of back pay, notwithstanding the fact that this country has always provided pensions for those who served their country, and in view of such fact such provision would be an insult and a slur at the veterans; and whereas this Government has spent over $13,000,000,000 on our armies and navies, all of which has been called "preparedness", from 1920 to and including 1935; and whereas in addition to all this thirteen billions heretofore provided for preparedness this session of Congress is appropriating over $1,000,000,000 for such purpose; therefore, to sum up, I cannot understand how this country could have spent over $13,000,000,000 from 1920 to and including 1935 on preparedness and are appropriating over a billion dollars in this bill without the credit of the United States being periled thereby, but to restore to the veterans what was taken away from them in the economy act to pay the soldiers' bonus, and which, by the way, if paid by the bill passed by the House, known as "H. R. 1", or the "Patman bill", would not cost the Government anything but will save it a considerable sum in addition to helping business in general——

The CHAIRMAN. The time of the gentleman from Kansas [Mr. CARPENTER] has expired.

Mr. CARPENTER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. CARPENTER. How the appropriation of a larger amount for old-age pensions, which would give the old people a more generous pension in keeping with what they have been led to expect, would imperil the credit of this country and bankrupt it, as we have been told from time to time—

Mr. CARY. Mr. Chairman, I make a point of order. The gentleman is not speaking to the amendment.

The CHAIRMAN. The gentleman will proceed in order.

Mr. CARPENTER. Mr. Chairman, I understand I can speak on anything involved in this bill.

The CHAIRMAN. The Chair has ruled. The gentleman will proceed in order.

Mr. CARPENTER. In other words if we can spend all these billions of dollars for warfare when we have no war, a great percentage of which is a total waste, then to be consistent it seems to me that we could pay the soldiers' bonus, if that was desired, in actual cash, whereas, as a matter of fact that is not necessary as is provided in the Patman bill and provide a greater and more generous old-age pension.

While I appreciate it is natural for Members of Congress to support projects that involve their districts, in connection with our military preparedness, I have done and would do the same thing, for I realize they are desirous of obtaining such projects because of the amount of work that will be provided by the same, and that is about all the consolation we can get out of such appropriations that they will provide some small measure of work and relief in our various districts.

What is the necessity for having such a large Navy anyway? We have no foreign possessions to protect that require such a large Navy, especially when we have given up the Philippines. We have no foreign trade left to protect. Public opinion in this country is unalterably opposed to our participating in any foreign war, and such sentiment has been recently included in a bill, the McSwain bill, which passed the House a few days ago, prohibiting this country from sending its armed forces upon foreign soil, except only as may be necessary to prevent or repel actual invasion of this country. Therefore, I can see no other reason or necessity for such a large Navy, except just to see it pass in review.

It has always generally been the result that whenever any country created large military forces and a large navy that it invariably ended up in a war. We cannot have these large military forces and wars without veterans of wars. Instead of looking to create veterans of future wars, we should be more interested in looking after the veterans of our past wars; and I say here again, as I said when the economy bill was discussed before this body, "May God forbid that the veteran is to become the 'forgotten man' and the real governmental economy that was promised be lost sight of."

In addition thereto, every cent of money that we spend upon preparedness that is not necessary makes it just that much more impossible to ever collect the war debt that the European countries already owe us, for the reason that every time we unnecessarily increase our military activities that causes them to do likewise and to spend money on armies and navies instead of paying their just debts to us.

Now, while I would be willing to vote for the necessary appropriations for our national defense, if it is so necessary that we have economy—and I believe it is—I could not vote for the appropriation provided in this and like bills, and therefore I wish as completely as I can to register my vote against this bill containing the amount of appropriations that it does. [Applause.]

Mr. LUCKEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, at this time when we are considering the largest Navy appropriation that has ever been presented in peace times to the Congress of the United States, it is well worth while to see how the other nations are looking at this gesture.

In this morning's Washington Post there appears a news item by the United Press, which reads as follows:

JAPANESE FLAY UNITED STATES MOCK WAR AS AGGRESSION—ARTICLE CITES "EVIDENCE" OF WIDE PROGRAM FOR DRIVE ON FAR EAST

TOKYO, April 26.—Pending maneuvers of the United States fleet are aimed at Japan's mandated islands in the Pacific and form part of a program for a campaign against the Far East, the newspaper Nichi Nichi charged today in a sensational article credited to the Japanese Navy's interpretation of Washington's naval attitude.

"The maneuvers constitute training for crossing the Pacific", the article said.

"In establishing submarine and air bases in the Aleutian Islands and practicing defense and attack, America aims at a campaign plan against the mandated islands in the South Seas, thus swinging the position of their objective 90 degrees from south to north.

"The United States is undertaking a trans-Pacific air route under the pretext of civil aviation. The airways bears a great strategic significance, exposing to the whole world their aggressive naval plans against the Far East.

"In recalling the flagship *Augusta* and including it in the circular formation, the United States Navy was dictated to by a real need for it."

The *Augusta*, heavy cruiser, which has been flagship of the Asiatic Fleet, has been ordered to participate in the maneuvers and will be replaced as flagship by the light cruiser *Omaha* in the fall.

The Nichi Nichi article continued:

"In appropriating $300,000 for Pearl Harbor repairs, America seeks to strengthen her post as an important base for an advance across the Pacific. America's planned construction of 555 naval planes and increasing of officers to 8,176 are all part of her preparations for a far-eastern campaign.

"Reduction of the naval construction budget in Congress does not necessarily constitute reduction of her naval program, but is a reflection of opinion at home for emphasis on disarmament and can well be counterbalanced by its revival next year or another appropriate measure to fulfill the original plan.

"The American Navy is maintaining world naval supremacy by carrying out trans-Pacific naval operations despite the fact that a disarmament conference looms."

Nichi Nichi credited the Foreign Office with the viewpoint that "a note of despair reportedly struck in American official circles over the disarmament conference is regarded at the Foreign Office as propaganda started by the American Navy, aimed at making their claim on the budget effective." The article concluded:

"Officials in the Foreign Office are entertaining a disagreeable feeling regarding America's aggressive naval maneuvers, but Japan is withholding expression of her attitude for the conference pending British initiative. Japan, however, absolutely opposes postponement on such a vague pretext as the European situation."

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. LUCKEY] has expired.

The pro forma amendments were withdrawn.

Mr. BELL. Mr. Chairman, I ask unanimous consent to return to page 29 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BELL. I offer an amendment which is at the desk, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. BELL: Page 29, line 22, after the semicolon, insert "and one midshipman from each of the military schools to be chosen as follows to-wit: the Secretary of the Navy may approve a list known as honor schools in a number not exceeding 25."

Mr. CARY. Mr. Chairman, I make the point of order against the amendment that it is legislative matter attempting to be placed in an appropriation bill.

The CHAIRMAN. The Chair would like to ask the gentleman from Missouri [Mr. BELL] whether or not there is any authorization in law for such an appropriation?

Mr. BELL. Mr. Chairman, on line 14, page 29, there starts a limitation to the general terms of the bill. It reads:

Provided further, That no part of this appropriation shall be available for the pay of any midshipman whose admission subsequent to January 30, 1935, would result in exceeding at any time the allowance of four midshipmen by each Senator, Representative, and Delegate in Congress—

And so on. In other words, that is a limitation. The amendment which I propose is a perfecting amendment to that limitation. It is not legislative in its character.

The CHAIRMAN. The Chair will again ask the gentleman if he has any knowledge of any authorization in law which will permit of such appropriation, aside from what he has read, which, as the Chair understands, is covered by existing law?

Mr. BELL. This amendment does not seek an appropriation. It is simply placing an additional limitation among the limitations which start with line 14 and end at the bottom of the page.

The CHAIRMAN (Mr. MCCORMACK). The Chair is prepared to rule. The amendment proposed by the gentleman from Missouri [Mr. BELL] is legislation on an appropriation bill. The Chair therefore sustains the point of order.

The Clerk read as follows:

CLOTHING, NAVAL RESERVE

The clothing and small-stores fund shall be charged with the value of all issues of clothing and small stores made to aviation cadets and enlisted men of the Naval Reserve and the uniform gratuity paid to officers of the Naval Reserve.

Mr. BIERMANN. I move to strike out the last word.

Mr. Chairman, on several occasions the opponents of this bill have asked its advocates to tell us against whom we are preparing and for what this huge expenditure is intended. Up to this time they have not told us. I renew the request, but I have no idea they will tell us during the remainder of this debate.

Mr. CARY. Will the gentleman suffer an interruption?

Mr. BIERMANN. Certainly.

Mr. CARY. The gentleman has repeatedly asked the House to tell him against what nation we are preparing this Navy. When the Constitution of the United States provided that we have a Navy, will the gentleman tell the House against what country the framers of the Constitution expected that Navy to be used?

Mr. BIERMANN. If the time ever arrives when the Constitution of the United States is a subject for legislation before this body, I will give my opinion on that subject. At the present time we are considering the naval appropriation bill. A recent Associated Press report states that the House of Commons recently passed an appropriation of $300,000,000 for the Navy of Great Britain. Surely all the Members of this House will agree that Great Britain has more reason to have a large navy than the United States of America, yet we are asked to appropriate $457,000,000 for our Navy. This money is not coming out of the air. I hope it is not coming out of printing-press money. It is coming out of the taxpayers of the United States.

We have heard during this discussion some reference to other purposes to which this money could be devoted. In the United States there are 123 colleges and universities that have endowments in excess of $2,000,000. Some of those institutions are 100, 200, and one of them is nearly 300 years old. The total endowments of all those institutions is approximately $1,199,000,000.

If we subtract from that sum the endowment of Harvard University, we shall arrive at a figure that is less than twice what it will cost to maintain this Navy for 1 year. In other words, when our Navy reaches treaty strength, according to the testimony of Admiral Standley, it is going to cost us $555,000,000 a year to maintain it. Stated in another way, we are going to pay every 2 years to support this "treaty strength" Navy as much money as is represented by the endowments of all the colleges and universities in the United States, except Harvard, that have as much endowment as $2,000,000 each. In my district there are several small colleges—Luther College, Lenox College, and Upper Iowa University—all of which have done great work in educational fields. One of the graduates of Luther College just passed up this aisle, the gentleman from Minnesota [Mr. KVALE]. Any one of these colleges would be delighted with an endowment of $500,000.

To maintain this Navy at treaty strength for 1 year we are going to spend as much money as it would take to endow for all time 1,110 colleges such as Luther, Upper Iowa, and Lenox, in the Fourth District of Iowa.

We have been talking considerably about good roads in this country, and we have appropriated a lot of money for roads. In the State of Iowa we think we have good roads; they are 18 feet wide, as a rule, and of concrete, and cost about $20,000 a mile at the present time. I just made a calculation to the effect that this money we are going to spend for the maintenance of our Navy would build nine paved highways from Washington City to San Francisco, Calif.

I want the Members to take these figures into consideration before they vote for this bill.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mrs. KAHN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I really rose at this time to ask the gentleman from Nebraska if he is going to take the expression of a jingo Japanese press as the real idea of what the Navy Department of the United States is doing or what our naval policy is. I wonder if the gentleman realized when he read the article stating that Japan was protesting against the establishment of a commercial aviation line by the United States, just exactly what Japan herself is doing along the line of establishing commercial aviation lines? I would like to quote from one of the newspapers published in Washington, the Times, on April 23 regarding the establishment of commercial aviation lines by the Japanese Government. There is no one who does not realize that in case of trouble, whether it be between Japan and the United States, England, France, or some other nation, our commercial aviation lines are going to be one of our chief lines of defense.

The article reads as follows:

Japan has not waited until the eleventh hour to project an intensive development of commercial aviation in the vast area of the Pacific.

Before the American Congress even considered authorizing the negotiation of an air-mail contract for a 4-day air mail service between San Francisco and Manila, beginning with an overnight mail service between the American mainland and its main outpost of defense in the Pacific—the Hawaiian Islands—Japan's aviation program in the Pacific had been formulated and approved by the Government and announced to the Japanese people.

In the Japanese program the first part consists of the following specific projects for the development of commercial aviation in the Pacific:

JAPAN'S PROGRAM

First. A regular air mail service between Japan and Formosa—just across from the Philippine Islands. Test flights have already been made over this stretch from Japan proper toward the Philippines. These tests are said to have been highly successful. It is expected that the service will soon be inaugurated with a flight each way every week.

Second. A new air mail service between Japan proper and Korea. The terminals of this new air line will be Tokyo or Osaka, in Japan, and Tanan, in northern Korea.

The great advantage of this line will lie in the fact that it will result in a great saving in time between Tokyo, the capital city of Japan, and Tsinking, the capital city of Manchukuo, Japan's new "ally," and completely docile "neighbor"—theoretically an independent state, actually, according to the world point of view, a Japanese dependency.

Third. An air mail service between Tokyo and Parao, the administrative center of the mandated islands in the Pacific. To the United States was ceded by Germany a one-fifth share in the sovereignty of these islands, but their administration has been mandated by the League to Japan. This is not necessarily a permanent mandate.

The approval of the United States to the continuance of this mandate by Japan is necessary. The route from Japan for the projected air line to the islands would run via the Bonin Islands, concerning the fortifications of which there has long been much speculation.

Fourth. An air mail service between Tokyo and Sapporo, with stops planned at Sendai and Aomori.

Fifth. An air mail service between Tokyo and Kochi or Shikoku.

Sixth. An air mail service between Osaka and Matsue, Shimane Prefecture, on the Japan Sea.

Seventh. An air mail service between Osaka and Nagano, by way of Toyama on the Japan Sea.

Eighth. An air mail service between Tokyo and Niigata on the Japan Sea by way of Nagano. This would presumably supplant the summer service already provided by the Asahi Air Service Association.

What the Japanese are doing to develop commercial aviation in the vast area of the Pacific is in line with what the other great powers are also doing to the same end.

The British have an air line operating between the British Isles and Australia. Soon they propose to provide a connecting link with Hong Kong.

The Dutch are operating an air line from Amsterdam to Java and are projecting a link with Canton, China.

OVERNIGHT SERVICE

The French intend to provide a connecting link with Canton for their air line in operation between France and Indo-China.

If the present Congress gives its support to American aviation in the Pacific, there will before long be an overnight air mail service between San Francisco and Honolulu and later a 4-day daylight air service between there and Manila.

This is why a $2,000,000 appropriation has been requested to enable the Federal Government to contract for air mail across the Pacific as soon as the Pan American trans-Pacific line begins to operate. The pioneer in this new conquest of the air, the Pan American Clipper, which has just completed its initial overnight flight between the American mainland and Hawaii, has blazed a new trail for all American commerce with the Far East.

With Japan surrounding the entire western Pacific area with air lines we certainly cannot take seriously the objection of Japan to the establishment of an all-American air line across the Pacific. [Applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

BUREAU OF AERONAUTICS

AVIATION, NAVY

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1935, $498,200; for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet and all other aviation activities, accident prevention, testing laboratories, for overhauling of planes, and for the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, $10,755,150, including $120,000 for the equipment of vessels with catapults and including not to exceed $10,000 for the procurement of helium, which sum of $10,000 shall be transferred to and made available to the Bureau of Mines on July 1, 1935, and the Bureau may lease, after competition, surplus metal cylinders acquired for use as helium containers; for continuing experiments and development work on all types of aircraft, including the payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $20 per diem for any person so employed, $2,498,000; for new construction and procurement of aircraft and equipment, spare parts and accessories, $26,770,000, of which amount not to exceed $8,500,000 shall be available for the payment of obligations incurred under the contract authorizations carried in the Navy Appropriation Acts for the fiscal years 1934 and 1935, and $17,475,000 shall remain available until June 30, 1937; in all, $40,521,350; and the money herein specifically appropriated for "aviation" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $1,505,000: *Provided further*, That in addition to the amount herein appropriated, the Secretary of the Navy may, prior to July 1, 1937, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of $5,000,000: *Provided further*, That the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to transfer not to exceed in the aggregate $24,000 from this appropriation to the appropriations "Pay, subsistence, and transportation, Navy", and "Pay, Marine Corps" to cover authorized traveling expenses of officers and enlisted men in connection with flying new airplanes from contractor's works to assigned station or ship, including travel to contractor's works and return of personnel to stations of duty, and the amount so transferred shall be in addition to any limitations contained in the appropriations "Pay, subsistence, and transportation, Navy", and "Pay, Marine Corps": *Provided further*, That no part of this appropriation shall be expended for maintenance of more than six heavier-than-air stations on the coast of the continental United States: *Provided further*, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes: *Provided further*, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft where such claim does not exceed the sum of $500.

Mr. JONES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 40, line 7, before the word "and", insert the following: "in addition to which sum the Bureau of Mines may use for helium-plant operation in the fiscal year 1936 the unexpended balance of the funds transferred to it for such operation in the fiscal year 1935."

Mr. CARY. Mr. Chairman, I agree to the amendment; it ought to be in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

The Clerk read as follows:

For pay and allowances of the Marine Corps Reserve (a) excluding transferred and assigned men, $499,690; (b) transferred men, $376,612; in all, $876,302.

Mr. CARY. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Page 44, line 6, strike out the sign and figures "$499,690" and insert in lieu thereof "$518,690"; and on page 44, line 7, strike out the sign and figures "$876,302", which is a total, and insert in lieu thereof "$895,302."

Mr. CARY. Mr. Chairman, in the bill as reported provision is made for securing 25 Marine Corps Reserve aviators out of the flying school at Pensacola, at a total cost of $189,203. Since the bill has been reported it has been suggested to us that we provide instead for 25 aviation cadets, authorized by a bill approved the 15th of this month. At first blush I was opposed to the change, but the Marine Corps unquestionably is short of officer pilots and to meet that shortage would use Reserve officers on extended active-duty details. A Reserve officer costs more than an aviation cadet, so, looking ahead, I can see in the change a real saving. The difference approximates $660 per annum in favor of the aviation cadet.

Apart from expense, morale at the flying school should have consideration. The student officer pilot takes his training as an enlisted man and the aviation cadet would be looked upon as a junior officer. There would be a difference in pay, a difference in rank, and of necessity a difference in the standard of living.

Mr. Chairman, I think this amendment should be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

The Clerk read as follows:

INCREASE IN THE NAVY

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized, including (1) the expenses in connection with continuing the construction of 14 destroyers and 6 submarines which were commenced in the fiscal year 1935 under funds made available from the "Emergency Appropriation Act, fiscal year 1935" and (2) for the commencement of 2 cruisers or subcategory (b) authorized by the act approved February 13, 1929 (45 Stat. 1165), and 1 aircraft carrier, 15 destroyers, and 6 submarines authorized by the act approved March 27, 1934 (48 Stat., pp. 503–505), $88,310,000, to remain available until expended: *Provided*, That the sum to be paid out of the amount available for expenditure under the head

of "Construction and machinery" for the fiscal year 1936 for employees in the field service assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $1,000,000: *Provided*, That of the appropriations contained in this act under the head of "Increase of the Navy", there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services, and the employment of personnel in the Navy Department and in the field, the purchase of plans, drafting, and other supplies, and the expenses of printing and travel, in addition to those otherwise provided for, owing to the construction of vessels heretofore authorized and herein or heretofore appropriated for in part: *Provided further*, That the appropriation limitation on expenditures, including armor and armament, on vessels authorized on or prior to February 13, 1929, is hereby waived.

Mr. KOPPLEMANN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KOPPLEMANN: Page 48, line 21, after the word "expended", insert "and no part of any approriation contained in this act shall be available for the construction embraced by clause (2) prior to March 1, 1936."

Mr. KOPPLEMANN. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN. Mr. Chairman, my amendment will in no sense destroy or change the purposes of the bill. The amendment is in line with a policy of this country that we do not increase our Navy any more than do those governments with which we have consulted and made definite agreements as to increase or decrease in the navies of the country which are parties to the agreement.

There will be a conference of these nations which ought and which I hope will come to an agreement before March 1, 1936. So that the money of the people of this country will not be uselessly spent, my amendment provides that the appropriation in this bill shall be available for construction after March 1, 1936. Surely, if this bill is passed today, and the body at the other end of the Capitol should pass it within a reasonable time, and the President should sign it, the time that will be consumed in the planning of these ships will take up to March 1, 1936, and there can be no harm in making certain that unnecessary expenditures of the people's money is made.

Back in 1921, just prior to the conference of 1922, America spent a great many millions of dollars on ships, which were afterwards scrapped. The disarmament conference of 1922 proved the necessity of my amendment.

Mr. Chairman, I am further moved by the appeal which is carried in my amendment, because when the naval conference of 1935 convenes we ought to go into that conference with clean hands. We ought to go into that conference in the spirit of the good-neighbor policy. If we go before that conference with a big stick of a greatly increased Navy, should not we then create a spirit of antagonism amongst those with whom we are to confer? But if, on the other hand, we go into that conference as is indicated by my amendment, that we are holding up our program for an increased Navy, with the definite hope that the conference will prove a success and therefore we will not at this time definitely place ourselves in the position where we must increase our Navy, we not alone prove to the other nations of the world that we mean to be good neighbors but that we also prove to them that by our act we are good neighbors; that we mean that we are not having a great Navy, and that we hope for a reduction in the other navies of the world and not for more ships, and so prove ourselves honest in our endeavors for real and lasting peace. [Applause.]

As I understand it the subcommittee of the Appropriations Committee had in effect in the bill they reported to the full committee, that which is carried in my amendment but for some reason the soundness of which I cannot comprehend, and which I believe was a great error, the full committee struck out the provision that the appropriation should not be made available for construction until March 1, 1936. On page 3, I read in the report on this bill a most significant and important paragraph which I am calling to the attention of this House.

Mr. Chairman, I am reading now from the report on this bill.

"To create, maintain, and operate a Navy second to none and in conformity with treaty provisions," the fact remains that the present and ultimate annual cost must be disturbing to us and must be equally disquieting to other "treaty navy" powers. It would seem that continued limitation and some contraction of tonnages now permitted must be the wish of all educated, unselfish people the world over. Another conference will be held during the present calendar year. The committee's proposal to halve the estimate for additional new construction is offered with the thought that the administration might wish to defer the commencement of such construction until that conference shall have been concluded.

Those are the words of my amendment.

Such a course should be interpreted as an expression of our faith and confidence that the principle of limitation will survive and that out of such conference a new and better accord will be born. Holding up construction on the eve of another conference would be tangible proof of our wish and hope and faith that limitation will be continued and in some respects curtailed. Possibly, and perhaps very probably, a new agreement would not dispel the need to proceed with most if not all of the new construction the commencement of which it is proposed to defer, but there would appear to be no hazard in the delay and the course our action contemplates should challenge in a most effective way the attention of the peoples of those nations parties to the present naval limitation agreements and to the consequences if limitation be abandoned or even continued as now provided.

Mr. Chairman, I have just read from the report of the committee, which indicates that the committee is favorable to my amendment. I cannot understand why anyone should oppose this amendment. It is not comprehensible to me that any member of the committee or the "big stick" Naval Committee should oppose a reasonable waiting attitude.

The purpose of my amendment is that our country may be able to go before the nations of the world with clean hands. We are about to enter into a naval disarmament conference. How can we present an honest and sincere argument for disarmament and reduction of the navies of the world when we by our definite action of this Congress on the eve of the naval parley authorize untold millions of dollars more than ever before in the history of our country during peace times for an increased Navy?

In the light of the statement made by President Roosevelt in his message to Congress on January 4, 1935, in which he declared that "the people of most nations seek relief from the threat and the burden attaching to the false theory that extravagant armament cannot be reduced and limited by international accord."

Without my amendment as part of this bill I am very much afraid that the other nations which will be at this conference will look at us in wonderment at our duplicity and falseness to the principles laid down by the President of the United States.

Mr. Chairman, we must not, we dare not, pass this bill without my amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. KOPPLEMANN].

The question was taken; and on a division (demanded by Mr. KOPPLEMANN) there were—ayes 17, noes 78.

So the amendment was rejected.

(Mr. KOPPLEMANN asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 48, beginning in line 9, strike out the paragraph ending on page 49, line 17.

Mr. BOILEAU. Mr. Chairman, I offered this motion to strike out the paragraph which provides additional funds for construction and machinery and which also provides specifically for the construction of additional ships, cruisers, submarines, and various other types of naval ships.

Mr. Chairman, it seems to me in these troubled days it is inadvisable for the United States to engage in a program to

increase naval armament. We have heard a good deal of talk within the last few months about the possibilities of war, but I, for one, do not feel that there is any danger of this country becoming involved in a war unless we submit a challenge to the rest of the world or continue our ill-advised policy of increasing our armaments, and thereby challenge the world by serving notice on other nations that we are preparing ourselves for armed conflict.

Mr. MAAS. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. MAAS. We tried disarmament by example. Does the gentleman think it was a success?

Mr. BOILEAU. I do not say that our Navy is inferior to the other navies of the world. There has been a tendency during the past several years and since the World War to reduce armaments. We have taken the lead in this respect. We have advocated that other nations reduce their armament. We have reduced ours. I do not think that we are in the position now of not being able to defend ourselves from any nation in the entire world. As a matter of fact, the Navy is not necessary in a defensive war.

We talk about our Navy being the first line of defense. I ask any Member of the House whether or not he can recall a single instance in modern history when this or any nation have landed troops on enemy soil. I know of none. I believe history will bear out the fact that troops are not landed on enemy soil by the navy. We should prepare to fight defensive wars only. If we do that, we will not have to worry about the superiority of anybody else's navy.

Mr. MAAS. May I ask the gentleman how the Japanese got over to China? Did they walk over?

Mr. BOILEAU. They did not land in Chinese territory.

Mr. MAAS. Yes they did.

Mr. BOILEAU. They did not land in China at all.

Mr. MAAS. In the case of our own country, they might land in Mexico and walk in.

Mr. BOILEAU. I am not afraid of enemy troops landing in Mexico, Canada, or any place else.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. FITZPATRICK. How about airplanes being carried over on battleships of other governments?

Mr. BOILEAU. By building up our Air Corps and our defensive armaments we can protect ourselves against any such possibilities.

Mr. FITZPATRICK. How would the gentleman prevent those airplanes from landing in this country?

Mr. BOILEAU. If we are fearful of an attack from the air, then let us build up our air defense and not our naval defense.

Mr. FITZPATRICK. How would the gentleman prevent airplane carriers carrying airplanes over here and then having the planes take the air about 100 miles out and landing?

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BOILEAU. May I say to the gentleman from New York that if we are worried about airplanes landing over here, let us build up our air force and forget about the Navy, because the Navy cannot protect us from an air attack. What did the Navy do in the last war? Did we participate in any important or decisive naval battles during the last war?

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MAVERICK. For the gentleman's information, I may say that you can get from 500 to 1,000 airplanes for the cost of one battleship.

Mr. BOILEAU. I thank the gentleman.

Mr. MAVERICK. Does not the gentleman think that would be a better investment than one battleship?

Mr. BOILEAU. A great deal better.

Mr. SUTPHIN. Is it not a fact that during the World War our Navy convoyed our troops to Europe in 1917 and 1918?

Mr. BOILEAU. I was just waiting for some gentleman to make that statement. I knew somebody would make that statement because it is the only justification for a Navy—to escort convoys—and when our Navy escorts convoys that means we are fighting a foreign war and not a defensive war. [Applause.] That is the only justification for a Navy. The only justification in the world for a large Navy is that it gives us an opportunity to fight a war of aggression rather than a defensive war. This is why I say we should rely on our air forces from the standpoint of defense and not build up a huge Navy for aggression. I shall not vote for this bill, which increases the appropriations for naval construction, because it is a threat to the peace of the entire world, because it has only one purpose, and that is to make it possible for us to fight a foreign war and to assist our armed forces in a foreign war rather than in a domestic war.

During the World War the Navy did not accomplish anything except, as the gentleman from New Jersey has suggested, it gave protection to our troops going across the ocean on transports, or, at least, I presume it did. I recall that when I went overseas we saw a battleship as we left New York Harbor and we saw a battleship again when we got over to England. In the meantime we did not see it.

I suppose it was somewhere around there, and I presume it gave us some protection. I am not denying this; but we did not see it and were not sure that there was a battleship around to give us protection in case we needed it. However, we were told it was there; and when you are in the service, of course, you accept everything they tell you as gospel truth. I assume they were at hand ready to give us protection if we needed it.

However, I want to emphasize the fact that in my humble opinion the Navy is absolutely useless except for foreign wars and wars of aggression—in such wars they are of value. Someone might say that we have to have this huge Navy to protect the Philippine Islands and Hawaii. So far as the Philippines are concerned, they have shown quite conclusively they do not want our protection. They have shown conclusively that they want their independence, and we have voted to give them their independence, and I cannot see any justification for voting these huge sums of money to build up a Navy to protect the Philippine Islands. They are not in need of our protection, and they do not seem to want our protection. So far as Hawaii is concerned, I know of no country that is going over there and try to take Hawaii. I do not think it would be possible for any nation to do so; but if we are going to protect Hawaii against the possibility of some other country grabbing it, we should build up our armaments over there, fortify the islands, and do some further work along the line of defense. Personally, I believe the Hawaiian Islands are amply protected right now, because the Eleventh Field Artillery is stationed in the Hawaiian Islands. My opinion of the fighting qualities of the Eleventh Field Artillery may be somewhat partial because I happened to belong to that regiment during the World War.

Mr. MAAS. How about the marines?

Mr. BOILEAU. I did not happen to belong to the marines during the war, so I claim the Eleventh Field Artillery won the war.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. KOPPLEMANN. Is it not a fact that in time of warfare on the sea, the maintenance of means of communication between ships is almost impossible and that ships have been known to fire upon one another when they were on the same side?

Mr. BOILEAU. I think the gentleman is absolutely correct in that respect. I do not think they have developed the radio to the point where they can use it between ships with any degree of satisfaction. If they have developed it to the point where it can be used successfully in communicating with the various ships, I am quite sure that the other countries have not been asleep in this respect and that they have been able to develop a defense against such communications by creating a method to provide so much interference that such a means of communication would be useless

especially while engaged in battle. The old wig-wag system is useless now because they have to make a smoke screen to protect the ships from air attacks. [Applause.]

Mr. CARY. Mr. Chairman, I rise in opposition to the amendment, although I cannot believe it will be seriously entertained.

We have a great many ships now under construction and if this money is not provided, it means doing the very thing that some Members on the floor of the House have been complaining about today, and that is, the scrapping of a lot of ships upon which construction already had been started.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. CARY. I yield.

Mr. McLEOD. Is it not a fact that the money provided in this bill under increase of the Navy, is not for additional ships, but for the replacement of ships?

Mr. CARY. Every bit of it is for replacement.

Mr. McLEOD. With no increase in the size of the Navy?

Mr. CARY. None at all.

Mr. McLEOD. But it means the replacing of obsolete ships.

Mr. CARY. That is it. We have much tonnage that is now overage and all of this program is intended partly to bring such tonnage underage.

Mr. McLEOD. Is it not also the fact that we are not building a war-strength navy, but we are building a peace-time strength, adequate navy?

Mr. CARY. That is what we are doing, we are building to a treaty-strength navy. We have started the program, and if you agree to this amendment it would interrupt the continuity of that program. We would not only interrupt it but close down the shipyards, both public and private, all over the country and add materially to the unemployment today and for months to come.

Mr. KOPPLEMANN. Will the gentleman yield? Would it not be better to take the money and use it for unemployment than to build ships of war? [Applause.]

Mr. CARY. It is being used for unemployment in building ships of war. I think we are committed to this program and we ought to stand up for it. The Government is committed to it, this Congress is committed to it, and if this amendment be agreed to it will about absolutely destroy the whole program.

Mr. BOILEAU. The purpose of this is to increase the strength of the Navy.

Mr. CARY. It is to build up to treaty strength.

Mr. BOILEAU. But it increases the strength of the Navy.

Mr. CARY. Certainly. The gentleman from Wisconsin is in favor of aircraft. If your amendment should be adopted, it would mean striking out money for building aircraft carriers that would be employed to protect the country.

Mr. BOILEAU. The aircraft carriers are part of the machinery of war on the high seas. What good is an aircraft carrier a hundred miles away for the purpose of protecting our country?

Mr. CARY. It would be of very great value in intercepting and attacking enemy aircraft.

Mr. Chairman, I hope this amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

Mr. KENNEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEY. My parliamentary inquiry is, Has all debate on this paragraph been exhausted?

The CHAIRMAN. All debate on the amendment has been exhausted. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were 20 ayes and 92 noes.

So the amendment was rejected.

The Clerk read as follows:

The appropriations made in this act for the purchase or manufacture of equipment or material or of a particular class of equipment or material shall be available for the purchase of letters patent, applications for letters patent, licenses under letters patent, and applications for letters patent that pertain to such equipment or material for which the appropriations are made.

Mr. LEHLBACH. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEHLBACH. Mr. Chairman, the organization for the expenditure of the $4,880,000,000 appropriation for the re-employment of those unemployed and on relief and for the alleviation of distress brought about by the depression has been announced and is being carried forward. Many thousands of people will be employed to administer the expenditure of this money. The newspapers this week have spoken of the embarrassment that may be created by lack of housing facilities for the many thousands of employees who are coming to Washington. In every State and locality in the Union there will be employed thousands and thousands of people in clerical and supervisory and other capacities to take care of the expenditure of this money. It is of interest to those who desire such employment and are qualified and fitted for it to know how the choice is to be made. In that connection, I have before me a letter written to an applicant for supervisory work in one of these alphabetical agencies, which indicates the general system to be employed in building up the organizations both here in Washington and throughout the land to do this work and to spend this money, to supervise and come in contact with those who are relieved. This letter is written by an official in the Emergency Civil Works to an applicant from New Jersey for supervisory work in the C. C. C. Division of the Emergency Civil Works. He says in the letter they do not consider anyone—

Unless his name is certified to us on the so-called "advisers' list" from Washington. This is a list of names submitted by Senator MOORE—

And this is a letter written to a Jersey man—

Submitted by Senator MOORE and the Democratic Representatives in Congress from New Jersey to the Federal administration for employment in this C. C. C. activity. The only way in which you can put yourself in a position to secure such employment—

And that goes for all emergency agencies—

therefore, is by making arrangements to have Senator MOORE or one of the Democratic Congressmen request that your name be put on this "advisers' list."

Mr. Chairman, the organization for the 1936 election, which is to be financed by the $4,880,000,000, is being set up. The key men are certified from the Democratic lists. They will have the spending of the money and the employment of those men on relief, and they will tell them, as they did in 1932, "Unless you vote the Democratic ticket, this money will cease."

Mr. FOCHT. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FOCHT. Mr. Chairman, yesterday I made an effort to get the floor for a few minutes, merely to propound a question to our friend the eloquent statesman from Ohio, Mr. TRUAX. He declined to yield. He had previously declined to yield to the gentlewoman from Massachusetts [Mrs. ROGERS]. Of course, having declined to yield to her, it was presumptuous for me to have any hope of getting consent from him to reply to my interrogatory. The singular circumstance happened to be that while he refused two Republican Members to be interrogated, he was talking on Republican time. At the close of the session, when I wanted 5 minutes I could not get it. So we have paradoxes and travesties of all kinds, even in a great body of men like this. I cannot understand my friend from Ohio, Mr. TRUAX. He should have been more friendly than that, particularly, I think, when I realize his mastery of the history of this country and of all countries, and that there came to his

section of Ohio in the early days that noble Indian fighter, Mad Anthony Wayne, who went right down there to Fallen Timbers, in the Miami Valley, where, I understand, my friend lives, to save people from the red man. Our fighting friend, George Washington, sent him there. The gentleman had evidently forgotten about him. He wanted to talk, and you know what was said of a man who made an application to the British Parliament for a place, the man having nothing else to recommend him, his sponsor said, "Does he not have a voice?"

Mr. Chairman, the gentleman from Ohio has more than a voice. Gentlemen would have been rid of me yesterday if it had not been for my friend TRUAX refusing to answer a little question which I wanted to put to him when he was talking about our friend Father Coughlin, and incorporating in the RECORD a speech by the Father. What was the need of putting that in, when all he said is in both the Democratic and Republican platforms of 2 years ago.

So there was no need to encumber the RECORD. These declarations of principles and promises are easy to make. They may be as easily made and as flippantly made by the Father, or by some Member over at the other end of the Capitol, but never kept. They are put there intended to be kept, but it is almost impossible for the crystalization of sentiment to find expression even in a body like this.

Now, the gentleman from the West is opposed to war. He approximates what we call in the East a pacifist. He said that the Navy was no good anyway. What good has the Navy ever been? Where is there a man who in his youth was awakened on that glorious Sunday morning when word came from Manila Bay that Dewey had sailed in and reduced the forts, and was going out to get breakfast and go back and finish the job? Was there not any glory in that for any American? When Admiral Schley went down on the curving shores of Cuba and made a shapeless mass of that Spanish fleet, was there no glory? People were scared to death up here thinking that he was about to come up to Philadelphia and bring General Weyler with him——

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. FOCHT. No; thank you. I intend to refer to some of the things that the gentleman said, but give me time. Now, I am through with the other point. I might say that the gentleman said they were no good. Then again, when Perry was up on Lake Erie, did anybody give vibrant response to the word that came to this country when he conquered the British on Lake Erie?

When Farragut sailed over the mines of Mobile Bay and someone said to him, "Don't you hear the click of the mines?" and Farrugut said, "To hell with the mines", and they went over and conquered Mobile Bay. That was Farragut. He was a southerner. And then of Paul Jones, Decatur, Barry, Sims, the last named of my own district, what of the glory reflected from their achievements? We are not complaining about where a man comes from in America, as long as he is an American. We are more apt to think of what was said by Henry Ward Beecher after he tried to explain to a mob in London about slavery. Someone cried out, "Well, why don't you let them go?" He then explained in his philosophic and statesmanlike way why he did not want them to go. Then they said, "Well, why don't you lick them?" "Lick them?" And he may have used a more emphatic word, but he said, "Lick them?" We might, but they are Americans, and they are not so easy to lick."

Now, I am for peace, double-extract peace; plenty of it; but I am for that flag first. I am for all it typifies and symbolizes. I am for the sacred memory of all the men and women who have fought and bled for it. Perhaps I would believe these people of Europe if I had not been here when we went into war, when we went through it and came out of it.

Mr. LUCKEY. Will the gentleman yield?

Mr. FOCHT. I must be excused.

I would believe you gentlemen when you talk about reducing the Navy, but I believe it would be an impeachment of our Nation's integrity if we accepted the suggestion of the gentleman from Connecticut in the presence of the crooked diplomats of Europe.

Who is there who thinks so little of America as to impeach her integrity compared with the defaulters on their obligations? I think that is an insult to America, to come here and think for a minute that we would not keep our word and they would keep their word. That is one reason I am going to vote for this bill. If I thought these European diplomatic crooks would keep their word, I would not vote for it. You do not have a chance if you have nothing more than faith in them for America's defense. As someone said here, "It is a progressive age. All things are relative." He said more than he thought he did. All things are relative. True enough. He meant, then, that if we increased the Navy and the other fellow increased his, we would be on a parity just as we were; but there is more than that in the matter of things being on a parity or on an equality. The question with me is integrity. As I say, they cheated and lied to Woodrow Wilson. We saw him broken-hearted, disappointed, sicken, and die because of the perfidy of the diplomats of Europe when they deceived him in that treaty. Who now is going to trust anything but the strong arm of defense? That is what I am for—the defense of my country. I do not want anyone to ever question the integrity of the American people nor its power nor its glory that has reflected itself over this land and made the heart of every boy and every girl and every mother in this country glad and proud and safe and free.

Mr. KOPPLEMANN. In view of the fact——

Mr. FOCHT. I do not yield.

Mr. KOPPLEMANN. In view of the fact——

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Connecticut?

Mr. KOPPLEMANN. In view of the fact that the gentleman called attention to me——

Mr. FOCHT. Oh, yes. I would like to call attention to the gentleman often.

Mr. KOPPLEMANN. But the gentleman has done pretty well wrapping the flag about himself.

Mr. FOCHT. And proud of it, and it would be great glory to be wrapped in it when I die. But give us more of that Connecticut philosophy.

Mr. KOPPLEMANN. It is pretty good philosophy. In view of the fact that we are about to enter——

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FOCHT. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes in order that I may answer the gentleman.

Mr. KOPPLEMANN. Let me conclude my question first.

Mr. FOCHT. I have your question all right.

Mr. KOPPLEMANN. No; the gentleman has not.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that he be allowed to proceed for 2 additional minutes?

There was no objection.

Mr. KOPPLEMANN. My question is, in view of the fact that we are about to enter into a naval conference with these foreign nations which the gentleman has so loudly traduced, does it seem fair or even honest on our part to go into that naval conference with an increased Navy, and then ask the other nations for a reduction?

Mr. FOCHT. Now, that is your question?

Mr. KOPPLEMANN. Yes.

Mr. FOCHT. I call the attention of the House to the answer given me this morning by a man whose intelligence shines out today as it has for the 20 years I have known him, the chairman of this committee, Mr. VINSON. When I asked him whether at the time we sank to the bottom of the sea 40 battleships, cruisers, war boats, or whatever they may be called, England had done likewise, he did not say yes; and that is the basis of my suspicion of them. I would not trust them out of sight or out of gunshot after what they did. I saw them sink to their knees and ask us in the name of God to help save them from the Kaiser. We went over.

Woodrow Wilson was to get democracy. What kind of democracy did he get?

Mr. KOPPLEMANN. I take it, then, the gentleman feels we should not have gone over?

Mr. FOCHT. Yes; we ought to have gone over after the insult which was hurled against us and after we had agreed to go over. We voted for war after we were in the war—the President had us in it; and, of course, I never desert the flag, and I hope the gentleman from Connecticut will not. [Applause.]

Mr. Chairman, under the consent previously granted me, I insert at this point a copy of a speech I delivered in this House on Tuesday, January 17, 1911, on the subject of aerial navies, in which will be found incorporated suggestions for the use of airplanes in the defense of our country and the response, or acquiescence, given by the gentleman from Iowa, Mr. Hull:

SPEECH OF HON. BENJAMIN K. FOCHT

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 31237) making appropriations for the support of the Army for the fiscal year ending June 30, 1912—

Mr. FOCHT said:

Mr. Chairman, in this era of conservation, economy, and reform, I must agree with some Members of this House that an appropriation of $100,000,000 to maintain the American Army in time of peace is indeed staggering, if not almost bewildering, and we need not be surprised at the adverse comments we hear from the people of the country.

When Napoleon was under examination in a military school in France he was asked: "What would you do if you were in a fort surrounded by a hostile force and you needed supplies? What would you do for relief?" His reply was: "I would get them from the enemy."

But if we were in conflict with Germany, it is pretty far for us to go to Germany to get our supplies, although we might. If we were in conflict with Japan, it would be pretty far to go there, and yet we might. So I agree that if we are preparing for a conflict with either of these great powers we should be ready. I have heard war declared with Japan on this floor a number of times by the gentleman from Alabama [Mr. Hobson] and by other gentlemen through newspaper interviews, and the contemplated article that was to have been published by General Huidekoper as to the possibility of an awful conflict with Germany. Every 2 years since I have been here there has been from some source a declaration of war about the time that this appropriation bill has been up for consideration.

I agree with the gentleman that the future conflicts will come suddenly and will be soon decided. There sat on the steps of this Capitol many years ago Mr. Samuel Morse, pleading for $30,000 to build his telegraph line, and an eminent Congressman, who was afterward elected governor of a State of this Union, said derisively and sarcastically: "If you build a line to Baltimore, why not build one to the moon?"

Now, at the risk of incurring the ridicule of the Members of this House, I would like to ask you today, in the light of the evolution of the flying machine and of the accomplishments of the daring aviators who have pierced the clouds and flown across the skies, what consideration have you given to the possibility and the hope of finally eliminating absolutely the horrors of war on account of the destructiveness of these aerial machines?

Mr. HULL of Iowa. We have given it no consideration, because we have had no opportunity. I will say to the gentleman that I believe the airplane of the future is going to be a great benefit to the world and absolutely necessary to be used by the nations as scouts of the air in time of war, but nothing on the subject was submitted in the estimates, and it would be extra judicial if we should take it up. So, much as I believe in the possibilities of utilizing these machines, there was no opportunity for the committee to submit anything on the subject.

Mr. FOCHT. Instead of appropriating without consideration of the proposition, I submit that it would have been better to have looked into it, in view of the known possibilities and deadly effect of these machines. If there should be war between this and any other country, the use of them, with their deadly possibilities, would mean annihilation. If both countries are supplied with instruments so deadly as these machines will be, then there will be no war. It seems to me it would have been a step in the direction of progress and in answer to the call of the people of all the world for peace if some consideration had been given to these instruments of death, which in their power of annihilation will ultimately bring universal peace.

It was a Pittsburgh blacksmith who invented the range finder, and two mechanics, the Wright brothers, from Akron, Ohio, have furnished the most deadly instrument known to warfare; and it is but a just tribute to these men to say that the genius of their inventions will in all probability bring about ultimate peace through the instrumentality of their deadliness. I think it would have been wise—without any criticism of our Committee on Military Affairs, but having full confidence in that committee, their respect for the spirit and genius and courage of the American soldier—it would be wise to give our soldiers the best armament that there is in the world, because behind our guns are the greatest bravery and the most unselfish courage. Yet we must not forget that the criticism and the discussion going on throughout the country today is based upon the useless expenditures, if any, of this Government; and if 70 percent of all the revenues of the Government go for the Army and Navy in time of peace, it seems to me the committee should consider an appropriation of a part of this vast amount of money in at least experimenting with that instrument which may bring about peace and save at least one-half of this appropriation. If it will amount to anything, it will mean the utter elimination of war, followed by universal disarmament and consequent conservation of countless lives and treasure beyond estimate. [Applause.]

The Clerk read as follows:

No part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no part of the moneys herein appropriated for the Naval Establishment or herein made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government navy yards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary of the Navy, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government: *Provided*, That nothing herein shall be construed as altering or repealing the proviso contained in section 1 of the act to authorize the construction of certain naval vessels, approved February 13, 1929, which provides that the first and each succeeding alternate cruiser upon which work is undertaken, together with the main engines, armor, and armament shall be constructed or manufactured in the Government navy yards, naval gun factories, naval ordnance plants, or arsenals of the United States, except such material or parts as are not customarily manufactured in such Government plants.

Mr. FIESINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FIESINGER: Page 52, line 5, after the colon, insert the following: "*Provided further*, That whenever bids have been requested from and submitted by private contractors for the repair, purchase, or acquirement of any naval vessel, machinery, article or articles, no such naval vessel, machinery, article or articles may be repaired, manufactured, or produced in any navy yard or arsenal of the United States unless prior to the opening of said bids the navy yard or arsenal in question shall have submitted also a sealed bid on the same specifications as did the private contractors who submitted bids, in which bid there shall be taken into consideration all the cost factors which are considered by such navy yard or arsenal in estimating its costs of production."

Mr. JACOBSEN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. FIESINGER. Mr. Chairman, I am in favor of this bill, except I feel that certain language which is part of the "boiler plate" of the bill should be corrected. It sounds innocent enough on its face but really it has fangs in it and allows the navy yards of this country in competition with private business to destroy private business.

The point of the amendment is this: The New York Navy Yard, for instance, has certain facilities for doing work that is performed by private industry in this country on battleships. Under the language of the law they get this advantage: After private manufacturers have been called upon to submit bids on work at the request of the Navy Department and after the bids are submitted to the Department the navy yards in New York and elsewhere will put in bids based upon fictitious prices and walk away with the business. I know that has been done in connection with certain business conducted in my city of Sandusky, Ohio. Under honest competitive conditions which take into consideration all the legitimate factors of cost, the people located in my city can beat the costs in the New York Navy Yard. This plant of which I speak manufactures large brass cylinders that are used to cover propeller shafts, that is, those shafts which go through the rear of the vessel to the propellers. The sleeves of those shafts are made of

brass and are used to cover the steel. It is fine, precision work. If the Government is allowed to continue competing with private industry under the practices they have used heretofore of submitting fictitious prices in secret bids it means that five or six highly specialized businesses in the United States will be destroyed, businesses that we shall need in time of war, because during the last war these plants, performing highly specialized manufacture, were operating 24 hours a day.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. SISSON. Would the gentleman put the navy yards out of business? What more logical thing could there be than to put the manufacturer of armaments and munitions under the control of the Government, especially in view of the strong feeling throughout the country supporting the bill to take the profits out of war?

Mr. FIESINGER. I have no complaint to make if the Government plants want to go ahead and build these things; let them go ahead and build them. But when they ask for bids from private business, then let the navy yards compete on the same basis as the private manufacturers.

Mr. SISSON. Must not all competitive bidding necessarily be secret? Otherwise it would not be competitive.

Mr. FIESINGER. Quite true; but there is no reason why all who bid should not figure on the same basis.

[Here the gavel fell.]

Mr. JACOBSEN. Mr. Chairman, I make the point of order against the amendment that it constitutes legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. FIESINGER. Mr. Chairman, I think the point of order should be withdrawn. This is justice as against the point of order. I talked to the Parliamentarian about it. Furthermore, I do not believe the committee really objects to the amendment.

I would like to have this incorporated in the bill, and I hope the gentleman will withdraw the point of order so that the Members may vote upon this proposition of justice to the private manufacturers of the country.

The CHAIRMAN. The Chair is ready to rule. The proposed amendment is clearly legislation, therefore the point of order is sustained.

Mr. THOMPSON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. THOMPSON: Page 52, line 5, after the word "Government", strike out everything down to and including line 15, and insert in lieu thereof the following: "*Provided*, That nothing herein shall be construed as altering or repealing the provisos contained in the acts to authorize the construction of certain naval vessels approved February 13, 1929, and March 27, 1934, which provide that the first and succeeding alternate vessels in each category upon which work is undertaken, together with the main engines, armor, and armament, shall be constructed or manufactured in the Government navy yards, naval gun factories, naval ordnance plants, or arsenals in the United States, except such material or parts as are not customarily manufactured in such Government plants."

Mr. CARY. Mr. Chairman, the Committee accepts that amendment. It is merely clarifying.

The amendment was agreed to.

Mr. CARY. Mr. Chairman, I move that all debate on this section do now close.

The motion was agreed to.

The Clerk read as follows:

In expending appropriations or portions of appropriations contained in this act, for the payment for personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the Assistant Secretaries of the Navy, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade but not more often than once in any fiscal year and then only to the next higher rate: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the Classification Act of 1923, as amended, and is specifically authorized by other law, or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. SISSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that the amendment offered by the gentleman from Connecticut [Mr. KOPPLEMANN], which in substance provided that the amount of money carried for one item of this appropriation bill should not be used or made available for naval construction, was not adopted. I appreciate the position taken by members of the committee, both the Subcommittee of the Appropriations Committee and the Committee on Naval Affairs, that this is not new construction. But there is a good deal of confusion here about what is an underaged vessel and an obsolete vessel, and what is or what is not new construction.

Mr. Chairman, we had an opportunity—and I am sorry that we passed it up without speaking very much about it or really considering it at all—to do something constructive for the cause of peace in the world. Frankly, I cannot speak in any other way than in plain English. I think we fumbled the ball. However, that is water over the dam.

As I said before, Mr. Chairman, I have no criticism of this very fine, able Subcommittee on Appropriations which reported this bill. I am not a member of the committee. I was not present at their deliberations, did not ask to be, and it was my fault I was not there. I just was not there. I want to state an understanding I have, but this is hearsay. It was not stated to me by a member of the committee, so I am not binding them or reflecting upon them in making this statement. I understand there was a good deal of sentiment in the Subcommittee on Appropriations for a provision in this bill substantially to the same effect as the Kopplemann amendment. Why not? Why should we go into the London Naval Conference next year presuming and assuming that nothing is going to result from that conference?

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. SISSON. I yield to the gentleman for a question.

Mr. VINSON of Georgia. When is that conference going to be called and who is going to call it?

Mr. SISSON. The conference is called for 1936, as the gentleman knows.

Mr. VINSON of Georgia. The gentleman is in error. No conference has been called. The conference broke up in London last December.

Mr. SISSON. There is a general understanding that there is to be another conference in 1936. Now, why quibble about the matter when we are confronted with realities?

Mr. Chairman, there has been a good deal of talk here that this is not new construction; that this is just building up under-aged vessels and replacing those which are obsolete. I wonder how many Members understand that the term "obsolete" does not mean that a vessel is antequated? So far as its modernization and efficiency is concerned, the term "obsolete" has nothing to do with it. It means that by the provisions of those treaties there is a presumption that after a vessel obtains a certain age the country possessing it may wish to improve it. Therefore, the country possessing that vessel may replace it under the terms of the treaty.

The statement was also made by gentlemen on the other side that we had committed ourselves to build up to this treaty. There is no such thing, however. That is absolute nonsense, and I am surprised that anybody would make the statement. That was the maximum limit beyond which we had no right to build.

I do not want to attack this bill. I appreciate that some money is necessary for keeping up the efficiency of our Navy, but we are appropriating nearly $200,000,000 more in this

bill, according to the committee's own report, than was appropriated last year. I had hoped that we might do something that would make it appear to the other nations of the world that we were not preparing for war; that we were not preparing to align ourselves with any of the combinations of nations that go into this precarious, this delicate, machinery controlling the peace of the world known as the "balance of power." Therefore, I am sorry that the Kopplemann amendment was not agreed to.

Since it was not agreed to, as another gesture toward peace and also to lighten our tax burden, at the appropriate time I shall offer a motion to recommit this bill to the committee with instructions to reduce the amount of the appropriations by 20 percent, and I hope the motion will be agreed to. [Applause.]

The Clerk concluded the reading of the bill.

Mr. CARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendations that the amendments be agreed to and that the bill, as amended, do pass.

Mr. CARY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. SISSON. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Motion by Mr. SISSON to recommit H. R. 7672 to the Committee on Appropriations with instructions to report the bill back with such amendments as will reduce the total amount appropriated 20 percent.

Mr. SISSON. On this motion, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken; and there were on a division (demanded by Mr. BOILEAU)—ayes 24, noes 162.

Mr. SISSON. Mr. Speaker, I make a point of order of no quorum and object to the vote on that ground.

The SPEAKER. The Chair will count. [After counting.] Two hundred and one Members present, not a quorum.

The Doorkeeper will close the doors; the Sergeant at Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 56, nays 289, answered "present" 1, not voting 85, as follows:

[Roll No. 59]

YEAS—56

Amlie	Engel	Lemke	Rankin
Biermann	Fletcher	Lewis, Md.	Rich
Binderup	Ford, Miss.	Luckey	Russell
Boileau	Gehrmann	Ludlow	Sauthoff
Brown, Mich.	Goldsborough	Lundeen	Schneider
Buckler, Minn.	Hildebrandt	McFarlane	Scott
Burdick	Hill, Knute	Marcantonio	Sisson
Carpenter	Hoffman	Maverick	Stefan
Christianson	Hope	Mitchell, Tenn.	Taylor, Tenn.
Coffee	Hull	Monaghan	Tobey
Cole, N. Y.	Kimball	Murdock	Turner
Crosser, Ohio	Koppleman	O'Day	Utterback
Dunn, Pa.	Kvale	Patterson	Wearin
Eicher	Lambertson	Pearson	Zimmerman

NAYS—289

Adair	Arnold	Blackney	Boylan
Allen	Ayers	Bland	Brennan
Andresen	Bacharach	Blanton	Brewster
Andrew, Mass.	Bacon	Bloom	Brown, Ga.
Andrews, N. Y.	Barden	Boland	Brunner
Arends	Beiter	Bolton	Buchanan
Buck	Faddis	Lehlbach	Romjue
Buckbee	Farley	Lesinski	Rudd
Bulwinkle	Fenerty	Lewis, Colo.	Ryan
Burnham	Fiesinger	McAndrews	Sadowski
Caldwell	Fish	McClellan	Sanders, Tex.
Cannon, Mo.	Fitzpatrick	McCormack	Sandlin
Carden	Flannagan	McGehee	Schulte
Carmichael	Focht	McGrath	Scrugham
Carter	Ford, Calif.	McGroarty	Sears
Cary	Fuller	McKeough	Secrest
Casey	Fulmer	McLaughlin	Seger
Castellow	Gavagan	McLean	Shanley
Cavicchia	Gearhart	McLeod	Short
Church	Gifford	McMillan	Sirovich
Citron	Gilchrist	McSwain	Smith, Conn.
Claiborne	Gildea	Maas	Smith, Va.
Cochran	Gingery	Mahon	Smith, Wash.
Colden	Goodwin	Mansfield	Smith, W. Va.
Cole, Md.	Granfield	Mapes	Snell
Collins	Gray, Ind.	Martin, Colo.	Snyder
Colmer	Gray, Pa.	Martin, Mass.	Somers, N. Y.
Connery	Green	May	South
Cooley	Greenway	Mead	Spence
Cooper, Tenn.	Greenwood	Merritt, Conn.	Starnes
Corning	Greever	Merritt, N. Y.	Stewart
Costello	Gregory	Michener	Stubbs
Cox	Guyer	Millard	Sullivan
Cravens	Gwynne	Miller	Sumners, Tex.
Crosby	Haines	Mitchell, Ill.	Sutphin
Cross, Tex.	Hancock, N. Y.	Mott	Sweeney
Crowe	Harlan	Nelson	Taber
Crowther	Hart	Norton	Tarver
Cullen	Harter	O'Brien	Taylor, Colo.
Cummings	Hartley	O'Connell	Taylor, S. C.
Daly	Healey	O'Connor	Terry
Darden	Hess	O'Leary	Thomason
Darrow	Higgins, Mass.	Oliver	Thompson
Dear	Hill, Ala.	O'Neal	Thurston
Deen	Hill, Samuel B.	Owen	Tinkham
Delaney	Hobbs	Palmisano	Tolan
Dempsey	Hoeppel	Parks	Tonry
Dies	Hollister	Parsons	Treadway
Dietrich	Holmes	Patman	Truax
Dingell	Hook	Patton	Umstead
Dirksen	Houston	Perkins	Vinson, Ga.
Ditter	Huddleston	Peterson, Fla.	Vinson, Ky.
Dobbins	Imhoff	Peterson, Ga.	Wadsworth
Dockweiler	Jacobsen	Pfeifer	Wallgren
Dorsey	Jenckes, Ind.	Pierce	Warren
Doughton	Jenkins, Ohio	Pittenger	Weaver
Doutrich	Johnson, Tex.	Plumley	Welch
Doxey	Johnson, W. Va.	Polk	Werner
Drewry	Kahn	Powers	West
Driscoll	Kee	Quinn	Whelchel
Driver	Kelly	Rabaut	White
Duffey, Ohio	Kennedy, Md.	Ramsay	Whittington
Duffy, N. Y.	Kenney	Ramspeck	Wigglesworth
Duncan	Kerr	Randolph	Wilcox
Dunn, Miss.	Kinzer	Ransley	Williams
Eagle	Kleberg	Reed, Ill.	Wilson, La.
Eaton	Kloeb	Reed, N. Y.	Wolcott
Eckert	Kniffin	Reilly	Wolverton
Edmiston	Kocialkowski	Richards	Wood
Ekwall	Kramer	Robertson	Zioncheck
Ellenbogen	Lambeth	Robinson, Utah	
Englebright	Lanham	Robsion, Ky.	
Evans	Larrabee	Rogers, Mass.	

ANSWERED "PRESENT"—1

Gillette

NOT VOTING—85

Ashbrook	Disney	Lee, Okla.	Rogers, Okla.
Bankhead	Dondero	Lloyd	Sabath
Beam	Ferguson	Lord	Sanders, La.
Bell	Fernandez	Lucas	Schaefer
Berlin	Frey	McReynolds	Schuetz
Boehne	Gambrill	Maloney	Shannon
Brooks	Gasque	Marshall	Stack
Buckley, N. Y.	Gassaway	Mason	Steagall
Burch	Griswold	Massingale	Thom
Cannon, Wis.	Halleck	Meeks	Thomas
Carlson	Hamlin	Montague	Turpin
Cartwright	Hancock, N. C.	Montet	Underwood
Celler	Hennings	Moran	Waiter
Chandler	Higgins, Conn.	Moritz	Wilson, Pa.
Chapman	Igoe	Nichols	Withrow
Clark, Idaho	Johnson, Okla.	O'Malley	Wolfenden
Clark, N. C.	Jones	Pettengill	Woodruff
Cooper, Ohio	Keller	Peyser	Woodrum
Crawford	Kennedy, N. Y.	Rayburn	Young
Culkin	Knutson	Reece	
DeRouen	Lamneck	Richardson	
Dickstein	Lea, Calif.	Rogers, N. H.	

So the motion to recommit was rejected.

The following pairs were announced:

Mr. Withrow (for) with Mr. Cooper of Ohio (against).

General pairs:

Mr. Bankhead with Mr. Dondero.
Mr. Hancock of North Carolina with Mr. Marshall.
Mr. Pettengill with Mr. Turpin.
Mr. Lucas with Mr. Halleck.
Mr. Woodrum with Mr. Thomas.
Mr. Ashbrook with Mr. Higgins of Connecticut.

Mr. Celler with Mr. Culkin.
Mr. Rayburn with Mr. Wolfenden.
Mr. Jones with Mr. Lord.
Mr. Cartwright with Mr. Carlson.
Mr. Lea of California with Mr. Knutson.
Mr. McReynolds with Mr. Reece.
Mr. Sabath with Mr. Wilson of Pennsylvania.
Mr. Schuetz with Mr. Woodruff.
Mr. Maloney with Mr. Chandler.
Mr. Montague with Mr. Massingale.
Mr. Young with Mr. Clark of Idaho.
Mr. Schaefer with Mr. Berlin.
Mr. Chapman with Mr. Steagall.
Mr. Nichols with Mr. Keller.
Mr. Sanders of Louisiana with Mr. Underwood.
Mr. Beam with Mr. Lloyd.
Mr. DeRouen with Mr. Frey.
Mr. Disney with Mr. Richardson.
Mr. Walter with Mr. Hennings.
Mr. Kennedy of New York with Mr. Bell.
Mr. Fernandez with Mr. Buckley of New York.
Mr. Lee of Oklahoma with Mr. Mason.
Mr. Igoe with Mr. Crawford.
Mr. Lamneck with Mr. Dickstein.
Mr. Montet with Mr. Gasque.
Mr. Moran with Mr. O'Malley.
Mr. Griswold with Mr. Ferguson.
Mr. Johnson of Oklahoma with Mr. Brooks.
Mr. Cannon of Wisconsin with Mr. Hamlin.
Mr. Gassaway with Mr. Gambrill.
Mr. Clark of North Carolina with Mr. Peyser.

Mr. AMLIE changed his vote from "no" to "aye."

Mr. MARTIN of Massachusetts. Mr. Speaker, the gentleman from Indiana, Mr. HALLECK, is absent on account of illness in his family.

Mr. CONNERY. Mr. Speaker, the gentleman from New Hampshire, Mr. ROGERS, is necessarily absent. If he were here, he would vote "no" on the motion to recommit and "aye" on the passage of the bill.

Mr. UMSTEAD. Mr. Speaker, the gentleman from Ohio, Mr. THOM, a member of the Subcommittee on Appropriations, was called from the floor on account of sickness in his family. If present, he would vote "no" on the motion to recommit.

Mr. LUDLOW. Mr. Speaker, my colleague, Mr. BOEHNE, is necessarily absent. If he were present, he would vote "no" on the motion to recommit.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

A motion by Mr. CARY to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5914. An act to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 94. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

CONSTRUCTION OF CERTAIN MUNICIPAL BUILDINGS, DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the conference report on the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans for the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by said amendment, and in lieu thereof, on page 1 of the Senate bill, line 9, delete the first comma and after the word "Act" insert the following: "(which, for the purposes of this Act, shall be construed to include any agency created or designated by the President for similar purposes under the Emergency Relief Appropriation Act of 1935)"; and the House agree to the same.

MARY T. NORTON,
HENRY ELLENBOGEN,
EVERETT M. DIRKSEN,
Managers on the part of the House.

WILLIAM H. KING,
CARTER GLASS,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: The Senate bill authorized the Commissioners of the District of Columbia to borrow, for the purposes of the act of June 25, 1934, from the Federal Emergency Administration of Public Works. The House amendment authorized the Commissioners, in addition, to borrow from another agency. The Senate recedes with a clarifying amendment.

On amendment no. 2: This amendment authorized an advance of $100,000, from the funds made available under the act, to the Children's Hospital for alterations and enlargement of buildings, equipment, and accessories. There was no corresponding provision in the Senate bill; and the Senate recedes.

MARY T. NORTON,
EVERETT M. DIRKSEN,
HENRY ELLENBOGEN,
Managers on the part of the House.

Mrs. NORTON. Mr. Speaker, I move the previous question on the adoption of the report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FINANCIAL RESPONSIBILITY OF OWNERS AND OPERATORS OF MOTOR VEHICLES

Mr. PALMISANO. Mr. Speaker, I present a conference report on the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, for printing under the rule.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

VINCENT L. PALMISANO.
WRIGHT PATMAN,
EVERETT M. DIRKSEN,
Managers on the part of the House.

WILLIAM H. KING,
ROYAL S. COPELAND,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate bill contained a provision that the operation of a motor vehicle in the District of Columbia by a nonresident or his agent should be deemed equivalent to the appointment of the director of vehicles and traffic as the agent of such nonresident for the service of legal process in any action growing out of an accident of collision. The procedure to be followed in connection with any such service was also set forth in the same provision. The House amendment struck out this provision; and the House recedes.

VINCENT L. PALMISANO,
WRIGHT PATMAN,
EVERETT M. DIRKSEN,
Managers on the part of the House.

THE BANKING SYSTEM

Mr. O'CONNOR, from the Committee on Rules, presented the following resolution for printing under the rule, which was referred to the House Calendar and ordered printed:

House Resolution 205

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7617, a bill to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 15 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SNELL. Mr. Speaker, is it the intention of the gentleman to call this rule up the first thing Monday?

Mr. O'CONNOR. Mr. Speaker, after disposition of matters on the Speaker's table, and I understand there are two conference reports, the rule for the consideration of the banking bill will be called up.

SOCIAL JUSTICE REQUIRES JOB OPPORTUNITIES FOR AMERICAN WORKERS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a speech delivered by the gentleman from Massachusetts [Mr. CONNERY] at Detroit, April 24, 1935, at the meeting of the National League for Social Justice.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. I understood the majority leader to state the other day that if these were political speeches he did not know that they should go into the RECORD, but I shall not object.

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by my colleague, Hon. WILLIAM P. CONNERY, Jr., at a meeting of the National Union for Social Justice, held in the city of Detroit, Mich., Wednesday, April 24, 1935.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Father Coughlin, and members of the National Union for Social Justice, it is gratifying to know that after battling for 13 years for social-justice legislation in the Congress of the United States, one's efforts are highly honored in being permitted to address this great gathering of American citizens who are working so unselfishly under the able leadership of Father Coughlin to better the pitiable conditions which abound among our millions of industrial workers and farmers in our land of plenty.

When I received the kind invitation from your great leader, Father Coughlin, asking that I address your first meeting, I was indeed gratified and felt highly honored. May I say at this point that I subscribe whole-heartedly to the 16 points laid down by the National Union for Social Justice.

As Chairman of the Labor Committee of the House of Representatives, I naturally am in close touch with those who represent our millions of industrial workers. However, a study of our economic life and the conditions under which we live in the United States has taught me the need of giving sympathetic consideration and support to the needs and the wishes of the millions of our farmers and agriculture workers. It is pleasing on my part to be able to say to you that 2 years ago, for the first time since the creation of the House Labor Committee, representatives of all the farm organizations appeared before the Labor Committee and unanimously supported the Black-Connery 30-hour-week bill.

In passing I might add that in my early life I was taught by the Sulpician Fathers at Montreal and, later, by the Jesuits at Holy Cross of the interdependency of the farmer and the industrial workers.

As illustrative of the support the farmers receive from Congressmen from industrial sections, I not only voted for the Lemke bill but also signed the petition to force a vote thereon. The American farmers are dependent for their success on the ability of the millions of American industrial workers to purchase the products of the farmers at a price which will permit American farmers and their families to live decently. Likewise, our industrial workers are dependent, in great part, on the ability of the American farmers to buy the products of America's industrial workers.

Personally, I am interested solely in America and in Americans.

During the World War I spent 19 months on the battlefields of France, with the Twenty-sixth (Yankee) Division, in the war which we supposedly fought to "save democracy", but which, in reality, as we have since learned, we fought to protect the investments and the profits of our international bankers.

We have lived to learn that those we saved from domination have but little gratitude for the sacrifices which we made. At the present time, and for the next generation or longer, the farmers and the industrial workers of America will be saddled with a debt of some $15,000,000,000 which they must pay because of the repudiation of the debts owed to our people by the allied governments. In passing, may I suggest that no government would dare to repudiate its debts if it was not acting on the advice of the international bankers to whom they look to finance them in case of another war.

In the short time at my disposal today I am going to discuss with you one of the fundamental phases of social-justice legislation as it affects our workers, industrial and agricultural, and how, through the machinations and greed of our international bankers, millions of our people are today dependent upon relief, public and private.

The first and essential material need of our industrial workers is a steady job at wages which will permit of their providing for themselves and their families a decent living. The first and essential material need of our farmers is a market wherein they can sell their products at prices which will permit of their providing a decent living for themselves and their families.

I represent a congressional district which is almost wholly devoted to the production of industrial products which use or can use raw materials which are produced in our Western States.

Some of the finest woolen and worsted clothes in all the world are produced in Lawrence. Some of the finest boots and shoes are produced in my home city of Lynn, as well as in Lawrence. Some of the finest tanned and finished leathers in all the world are produced in Peabody and Salem. We have many other important industrial productions such as electrical machinery, paper, etc.

These goods are produced by highly skilled labor, and, in recent years, many of our highest skilled mechanics are denied employment through the mechanization of our industries, and the establishment in foreign countries of branch plants where the American machinery and low-wage labor is now available.

My people naturally constitute, when employed at decent wages, a wonderful market for the products of American farmers, as my people do not preach and do not practice any birth-control doctrine.

It has been the policy of our Government for the past 50 years to exclude Asiatic workers because of their low living standards. It has been the policy of our Government since 1921 to restrict the entry of immigrants from other countries to not more than 3 percent of those from the same country who were here in 1910.

With 25,000,000 of our people in need and dependent upon either public or private charity, there are none I have heard of who are asking that our Government make any drastic change in its policy on immigration legislation. It is true that there is a great demand that young children and the aged parents of those who reside here should be permitted entry, but these will not compete with America's farmers or industrial workers. There is a question of humane policy involved in this suggested change, and there is a substantial support for this reuniting of families.

Yet despite the fact that Asiatics are excluded and immigrants from other countries are limited to a certain small number each year, hundreds of thousands of our skilled industrial workers are unemployed, are denied a job, and are dependent upon charity solely because of the avariciousness and greed of our international bankers who, contrary to the spirit of our laws, distribute throughout our country the products of the very workers in foreign countries who we will not permit to enter into our country, the reason, as usual, being that our international bankers can secure larger profits.

The workers of the Asiatic countries are not excluded because of their particular race or their particular color. They are barred

from entering into the United States solely because of their low living standards and because of their willingness to work for wages which American workers could not live decently upon.

Yet while we exclude Asiatics and permit the entry of only a certain number of workers from other countries each year, we permit the products of these very workers the freest access to our markets, displacing the products of our own workers.

Last Saturday night Alfred Sloan, president General Motors Co., and Gerard Swope, president General Electric Co., delivered a joint radio address over a Nation-wide network provided for them by the child of the Power Trust, the National Broadcasting Co. These gentlemen, apparently ignoring the fact that some 15,000,000 of our workers are now unemployed and that our laws exclude the entry of asiatics and restrict the entry of immigrants from other countries, advocated that we change our present governmental policy and permit the freer entry of the products of the very workers to whom we deny entry to and which compete in the American market with the products of our own workers.

Of course, such a policy would permit of additional profits to international bankers who deal in foreign exchange. Also such a policy would permit of larger importations of the products of the branch factories which these companies control in Asia, depriving additional thousands of American workers of job opportunities.

In passing I might direct your attention to the fact that these radio addresses were delivered under the auspices of the World Peace Foundation, America's leading advocate of the United States entry into the League of Nations and the World Court.

At the present time the products of Asiatic and European workers are delivered in the American market by international bankers at total landed tariff costs duty paid, costs which are less than the costs of production of similar articles the products of America's workers and farmers.

We in the eastern section of our country are now advised that if we will eliminate our demands for the consumption and use of American farm and industrial products that our State Department will reduce the present tariff duties on wheat, corn, canned meats, vegetables, and dairy products, which we in the industrial sections try to use in our everyday life. This will permit of these products being sold to us at a reduction of from 20 to 40 percent. We are told that with the low carrying charges imposed by the steamships the international bankers will be able to deliver the products of Argentina and Canada to the industrial workers of the Atlantic coast cities to our benefit, in the way of reduced costs to us.

Under the able leadership of the present Governor of my State, Massachusetts, Hon. James M. Curley, one of the keenest Americans now in public life, not one dollar of our State money is spent for any products other than the products of American industrial and agricultural workers, when the same are available.

You may have noted that at times I have referred to our international bankers. In many cases the products of foreign workers which are distributed in the American market are produced in factories or workshops which are owned in America, and those products are entered at less than American costs of production of similar goods.

Millions of the electric-light bulbs which are produced in Japan and sold in America, depriving America's workers of employment, are produced on machines the patents of which are owned in America, in a factory in which the General Electric Co. held or holds a five-eighths ownership of stock, thus controlling the company.

The many millions of rubber accessories which are yearly imported from Japan and sold in the American market are produced in a factory in Japan which is controlled by the Goodrich Tire & Rubber Co., of Akron, Ohio.

You may not know that each year millions of cases of canned meats are imported and sold in our eastern cities. These canned meats, it is true, come from Argentina, but they come from packing plants which are controlled by the American Meat Packing Trust, which controls these branch plants in Argentina.

Naturally, American workers cannot continue to secure decent wages and decent hours of work if the international bankers are able to secure entry of the products of those very workers our laws deny entry to. With millions of our workers continually unemployed, our farmers are deprived of their most profitable market.

Time does not permit my emphasizing, as strongly as I would like to, the imperative need of national legislation providing for a 30-hour work week and the economic freedom of our industrial workers through the enactment of the Wagner-Connery labor-disputes bill. Both of these measures are now pending before Congress.

In closing I might direct your attention to the need of perfecting some plan whereby those unemployed industrial workers, who have been deprived of opportunities of employment through the mechanization of industry, shall be provided for. I have been studying a plan whereby we would provide for these workers through a tax on the increased power utilized through the mechanization of our industries.

As one who has continually worked to secure legislation which would make possible social justice among the people of our land, I am happy to be with you and I wish to congratulate publicly the wonderfully effective work which has been accomplished by the creator of the National Union for Social Justice, the Reverend Charles E. Coughlin.

COSTIGAN-WAGNER ANTILYNCHING BILL

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER. Mr. Speaker, there is no fury in the world that exceeds mob fury. It is worse than the fury of the elements, the stampede of the herd, or any other action on the part of man or beast. It seems to arise almost out of thin air and disappears the same way without any reason or excuse, but while it is in existence it constitutes a state of violent anger, of ungovernable rage, and a fit of raving passion. It is a blot on any community in which it takes place and a curse to civilization and which has been the endeavor of society to stamp out for some considerable time.

Such a measure to accomplish this end is proposed in what is known as the "Costigan-Wagner bill", S. 24, now pending and being debated in the Senate of the United States. This is a just and righteous bill to prevent such mob assemblage in the future. The only question is as to whether the punishment is severe enough in this act. No one desires to justify the action of any criminal but according to the Constitution of this country, every person accused is entitled to the protection of the law and mob action results in general in the punishment of the innocent and constitutes the commission of the most heinous crime that can be imagined.

I hope this bill passes the Senate and that I have the opportunity to support and vote for it in the House. The citizens of my district are very much interested and favor the passage of this act, and I am receiving resolutions in support of this bill, which read as follows:

Be it resolved, That we, the undersigned, cognizant of the ever-increasing "lynch law", as resorted to in certain sections of the Southern States, are fearful of the laxity of the several States to institute and prosecute to the ends of justice such practices as have been perpetrated upon certain racial groups in violation of duly constituted law—the fourteenth and fifteenth amendments to the Constitution—and the dictates of our conscience impel us, with thousands of others, to protest in the name of fair play, justice, and civilization, and instruct you, our Representative, to vote for the Costigan-Wagner antilynch bill.

In one instance I received such resolution signed by the following persons residing in Clay Center, Kans.: Mrs. Rosa Buckner, Mr. George Holmes, Mr. John Massey, Rev. R. N. Ward, Mr. Bud Ferguson, Mrs. Bud Ferguson, Mrs. Cynthia Baker, Mr. Pompey Russell, Mrs. Lydia Russell, Mr. Ray Davy, Mrs. R. N. Ward, Mr. Mark Griffin, Mr. Fred Buckner, Mr. Frank Davy, Mrs. Estelle Davy, Mrs. Sylvesta Smith, Mr. Isaac Wofford, Mr. "Book" Lawton, Mrs. Anna Lawton, Mr. Henry Nichols, Mr. Harry Holmes, Mrs. Geneva Russell, Mr. Joseph Russell, Mrs. Jennie Wilhite, Mr. George Wiggins.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 3 o'clock and 8 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, April 29, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

313. Under clause 2 of rule XXIV a letter from the Chairman of the Reconstruction Finance Corporation, transmitting report of the activities and expenditures of the Corporation for March 1935, together with a statement of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 167), was taken from the Speaker's table, referred to the Committee on Banking and Currency, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. POLK: Committee on Agriculture. H. R. 6361. A bill to amend the Filled Milk Act; without amendment

(Rept. No. 796). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 7709. A bill to provide time credits for substitute laborers in the Post Office when appointed as regular laborer; without amendment (Rept. No. 797). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. S. 1712. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries; without amendment (Rept. No. 798). Referred to the Committee of the Whole House on the state of the Union.

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 7170. A bill to authorize the naturalization of certain resident alien World War veterans; with amendment (Rept. No. 801). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 7688. A bill to provide for the appointment and promotion of substitute postal employees, and for other purposes; with amendment (Rept. No. 802). Referred to the Committee of the Whole House on the state of the Union.

Mr. UTTERBACK: Committee on the Judiciary. H. R. 3430. A bill to amend the act approved May 14, 1930, entitled "An act to reorganize the administration of Federal prisons, to authorize the Attorney General to contract for the care of United States prisoners, to establish Federal jails, and for other purposes"; with amendment (Rept. No. 803). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 3214. A bill for the relief of Capt. Robert E. Coughlin; without amendment (Rept. No. 795). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 7755) authorizing the erection of a memorial statue of Chief Plenty Coos; to the Committee on Indian Affairs.

By Mr. SCOTT: A bill (H. R. 7756) to authorize the Secretary of the Navy to dispose of obsolete boats and equipment therefor to municipalities; to the Committee on Naval Affairs.

By Mr. COCHRAN: A bill (H. R. 7757) to amend section 3345, Revised Statutes of the United States, relating to the removal of fermented malt liquors from brewery premises without stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H. R. 7758) relating to the appointment of cadets at the United States Military Academy; to the Committee on Military Affairs.

By Mr. BRUNNER: A bill (H. R. 7759) relating to the compensation of Immigration and Naturalization Service guards and matrons; to the Committee on Immigration and Naturalization.

By Mr. MITCHELL of Tennessee: A bill (H. R. 7760) to disallow certain deductions for income-tax purposes; to the Committee on Ways and Means.

By Mr. KERR: A bill (H. R. 7761) to provide that payment of adjusted-service credit may be made to the estate of the veteran if no eligible dependent is surviving; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H. R. 7762) to amend the Immigration Act of 1924; to the Committee on Immigration and Naturalization.

By Mr. FULMER: A bill (H. R. 7763) to encourage home ownership and reduce farm-land tenantry; to the Committee on Agriculture.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 7764) to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes; to the Committee on Indian Affairs.

By Mrs. NORTON: A bill (H. R. 7765) to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a code of law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. McLEAN: Resolution (H. Res. 206) directing the Committee on Military Affairs to inquire into and investigate the activities of the Tennessee Valley Authorty; to the Committee on Rules.

By Mr. TERRY: Joint resolution (H. J. Res. 262) to extend the jurisdiction of the Mississippi River Commission to Little Rock on the Arkansas River; to the Committee on Flood Control.

By Mr. BURDICK: Joint resolution (H. J. Res. 263) making an appropriation for relief of old or nonemployable Indians; to the Committee on Appropriations.

By Mr. GASSAWAY: Joint resolution (H. J. Res. 264) providing that the Superintendent of the Five Civilized Tribes shall be appointed by the President and confirmed by the Senate; to the Committee on Indian Affairs.

By Mr. RANKIN: Joint resolution (H. J. Res. 265) pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, supporting House bill 4298; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 7766) for the relief of the Eberhart Steel Products Co., Inc.; to the Committee on Claims.

By Mr. FORD of California: A bill (H. R. 7767) for the relief of Otto Hornick; to the Committee on Military Affairs.

By Mrs. GREENWAY: A bill (H. R. 7768) for the relief of the legal representatives of John T. Brickwood, deceased, Edward Gaynor, Theodore Gebler, Lee W. Mix, Arthur L. Peck, Thomas D. Casanega, Joseph de Lusignan, and Joseph H. Berger; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 7769) granting a pension to Sanford W. Smith; to the Committee on Invalid Pensions.

By Mr. HOFFMAN: A bill (H. R. 7770) granting a pension to Ella A. Reese; to the Committee on Invalid Pensions.

By Mr. MALONEY: A bill (H. R. 7771) for the relief of the Carbine-Harang Machinery & Supply Co., Inc., and their assigns or successors; to the Committee on Claims.

By Mr. SECREST: A bill (H. R. 7772) granting an increase of pension to Lydia J. Allard; to the Committee on Invalid Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 7773) granting a pension to Mary H. Nash; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7627. By Mr. ROGERS of Oklahoma: Petition headed by C. G. Riddle, of Muldrow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7628. Also, petition headed by Charles Brown, of Webbers Falls, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7629. Also, petition headed by M. Piggee, of Lenapah, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7630. Also, petition headed by Thomas Montgomery, of Goodwater, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7631. Also, petition headed by John Hull, of Wickhaven, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7632. Also, petition headed by M. Bidden, of Dow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7633. Also, petition headed by Moses Tomkins, of Henryetta, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7634. Also, petition headed by A. E. Rugger, of North Topeka, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7635. Also, petition headed by Antonio A. Cordova, of Maxwell, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7636. Also, petition headed by William Heyward, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7637. Also, petition headed by R. Hicks, of Marshall, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7638. Also, petition headed by L. Siegman, of Nashville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7639. Also, petition headed by L. Mitchem, of Crumpler, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7640. Also, petition headed by Dominick Santucci, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7641. Also, petition headed by C. Woods, of Indianapolis, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7642. Also, petition headed by J. A. Griffin, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7643. Also, petition headed by Vick Taubnack, of West Union, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7644. Also, petition headed by Ora Johnson, of Owensboro, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7645. Also, petition headed by John B. Rhoads, of Graniteville, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7646. Also, petition headed by Eddie Pippens, of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7647. Also, petition headed by M. Cain, of Newark, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7648. Also, petition headed by C. Nassiotone, of Carteret, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7649. Also, petition headed by F. Moody, of Cedartown, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7650. Also, petition headed by C. C. Beatenbaugh, of Felton, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7651. Also, petition headed by L. Brown, of Satsuma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7652. Also, petition headed by F. H. Burns, of Nauvoo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7653. Also, petition headed by William Shelton, of Fordyce, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7654. Also, petition headed by Robert Lee Caldwell, of Renfroe, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7655. Also, petition headed by N. M. Kinsey, of Barryton, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7656. Also, petition headed by Edward Minger, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7657. Also, petition headed by Wesley Smith, of Indianola, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7658. Also, petition headed by W. L. West, of Russellville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7659. Also, petition headed by Frank M. Kuder, of Omaha, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7660. Also, petition headed by Will Smith, of Bradley, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7661. Also, petition headed by F. M. English, of Banks, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7662. Also, petition headed by Samuel Turner, of Blytheville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7663. Also, petition headed by W. H. McMichen, of Dallas, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7664. Also, petition headed by A. J. Jordan, of Thomaston, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7665. Also, petition headed by Perry Forest, of Pocahontas, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7666. Also, petition headed by R. F. Short, of Lake City, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7667. Also, petition headed by J. L. Cooper, of McDougal, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7668. Also, petition headed by John Rose, of Somerville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7669. Also, petition headed by H. P. Amason, of Pineville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7670. Also, petition headed by D. Salvadori, of Alabama City, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7671. Also, petition headed by A. Yarbrough, of Bastrop, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7672. Also, petition headed by J. Conley, of Huntersville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7673. Also, petition headed by E. Thomason, of Dawson Springs, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7674. Also, petition headed by J. H. McDonald, of Marianna, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7675. Also, petition headed by Curtis Dalton, of Pedro, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7676. Also, petition headed by B. Davison, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7677. Also, petition headed by John Alexander, of Martin, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7678. Also, petition headed by J. F. Dunlap, of Steppville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7679. Also, petition headed by W. L. Myhan, of Tuscumbia, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7680. Also, petition headed by J. D. Stewart, of Pelham, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7681. Also, petition headed by V. L. Dingler, of Cedartown, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7682. Also, petition headed by P. L. Dodd, of Nauvoo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7683. Also, petition headed by Louis Edwards, of Blount Springs, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7684. Also, petition headed by Willie Pearson, of Isola, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7685. Also, petition headed by K. Grady, of Dry Branch, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7686. Also, petition headed by John Dean, of Arabi, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7687. Also, petition headed by W. C. Dukes, of Albany, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7688. Also, petition headed by J. W. Woods, of Corona, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7689. Also, petition headed by Henry L. Hanbarrior, of Kannapolis, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7690. Also, petition headed by K. High, of Aberdeen, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7691. Also, petition headed by Monroe Sellers of Black, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7692. Also, petition headed by Phillip Thorp, of Lawrence, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7693. Also, petition headed by M. Ruehl, of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7694. Also, petition headed by B. Willcutt, of Corona, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7695. Also, petition headed by J. D. Johnson, of Holt, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7696. Also, petition headed by S. Reeves, of East Tallassee, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7697. Also, petition headed by L. McCurtis, of Mount Vernon, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7698. Also, petition headed by C. L. Grissons, of Pinson, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7699. Also, petition headed by S. L. Holeman, of Henderson, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7700. Also, petition headed by D. C. Mullina, of Oakman, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7701. Also, petition headed by J. W. Wilson, of Driver, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7702. Also, petition headed by Bryant Pierson, of Enterprise, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7703. Also, petition headed by B. H. Sowards, of Smith Mills, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7704. Also, petition headed by C. E. Hutson, of Decatur, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7705. Also, petition headed by J. P. Dyer, of Brookhaven, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7706. Also, petition headed by Preston Hart, of Brookhaven, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7707. Also, petition headed by Clarence Jones, of Atherton, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7708. Also, petition headed by T. W. Taylor, of Bay Minette, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7709. Also, petition headed by Albert R. Smith, of Oneonta, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7710. Also, petition headed by J. H. Harris, of Murfreesboro, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7711. Also, petition headed by Abe Calding, of Roland, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7712. Also, petition headed by C. L. Muyhen, of Gadsden, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7713. Also, petition headed by Gus Ricks, of Forrest City, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7714. Also, petition headed by William Irwin, of Murphysboro, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal oid-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7715. Also, petition headed by A. B. Curtis, of Green Grove, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7716. Also, petition headed by John A. Coats, of Murry Cross, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7717. Also, petition headed by M. Rhodes, of Manfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7718. Also, petition headed by S. E. Kindrick, of Bessemer, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7719. Also, petition headed by W. T. Pemberton, of McLeansboro, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7720. Also, petition headed by Ernest Lilley, of Florien, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7721. Also, petition headed by J. W. Shelton, of Sebree, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7722. Also, petition headed by Joe F. Richards, of Hopeville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7723. Also, petition headed by L. Richards, of Hapeville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7724. Also, petition headed by C. Jessie, of Natchitoches, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7725. Also, petition headed by R. V. Stephens, of Alpharetta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7726. Also, petition headed by L. Jackson, of Gillespie, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7727. Also, petition headed by E. Baker, of Sparta, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7728. Also, petition headed by Jim McCord, of Charleston, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7729. Also, petition headed by Rev. W. M. Cox, of Batesville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7730. Also, petition headed by A. C. Hathcoc, of Amory, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7731. Also, petition headed by J. S. Mitchell, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7732. Also, petition headed by Grady Cook, of Ohatchee, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7733. Also, petition headed by R. G. Hall, of Falkville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7734. Also, petition headed by J. C. William, of Villa Ridge, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7735. Also, petition headed by Ollie Kirtland, of La Belle, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7736. Also, petition headed by M. Ownes, of Calion, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7737. Also, petition headed by N. L. Cheldres, of Aberdeen, Miss., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7738. Also, petition headed by Clarence Isebell, of Gideon, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7739. Also, petition headed by H. O. Fowler, of Fort Payne, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7740. Also, petition headed by M. C. Sewell, of Collinsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7741. Also, petition headed by E. Washington, of St. Joseph, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7742. Also, petition headed by Henry Reed, of Warrior, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7743. Also, petition headed by J. Jones, of Midway, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7744. Also, petition headed by M. Tubb, of Amory, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7745. Also, petition headed by King C. Goldsby, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7746. Also, petition headed by Green Ross, of Waverly, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7747. Also, petition headed by E. Steiner, of Woodlawn, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7748. Also, petition headed by R. I. Shirlup, of Dothan, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7749. Also, petition headed by H. Swoopes, of Decatur, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7750. Also, petition headed by B. Thomas, of Schoolfield, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7751. Also, petition headed by M. Franks, of Aberdeen, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7752. Also, petition headed by Joseph Humphrey, of England, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7753. Also, petition headed by A. Flowers, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7754. Also, petition headed by W. A. Gaston, of Newborn, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7755. Also, petition headed by Dr. Joe Jones, of Dawson Springs, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7756. Also, petition headed by L. Steward, of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7757. Also, petition headed by J. Marshall, of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7758. Also, petition headed by L. M. Skelton, of Columbia, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7759. Also, petition headed by W. R. Gilbert, of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7760. Also, petition headed by B. Brewer, of Weona, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7761. Also, petition headed by L. T. Thomas, of Greenwood, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7762. Also, petition headed by B. Jackson, of Toxey, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7763. Also, petition headed by S. D. Gill, of Aberdeen, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7764. Also, petition headed by R. T. McFall, of Williston, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7765. Also, petition headed by L. Stewart, of Leslie, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7766. Also, petition headed by J. W. Ashley, of Phil Campbell, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7767. Also, petition headed by J. D. Graham, of Walker, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7768. Also, petition headed by George Hays, of Ashburn, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7769. Also, petition headed by M. Roberson, of Dardanelle, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7770. Also, petition headed by A. McAlister, of Taft, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7771. Also, petition headed by Jim Holloway, of Louisville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7772. Also, petition headed by W. W. Keys, of Tunnel Hill, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7773. Also, petition headed by Henry H. Smith, of Henagar, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7774. Also, petition headed by J. Harp, of Boaz, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7775. Also, petition headed by Jacob Reddoch, of Troy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7776. Also, petition headed by Frank Anderson, of Hollandale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7777. Also, petition headed by Robert Thomas, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7778. Also, petition headed by C. A. Wheeler, of Fulton, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7779. Also, petition headed by D. Dunbar, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7780. Also, petition headed by J. A. Totty, of Trumann, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7781. Also, petition headed by L. Holden, of Copperhill, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7782. Also, petition headed by H. J. Coleman, of Earl, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7783. Also, petition headed by H. H. Smith, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7784. Also, petition headed by V. Hudson, of Archibald, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7785. Also, petition headed by William Fletcher, of Earl, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7786. Also, petition headed by M. Gipson, of Buckner, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7787. Also, petition headed by A. M. Emfinger, of Meadville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7788. Also, petition headed by Will Reese, of Belcher, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7789. Also, petition headed by H. J. Johnson, of Louisville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7790. Also, petition headed by W. C. Brooks, of Delta, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7791. Also, petition headed by Frank Turner, of Zwolle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7792. Also, petition headed by D. C. Daniels, of Simsboro, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7793. Also, petition headed by J. A. Whisenant, of Moulton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7794. Also, petition headed by D. H. Cain, of Blountsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7795. Also, petition headed by M. D. Larimore, of Beecher City, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7796. Also, petition headed by Rufus Thompson, of Magnolia, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7797. Also, petition headed by L. Brill, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7798. Also, petition headed by A. Herst, of Magnolia, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7799. Also, petition headed by E. Dempsey, of Warrior, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7800. Also, petition headed by A. H. Gardner, of Greenwood, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7801. Also, petition headed by James Henderson, of Salisbury, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7802. Also, petition headed by Joseph Hall, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7803. Also, petition headed by Lewis J. Curry, of Hector, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7804. Also, petition headed by Fred Wolfe, of Nashville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7805. Also, petition headed by R. D. Diggs, of Grapeland, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7806. Also, petition headed by Harry Mathews, of Gurley, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7807. Also, petition headed by J. Liverett, of Albertville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7808. Also, petition headed by Dave Buchanan, of Albertville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7809. Also, petition headed by J. W. Canerday, of St. Joseph, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7810. Also, petition headed by S. A. Smith, of Crossville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7811. Also, petition headed by Sam Evans, of Scottsboro, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7812. Also, petition headed by Dolphus Mize, of Haleyville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7813. Also, petition headed by L. Chapman, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7814. Also, petition headed by A. M. Drain, of Boaz, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7815. Also, petition headed by Mack Terry, of Dumas, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7816. Also, petition headed by Frank Davis, of Leland, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7817. Also, petition headed by J. M. Garrett, Sr., of Harrisville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7818. Also, petition headed by W. H. Hughes, of Rayville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7819. Also, petition headed by T. Collins, of Kevil, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7820. Also, petition headed by G. F. McGuire, of Boxwood, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7821. Also, petition headed by J. Hopper, of Tinsman, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7822. Also, petition headed by John Gillispie, of Brasfield, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7823. By Mr. GOODWIN: Petition of the New York State Legislature, urging the cooperation of the Federal Government in carrying out the national program of forest-land management for the purpose of producing a sustained and regular yield of timber products; to the Committee on Agriculture.

7824. By Mr. KENNEY: Resolution of the Woman's Home Missionary Society of the Methodist Episcopal Church of Newark, N. J., favoring the Pettengill bill; to the Committee on Interstate and Foreign Commerce.

7825. By Mr. KERR: Petition of the North Carolina State Council of Textile Workers; to the Committee on Appropriations.

7826. By Mr. MERRITT of New York: Petition of Layman Burgett and 50 additional residents of Fultonham, N. Y., and vicinity, opposing the Rayburn-Wheeler publicity bill, and urging upon Congress to defeat this measure; to the Committee on Interstate and Foreign Commerce.

7827. Also, memorial of the Legislature of the State of New York, regarding the charter of the North River Bridge Co.; to the Committee on Interstate and Foreign Commerce.

7828. By Mr. RUDD: Petition of the New York Typographical Union, No. 6, New York City, concerning the Wagner labor relations bill; to the Committee on Labor.

7829. Also, petition of the New York Branch, National Association for the Advancement of Colored People, concerning the Wagner-Costigan antilynching bill; to the Committee on the Judiciary.

7830. By Mr. TRUAX: Petition of the Sixth Ward Democratic Club of Cleveland, Ohio, by their president, Fred Mueller, and secretary, Patrick Avon, urging support of their interests and the best interests of all the people of the United States by enactment of the Wheeler-Rayburn bill and/or other legislation to effectively regulate the public utilities and where and when feasible to abolish utility holding companies, whereas the Democratic Party in its platform stated, "We advocate protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to bonuses, commissions, principal invested, and interests of the sellers"; to the Committee on Interstate and Foreign Commerce.

7831. Also, petition of stenographers, typists, bookkeepers, and assistants, Local No. 19708, Toledo, Ohio, by their secretary, Elizabeth Connors, favoring the Wagner-Connery labor disputes bill, the Guffey bill on mining codes (S. 87), the Black bill, which provides for a 30-hour week in industry, and the continuation of the National Industrial Recovery Act, which expires June 15, since it is necessary to retain the code provisions for hours and wages because they represent a definite move in the right direction and believing that unless the gains already effected through National Recovery Administration codes can be made permanent through the continuation of the National Industrial Recovery Act that labor will receive a serious setback; to the Committee on Labor.

7832. Also, petition of stenographers, typists, bookkeepers, and assistants, Local No. 19708, Toledo, Ohio, by their secretary, Elizabeth Connors, favoring the passage of House bill 7172, known as the "Mead substitute bill", providing for sick leave and annual leave for postal substitutes, ratio of 1 substitute to 7 regulars, graduated pay from the present rate of 65 cents per hour to the rate of the third grade, and prohibition against furloughs or dismissals; also favoring House bill 6990, which provides for a 40-hour week for all postal employees; to the Committee on the Post Office and Post Roads.

7833. Also, petition of Branch 505 of the American Flint Glass Workers Union of Newark, Ohio, by their secretary, Helen Yerian, requesting support of the graduated tax on cigarettes in House bills 5450, 6124, 6368, and 6672; to the Committee on Ways and Means.

7834. Also, petition of India Local No. 18346, Mogadore, Ohio, James W. Hamlin, and numerous others, urging the continuation of the National Recovery Administration, as they feel this program is vitally essential to the welfare and peace of this country; to the Committee on Labor.

7835. Also, petition of students and faculty of Bonebrake Theological Seminary, of Dayton, Ohio, headed by Joseph B. Henry, urging that the scheduled maneuvers be transferred to waters where all semblance of a threat to Japan will be removed, that the proposed budgets for the Army and Navy be substantially reduced, and that legislation be enacted which will eliminate profit from war, as they believe that now is the time to prepare for peace if we are going to have peace, and with deep conviction that our country is under moral obligation to set the pace in guaranteeing world peace; to the Committee on Military Affairs.

7836. By Mr. SUTPHIN: Petition of Commander John Barry Division, Ancient Order of Hibernians, Perth Amboy, N. J.; to the Committee on Foreign Affairs.

SENATE

SATURDAY, APRIL 27, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 26, 1935, was dispensed with, and the Journal was approved.

NOMINATION OF EARLE A. BROWN—RECONSIDERATION

Mr. WALSH. Mr. President, on Wednesday last, April 24, the Senate in executive session confirmed the nomination of Earle A. Brown to be postmaster at Lunenburg, Mass. As in executive session, on behalf of my colleague [Mr. COOLIDGE] as well as for myself, I ask unanimous consent to enter in the record a motion to reconsider the nomination referred to.

The VICE PRESIDENT. Without objection, the motion will be entered.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Johnson	Robinson
Ashurst	Connally	Keyes	Russell
Austin	Coolidge	King	Schall
Bachman	Copeland	Lewis	Schwellenbach
Bailey	Costigan	Logan	Sheppard
Bankhead	Couzens	Lonergan	Shipstead
Barkley	Dieterich	McCarran	Smith
Bilbo	Donahey	McKellar	Steiwer
Black	Duffy	McNary	Thomas, Okla.
Bone	Fletcher	Metcalf	Thomas, Utah
Borah	Frazier	Minton	Trammell
Brown	Gibson	Murphy	Truman
Bulkley	Glass	Murray	Vandenberg
Bulow	Gore	Neely	Van Nuys
Burke	Hale	Norris	Walsh
Byrd	Harrison	Nye	White
Byrnes	Hastings	O'Mahoney	
Capper	Hatch	Overton	
Caraway	Hayden	Radcliffe	

Mr. LEWIS. I announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Kansas [Mr. MCGILL], the Senator from New Jersey [Mr. MOORE], the Senator from Missouri [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from New York [Mr. WAGNER] are unavoidably detained from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Iowa [Mr. DICKINSON], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Delaware [Mr. TOWNSEND], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

STATE OF WISCONSIN

Joint resolution memorializing the Congress of the United States to reduce the present tax on beer and other liquor

Whereas the bootlegger continues his operations to the detriment of the income of the Federal Government; and

Whereas it is proper that the legitimate dealer be protected and the public revenues increased: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby respectfully petitions the Congress of the United States to reduce the present Federal tax on beer to $2 per barrel and the present Federal tax on liquor to the former rate of $1.10 per gallon; be it further

Resolved, That a properly certified copy of this resolution be sent to each of the following officials: To the President of the Senate of the United States, the Speaker of the House of Representatives, the Chief Clerks of both Houses of Congress, and to Hon. Henry Morgenthau, Secretary of the Treasury.

The VICE PRESIDENT also laid before the Senate the petition of Mrs. Nettie T. Rich, of Leedstown, Va., praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a petition from Mrs. Sophia F. Keller, of San Diego, Calif., praying for the adoption of the so-called "Townsend old-age revolving pension plan", which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the 11 Townsend clubs of Berkeley, Calif., favoring inclusion by the Senate in pending economic-security legislation of the so-called "Townsend old-age revolving pension plan", which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Chamber of Commerce of Macon, Miss., protesting against ratification of the Great Lakes-St. Lawrence deep waterway treaty, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Taxicab Drivers' Union of New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by a mass meeting of citizens at Tulsa, Okla., favoring development of power sites on the Grand River, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by officers of the Fourth Cycle, Inc., of Los Angeles, Calif., favoring investigation by a Senate committee of statements made by Senator SCHALL relative to the business operations of Federal corporations chartered in the various States, which was referred to the Committee on the Judiciary.

He also laid before the Senate petitions of several citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted at a town meeting of citizens of Milford, Mass., favoring the enactment of legislation requiring the use of granite in the construction of buildings erected under the Public Works program, which was referred to the Committee on Public Buildings and Grounds.

He also laid before the Senate a resolution adopted by the Commissioners of Carson County, Tex., protesting against the waste of natural gas taking place in the Panhandle field of Texas, which was referred to the Committee on Public Lands and Surveys.

Mr. NORRIS presented the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution memorializing the Congress of the United States to exempt fuel alcohol from Federal tax

Whereas both science and the practical usages have demonstrated that alcohol distilled from grains, vegetables, kindred, or other vegetation is useful to mix with gasoline as motor-power fuels; and

Whereas the practical production of this alcohol, so it could be economically used as motor fuel, would be one of the greatest boons to the agricultural conditions in this United States: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth session assembled, That this House of Representatives of the State of Nebraska respectfully urges the Congress of the United States to make all alcohol used as a fuel, blended or otherwise, be exempt from all Federal taxes.

That all alcohol so exempted shall be distilled from products grown in the United States.

This is to certify that the within resolution was introduced and passed by the Nebraska House of Representatives on the 18th day of April 1935.

MAX ADAMS, *Chief Clerk of the House.*

REPORT OF MILITARY AFFAIRS COMMITTEE

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the resolution (S. Res. 60) to investigate the facts concerning the court martial of former Capt. Oberlin M. Carter, reported it without amendment and submitted a report (No. 557) thereon.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 2696) to extend the jurisdiction of the Mississippi River Commission to include that stretch of the Arkansas River between its confluence with the Mississippi River and the city of Little Rock, Ark.; to the Committee on Commerce.

By Mr. NEELY:

A bill (S. 2697) for the relief of the United Pocahontas Coal Co., Crumpler, W. Va.; to the Committee on Claims.

A bill (S. 2698) granting a pension to Clara L. Dolman;

A bill (S. 2699) granting a pension to Charles Rufus Koon;

A bill (S. 2700) granting a pension to Hattie Jane Koon; and

A bill (S. 2701) granting an increase of pension to Martha L. E. Bromberg; to the Committee on Pensions.

HOUSE BILL REFERRED

The bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. AUSTIN and Mr. GIBSON each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

AMERICAN MERCHANT MARINE—AMENDMENTS

Mr. BLACK. Mr. President, I send to the desk several amendments, which are a part of a series of amendments which I desire to have referred to the Commerce Committee in connection with the so-called "merchant-marine bill", being Senate bill 2582. I ask that the amendments may be read. I shall offer others at a later date, which I also shall ask to have referred to the Committee on Commerce.

The VICE PRESIDENT. Does the Senator desire the amendments to be read at this time?

Mr. BLACK. Yes; Mr. President, I ask that the amendments be read at this time, for the information of the Senate.

The VICE PRESIDENT. Without objection, the amendments will be read, referred to the Committee on Commerce, and printed.

The Chief Clerk read as follows:

At the proper place in the bill, to insert the following: "*Provided,* That no officer, director, or employee of any contractor, under a contract in force under this act, shall receive a salary or allowance (including compensation in any form) from such contractor which will result in such person receiving a total compensation at a rate larger than $17,500 per annum: *And provided further,* That it shall be the duty of the Authority to exercise continuing supervision to assure that this provision is not violated."

At the proper place in the bill, to insert the following: "*Provided,* That no such subsidy payments by the Authority shall permit the contractor to earn more than 6 percent per annum in any one year on the contractor's net worth necessarily utilized in the operation of the subsidized service, route, line, vessel, or vessels. In calculating net worth, for the purpose of this act, intangible assets and appreciation of assets shall be excluded: *Provided further,* That the Authority shall prescribe the accounting formula for determining the net profit contemplated in this section."

At the proper place in the bill to insert the following:

"SEC. 511. (a) No contractor under a contract in force under this title, or no holding company of such contractor or no officer, director, or executive, or no member of the immediate family of any of such officers, directors, or executives of such contractor or such holding company shall (1) own any pecuniary interest in any person performing or supplying stevedoring, terminal, ship repair, ship chandler, towboat, wharfage, or kindred services in any domestic port or ports. (2) Own any pecuniary interest in any person servicing any vessels of the contractor in a foreign port or ports: *Provided,* That, with the express approval of the Authority, such contractor, or a wholly owned subsidiary of such contractor, may render services to vessels in a foreign port or ports if the profits, if any, incident thereto are included in the earnings contemplated in section 505 (c) of this act. (3) Own, operate, or charter any vessel or vessels engaged in the domestic intercoastal or coastwise service, or own any pecuniary interest in any person that owns, charters, or operates any vessel or vessels in the domestic intecoastal or coastwise service. (4) Own, charter, or operate any foreign flag vessel or vessels, or own any pecuniary interest in any person that owns, charters, or operates any foreign flag vessel or vessels. (5) Perform or supply at any domestic port or ports, stevedoring, towboat, ship repair, ship chandler, terminal, or wharfage services for any vessel: *Provided,* That such contractor may itself, with the express approval of the Authority, perform stevedoring services to and/or utilize its own terminal and/or wharfage facilities for its own vessels. (6) Own any pecuniary interest in any person employed as agent or broker for any contractor under a contract in force under this act.

"(b) No contractor under a contract in force under this part shall employ any person as the managing or operating agent of such contractor.

"(c) No contractor under a contract in force under this part, or no holding company of such contractor or no officer, director, or executive, or no member of the immediate family of such officers, directors, or executives of such contractor, or of such holding company shall own any pecuniary interest in, or shall be owned to any extent by, any person engaged in the building of ships, or any holding or subsidiary company of such person, or any officer, director, or other executive of such person or of such holding company.

"(d) Any violation of any provision of section 511 (a), (b), or (c) shall constitute a breach of contract in force under this title, and upon determining that such a violation has occurred, the Authority shall forthwith rescind such contract."

INJUNCTIONS AGAINST PUBLICLY OWNED POWER PLANTS

Mr. NORRIS. I ask unanimous consent to submit a Senate resolution, and, when it shall have been read, I will ask unanimous consent for its present consideration.

The VICE PRESIDENT. Without objection, the clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 123), as follows:

Resolved, That the Federal Power Commission be, and it is hereby, directed to furnish to the Senate:

(1) A list of all the publicly owned electric generating or distributing plants, whether Federal, State, county, or municipal, in the United States in which the installation, organization, or operation of such plants has been interfered with by reason of restraining orders or injunctions issued (a) in Federal courts and (b) in State courts;

(2) The delay, if any, in each case that has occurred by reason of such restraining order or injunction; and

(3) The expense, both direct and indirect, in each case that has been incurred by the owner of such publicly owned electric generating or distributing plant by reason of such restraining order or injunction.

Mr. NORRIS. I ask unanimous consent for the present consideration of the resolution.

Mr. McNARY. Mr. President, I inquire, Has the resolution been referred to a committee?

Mr. NORRIS. No. The resolution merely calls for information which I think the Federal Power Commission will be able to obtain by questionnaires directed to the various municipalities. The adoption of the resolution will result in giving to the Senate very important information. If the Senator wishes to have the resolution go over, I will not object to that.

Mr. McNARY. No; but I was engaged in another matter, and I should like to have the resolution again read.

Mr. NORRIS. Very well.

The PRESIDENT pro tempore. The resolution will again be read.

The legislative clerk again read the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. KING. Mr. President, it seems to me if the resolution is to be considered there ought to be an amendment to the effect that the result of the suits, or whether they were merely interlocutory orders or direct proceedings which culminated in trial, ought to be noted.

Mr. NORRIS. The Senator would not be able to get very much information along that line. There are hundreds of the suits still pending.

Mr. KING. Speaking for myself, I should like to know what were the results of the suits.

Mr. NORRIS. I should not have any objection to ascertaining such information.

Mr. KING. I think there ought to be a further amendment so as to have indicated in the report whether any of the suits were brought by the power companies themselves.

Mr. NORRIS. I should not have any objection to that. The companies to which the Senator refers are municipal plants.

Mr. KING. So I understand.

Mr. NORRIS. The Senator desires to know whether they have brought suits?

Mr. KING. Yes; whether they have initiated proceedings.

Mr. NORRIS. I hardly suppose we would find one in the United States. If there are any, I should have no objection to knowing it. It would be foolish for a municipality to undertake to acquire an electric-light plant and then get an injunction to restrain itself from going on with it.

Mr. KING. They might have sought an injunction against other plants, which would constitute an interference with the execution of the plans of the municipal plant.

Mr. NORRIS. Suppose we let the resolution go over so the Senator may prepare an amendment.

Mr. KING. That would be agreeable to me.

Mr. NORRIS. I have no objection to that course.

The VICE PRESIDENT. The resolution will go over under the rule.

PREVENTION OF LYNCHING

The VICE PRESIDENT. The pending question is the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. CONNALLY. Mr. President, I offer an amendment to the motion, to strike out the bill described in the motion and to insert in lieu thereof H. R. 3896, the adjusted-compensation bill, providing for payment of what is popularly called the "soldiers' bonus."

The VICE PRESIDENT. Does the Chair understand the Senator to make a motion to take up a different bill than that contemplated by the motion of the Senator from Colorado?

Mr. CONNALLY. That would be the effect of the motion. It is simply a motion to amend the pending motion by substituting, for the bill which is sought to be taken up, the bill reported by the Senator from Mississippi [Mr. HARRISON], which includes and relates to all the other measures known as "soldier-bonus bills."

Mr. President, there is and has been for many years widespread interest in this particular legislation. It is probably more imminent and keener at the present moment than it has been for a number of years. This is a question which, like the famous ghost, "will not down" and which constantly arises before the Congress. A great many Senators feel that now is the time, in this unusual period, for the Congress to take up the measure and to settle this troublesome issue as the Congress in its wisdom may determine is the proper way to settle it.

I am sure many Senators who heretofore have not regarded the measure as one demanding instant attention are now of the opinion that the time has at last arrived when the question ought to be met fearlessly and wisely, and ought to be settled in order that the World War veterans may know just in what fashion the Congress expects to deal with their demands.

The Committee on Finance have had hearings on the particular measure, have amended the House bill by a proposed Senate committee amendment. The Senate will have an opportunity, when the bill is considered, to pass upon all the various so-called "bonus bills" and arrive at a final conclusion as to what its desire is. Under the liberal rules of the Senate no Senator need have any fear that he will not find opportunity for expression of his views, and he will have opportunity to vote upon that particular measure which he favors.

With that thought in mind, it seemed to me this is an opportune time to ask the Senate to take up the adjusted-compensation bill, discuss it, debate it, and act upon it at the earliest practicable date.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Oregon?

Mr. CONNALLY. Certainly.

Mr. McNARY. Do I understand the Senator from Texas is now proposing to substitute the so-called "bonus bill" for the bill the consideration of which is sought by the pending motion?

Mr. CONNALLY. That is the effect of my proposed amendment. My amendment is to strike out of the motion of the Senator from Colorado the bill proposed by him and to substitute therefor the particular bill I have in mind.

Mr. McNARY. Mr. President, I rise to a point of order. I make the point that the amendment to the motion is not in order.

Mr. CONNALLY. I did not yield for that purpose.

Mr. McNARY. I understood the Senator to state that he had made such a motion.

Mr. CONNALLY. I am proposing it in my remarks, and, of course, when I shall have concluded it will be before the Senate. I yield to the Senator from Oregon for any other purpose than taking the Senator from Texas off the floor. I always like to yield, but I do not regard a request for a Senator to yield which has for its purpose the removal of that Senator who has the floor as being a friendly interruption.

The VICE PRESIDENT. The Senator from Texas declines to yield for the purpose indicated by the Senator from Oregon.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I yield for a question only.

Mr. COSTIGAN. I do not rise for the purpose of making a point of order, but to make a brief statement, with the Senator's permission, with respect to his motion and concerning the Senator from New York [Mr. WAGNER], who is absent.

Mr. President, I neglected to state yesterday, and I feel impelled to do so this morning, that my able colleague the Senator from New York [Mr. WAGNER] unexpectedly, though I have every reason to believe only temporarily, became ill yesterday and was compelled to absent himself from the floor of the Senate. He is still unavoidably detained from the floor of the Senate for that reason.

Speaking, however, for him and for myself, I intended to and now give assurances to the Senate that if the pending motion shall be adopted there will, of course, be no disposition on the part of either the Senator from New York or myself to stand in the way of any measure of the "must" program of the administration. There will also be no disposition to postpone consideration of the bonus issue which is now being brought to the attention of the Senate.

Mr. CONNALLY. Mr. President, do I understand the Senator from Colorado to agree to my motion?

Mr. COSTIGAN. No; not at all. It is my understanding, if the issue shall be determined in favor of the pending

motion, that it will be entirely practicable, under the rules and custom of the Senate, to lay aside the order of business for the consideration of other already indicated matters which may be deemed at the time entitled to priority of consideration by the Senate.

Mr. CONNALLY. Mr. President, the Senator's statement is so indefinite that it seems to me to be difficult for the Senate to grasp just what he has in mind when he says that "it will be possible to lay aside the pending business to take up"—and then follows a general statement. Of course, we all know that to be the situation. It is the rule of the Senate which makes it possible; but the Senator gives no assurance that the soldiers' bonus bill shall be immediately taken up with his consent.

Mr. COSTIGAN. So far as the Senator from New York [Mr. WAGNER] and I are concerned, there will be no objection, if the Senate desires to do so, to taking up the bonus measure after the pending motion shall have been adopted.

Mr. CONNALLY. I congratulate the Senator from Colorado on his fine spirit of generosity. He says if the majority of the Senate shall do a certain thing, he and the Senator from New York will not object.

Mr. COSTIGAN. I will go farther and say that we shall not object.

Mr. CONNALLY. After the Senate shall have done it there can be no possible objection. The Senator predicates his agreement upon the fact that if the Senate shall first by majority vote, over the objection of himself and the Senator from New York, take up a certain bill, they will graciously accede to the wishes of the Senate. I congratulate the Senator from Colorado. It is a magnanimous and generous attitude for the Senator to assume. I wish we had more Senators of the same type.

Mr. COSTIGAN. Mr. President, if the able Senator will yield again——

Mr. CONNALLY. I am glad to yield to the Senator from Colorado.

Mr. COSTIGAN. I repeat that we ourselves will join in an effort to have the subject of the bonus promptly, and, if the Senator desires me to say so, immediately considered after the adoption of the pending motion by laying aside what will then be the business before the Senate for the consideration of the bonus issue.

Mr. CONNALLY. Can the Senator give any assurance that his followers will follow his lead in that respect?

Mr. ROBINSON. Mr. President, if the Senator will yield to me——

Mr. CONNALLY. I yield.

Mr. ROBINSON. That arrangement could be effected by a unanimous-consent agreement if the Senate is in mind to consent to it; so, with the permission of the Senator from Texas, in his time, I ask unanimous consent that the pending motion of the Senator from Colorado be agreed to, and that immediately thereafter the so-called "antilynching bill" be temporarily laid aside, and that the Senate proceed to the consideration of the adjusted-compensation bill.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BLACK. If that agreement should be made, would it still be possible for any one Senator, at any time he saw fit, to stop consideration of the bonus legislation and to call for consideration of the pending business?

The VICE PRESIDENT. If any Senator should call for the regular order, it would bring the antilynching bill back before the Senate.

Mr. BLACK. So that if the unanimous-consent agreement were entered into, the result would be—I wish to be sure about it—that if any one Senator at any time should ask that the Senate cease the consideration of the bonus bill and return to the consideration of the so-called "antilynching bill", the Chair would order the bonus bill laid aside to take up the other bill?

The VICE PRESIDENT. That is the rule of the Senate.

Mr. ROBINSON. Mr. President, I can modify the request for unanimous consent so as to comprehend that feature, and I will do so.

I ask unanimous consent that the motion of the Senator from Colorado be agreed to; that immediately thereafter the so-called "antilynching bill" be temporarily laid aside, and that the Senate proceed to the consideration of the adjusted-compensation bill to a conclusion of that bill, without interruption, save by unanimous consent.

Mr. SMITH. I object, Mr. President.

The VICE PRESIDENT. The Senator from South Carolina objects.

Mr. CONNALLY. Mr. President, I desire to say that the Senator from Colorado in effect agrees that the soldiers' adjusted-compensation bill ought to be taken up. We shall have an excellent opportunity to test whether or not the Senator from Colorado, and those who are supporting him in his motion, are really agreeable to taking up the adjusted-service certificate payment bill at this time, because the motion which I shall make at the conclusion of my brief remarks will be that the Senate take up the bill reported from the committee of the Senator from Mississippi [Mr. HARRISON]; and for the benefit of those Senators who have come into the Chamber since I first suggested that I should make such a motion I wish to say that the bill of the Senator from Mississippi will bring before the Senate all the various plans dealing with the adjusted-service compensation certificates, and every Senator will have an opportunity not only of expressing but of voting his sentiments with respect to all phases of this very troublesome and vexing question.

It seems to me this is a matter which ought to be speedily settled. We have an opportunity to settle it, and the country is expecting some decision of that particular question at a very early date. Even the business interests, which in large measure have heretofore opposed the legislation, desire to know what the Congress is going to do about it. The question of whether or not we shall have a tax bill at this session of Congress will in large measure depend upon whether or not legislation of this character shall be enacted. It seems to me the public interest will be more generally served by the consideration of that particular measure than by the consideration of the measure which the Senator from New York [Mr. WAGNER] and the Senator from Colorado [Mr. COSTIGAN] are sponsoring. While I very much regret the absence of the Senator from New York, I feel that he ought to be present, if possible, in the consideration of the motion urged by himself and the Senator from Colorado if it is further to occupy the time of the Senate.

While I realize that the Senator from Colorado is perfectly able to carry on the fight in favor of his motion, it seems to me the Senator from Colorado would be somewhat reluctant to assume that responsibility when he is aware of the great interest of the Senator from New York in this particular measure and with regard to the different matters which may transpire during the day; and it seems to me the Senator from Colorado would desire that the Senate postpone consideration of his motion until such a time as he might have at his side the counsel, the judgment, and the militant industry of the Senator from New York.

Mr. RUSSELL. Mr. President——

Mr. CONNALLY. I yield to the Senator from Georgia.

Mr. RUSSELL. The Senator from Texas referred to the various forms of proposal for the payment of the adjusted-service certificates and stated that all of them would be before the Senate. The Senator from Texas is a very able member of the Finance Committee, and is doubtless familiar with the various forms of proposal to pay the adjusted-service certificates. For the benefit of those of us who have not had an opportunity to familiarize ourselves with the subject, will the Senator from Texas briefly outline the various proposed forms of payment of the bonus?

Mr. CONNALLY. Mr. President, I will say to the Senator from Georgia that, notwithstanding the temptation to respond which is evoked by his very generous comment, I shall not do so at the present time. I do not wish to consume

the time of the Senate in discussing a matter which is not now properly before the Senate; and, while I am permitted to discuss the general subject because of the pendency of my motion, I do not feel warranted in going into all the details of those particular measures at this moment.

Mr. President, it seems to me we might reach a unanimous-consent agreement to the effect that we shall take up the soldiers' adjusted-compensation bill, and, at its conclusion, that the pending motion be considered by the Senate just in the status which it occupies at the present moment. I propound such unanimous-consent agreement.

The VICE PRESIDENT. What is the agreement which the Senator proposes?

Mr. CONNALLY. The Senator from Texas proposes that the Senate take up at the present moment the adjusted-service certificate bill, and that at the conclusion of the consideration of that bill the motion now before the Senate be the pending motion.

Mr. McNARY. Mr. President, I do not quite understand the nature of the proposal. Is it to lay aside temporarily the present motion and take up the bonus bill?

Mr. CONNALLY. That is the request.

Mr. McNARY. And leave the motion of the Senator from Colorado in its present unsettled status?

Mr. CONNALLY. Leave it just where it now is.

Mr. McNARY. I object.

The VICE PRESIDENT. Objection is heard.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HARRISON. As I understood the suggestion of the Senator from Texas, it was that for the present the pending question be put aside, and that the Senate begin, on Monday morning, the consideration of the so-called "adjusted-service-certificate bill", agreeing that immediately upon the conclusion of the consideration of that proposal it shall be in order and the Senator from Colorado will be recognized to make a motion to take up his bill. In other words, it would put him off only until we get the bonus bill out of the way. He would lose no rights thereby at all.

Mr. McNARY. Why not go ahead with his bill and make it the unfinished business and postpone the consideration of the bonus bill for a few days?

Mr. SMITH. Because that cannot be done.

Mr. HARRISON. If that is the desire of the Senate, of course, it is well and good. I was hoping very much that on Monday we might take up the so-called "bonus legislation" and get it out of the way.

Mr. McNARY. That could be done in the manner suggested earlier, by making the proposal of the Senator from Colorado the unfinished business, temporarily lay it aside, and take up the bonus bill on Monday.

Mr. HARRISON. Of course, the Senator recognizes the fact that if the motion of the Senator from Colorado should prevail, it would be in order to make a motion to supersede the bill of the Senator from Colorado; but such a motion would be debatable, as I understand, and that would just mean loss of time of the Senate. If we arrange the matter by unanimous consent, the proponents of the legislation under consideration would lose nothing except the time it would take to consider the adjusted-service-certificate proposal.

Mr. McNARY. Why does not the Senator consent at this time that the Senate take a vote on the pending motion? Then, after the status was fixed, we probably could obtain consideration of a unanimous-consent agreement.

Mr. HARRISON. Then, would the Senator help some of us on this side to have the motion to take up for consideration the adjusted-service-certificate legislation agreed to?

Mr. McNARY. I have stated that there might be some new light on the matter if the bill now being urged by the Senator from Colorado should become the unfinished business.

Mr. BORAH and Mr. GLASS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Idaho.

Mr. BORAH. Perhaps it is not now necessary to say what I had intended to say, in view of the termination of the colloquy. However, I may say that I would not want to agree to postpone the motion of the Senator from Colorado in order to take up the soldiers' bonus bill unless it were also agreed that after the soldiers' bonus legislation should be disposed of the motion of the Senator from Colorado would be finally disposed of before we took up the amendments to the Agricultural Adjustment Act. I think that is a more serious matter than the other measures.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Illinois?

Mr. CONNALLY. I yield.

Mr. LEWIS. I had assumed that the Senator from Texas had yielded the floor. I was about to take the floor. I did not mean to interrupt the Senator from Texas.

Mr. CONNALLY. Mr. President, I thank the generous Senator from Illinois. Except for the necessity of continuing the explanation of my motion, I would say the Senate would be delighted, as I would be delighted, to have the time consumed by the Senator from Illinois.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. THOMAS of Oklahoma. As I understand the rules, when a Senator takes the floor he is to speak to the pending question. The Senator from Texas has made a motion to strike out the number of the bill mentioned in the pending motion and to insert a new number, the new number being the number attached to the soldiers' bonus bill, so called. If that is correct, is it not a fact that the status is such that one could discuss the soldiers' bonus bill under the motion of the Senator from Texas?

Mr. CONNALLY. Mr. President, I will say to the Senator from Oklahoma that the Senator from Texas makes no pretensions to knowledge of parliamentary law; but it would seem to me entirely correct to answer the interrogatory of the Senator from Oklahoma in the affirmative, because the motion being a motion to substitute another bill for one that is proposed to be taken up, it would, according to all standards and canons of reason and logic, properly bring before the Senate, for the purpose of discussion, at least, all the implications of the various measures coming within the two extremes. Does the Senator from Oklahoma desire to discuss the soldiers' bonus?

Mr. THOMAS of Oklahoma. Not at this time.

Mr. CONNALLY. I know of no one who is more thoroughly versed in regard to the various measures relating to the adjusted-service certificates than is the eminent Senator from Oklahoma, and at an appropriate time I hope the Senate may have an opportunity to hear the Senator from Oklahoma with regard to these measures. It was largely in anticipation of the realization of such a hope that the Senator from Texas made his motion that the Senate substitute the adjusted-service-certificate measure for the bill described in the pending motion.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield again?

Mr. CONNALLY. I yield.

Mr. THOMAS of Oklahoma. I have reserved the right to speak upon the soldiers' bonus bill.

Mr. CONNALLY. The Senator from Oklahoma reserves the right?

Mr. THOMAS of Oklahoma. Yes.

Mr. CONNALLY. Is the Senator desirous of proceeding today?

Mr. BARKLEY. Mr. President, if the Senator from Texas will yield, I suppose that if the Senator from Oklahoma had been ready to proceed, he would not have reserved his right; but I think the Senator from Texas is eminently correct—as he always is—in the observation that when he moves to substitute the number of another bill for that of a bill sought to be brought before the Senate, in order that the

Senate might be properly enlightened and be able to determine how it might wish to vote on substituting one number for another, of course, it would be appropriate to discuss every implication that follows the bill whose number is to be substituted, and probably in the most minute detail, because there might be some apparently insignificant thing in the bill proposed to be substituted which would cause Senators to vote for or against the motion. So it is important that we discuss it.

Mr. CONNALLY. I thank the Senator from Kentucky and quite agree with the relevancy and the wisdom of his observations. The concluding statement of the Senator from Kentucky was that probably some trivial or inconsequential provision in these bills might call for discussion.

Mr. BARKLEY. I said, to be exactly and meticulously correct, some "apparently" trivial matter. That is, it might appear to be trivial until it was explained, and then it might appear to be an important, consequential matter.

Mr. CONNALLY. I quite understand and agree with the Senator. In other words, the Senator from Kentucky means to suggest that what to some Senator might appear to be an inconsequential and trivial provision, would, when understood in all of its implications, after thorough discussion by the Senate, appear to other Senators to be of outstanding importance. That is quite true, and I am sure that Senators who have served here for a number of years have long since realized that too often Senators, through a merely superficial examination of a question, treat matters which are apparently of little consequence with scant consideration, when our duty here requires that we meticulously, to use the word suggested by the Senator from Kentucky, with the highest degree of care, investigate every provision of a proposed act, because it does not affect us, but it affects all of the people represented by us here in the Senate. I thank the Senator.

Mr. BARKLEY. Mr. President, if I understand the Senator, then, what now appears to be important might develop, after discussion, to be unimportant, and what now appears to be unimportant might seem to become important; so that the two things would reverse themselves in the order of their importance.

Mr. CONNALLY. I quite agree with the Senator.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. THOMAS of Oklahoma. There have been pending before the Congress at various sessions different proposals for the payment to the soldiers of what the country has deemed to be a debt. If it is a debt, it is now 18 years past due. The House of Representatives on three separate occasions has passed a bill proposing to liquidate that indebtedness. On the present occasion the House bill has come to the Senate, and it was referred to the Committee on Finance, of which committee the distinguished Senator from Texas is a high ranking member.

Mr. BARKLEY. One of the rankest, I am sure. [Laughter.]

Mr. THOMAS of Oklahoma. The Senator from Kentucky says "one of the rankest." I am not prepared to share in that interpretation, unless I can have the term "rankest" defined.

Mr. CONNALLY. Allow me to say to the Senator that I have very severe competition, however. [Laughter.]

Mr. THOMAS of Oklahoma. My question is this: Inasmuch as the Senate committee has seen fit to draw a black line through each line of the bill as it passed the House and insert in lieu thereof language in a different kind of type—and, of course, we understand that the Senate committee's recommendation is a new bill entirely—and, inasmuch as the public does not understand the terms of the so-called "amendment", which throughout the country is now known as the "Harrison bill"; and, inasmuch as the Senate has had no chance to read the committee hearings and the newspapers have given us only some slight information about the new bill, does not the Senator think it might be well to spend whatever time may be necessary in at least explaining the bill which is now proposed to be brought before the Senate? Otherwise, the Senate would not be prepared to know whether or not it would want to vote to change the number in the motion of the Senator from Colorado, as proposed by the Senator from Texas. The proposal to change the phrase "S. 24" to "H. R. 3896" does not mean anything to anyone who does not know what is contained in the measures indicated by the two numbers.

Does not the Senator from Texas think it advisable to take some time to explain the bill to the Senate, particularly to those of us who are not members of the Finance Committee and know nothing about the bill, and who have not had an opportunity to read the hearings? The Senator from Texas has been present at the hearings on the bill and has made a study of it for some time, and is in a position to advise the Senate just what this amendment means.

Mr. McNARY. Mr. President, will the Senator from Texas yield to me for the purpose of making a motion?

Mr. CONNALLY. If the motion of the Senator from Oregon does not take the Senator from Texas off his feet, he will yield.

Mr. McNARY. I take it that means that the Senator will yield. I move that the Senate take a recess until Monday next at 12 o'clock noon.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Oregon for the purpose of making that motion?

Mr. CONNALLY. Before I yield for that purpose, Mr. President, I yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, I do not think the Senate ought to agree to recess. If the motion to recess shall be voted down, I shall later make a motion to adjourn.

Mr. CONNALLY. Mr. President, what was the Chair's inquiry?

The VICE PRESIDENT. The Chair asked the Senator from Texas if he yielded to the Senator from Oregon for the purpose of making a motion to take a recess.

Mr. CONNALLY. Did the Senator from Oregon move to adjourn?

Mr. McNARY. I made a motion to take a recess.

Mr. CONNALLY. The Senator from Texas will be glad to yield to the Senator from Oregon for the purpose of making a motion to adjourn. What I have in mind is that I am sure the Senator from Arkansas desires those Senators who are absent to be given an opportunity to be present on Monday; and since a motion to adjourn will more nearly accomplish that than will a motion to take a recess, I presume he would prefer to make a motion to adjourn.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Idaho?

Mr. CONNALLY. I yield.

Mr. BORAH. I was about to ask the question which the Senator from Texas asked. The motion just made was to take a recess, and not to take an adjournment?

Mr. McNARY. Yes; the motion I made was that the Senate take a recess. I thought the Senator from Texas had yielded to me for the purpose of making the motion.

Mr. CONNALLY. I stated to the Chair, and the RECORD will so show, that before yielding for that purpose I desired to yield to the Senator from Arkansas [Mr. ROBINSON]. After hearing the suggestion of the Senator from Arkansas I did not yield.

Mr. McNARY. Mr. President, will the Senator from Texas now yield?

Mr. CONNALLY. If it is agreeable to the Senator from Arkansas that I yield for the purpose of enabling the Senator from Oregon to make a motion to take a recess, I do so. Otherwise, I do not.

Mr. NEELY. Mr. President, I ask for the regular order, if there is some regular order; and if there is not any order, I demand some order.

Mr. CONNALLY. The regular order is that I go ahead.

Mr. President, I desire to be courteous to Senators. I desire especially to be courteous to the Senator from Oregon

[Mr. McNARY], who is always courteous and considerate of other Senators; and if my failing to yield brought about any serious inconvenience to the Senator, I will relieve him of that a little later when I surrender the floor.

I desire to say to the Senator from Oklahoma [Mr. THOMAS] with respect to his urgent suggestion that I discuss the various aspects of the bonus bill, that I do not feel that I ought to consume the time of the Senate in that sort of enterprise when a number of other Senators are anxious to speak this afternoon if the Senate continues in session; and I should not wish to preempt the floor and thus bring about confusion in their minds by making it necessary for them to postpone their remarks until Monday if the Senate should recess or adjourn until that day.

Mr. President, I understand the Senator from Alabama [Mr. BANKHEAD] desires to address the Senate. For the present I will withhold my motion to substitute the soldiers' bonus bill for the bill of the Senator from Colorado and the Senator from New York. I shall renew the motion before we recess.

Mr. COSTIGAN rose.

Mr. McNARY. Mr. President, may I be assured now that the motion I made is pending; namely, that the Senate recess until Monday at 12 o'clock noon?

The VICE PRESIDENT. The Senator from Oregon has made a motion that the Senate recess until Monday at 12 o'clock noon; and under the rules of the Senate, that motion is not debatable. The Senator from Oregon would hardly be permitted to have the floor for the purpose of yielding for debate.

Mr. McNARY. I appreciate that situation.

Mr. COSTIGAN. Mr. President, I make the point of order that the pending motion of the Senator from New York and myself to take up Senate bill 24 cannot be displaced by the motion of the Senator from Texas.

The VICE PRESIDENT. The motion of the Senator from Texas is not before the Senate at the present time.

Mr. COSTIGAN. May I ask, by way of parliamentary inquiry, what motion is before the Senate?

The VICE PRESIDENT. The motion to take a recess until Monday at 12 o'clock noon.

Mr. COSTIGAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COSTIGAN. The parliamentary inquiry I wish to make is whether the point of order is not in order at this time?

The VICE PRESIDENT. The point of order against the motion to recess is not in order.

Mr. COSTIGAN. My point of order is, of course, not against the motion to recess.

The VICE PRESIDENT. That is the motion now pending.

Mr. ROBINSON. Mr. President, I move that the Senate adjourn.

The VICE PRESIDENT. That motion takes precedence over the motion to recess. The question is on the motion of the Senator from Arkansas.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and called the name of Mr. ADAMS, who voted in the affirmative.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

Mr. McKELLAR. Mr. President, the clerk had begun the roll call, and the name of one Senator had been called, and he had voted.

Mr. BLACK. Yes, Mr. President; the yeas and nays had been ordered, the calling of the roll had been begun, and a Senator had responded.

The VICE PRESIDENT. The point of order is well taken, and the clerk will continue the call of the roll.

The Chief Clerk resumed the calling of the roll.

Mr. BYRD (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. GUFFEY]. If he were present, he would vote "nay", and, if I were permitted to vote, I should vote "yea."

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from New Mexico [Mr. CUTTING] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. I understand that if present, he would vote "yea." Were I permitted to vote, I should vote "nay."

Mr. NORRIS (when his name was called). On this question I have a pair with the Senator from Wisconsin [Mr. LA FOLLETTE]. If he were present and voting, he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. OVERTON (when his name was called). On this question I have a pair with the Senator from Wyoming [Mr. CAREY]. If he were present and voting, he would vote "nay." If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. McKELLAR (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. TOWNSEND]. I am advised he is not present and that, if present, would vote "nay." As I cannot secure a transfer of my pair with him, I am compelled to withdraw my vote.

Mr. AUSTIN. I announce the necessary absence of the Senator from New Jersey [Mr. BARBOUR] and the Senator from North Carolina [Mr. REYNOLDS]. These two Senators are paired. If the Senator from New Jersey were present, he would vote "nay", and the Senator from North Carolina, if present, would vote "yea."

I desire further to announce that the Senator from Wyoming [Mr. CAREY], the Senator from New Mexico [Mr. CUTTING], the Senator from Pennsylvania [Mr. DAVIS], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from South Dakota [Mr. NORBECK], and the Senator from Delaware [Mr. TOWNSEND] are necessarily absent.

I also announce the general pair of the Senator from Iowa [Mr. DICKINSON] with the Senator from California [Mr. McADOO]. I am not advised as to how either Senator would vote, if present.

Mr. LOGAN. I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]; but as he would vote, if present, as I intend to vote, I am at liberty to vote. I vote "nay."

Mr. LEWIS. I announce the following special pairs:

The Senator from Georgia [Mr. GEORGE] with the Senator from New York [Mr. WAGNER];

The Senator from Wisconsin [Mr. DUFFY] with the Senator from New Jersey [Mr. MOORE]; and

The Senator from Rhode Island [Mr. GERRY] with the Senator from Missouri [Mr. CLARK].

If present, the Senator from Georgia, the Senator from Wisconsin, and the Senator from Rhode Island would vote "yea", and the Senator from New York, the Senator from New Jersey, and the Senator from Missouri would vote "nay."

I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

I desire further to announce that the following Senators are unavoidably detained from the Senate: The Senator from Missouri [Mr. CLARK], the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GERRY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. McADOO], the Senator from Kansas [Mr. McGILL], the Senator from New Jersey [Mr. MOORE], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Montana [Mr. WHEELER], and the Senator from Massachusetts [Mr. COOLIDGE].

The result was announced—yeas 28, nays 37, as follows:

YEAS—28

Adams	Byrnes	Gore	Russell
Bailey	Caraway	Harrison	Sheppard
Bankhead	Connally	Hatch	Shipstead
Bilbo	Couzens	King	Smith
Black	Dieterich	Lonergan	Thomas, Okla.
Brown	Fletcher	Radcliffe	Thomas, Utah
Bulow	Glass	Robinson	Trammell

NAYS—37

Ashurst	Costigan	Logan	Schwellenbach
Austin	Donahey	McCarran	Steiwer
Bachman	Frazier	McNary	Truman
Barkley	Gibson	Minton	Vandenberg
Bone	Hale	Murphy	Van Nuys
Borah	Hastings	Murray	Walsh
Bulkley	Hayden	Neely	White
Burke	Johnson	Nye	
Capper	Keyes	O'Mahoney	
Copeland	Lewis	Schall	

NOT VOTING—30

Barbour	Duffy	McGill	Pope
Byrd	George	McKellar	Reynolds
Carey	Gerry	Metcalf	Townsend
Clark	Guffey	Moore	Tydings
Coolidge	La Follette	Norbeck	Wagner
Cutting	Long	Norris	Wheeler
Davis	Maloney	Overton	
Dickinson	McAdoo	Pittman	

So the Senate refused to adjourn.

The VICE PRESIDENT. The question now is on the motion of the Senator from Oregon [Mr. McNARY] that the Senate take a recess until 12 o'clock noon on Monday next.

Mr. McNARY. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the Senator from New Mexico [Mr. CUTTING]. Not knowing how he would vote, if present, or how I want to vote, I withhold my vote. [Laughter.]

Mr. McKELLAR. I repeat the announcement as to my pair with the Senator from Delaware [Mr. TOWNSEND]. Being unable to obtain a transfer, I withhold my vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. BULKLEY. I understand my general pair, the Senator from Wyoming [Mr. CAREY], would vote as I intend to vote on this question. I therefore am free to vote, and vote "yea."

Mr. NORRIS (after having voted in the negative). While there is a doubt in my mind as to whether my pair with the Senator from Wisconsin [Mr. LA FOLLETTE] would apply on this vote, inasmuch as it does not make much difference anyway, I will withdraw my vote on account of my pair with the Senator from Wisconsin, who is unavoidably detained from the Senate.

Mr. LEWIS. I am requested by the Senator from Louisiana [Mr. OVERTON] to say that if he were present and voting, he would vote "yea."

I regret to announce that the Senator from Connecticut [Mr. MALONEY] is detained from the Senate on account of illness.

I desire further to announce that the following Senators are unavoidably detained from the Senate:

The Senator from Missouri [Mr. CLARK], the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GERRY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. McADOO], the Senator from Kansas [Mr. McGILL], the Senator from New Jersey [Mr. MOORE], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Montana [Mr. WHEELER], the Senator from Mississippi [Mr. HARRISON], and the Senator from Massachusetts [Mr. COOLIDGE].

Mr. AUSTIN. I wish to announce the general pair of the Senator from Maine [Mr. HALE] and the Senator from Mississippi [Mr. HARRISON]. Also the general pair of the Senator from New Jersey [Mr. BARBOUR] and the Senator from North Carolina [Mr. REYNOLDS].

The result was announced—yeas 49, nays 10, as follows:

YEAS—50

Adams	Bone	Capper	Fletcher
Ashurst	Brown	Caraway	Frazier
Austin	Bulkley	Copeland	Gibson
Bailey	Bulow	Costigan	Gore
Bankhead	Burke	Couzens	Hastings
Barkley	Byrd	Dieterich	Hatch
Black	Byrnes	Donahey	Hayden
Johnson	McNary	Russell	Thomas, Utah
Keyes	Metcalf	Schall	Trammell
King	Murphy	Schwellenbach	Vandenberg
Logan	Nye	Sheppard	Van Nuys
Lonergan	O'Mahoney	Smith	
McCarran	Radcliffe	Steiwer	

NAYS—10

Bilbo	Minton	Shipstead	Truman
Borah	Murray	Thomas, Okla.	Walsh
Lewis	Neely		

NOT VOTING—35

Bachman	Duffy	McAdoo	Pope
Barbour	George	McGill	Reynolds
Carey	Gerry	McKellar	Robinson
Clark	Glass	Maloney	Townsend
Connally	Guffey	Moore	Tydings
Coolidge	Hale	Norbeck	Wagner
Cutting	Harrison	Norris	Wheeler
Davis	La Follette	Overton	White
Dickinson	Long	Pittman	

So the motion to recess was agreed to.

RECESS

Thereupon (at 1 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, April 29, 1935, at 12 o'clock meridian.

SENATE

MONDAY, APRIL 29, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, April 27, 1935, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On April 24, 1935:

S. 1572. An act to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended;

S. J. Res. 93. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934; and

S. J. Res. 97. Joint resolution authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia, June 8, 1935, to June 17, 1935, both inclusive.

On April 25, 1935:

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths;

S. 1208. An act authorizing personnel of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award;

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; and

S. 2197. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I note the absence of a quorum and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Robinson
Bachman	Costigan	La Follette	Russell
Bailey	Couzens	Lewis	Schall
Bankhead	Dickinson	Logan	Schwellenbach
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Donahey	Long	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	O'Mahoney	Walsh
Carey	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

Mr. AUSTIN. I announce that the Senator from South Dakota [Mr. NORBECK] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

Mr. LEWIS. I anounce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from California [Mr. MCADOO] and the Senator from North Carolina [Mr. REYNOLDS] are necessarily detained from the Senate. I request that this announcement stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Oklahoma, which was referred to the Committee on Agriculture and Forestry:

A concurrent resolution memorializing Congress to enact the Frazier-Lemke loan refinancing bill now pending before it

Be it resolved by the House of Representatives of the Fifteenth Legislature of the State of Oklahoma (the senate concurring therein), That the Congress of the United States be memorialized by the Legislature and the people of the State of Oklahoma to enact the Frazier-Lemke loan refinancing bill now pending before that body; be it further

Resolved, That copies of this resolution be mailed by the chief clerk of the house of representaitves to the Chief Clerk of both the House of Representatives and Senate of the United States Congress, and to each member of the Oklahoma delegation in Congress.

Adopted by the house of representatives this the 25th day of February 1935.

Adopted by the senate this the 24th day of April 1935.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from the chairman of the board of directors of the Inland Employees' Association, Dayton, Ohio, praying, on behalf of approximately 1,450 employees of the Inland Manufacturing Co., for the prompt enactment of the so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted at a mass meeting of 2,500 workers held under the auspices of the Custom Tailoring Workers Industrial Union of New York, New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate a memorial presented by a delegation composed of members or affiliated members of the New York City Committee of the American League Against War and Fascism, remonstrating on behalf of that organization against the enactment of proposed alien and sedition legislation and all measures proposing to abrogate, limit, or suppress civil rights, which was referred to the Committee on the Judiciary.

He also laid before the Senate papers in the nature of petitions from the Sorosis Club and the executive committee of the Federation of Women's Clubs, both of Cleveland, Ohio, and the board of directors of the League of Women Citizens of Asheville, N. C., praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a telegram in the nature of a petition from the State Negro Citizens' Committee, Columbia, S. C., praying for the enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from the president and board of managers of the National Congress of Parents and Teachers, Miami, Fla., praying for the prompt enactment, in the interest of consumers, of Senate bill No. 5, the pure food, drugs, and cosmetics bill, without the so-called "Clark and Bailey amendments" thereto, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by the Board of Aldermen of the City of Medford, Mass., protesting against the imposition of the cotton-processing tax, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by Aerie No. 1702, Fraternal Order of Eagles, of Amesbury, Mass., favoring the enactment of legislation granting monetary assistance to the States in the payment of old-age pensions, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Linton T. Bassett, chairman of the advisory committee of Townsend Club, No. 1, of Orange, Mass., praying for the enactment of the so-called "McGroarty old-age pension and social-security bill", which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the Polish American Club of Springfield, Mass., praying for the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Local No. 534, Cement and Asphalt Finishers Union, of Boston, Mass., favoring the enactment of House bills nos. 5450, 6124, 6368, and 6672, relative to a graduated tax on cigarettes, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Celtic Social Club, of Holyoke, Mass., favoring the enactment of legislation providing for the issuance of a special postage stamp to commemorate the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the City Council of Fall River, Mass., favoring the enactment of legislation awarding the Distinguished Service Cross to John Moran, of Fall River, Mass., for bravery and presence of mind in saving the lives of occupants of a lifeboat after the torpedoing of the U. S. S. *Buenaventura* in the Bay of Biscay, on September 16, 1918, which was referred to the Committee on Naval Affairs.

He also presented a resolution endorsed by the City Council of Leominster, Mass., favoring the enactment of legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which was ordered to lie on the table.

He also presented a resolution adopted by the City Council of Leominster, Mass., favoring the removal of all pollution from the Nashau River, in accordance with the proposed plan for a Federal project, which was ordered to lie on the table.

He also presented a letter in the nature of a petition from Local Union No. 14, International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, of Boston and Vicinity, in the State of Massachusetts, praying for the prompt enactment of the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. JOHNSON presented the following joint resolution of the Legislature of the State of California, which was ordered to lie on the table:

Senate Joint Resolution 14

Relative to memorializing and petitioning the President and the Congress of the United States to include the Central Valley project in the national program of work relief

Whereas California has one of the gravest unemployment problems in the United States, due to the fact that the State has become the haven of unemployed from every section of the country; and

Whereas one of the most constructive methods of coping with the unemployment problem is the building of useful and necessary public works which will confer permanent and lasting benefits as well as afford immediate work relief; and

Whereas California is in urgent need of the development, conservation, and stabilization of its water resources to prevent the abandonment of thousands of farms and homes, and to avert tremendous financial losses; and

Whereas the State of California has prepared a comprehensive coordinated plan for the progressive economic development of the water resources of the State, carefully formulated over a period of 14 years, which provides for the control of floods and salinity encroachment, the improvement of navigation, the conservation and stabilization of water supplies for municipal, irrigation, industrial, and mining uses, and for the generation of electric power; and

Whereas the Legislature of the State of California in 1933 passed the Central Valley project act, which was signed by the Governor, and was thereafter approved by vote of the people of the State at a special election held on December 19, 1933; and

Whereas the said Central Valley project act created the water project authority of the State of California to execute and administer the Central Valley project, which project is designated as the first step in the comprehensive plan for the Great Central Valley of California; and

Whereas said Central Valley project has been investigated and approved by 13 agencies of the Federal Government and has been recommended for Federal financing; and

Whereas said project has further been recommended by the President's Committee on Water Flow and by the National Resources Board as one of the country's foremost projects for a national program of public works; and

Whereas there is now pending before the Federal Emergency Administration of Public Works an application by the water project authority for a grant and loan of funds to construct said project; and

Whereas the House of Representatives has passed H. R. 6732, authorizing the improvement of the Sacramento River in accordance with the plan as set forth in House of Representatives' Document No. 35, Seventy-third Congress, which recommends a Federal contribution of $12,000,000 to the cost of the Kennett Dam of the Central Valley project; and

Whereas the said project will be self-liquidating under Public Works Administration financing, and the cost thereof will be returned with interest to the Federal Government from revenues obtained by the sale of water and power; and

Whereas said project is ready for immediate construction when funds are made available for such purpose; and

Whereas the consummation of the said project will enable 50,000 American people to sustain themselves by their present means of livelihood, and will prevent their being thrown into the ranks of the unemployed, and further will stop the reversion to desert of one-half million acres of highly developed and settled lands valued at $100,000,000; and

Whereas a greater degree of flood protection in the Sacramento Valley is highly desirable as evidenced by the recent floods on the Sacramento River and its tributaries; and

Whereas the construction of said project will give employment to thousands of workers now unemployed, not only in California but throughout the Nation, thereby relieving unemployment in many branches of industry, particularly in the heavy manufacturing industries in the East and Middle West; and

Whereas Congress has appropriated $4,880,000,000 for work relief, with the approval of the President of the United States, a large portion of which is intended for projects of the nature of the Central Valley project; and

Whereas the public interest, welfare, convenience, and necessity require immediate provision for adequate financing of said Central Valley project: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the State of California, through its legislature, recommends the Central Valley project to the President and to the Congress of the United States as of first and prime importance to the State of California, and respectfully requests that adequate funds be made available from the work-relief appropriation for immediate construction of the project, thereby conferring lasting benefits upon the people of the State of California and affording substantial unemployment relief now vitally necessary, all in a manner conforming admirably with the splendid program initiated by the President of the United States to speed national recovery; and be it further

Resolved, That the Governor is requested to transmit copies of this resolution to the President and to the Vice President of the United States, the Speaker of the House of Representatives, and to the Senators and Representatives of the State of California in Congress.

CENTRAL BANK OF ISSUE

Mr. BORAH. I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the Grange of my State on the subject of a centrally controlled bank; also a list of the Granges which have adopted a similar resolution.

There being no objection, the resolution and list were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Resolution

Whereas strenuous efforts are already in evidence in our National Congress to sidetrack or defeat the establishment of a real governmentally owned, controlled, and operated central bank of issue with complete power over currency and credit; and

Whereas Idaho State Grange at its last session, by unanimous vote, asked for the establishment of said bank, considering it of first and basic importance in the reestablishment of normal conditions; and

Whereas we find the ideas and wishes as expressed by the Idaho State Grange, many Pomona and local granges of the State, in connection with the establishment of said bank incorporated in a bill introduced by Congressman LEMKE, known as "H. R. 3008": Now, therefore, be it

Resolved by Locust Grange, No. 118, in session duly assembled this 19th day of February 1935, That we respectfully request of our congressional delegates to use their united effort in obtaining the passage of the bill known as "H. R. 3008", or such other bill as is found to contain the same provisions and manner of operation as are contained in H. R. 3008.

Further resolved, That copies of these expressed wishes of this Grange be, without delay, forwarded to our congressional delegation, one to our honored State Grange master, W. W. Deal, one to the National Grange legislation representative, Fred Brenchman, one to President Franklin D. Roosevelt, and one to the press.

LOCUST GROVE GRANGE, No. 118,
THOS. P. POTTER, *Master,*
ETHEL LEWIS, *Secretary.*

Submitted to Grange No. 300, Lewiston, Idaho, March 20, 1935; 75 members present; x for, 0 against.

When acted upon please return immediately to the State master.

MARGARET C. LAING, *Secretary.*

This resolution has been endorsed by the following granges: Grange No. 246, Reynolds, Idaho; Grange No. 302, Westmond, Idaho; Grange No. 282, Boise, Idaho; Grange No. 328, Slickpoo, Idaho; Grange No. 345, Caldwell, Idaho; Grange No. 321, Albion, Idaho; Grange No. 99, Nampa, Idaho; Grange No. 253, Idaho Falls, Idaho; Grange No. 273, Plummer, Idaho; Grange No. 289, May, Idaho; Grange No. 233, Magic, Idaho; Grange No. 25, Meridian, Idaho; Grange No. 274, Salmon, Idaho; Grange No. 258, Idaho Falls, Idaho; Grange No. 22, Grangeville, Idaho; Grange No. 137, Tuttle, Idaho; Grange No. 105, Hazelton, Idaho; Grange No. 2, Payette, Idaho; Grange No. 352, Colburn, Idaho; Grange No. 118, Meridian, Idaho; Grange No. 140, Mountain Home, Idaho; Grange No. 323, Winchester, Idaho; Grange No. 293, Tensed, Idaho; Grange No. 172, Wilder, Idaho; Grange No. 312, Kootenai, Idaho; Grange No. 82, Wendell, Idaho; Grange No. 197, Upper Fairview, Idaho; Grange No. 73, Payette, Idaho; Grange No. 229, Pocatello, Idaho; Grange No. 305, Rigby, Idaho; Grange No. 353, Clarks Fork, Idaho; Grange No. 177, Kennedy Ford, Idaho; Grange No. 303, Sandpoint, Idaho; Grange No. 170, Bowmont, Idaho; Grange No. 244, Maple Grove, Boise, Idaho; Grange No. 175, Boise, Idaho; Grange No. 338, Peck, Idaho; Grange No. 179, Deep Creek, Idaho; Grange No. 234, Bruneau, Idaho; Grange No. 152, Star, Idaho; Grange No. 241, Archer, Idaho; Grange No. 100, Hansen, Idaho; Grange No. 216, Twin Falls, Idaho; Grange No. 349, Arbon, Idaho; Grange No. 225, Pleasant Valley, Idaho; Grange No. 124, Harrison, Idaho; Grange No. 24, St. Anthony, Idaho; Grange No. 357, Ferdinand, Idaho; Grange No. 181, Buhl, Idaho; Grange No. 154, Huston, Idaho; Grange No. 295, Nezperce, Idaho; Grange No. 131, Nampa, Idaho; Grange No. 59, Kuna, Idaho; Grange No. 252, Wilder, Idaho; Grange No. 116, Meridian, Idaho; Grange No. 151, Richfield, Idaho; Grange No. 3, Ruper, Idaho; Grange No. 311, Avon, Idaho; Grange No. 264, Dudley, Idaho; Grange No. 189, Buhl, Idaho; Grange No. 346, Craigmont, Idaho; Grange No. 347, Couer d'Alene, Idaho; Grange No. 285, Garfield, Idaho; Grange No. 135, Caldwell, Idaho; Grange No. 267, Jerome, Idaho; Grange No. 247, Mackay, Idaho; Grange No. 287, St. Leon, Idaho; Grange No. 164, Glenns Ferry, Idaho; Grange No. 278, Blackfoot, Idaho.

ERADICATION OF CATTLE DISEASES

Mr. SCHALL. Mr. President, the Government is now spending $25,000,000 in an attempt to eradicate Bang's disease from our cattle by slaughtering positive reactors. The Bureau of Animal Industry does not know whether this experiment will work, and likely it will not do better in the future than it has in the past, yet it refuses to abandon this cattle-killing method in favor of more sane and sensible

methods. The Department seems to have a farm-animal-killing complex, first hogs, now cattle.

Some years ago it made a test of the Bowman treatment from laboratories in my State, but did not make it according to rules and regulations that have been found effective, and now it refuses to try it at all. It prefers the killing method. While the Department thus fiddles around, cattle die and meat prices mount.

I ask that a letter addressed to Mr. Milo Reno by the late John Thompson, editor of Wallace's Farmer and Iowa Homestead, be inserted in the RECORD and referred to the Committee on Agriculture.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

MARCH 2, 1935.

Mr. MILO RENO,
President Farmers' Holiday Association,
Des Moines, Iowa.

DEAR MR. RENO: In reply to your telephone request for information concerning the Bowman treatment for contagious abortion in cattle, I take pleasure in making the following statements, which are based upon a great deal of first-hand knowledge derived from visiting herds of cattle that have been given this treatment.

To begin with, let me say that I am familiar with the contention of the Bureau of Animal Industry, Washington, D. C., that some years ago that institution gave the treatment a test and found it to be valueless as a curative agent for contagious abortion. No doubt a test was made, but it was made without regard to Mr. Bowman's methods and recommendations. Bowman has never claimed that one treatment of his remedy would turn a cow reacting positive to the blood test negative, and yet such a test was made by the Government, and on that result it was concluded that the treatment had no value.

Here are some plain facts that cannot be disputed by the Bureau of Animal Industry or anyone else:

The Bowman treatment has, to my knowledge, been applied to the positive cows in many herds, and in the course of from 3 to 12 months over 90 percent of the positive reactors have become negative. It has required several treatments to bring about this change. To contend that such results cannot be secured is ridiculous when facts prove the contrary.

Please understand that the blood test referred to above is the diagnostic agent which the Government and the veterinary profession uses to determine whether a herd of cattle is infected with Bang's disease or not. If, therefore, a course of treatments will turn a positive reacting cow negative and cause the herd to breed and produce calves in a normal manner, it is important that livestock breeders be informed of that fact. To withhold such useful knowledge from the public is nothing short of criminal.

Because the Bureau of Animal Industry did not succeed in turning positive reacting cows negative with one Bowman treatment, it has steadfastly refused to make another test, notwithstanding the fact that Bowman has for years turned positive reacting cows negative and stopped Bang's disease in hundreds of herds.

All that Bowman asks is to let him demonstrate what he can do with a herd infected with this disease in his own way. If he fails to turn from 90 to 100 percent of the positive reacting cows and heifers in any herd negative and fails to put them in good breeding condition, then his treatment is not what he claims it to be. Any man with common sense can ascertain whether or not the Bowman treatment can do what is claimed for it. It is not necessary that a technically trained veterinarian should superintend such a demonstration. Bowman has been doing this thing for years. I hope that you may be able to impress upon the Agricultural Committees of the House and Senate at Washington that they should appoint a committee of their own, free from prejudice for or against the Bowman remedy, and give Bowman an opportunity to prove the efficacy of his remedy in his own way. It is nonsense to say that some great scientific experiment must be conducted by technical men to determine what the Bowman treatment will do when properly administered to a herd of cattle infected with Bang's disease.

Here are a few facts about the Bowman treatment that I wish to call your attention and for which blood-test records are available as proof of the fact that the treatment has caused positive testing cows to become negative.

First, 18 positive cows that had been positive for 2 or more years, according to tests made by a State experiment station, were treated several times with Bowman's, and in less than a year all but one became negative, according to an official test. I could mention several other similar demonstrations of the efficacy of the treatment in eradicating abortion from herds. I am convinced that if the livestock men were apprised of these facts they would eradicate Bang's disease from the cattle of the United States in a few years.

The Government is now spending $25,000,000 in endeavoring to eliminate Bang's disease from our cattle by slaughtering positive reactors, and I seriously doubt whether the head of the Bureau of Animal Industry himself believes that anything of value will accrue from this experiment.

There is something radically wrong when a group of so-called "scientific" men in the employ of the Government is permitted to refuse to let a man demonstrate publicly that he can save the livestock industry millions of dollars annually, especially since he has for years been doing that very thing. Bowman is ready to show the Government what he can do, and he should be given the opportunity.

Yours very truly,

JOHN THOMPSON, *Editor.*

REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on the Judiciary, to which was referred the bill (S. 1277) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader, reported it with amendments and submitted a report (No. 558) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2472) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission, reported it without amendment and submitted a report (No. 559) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 2702) for the relief of Multnomah County, Oreg.; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 2703) for the relief of Edwin W. Romberger; to the Committee on Military Affairs.

By Mr. OVERTON:

A bill (S. 2704) for the relief of Clayton M. Thomas; to the Committee on Military Affairs.

A bill (S. 2705) granting a pension to Eddie R. Guyon;

A bill (S. 2706) granting a pension to Everett Hilliad Harvey;

A bill (S. 2707) granting a pension to Robert Hutchison Owens; and

A bill (S. 2708) granting a pension to Mary Lou Wallace Paul; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 2709) for the relief of the Ingram-Day Lumber Co.; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 2710) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. BYRD and Mr. HATCH:

A bill (S. 2711) to amend the Emergency Relief Appropriation Act of 1935; to the Committee on Appropriations.

By Mr. O'MAHONEY:

A bill (S. 2712) to promote the efficiency of the Bureau of Engraving and Printing; to the Committee on Civil Service.

A bill (S. 2713) to authorize the erection of additional facilities at the existing Veterans' Administration facility, Cheyenne, Wyo.; to the Committee on Finance.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

SOCIAL SECURITY—AMENDMENTS

Mr. McNARY submitted an amendment and Mr. DICKINSON submitted two amendments intended to be proposed by them, respectively, to the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, which were severally referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO FARMERS' HOME CORPORATION BILL

Mr. BORAH. I desire to offer an amendment to Senate bill 2367 and ask that the amendment be printed, printed

in the RECORD, and referred to the Committee on Agriculture and Forestry. In connection with the amendment, I also ask to have printed in the RECORD a statement signed by Mr. George Foster Peabody, chairman of the farm tenancy committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment intended to be proposed by Mr. BORAH to the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, was referred to the Committee on Agriculture and Forestry, ordered to be printed, and to be printed in the RECORD, as follows:

At the proper place in the bill, to insert the following:

"SEC. —. (a) There is hereby created a Farmers' Home Advisory Council, which shall consist of eight members to be appointed by the President, by and with the advice and consent of the Senate. All members of the council shall serve without compensation, but shall be entitled to reimbursement from the Board for traveling expenses incurred in attendance at meetings of the council. The council shall meet at Washington, D. C., at least ——— times each year, and oftener if requested by the Board. The council may, in addition to the meetings above provided for, hold such other meetings in Washington, D. C., or elsewhere, as it may deem necessary. The council may select its chairman and vice chairman, appoint and fix the compensation of a secretary, and adopt methods of procedure, and shall have power—

"(1) To confer with the Board on general business conditions and on special conditions affecting the operations of the Corporation.

"(2) To request information and to make recommendations with respect to matters within the jurisdiction of the Board.

"(b) The Board shall not undertake any general project under this act nor adopt any policy of land acquisition, improvement, or disposition, or any other policy materially affecting the extent of the operations of the Corporation, without first having obtained the aproval of the Council.

"(c) The Board shall pay the necessary expenses of the Council."

The accompanying statement presented by Mr. BORAH was referred to the Committee on Agriculture and Forestry, as follows:

STATEMENT ON THE BANKHEAD-JONES FARM TENANCY BILL BY THE NATIONAL COMMITTEE ON SMALL-FARM OWNERSHIP

No greater problem confronts our rural community than the persistent growth of farm tenancy. Nearly one-half of all our farmers are now tilling land owned by others, and if the present tendency toward converting the independent farmer into a dependent and propertyless tenant continues, then we must abandon hope of achieving a stable and progressive rural civilization. No satisfactory rural community can be either developed or maintained on a tenancy basis. In eight of our States farm tenants represent more than 60 percent of all farm operators. Nor is the problem a sectional one. Ten of the Wheat and Corn Belt States show from one-third to one-half of the farms operated by tenants, and even in such Western States as Montana and Idaho one-fourth of the farm operators are tenants. Nor is the problem a racial one. There are three times as many white as Negro tenants in the United States, and even in the South there are twice as many white as colored farm tenants.

In view of all these facts we consider the proposed bill for the gradual conversion of the tenant into a landowner as one of the most important and constructive pieces of legislation ever voted upon by the Congress of the United States, and the National Committee on Small-Farm Ownership takes this formal occasion to commend Senator BANKHEAD and Congressman JONES for bringing the problem of farm tenancy in the United States before the American Congress, and expresses the hope that the bill which is now before the Senate will be adopted. If passed, it will make possible the growth of a secure and prosperous rural community that owns the land it tills and that can develop to the fullest its share of the great American heritage.

Adopted at a conference of the Committee held in Washington, April 19, 1935.

The National Committee on Small-Farm Ownership: George Foster Peabody, chairman; Dr. Will W. Alexander, director, Commission on Interracial Cooperation; Rev. W. Howard Bishop, past president National Catholic Rural Life Conference; Dr. Edwin R. Embree, president Julius Rosenwald Fund; Dr. Ivan Lee Holt, Federal Council of the Churches of Christ in America; William Green, American Federation of Labor; Dr. Charles S. Johnson, director, Department of Social Science, Fisk University; F. E. Murphy, the Tribune, Minneapolis, Minn.; Dr. Howard Odum, the University of North Carolina; Charlton Ogburn, counsel, American Federation of Labor; Prof. Frank O'Hara, Catholic University; Dr. Clarence Poe, editor, the Progressive Farmer, Raleigh, N. C.; B. Kirk Rankin, editor, Southern agriculturalist, Nashville, Tenn.; Rev. Edgar Schmiedeler, director, Rural Life Bureau, National Catholic Welfare Conference; M. W. Thatcher, the Farmers Educational and Cooperative Union of America; Cal Ward, the Farmers Educational and Cooperative Union of America; Benjamin Hubert, president Georgia State College, Savannah; Donald Comer, Avondale Mills, Birmingham, Ala.; Clark Howell, editor, The Atlanta Constitution; Frank O. Lowden, of Illinois; John B. Miller, president Farmers Cooperative Council; Maj. Robert Russa Moton, Tuskegee Institute, Alabama; Rt. Rev. John A. Ryan, National Catholic Welfare Conference; Edgar B. Stern, New Orleans, La.; Louis J. Taber, president the National Grange; Gen. Robert E. Wood, president Sears Roebuck, Chicago, Ill.; J. F. Jackson, general agricultural agent, Central of Georgia Railway; and Hugh McRae, president Southeastern Council.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. KING. I send to the clerk's desk an amendment in the nature of a substitute for the pending N. R. A. measure, being Senate bill No. 2445, which is now before the Finance Committee. I ask that the amendment submitted by me be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, the amendment will be received, referred as indicated by the Senator from Utah, and printed.

Mr. KING. Mr. President, the amendment which I have submitted as a substitute for the Harrison bill is designed to supplement existing laws against monopolies, restraints of trade, and price discrimination. In effect, it is a supplement to the Federal Trade Commission Act, following out and extending the present policy of the Commission in dealing with unfair competition through trade-practice conferences. The amendment, if adopted, will permit the Federal Trade Commission to invite the members of trades or industries or subdivisions thereof to a trade-practice conference for consideration and submission to the Commission of agreements initiated and voluntarily entered into by such members. These agreements must be in strict compliance with the policy declared in the proposed substitute to preserve the antitrust laws in full vigor. The proposed amendment does, however, specify that the agreements shall provide rules of business conduct for the accomplishment of certain purposes, all designed to encourage full and fair competition. After the conference, if the Commission finds that the agreements are salutary and will not lessen competition, restrain trade, or tend to create a monopoly, it shall so advise the industry. If, however, the Commission makes a contrary finding, the industry is so advised, a hearing is held, and if thereafter the opinion of the Commission remains unchanged it shall issue an order to cease and desist from carrying out the agreements.

Procedure will, of course, be the same as provided in existing law for issuance of orders under the Federal Trade Commission Act. In other words, review and enforcement of orders is had in the United States circuit court of appeals, subject to appeal to the Supreme Court in proper cases.

The second part of the proposal is to declare certain practices unfair methods of competition within the meaning of the Federal Trade Commission Act, as amended. These are in substance the so-called "labor provisions" of the National Industrial Recovery Act and the Harrison bill, except that administration is lodged with the Federal Trade Commission. Authority is given for the Federal Trade Commission to provide minimum wages and maximum hours for any trade or industry or subdivision thereof engaged in commerce. These standards must be fair and reasonable and calculated to promote or maintain fair competition. Here, too, the Commission is authorized to proceed as at present under the Federal Trade Commission Act, as amended.

It is conceivable that the Federal Trade Commission may at this time possess in some measure the authority specified in the proposal. If so, it will be highly advantageous to encourage the Commission to take such jurisdiction; and, as a safeguard, it is provided that the measure shall not be construed to limit the jurisdiction of the Commission under existing law. Accordingly, even upon the expiration of the act, which I have fixed at 1 year, the Commission will continue to retain unimpaired any jurisdiction it may now have and which may be covered by the proposed substitute.

INVESTIGATION RELATIVE TO NATURAL GAS

Mr. COUZENS. Mr. President, on March 16 last I submitted a resolution, which is designated as "Senate Resolution 108", which was referred to the Committee on Interstate Commerce. We have consulted with the Federal Trade Commission, and I ask leave to have printed in the RECORD a letter from the Federal Trade Commission dated April 6, 1935, as a reason for not prosecuting the consideration of the resolution.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 6, 1935.

Hon. BURTON K. WHEELER,
Chairman Senate Committee on Interstate Commerce,
United States Senate, Washington, D. C.

Senate Resolution 108

MY DEAR SENATOR: This is in acknowledgment and reply to your letter of April 3.

Referring to Senate Resolution 108, directing an investigation by your committee into certain matters therein specified relative to the production, distribution, and sale of natural gas, you say:

"I would appreciate it if this committee could have your comment on this proposed legislation and any material which would be helpful to the committee."

Pursuant to the Senate's direction, given in Senate Resolution 83, Seventieth Congress, first session, as extended through the current year by Senate Joint Resolution 115, Seventy-third Congress, second session, the Federal Trade Commission is already well on its way in its investigation into the natural-gas industry, including natural-gas production and natural-gas pipe lines, and retail distribution of natural gas. Under the extension directed by Congress to the end of the present calendar year, the Commission has directed its utilities staffs, both economic and legal, to devote practically all of their time to the natural-gas and natural-gas pipe-line industries. Engineering surveys are also being made of the physical properties devoted to the natural-gas business including problems of conservation, production, transportation, and operations.

Under separate cover I am sending you a copy of Federal Trade Commission Report, part 68 (Senate print), which contains a report on the general gas situation in the United States (ex. 6068). This is printed beginning at page 819. Colonel Chantland's statement as to the situation and Mr. Carter's testimony begin at page 174. This covers substantially the first part of point 9 of the resolution.

Already examinations have been made and reports sent to the Senate on corporations in the natural-gas and pipe-line industry, including some on the examination of physical properties, as follows: Columbia Gas & Electric Corporation (Morgan) (Senate print, pts. 47, 49, 52, 64, 68); and on its subsidiaries, Manufacturers Light & Heat Co., Columbia Gas Construction Co., Union Gas & Electric Co., Ohio Fuel Corporation, Columbia Securities Corporation (Senate print, pt. 47), United Fuel Gas Co., Huntington Gas Co., Cincinnati Gas Transportation Co., American Fuel & Power Co. (Senate print, pts. 49, 52), Southwestern Gas & Electric Co. (former Dawes interests, Senate print, pt. 68).

The following companies of Cities Service Corporation (Doherty interests): Cities Service Gas Co., Cities Service Gas Pipe Line Co., Gas Service Co., Kansas City Gas Co. (Senate print, pts. 67, 70).

There has also been a report presented on the Natural Gas Pipe Line of America (Senate print, pt. 62). This company owns a pipe line from the Texas Panhandle to Chicago and is jointly owned by the Cities Service Co., Natural Gas Investment Co. (Insull), Standard Oil Co. of New Jersey, Southwestern Development Co., the Texas Co., and Columbian Carbon Co.

In addition to the above, examinations have been completed and reports are nearing completion on the American Natural Gas Corporation and Southern Natural Gas Corporation.

Examinations are in progress on the following natural-gas and natural-gas pipe line companies: Missouri-Kansas Pipe Line Co., United Gas Corporation, Lone Star Gas Corporation, Lone Star Gas Co., Northern Natural Gas Co., Kansas Pipe Line & Gas Co., Washington Gas Light Co.

In all of these examinations and reports attention is given to substantially all of the points covered in the resolution. It is for the Senate to say whether a task, already assigned to this Commission by the Senate and well in progress, need also be done by a committee of the Senate with the considerable duplication that would seem inevitable.

Very truly yours,

EDWIN L. DAVIS, *Chairman.*

ISSUANCE OF UNITED STATES NOTES

Mr. VANDENBERG. Mr. President, there has been considerable interest and discussion respecting the use of United States notes during the Civil War period. I asked the Secretary of the Treasury for an official report respecting their current value at the time. His responsive letter is exceedingly illuminating, and I ask that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington.

Hon. A. H. VANDENBERG,
United States Senate.

MY DEAR SENATOR: For the Secretary of the Treasury, receipt is acknowledged of your letter of April 25, requesting statistics and related information on the depreciation of United States notes ("greenbacks") during the Civil War period.

The following table shows the average gold value of United States notes each calendar year during the suspension of specie payments, January 1, 1862, to January 1, 1879:

1862	88.3
1863	68.9
1864	49.2
1865	63.6
1866	71.0
1867	72.4
1868	71.6
1869	75.2
1870	87.0
1871	89.5
1872	89.0
1873	87.9
1874	89.9
1875	87.0
1876	89.8
1877	95.4
1878	99.2

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Very truly yours,

HERBERT E. GASTON,
Assistant to the Secretary.

ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. ROBINSON. Mr. President, I ask unanimous consent that the radio address delivered by the President of the United States on last evening, April 28, 1935, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Since my annual message to the Congress on January 4, last, I have not addressed the general public over the air. In the many weeks since that time the Congress has devoted itself to the arduous task of formulating legislation necessary to the country's welfare. It has made and is making distinct progress.

Before I come to any of the specific measures, however, I want to leave in your minds one clear fact. The administration and the Congress are not proceeding in any haphazard fashion in this task of government. Each of our steps has a definite relationship to every other step. The job of creating a program for the Nation's welfare is, in some respects, like the building of a ship. At different points on the coast where I often visit they build great seagoing ships. When one of these ships is under construction and the steel frames have been set in the keel, it is difficult for a person who does not know ships to tell how it will finally look when it is sailing the high seas.

It may seem confused to some, but out of the multitude of detailed parts that go into the making of the structure the creation of a useful instrument for man ultimately comes. It is that way with the making of a national policy. The objective of the Nation has greatly changed in 3 years. Before that time individual self-interest and group selfishness were paramount in public thinking. The general good was at a discount.

Three years of hard thinking have changed the picture. More and more people, because of clearer thinking and a better understanding, are considering the whole rather than a mere part relating to one section or to one crop, or to one industry, or to an individual private occupation. That is a tremendous gain for the principles of democracy. The overwhelming majority of people in this country know how to sift the wheat from the chaff in what they hear and what they read. They know that the process of the constructive rebuilding of America cannot be done in a day or a year, but that it is being done in spite of the few who seek to confuse them and to profit by their confusion. Americans as a whole are feeling a lot better—a lot more cheerful than for many, many years.

The most difficult place in the world to get a clear and open perspective of the country as a whole is Washington. I am reminded sometimes of what President Wilson once said: "So many people come to Washington who know things that are not so, and so few people who know anything about what the people of the United States are thinking about." That is why I occasionally leave this scene of action for a few days to go fishing or back home to Hyde Park so that I can have a chance to think quietly about the country as a whole. "To get away from the trees," as they say, "and to look at the whole forest." This duty of seeing the country in a long-range perspective is one which, in a very special manner, attaches to this office to which you have chosen me. Did you ever stop to think that there are, after all, only two positions in the Nation that are filled by the vote of all

of the voters—the President and the Vice President? That makes it particularly necessary for the Vice President and for me to conceive of our duty toward the entire country. I speak, therefore, tonight to and of the American people as a whole.

My most immediate concern is in carrying out the purposes of the great work program just enacted by the Congress. Its first objective is to put men and women now on relief rolls to work and, incidentally, to assist materially in our already unmistakable march toward recovery. I shall not confuse my discussion by a multitude of figures. So many figures are quoted to prove so many things. Sometimes it depends upon what paper you read and what broadcast you hear. Therefore let us keep our minds on two or three simple essential facts in connection with this problem of unemployment. It is true that while business and industry are definitely better our relief rolls are still too large. However, for the first time in 5 years the relief rolls have declined instead of increased during the winter months. They are still declining. The simple fact is that many million more people have private work today than 2 years ago today or 1 year ago today, and every day that passes offers more chances to work for those who want to work. In spite of the fact that unemployment remains a serious problem here, as in every other nation, we have come to recognize the possibility and the necessity of certain helpful remedial measures. These measures are of two kinds. The first is to make provisions intended to relieve, to minimize, and to prevent future unemployment; the second is to establish the practical means to help those who are unemployed in this present emergency. Our social-security legislation is an attempt to answer the first of these questions. Our work-relief program the second.

The program for social security now pending before the Congress is a necessary part of the future unemployment policy of the Government. While our present and projected expenditures for work relief are wholly within the reasonable limits of our national credit resources, it is obvious that we cannot continue to create governmental deficits for that purpose year after year. We must begin now to make provision for the future. That is why our social-security program is an important part of the complete picture. It proposes, by means of old-age pensions, to help those who have reached the age of retirement to give up their jobs and thus give to the younger generation greater opportunities for work and to give to all a feeling of security as they look toward old age.

The unemployment-insurance part of the legislation will not only help to guard the individual in future periods of lay-off against dependence upon relief, but it will, by sustaining purchasing power, cushion the shock of economic distress. Another helpful feature of unemployment insurance is the incentive it will give to employers to plan more carefully in order that unemployment may be prevented by the stabilizing of employment itself.

Provisions of social security, however, are protections for the future. Our responsibility for the immediate necessities of the unemployed has been met by the Congress through the most comprehensive work plan in the history of the Nation. Our problem is to put to work three and one-half million employable persons now on the relief rolls. It is a problem quite as much for private industry as for the Government.

We are losing no time getting the Government's vast work-relief program under way and we have every reason to believe that it should be in full swing by autumn. In directing it, I shall recognize six fundamental principles:

(1) The projects should be useful.

(2) Projects shall be of a nature that a considerable proportion of the money spent will go into wages for labor.

(3) Projects which promise ultimate return to the Federal Treasury of a considerable proportion of the costs will be sought.

(4) Funds allotted for each project should be actually and promptly spent and not held over until later years.

(5) In all cases projects must be of a character to give employment to those on the relief rolls.

(6) Projects will be allocated to localities or relief areas in relation to the number of workers on relief rolls in those areas.

I next want to make it clear exactly how we shall direct the work:

(1) I have set up a Division of Applications and Information, to which all proposals for the expenditure of money must go for preliminary study and consideration.

(2) After the Division of Applications and Information has sifted these projects, they will be sent to an Allotment Division composed of representatives of the more important governmental agencies charged with carrying on work-relief projects. The group will also include representatives of cities and of labor, farming, banking, and industry. This Allotment Division will consider all of the recommendations submitted to it, and such projects as they approve will be next submitted to the President, who under the act is required to make final allocations.

(3) The next step will be to notify the proper Government agency in whose field the project falls, and also to notify another agency which I am creating—a Progress Division. This Division will have the duty of coordinating the purchase of materials and supplies and of making certain that people who are employed will be taken from the relief rolls. It will also have the responsibility of determining work payments in various localities, of making full use of existing employment services, and to assist people engaged in relief work to move as rapidly as possible back into private employment when such employment is available. Moreover, this Division will be charged with keeping projects moving on schedule.

(4) I have felt it to be essentially wise and prudent to avoid, so far as possible, the creation of new governmental machinery for supervising this work. The National Government now has at least 60 different agencies with the staff and the experience and the competence necessary to carry on the 250 or 300 kinds of work that will be undertaken. These agencies, therefore, will simply be doing on a somewhat enlarged scale the same sort of things that they have been doing. This will make certain that the largest possible portion of the funds allotted will be spent for actually creating new work and not for building up expensive overhead organizations here in Washington.

For many months preparations have been under way. The allotment of funds for desirable projects has already begun. The key men for the major responsibilities of this great task already have been selected. I well realize that the country is expecting before this year is out to see the "dirt fly", as they say, in carrying on the work, and I assure my fellow citizens that no energy will be spared in using these funds effectively to make a major attack upon the problem of unemployment.

Our responsibility is to all of the people in this country. This is a great national crusade to destroy enforced idleness which is an enemy of the human spirit generated by this depression. Our attack upon these enemies must be without stint and without discrimination. No sectional, no political distinctions, can be permitted. It must, however, be recognized that when an enterprise of this character is extended over more than 3,000 counties throughout the Nation there may be occasional instances of inefficiency, bad management, or misuse of funds. When cases of this kind occur there will be those, of course, who will try to tell you that the exceptional failure is characteristic of the entire endeavor. It should be remembered that in every big job there are some imperfections. There are chiselers in every walk of life; there are those in every industry who are guilty of unfair practices, every profession has its black sheep; but long experience in government has taught me that the exceptional instances of wrongdoing in government are probably less numerous than in almost every other line of endeavor. The most effective means of preventing such evils in this work-relief program will be the eternal vigilance of the American people themselves. I call upon my fellow citizens everywhere to cooperate with me in making this the most efficient and the cleanest example of public enterprise the world has ever seen. It is time to provide a smashing answer for those cynical who say that a democracy cannot be honest and efficient. If you will help, this can be done. I therefore hope you will watch the work in every corner of this Nation. Feel free to criticize. Tell me of instances where work can be done better or where improper practices prevail. Neither you nor I want criticism conceived in a purely fault-finding or partisan spirit, but I am jealous of the right of every citizen to call to the attention of his or her Government examples of how the public money can be more effectively spent for the benefit of the American people.

I now come, my friends, to a part of the remaining business before the Congress. It has under consideration many measures which provide for the rounding out of the program of economic and social reconstruction with which we have been concerned for 2 years. I can mention only a few of them tonight, but I do not want my mention of specific measures to be interpreted as lack of interest in or disapproval of many other important proposals that are pending.

The National Industrial Recovery Act expires on the 16th of June. After careful consideration, I have asked the Congress to extend the life of this useful agency of government. As we have proceeded with the administration of this act, we have found from time to time more and more useful ways of promoting its purposes. No reasonable person wants to abandon our present gains; we must continue to protect children, to enforce minimum wages, to prevent excessive hours, to safeguard, define, and enforce collective bargaining, and, while retaining fair competition, to eliminate, so far as humanly possible, the kinds of unfair practices by selfish minorities which unfortunately did more than anything else to bring about the recent collapse of industries.

There is likewise pending before the Congress legislation to provide for the elimination of unnecessary holding companies in the public-utility field.

I consider this legislation a positive recovery measure. Power production in this country is virtually back to the 1929 peak. The operating companies in the gas and electric utility field are by and large in good condition. But under holding-company domination the utility industry has long been hopelessly at war within itself and with public sentiment. By far the greater part of the general decline in utility securities had occurred before I was inaugurated. The absentee management of unnecessary holding-company control has lost touch with and has lost the sympathy of the communities it pretends to serve. Even more significantly it has given the country as a whole an uneasy apprehension of overconcentrated economic power.

A business that loses the confidence of its customers and the goodwill of the public cannot long continue to be a good risk for the investor. This legislation will serve the investor by ending the conditions which have caused that lack of confidence and good will. It will put the public-utility operating industry on a sound basis for the future, both in its public relations and in its internal relations.

This legislation will not only in the long run result in providing lower electric and gas rates to the consumer, but it will protect the actual value and earning power of properties now

owned by thousands of investors who have little protection under the old laws against what used to be called frenzied finance. It will not destroy values.

Not only business recovery, but the general economic recovery of the Nation will be greatly stimulated by the enactment of legislation designed to improve the status of our transportation agencies. There is need for legislation providing for the regulation of interstate transportation by busses and trucks, to regulate transportation by water, new provisions for strengthening our merchant marine and air transport, measures for the strengthening of the Interstate Commerce Commission to enable it to carry out a rounded conception of the national transportation system in which the benefits of private ownership are retained, while the public stake in these important services is protected by the public's Government.

Finally, the reestablishment of public confidence in the banks of the Nation is one of the most hopeful results of our efforts as a Nation to reestablish public confidence in private banking. We all know that private banking actually exists by virtue of the permission of and regulation by the people as a whole, speaking through their Government. Wise public policy, however, requires not only that banking be safe but that its resources be most fully utilized in the economic life of the country. To this end it was decided more than 20 years ago that the Government should assume the responsibility of providing a means by which the credit of the Nation might be controlled, not by a few private banking institutions but by a body with public prestige and authority. The answer to this demand was the Federal Reserve System. Twenty years of experience with this System have justified the efforts made to create it, but these 20 years have shown by experience definite possibilities for improvement. Certain proposals made to amend the Federal Reserve Act deserve prompt and favorable action by the Congress. They are a minimum of wise readjustment of our Federal Reserve System in the light of past experience and present needs.

These measures I have mentioned are, in large part, the program which under my constitutional duty I have recommended to the Congress. They are essential factors in a rounded program for national recovery. They contemplate the enrichment of our national life by a sound and rational ordering of its various elements and wise provisions for the protection of the weak against the strong. Never since my inauguration in March 1933 have I felt so unmistakably the atmosphere of recovery. But it is more than the recovery of the material basis of our individual lives. It is the recovery of confidence in our democratic processes and institutions. We have survived all of the arduous burdens and the threatening dangers of a great economic calamity. We have in the darkest moments of our national trials retained our faith in our own ability to master our destiny. Fear is vanishing and confidence is growing on every side, renewed faith in the vast possibilities of human beings to improve their material and spiritual status through the instrumentality of the democratic form of government. That faith is receiving its just reward. For that we can be thankful to the God who watches over America.

ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the radio address delivered in New York on Saturday night, April 27, 1935, by the Postmaster General, Hon. James A. Farley, chairman of the Democratic National Committee, at the banquet in celebration of the one hundred and ninety-second birthday of Thomas Jefferson.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the outset of my remarks this evening I want to take this opportunity of expressing to the committee having this affair in charge most sincere and heartfelt thanks for the courtesy which they have extended to me in permitting me to address this very delightful gathering. It makes me particularly happy because of the fact that I have been a member of this club for many, many years and have been one of its vice presidents for several years.

Let me begin my message to you with congratulating New York on having a Democratic Governor at this time. I mean a real Democratic Governor—not one who merely wears the party emblem while he devotes himself to self-advertisement and announces himself as the evangel of some wild-eyed scheme to make everybody rich.

I don't mean to tell you that Governor Lehman is the only competent State executive in the Union. Such times as we have been going through tend to bring to the surface extreme fanatics and opportunists. In this respect the Empire State has reason to felicitate itself.

But I didn't come here to discuss State politics or State officials, interesting and important though they are. I do want to talk to you about the national political situation, the record that the Democratic administration has made, and the necessity for the continuation of the great work that was begun so dramatically on March 4, 1933, and that has progressed so amazingly that every business index shows industrial progress and well-being.

In fact, business has become so healthy that a lot of people have forgotten the period when they begged the Government to find some sort of life raft on which they could keep afloat, and when, incidentally, they proclaimed that Franklin D. Roosevelt had effected the salvation of our economic system. Now some of these same people are criticizing the President because he is adhering to the course he laid out in his inaugural address.

They have been made secure and they object to his going on to effect security for others.

Did you ever know an executive of definite views whose policies were not criticized, whether he was the President of the United States or the engineer of the train on which you travel? I don't think I ever made a journey where some of my fellow passengers were not complaining that we were going too fast or too slow or who failed to blame the man in the engine cab for the bumps consequent on the roughness of the road—complaints that even those who uttered them forgot when we had safely reached our destination. It is the same way with our political government. From Washington down, our greatest Presidents functioned under a barrage of complaint frequently reaching the point of defamation, and yet history records their administrations as conspicuous successes and we rear in grateful memory monuments to those who in their terms were called aristocrats or anarchists, despots or defectives. I don't recall seeing any monuments to those who threw the bricks, though they made a lot of noise in their day.

It's a curious thing that so many people think they can run this Government of ours better than the people they elected to do the job. It is perhaps even more curious that the most vociferous of these are the very men who made a hash of their own affairs—the Republican politicians who permitted our country to drift into the depression mess without sensing that it was imminent, and who for 3 years after the initial crash stood by, bewildered and planless, while things went from bad to worse, and did nothing about it. These men, who had had complete control of the Government for a dozen years, and those others who, after piling up great fortunes, had not the wit or wisdom to hold onto them, are the people who are now the most clamorous in opposition to the Roosevelt administration. These are the people who ask you to believe that they know more about putting out a vast conflagration than the officials who have been fighting the fire and have reduced it to the smoldering stage.

The one great disastrous defect of the emergency program is that it came 3 years too late. Had it been undertaken in 1929 instead of 1933 and been carried through with the vigor that has characterized the efforts of the present administration, we would not now be worrying about the dole and $5,000,000,000 relief funds.

Now, I am going to let you into an administration secret. Who is the man more distressed about the length of the unemployment roll, the size of the dole account, and the vastness of the relief measure—more concerned than the reactionary organizations or big business or the political quacks with their mad schemes for distributing the wealth of the country? I'll tell you. It is the man who has to meet the problems and shoulder the responsibility. Franklin D. Roosevelt has the job, and, unlike some of his predecessors, has no disposition to shirk it. Yes; I have in mind the same man you have—the gentleman who recently issued a message to the Republicans full of platitudes about the evils of bureaucracy and the necessity of a return to normal processes, but gave no word as to how he would handle the job if he had another shot at it.

I might refer here likewise to Senator DICKINSON, of Iowa, who apparently has the notion that he may be the Republican white hope in 1936. He explained the other day to a Virginia audience that it was an easy matter to devise a plan that would raise us out of the depression, but was no more informative about what plan he would suggest than was the ex-President. I think I have some standing as a political prognosticator, and in my opinion the Senator from Iowa had better look after his present post rather than to the sterile distinction of being the Republican candidate for President in 1936, for I miss my guess if Mr. DICKINSON does not join the melancholy order of ex-Senators after November next year. He is a hang-over of the period of Smoot and Arthur Robinson, Fess, and Moses, and belongs in the historical museum with them, and every word the National Committee gets from Iowa confirms me in my belief that he will find his appropriate niche in the group.

Then there is that other Republican statesman, the Honorable Ogden Mills, worthy successor to Andrew Mellon as Secretary of the Treasury in the last administration. He, too, is shocked and grieved at President Roosevelt's activity. He is full of forebodings lest the vast program to substitute work for doles shall plunge the country into a ghastly crisis. I admit that Ogden Mills should be an authority of economic catastrophes. He was a conspicuous part of the administration that led us into the worst depression in our history. That administration let us tumble into that abyss without a word of warning and did not do a thing toward helping us out of the black hole. However, New York may be trusted to take care of Mr. Mills if he ever comes to the political surface again—just as it did on other occasions.

Likewise, among the self-appointed guardians of the Constitution, who are viewing with alarm the national strides toward recovery, is one more statesman, Colonel Roosevelt, better known perhaps as "Teddy the Little", President of the New York National Republican Club. Now I don't venture to assert that he is another Republican "white hope" for 1936, but stranger things have happened. I remember, for example, a gubernatorial election in this State. In that election the important figures in the New York G. O. P. fled from the nomination as from a pestilence, so they let "Fifth Cousin Teddy" hold the bag. In short, his party is so enthusiastic for him that it is willing to nominate him for anything where defeat is a foregone conclusion, and on that basis the principle might be extended to the national field.

In accepting the presidency of the New York Republican Club, the G. O. P.'s burnt offering told with considerable passion what he thought of the new deal. He did not refer to one con-

spicuous act of the Democratic administration—the repeal of the eighteenth amendment. In this connection we might hark back to another of the colonel's speeches of acceptance—that in which he took the futile gubernatorial nomination. The man who won that election was Alfred E. Smith. There was no question where he stood on prohibition. But little Teddy, with his usual political acumen, took the other side. Said he, "I shall do all in my power to secure the enactment of proper statutes to assist our peace officers in the enforcement of this act of Congress."

Senator Calder, himself one of the early Republican casualties, mournfully announced that Colonel Roosevelt's stand against modification was the main cause of his defeat.

For a time those who would seek prosperity by a return to the system that brought us to the verge of national bankruptcy proclaimed that under the new deal we had made no progress at all. Swept from this anchorage by the flood of statistics of gains all along the line, they proclaimed that we would have worked out of the slump without any Government intervention. Let us look into that absurd contention for a moment. Cast your mind back to March 1933—with banks toppling like tenpins and the whole country in a panic. Franklin D. Roosevelt stopped that on his first day in the White House by closing all the banks until the solvent could be segregated from the insolvent. After he got the banks to functioning in orderly fashion, we had no more of bank runs and bank failures. Will anybody contend that the measure of recovery we have attained would have come if the President had not had the wisdom and the courage to take that drastic step?

To listen to the critics of the administration one might suppose that the President of the United States wanted the $4,800,000,000 relief fund to gratify some whim or hobby of his own. He would be a queer sort of individual if he set about incurring all the grief, worry, and work of administering that fund unless he felt—in fact, unless he knew—that all the anxiety and labor coincident with it was necessary and a great step toward completing the job he undertook to get this country out of the depression; and, what is of no less importance, to keep it on the plateau once we have climbed the long hill. He might have, for example, asked for this money by installments. He might have been willing to leave its distribution in the hands of Congress. But, let me ask you, Do you think that either of these alternative processes would have accomplished what he is trying to accomplish? The installment system would have involved indefinite delay in the fulfillment of the hope of getting all the unemployed capable of employment into jobs. Leaving it to Congress to say where and when and how the money should be spent would have retarded the program. No one knows better than I the problems of a Congressman and a Senator, and it would be unfair to them and their constituents to place upon their shoulders the responsibility of promptly allocating the funds to be distributed under the work-relief measure.

In the administration of the work-relief program, reaching as it will to every city, town, and hamlet in the broad expanse of our entire country, the American people I know will place their trust in the wisdom of President Roosevelt. He will administer the program impartially; he will administer it sympathetically; he will administer it with a solemn realization of what its accomplishment will mean towards return of normal economic life to the citizens of the country.

The work-relief legislation is the knockout blow to the depression. Administered properly it will give the impetus to business and industry that will help economic recovery onward on the upward road that it has been following since President Roosevelt undertook to bring a sane program for recovery into the industrial and financial chaos of 1932 and early 1933.

I rest content that the American people will give this latest recovery measure their undivided support and cooperation, so that the legislation may justify the faith that the administration and the leaders repose in it.

Some people fail to realize how far we have traveled on the way to recovery. The critics of the administration ignore the figures and seek to convey that our plight is as desperate as it was when we were in the depression's deepest hole. They point to the number of people on relief rolls, as if that were the only index to the real state of the country. Whereas, for various reasons, to some of which I have referred, it is not in any way an accurate index.

I am not overfond of statistics, but I think you will agree with me that the one unfailing yardstick for how the country is getting along is the income-tax collections. Last month's collections, for example, were $90,000,000 more than those of March 1933, and nearly double those of March 1932. We have figures for the first 9 months of the current fiscal year and we find an increase of more than $200,000,000 over the corresponding period last year. As the taxes paid represent roughly 5 percent on the incomes, these figures would show that despite the lamentations and croakings of those who are looking for faults and flaws, the income-tax paying people of this country netted about $4,000,000,000 more than they did during the same time of the previous year. Now take what the statisticians describe as the national income, which means the net value of the goods and services produced or rendered. According to the National Industrial Conference Board's annual estimate, which was just issued, we were $6,000,000,000 richer in 1934 than we were in 1933.

It does not matter where you tap the record, whether in bank deposits, or farm products, or corporation gains, or pay rolls, you get the same picture of a rising economic barometer. The last report of the Department of Commerce showed that in February industrial pay rolls were $11,000,000 more per week than in January. According to the reports from 27 automobile-manufacturing plants the last week in March showed an all-time high mark in production, and the General Motors Corporation announces that it sold more cars last month than during any March since 1929.

These figures mean something and what they mean to the business world is told by Dun & Bradstreet's Weekly Survey just issued. There is nothing political, nothing pollyanna about that cold-nosed document, which says: "Evidences are multiplying that before the conclusion of the current quarter business progress will have developed to a degree beyond the most sanguine estimates offered at the beginning of the year. Sentiment has shown a complete transformation."

"But", the critics groan, "look at all the money the Government is handing out." Well, let's look at that. We find that about 2,000 farmers repaid their loans in full during February. We find that 83 percent of all the farmers who were granted loans through the land banks have met their interest payments. The Reconstruction Finance Corporation is taking in money faster than it is paying it out, and in a review of its balance sheet issued on the last day of March, this central financial agency of the Government reports that 53 percent of all the money it has loaned has been repaid. Well, you have only to look at the market reports in the newspapers to see that all the Government bonds are above par and the Treasury points out that despite the increase in the public debt the Government is paying less interest on that indebtedness than it did a year ago, and I don't think any other nation in the world is able to make as solid a showing.

So you see we are getting along pretty well; and, in the face of these figures, you can put your own estimate on the value of the reports so industrially being circulated by the political foes of the administration that the President is no longer a popular idol. These statements represent a hope of those who would like to see the Government given back to the control of the same group that ran the ship of state on the depression rock 3 years ago, and did absolutely nothing toward getting us afloat while they remained in power. They talked the same way before the congressional election of 1934, and the people's answer was the highest tribute they have paid an administration in our country's history. If there were an election tomorrow you would see no change in the expression of sentiment from that of last November. Franklin D. Roosevelt has done and is doing a great job, and however particular groups may criticize the measures that they think are hampering their individual forays, the people of the country realize what the prosperity figures mean. In addition to that group of critics there are, of course, the outfits that always attempt to create and capitalize unrest—the quacks of politics and economics who talk about the redistribution of wealth and seek to allure the American people into adopting policies which they promise would make everybody rich. The lure of these doctrines naturally appeals to the fellow out of a job on the hypothesis that any change could not make him worse off. We have experienced these agitations before and we have seen them flourish and bloom, but inevitably the hard, common sense of the American people has prevailed. We will find that as pay rolls increase and as business men return to the normal processes of their craft and are willing to take the same chances that brought them success before the crash frightened them, the prophets of Utopia will be forgotten.

Of course, the President's task in bringing order out of chaos and contentment out of misery is not being made any easier by the constant efforts of this or that group to persuade the people that conditions are desperate and that we are headed toward final destruction. The greatest element in restoring prosperity is the creation of confidence. Everything that tends to the destruction of confidence delays recovery. Some men, because of personal ambition, political expediency, or a desire to help themselves regardless of how they harm the country, are trying to break down the faith of the people in President Roosevelt. They think that they or their political organizations might profit. But even there they are wrong. In the first place, the country will never deliberately precipitate itself either into chaos or into the arms of the old exploiting, reactionary group. In the second place, the President's hold on the country is too close to be threatened, must less destroyed.

The people have faith in him as he has faith in them. It has been so since the dawn of his administration. It took only a word from him in March 1933 to still whatever there was of anxiety over the total bank holiday. He said then, as he says now, "Let us unite in banishing fear. We have provided the machinery of restoration; it is up to you to support it and make it work. It is your problem no less than it is mine. Together we cannot fail."

RAILROAD REORGANIZATION—STATEMENT ON BEHALF OF INDEPENDENT BONDHOLDERS' COMMITTEE

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement submitted by Prof. Charles A. Beard on behalf of the independent bondholders' committee in connection with railroad reorganization.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL STATEMENT SUBMITTED BY CHARLES A. BEARD ON BEHALF OF INDEPENDENT BONDHOLDERS COMMITTEE TO UNITED STATES SENATE COMMITTEE ON INTERSTATE COMMERCE

On March 26, 1935, the Honorable Charles D. Mahaffie, a member of the Interstate Commerce Commission, was questioned by

the Committee on Interstate Commerce of the United States Senate. He was asked specifically about the railroad reorganization law which was passed by Congress on March 3, 1933. The following is a quotation from the record before the Senate committee:

"The CHAIRMAN. And you think it important that section 77 should be revised or amended, do you?

"Mr. MAHAFFIE. I think it is vital. I think we cannot proceed very far with reorganizations that will stand up under the present section 77. It has got to be revised."

On the following day the Honorable Joseph B. Eastman, Federal Coordinator of Transportation, appeared before the same committee. He also said that the railroad reorganization law, which is section 77 of the Bankruptcy Act, should be revised. When Mr. Mahaffie appeared before the Senate committee he spoke, of course, only for himself and not for the Commission as a whole. However, he is a member of Division 4 of the Interstate Commerce Commission—the division which deals with railroad finance—and had many years' experience with the subject previously as a director of the Bureau of Finance. Mr. Eastman has also been for a number of years a member of Division 4 of the Interstate Commerce Commission. When these two Government officials agree on the vital importance of a change in the railroad reorganization law, passed as recently as 2 years ago, it is appropriate to inquire into the difficulty to which they point and into the circumstances which may have a bearing on that difficulty.

THE WINDFALL FOR THE VAN SWERINGEN BANKERS

Senator WHEELER, Chairman of the Senate Committee on Interstate Commerce, called attention to the fact that under the railroad reorganization law of 1933 the Van Sweringens and their bankers, controlling more than one-third of the stock of the Missouri-Pacific Railroad Co., are in a position to block for a long time any reorganization of that road unsatisfactory to themselves. Referring to this power lodged in any group in control of more than one-third of the stock of a railroad, Mr. Eastman said to the Senate committee:

"In event that more than one-third are unwilling, a reorganization can be held up unless you have a long proceeding, with valuations, and so forth, by which you can demonstrate the fact that the company is technically insolvent under the law and must get rid of its stock."

Mr. Eastman also told the Senate committee that under the railroad reorganization law of 1933, creditors who can get themselves classified as a special group by themselves are also in a position to block reorganization. He told the Senate committee that J. P. Morgan & Co. had achieved this very position for themselves with respect to reorganization of the Missouri-Pacific Railroad.

The tactical position thus obtained by the Van Sweringens and their bankers as a result of the passage of the railroad reorganization law of 1933, is a value to them of the greatest importance. The practical position of affairs with respect to such railroads as the Missouri-Pacific Railroad Co. is such today that the tactical advantage obtained by the Van Sweringens and their bankers as a result of the reorganization statute constitutes one of the greatest gifts ever received from our Government in all the history of American finance.

The fact that such a gift, or indeed any gift, may be carved out by the bankers was not at the time discussed in Congress. From that day until recently, for a period of 2 years, the sorry truth, concealed behind an apparently beneficent statute, has remained hidden from Congress. Full disclosure of the circumstances surrounding the affair is imperatively needed. Disclosure is required so that Congress may force Wall Street bankers and promoters to disgorge what Congress never intended them to have. They must be forced to disgorge, because already the Van Sweringens and the Morgans, chief among those who share this gift, have proceeded to use and to abuse the power which, unmarked by the world at large, fell into their lap.

It is appropriate to state facts showing how a statute passed to help the public is being converted, by bankers' tactics, into a statute to help the Van Sweringens and the Morgans. It is essential to describe some of the circumstances, that portion now available, relating to this affair. For the facts and circumstances drive home a truth already demonstrated in the hearings on Senator WHEELER's resolution for a thorough inquiry into railroad finance. Those hearings brought out some of the practices of bankers and promoters in debasing railroad finance—fragments of a far larger body of facts which can be unearthed only by a congressional inquiry. What the committee learned then was more than enough to demonstrate the need for such an inquiry. What must now be related can leave no room for any further doubt of the fact that protection of the public's investments in railroad securities, protection of every public interest in this matter, calls for the prompt passage of Senator WHEELER's resolution.

Our discussion here will deal specifically with the Van Sweringens and the J. P. Morgan & Co. banking syndicate, because they were the first to use the boon they got, they stood most in need of that boon, and they stand to make more out of it than anybody else in the United States.

The gift which the Morgan-Van Sweringen group obtained was a procedure by which they may be able to effect a stranglehold on the $2,000,000,000 railroad empire they had controlled and were about to lose. Before describing the nature of the prize obtained by these bankers and promoters, we wish to subscribe to the view which all will doubtless entertain, that so far as the Government authorities are concerned, it is obvious that none of them could have had the remotest intention to confer such a gift. It is of course clear, as has already been indicated, that Congress was not informed of what was involved in the legislation which raised the Wall Street group from despair to happiness. In the course of the scanty debates on this legislation in the Senate and the House of Representatives, there was not the whisper of a suggestion of even a shadow of the truth with respect to what was being secured by the Morgan-Van Sweringen group.

HOW THE MORGAN-VAN SWERINGEN GROUP BENEFITED BY THE PASSAGE OF A STATUTE

The railroad reorganization statute gave to any person controlling more than 33⅓ percent of the stock of a railroad company the practical power to delay, and possibly to obstruct for so long a time as to prevent, the adoption of any reorganization plan for their railroad, no matter how sound the reorganization plan might be, no matter if all the bondholders and all the other stockholders favored that plan, no matter if the Interstate Commerce Commission and the Federal courts approved the plan, no matter if the Reconstruction Finance Corporation had made loans to the railroad and also approved the plan, no matter if the entire American public deemed the plan a fair and sound one. Any person or group holding 34 percent of the common stock or of the preferred stock, or of any class of stock, of a railroad corporation, indeed any group holding one share more than 33⅓ percent of any class of stock, was given the right, by a statute, to block in this way any and every plan of reorganization for that railroad. This, in effect, put in the hands of such a person or group the power to levy tribute on all the bondholders, on the Reconstruction Finance Corporation, and on all the other stockholders. A group holding 34 percent of any class of stock of any railway which might have to undergo reorganization, was given by law the power to do what the Barbary corsairs practiced long ago.

This was a godsend to the Morgan-Van Sweringen people, who, using investors' money, had acquired control of great railroad systems, saw that some of them were due for receivership right away, and realized that receivership might end the control these financiers and speculators had been enjoying over the railroads in question. Having maneuvered themselves into a position to vote more than 33⅓ percent of the common stock of a number of these railroads, the Morgan-Van Sweringen group were able to use for their own purposes and purse the railroad-reorganization statute as soon as it became law.

Let us go back to the statute which the Morgans and Van Sweringens adopted as their angel, the angel to deliver them from mortal peril. The statute does not express, in so many words, that which these gentlemen have made to do for them. Had it contained any such words, expressly telling the story, the bill would of course have died at once. The statute simply says that a plan of reorganization for a railroad may not be finally approved by the Interstate Commerce Commission until it has been accepted by the owners of two-thirds of each class of stock issued by that railroad. Then, the law appears to add a number of conditions, so that the new right created by this statute may not be made the subject of arbitrary abuse. We say it "appears" to add some conditions which will prevent abuse. Those conditions may, in actual practice, be defeated by able bankers and astute financial lawyers.

Consider, for example, that condition which was included in the new law to the effect that a fair reorganization plan may be put through, even though 34 percent of the stocks is lined up against it, if the railroad company which is to be reorganized is insolvent. This seems all right. It should have been effective to deprive the Van Sweringens and the Morgans of their control over the reorganization of such a road as the Missouri Pacific Railroad, which is insolvent, having merely a facade of solvency by reason of the financial devices of stock-watering and overcapitalization.

But this facade, these devices, make a fortress behind which the Morgans and Van Sweringens may defeat the restrictions introduced into the 1933 reorganization law to prevent abuse of the new right created by that law. By freeing themselves from such restrictions, they may make their power almost unlimited. This they can accomplish with the help of their lawyers—and it must not be forgotten that these bankers and promoters can command the best legal talent in Wall Street. That talent can be called in to fight any attempt to obtain a court ruling that a railroad undergoing reorganization is insolvent. Such a court ruling is the sine qua non to the effectiveness of the safeguarding restriction imposed by Congress, the restriction which would prevent abuse of power by the Morgan-Van Sweringen group in the case of insolvent railroads, such as the Missouri Pacific. This sine qua non, this court ruling, may be prevented by skillful lawyers, no matter how insolvent the railroad may actually be. The court ruling may be blocked for years and years, and this obstacle can meantime be used to put the bankers astride the reorganization road, demanding princely ransoms from all who would pass. The tribute they levy, the tribute they are likely to demand, before they let a reorganization go through, is continued control of the railroad by themselves.

Let us see how the lawyers may block a court ruling that an insolvent railroad is insolvent. They may do so by insisting that the railroad shall first be valued by the court. This would mean that before the court makes a formal ruling that the railroad is insolvent, the court must conduct a valuation proceeding, possibly valuing the railroad in utmost detail—every rail, every tie, every locomotive and car, every roundhouse and station, every right of way, every bridge, every bit of the physical property of the road.

What this would mean is known to anyone acquainted with valuation proceedings in the case of both public-utility companies

and railroads. Take the easiest case, that of the public utilities, many of them much smaller than any of our major railroads, much smaller than any one of a number of the railroads controlled by the Morgan-Van Sweringen group. The valuation of such public utilities had been dragged out for years and years. Even after a trial court makes a decision on valuation, appeals can be made to run for years and years.

Turning to the railroads valued by the Interstate Commerce Commission for rate-making purposes, we find that years and years have passed before the Commission has been able to bring a valuation proceeding to a close; and even when it thought that it had succeeded in doing so, it soon found it was only in the first stage of a much longer journey, of a proceeding which would take many years more. For appeals were taken to the courts, and there it was found that great doubt and uncertainty prevails with respect to the very principles governing valuation of railroads. Who knows how many years must elapse before those doubts and uncertainties are resolved?

Now, apply this experience to the case of the Van Sweringen roads. The Van Sweringens and Morgans, aided by Wall Street financial lawyers, might prevent for many years to come the conclusion of any court proceeding brought to determine whether any of the railroads heretofore in their empire are insolvent. The Interstate Commerce Commission itself, the Wall Street district itself, may know full well that a railroad is insolvent; but that is not enough. The bankers' lawyers will insist upon one of these complicated, intricate, endless legal proceedings to value the railroad and determine the question of solvency or insolvency.

How difficult this may be was recently indicated with respect to the St. Louis-San Francisco Railway Co., which is in bankruptcy and in the charge of the Federal court in St. Louis. The Interstate Commerce Commission a few months ago adopted an order directing its counsel to apply to the Federal courts to determine whether that railway was solvent or not. It is, of course, grossly insolvent. It was insolvent from the very time that it was reorganized previously by Speyer & Co. and J. & W. Seligman & Co. in 1917. It has been so full of wind and water for so many years that there never was any real value behind the common stock of that railway, and there is not now any real value even behind its preferred stock. But when the proposition was put to the Federal court in St. Louis, committees representing security holders appeared and objected to the conducting of such a proceeding. One of the principal grounds for holding off the conduct of such a proceeding was that it might be endless.

So as a practical matter the safeguarding restriction contained in the statute may be pushed out of the law by astute lawyers and astute bankers and promoters—may be pushed out for so many years as to constitute a permanent barrier. The statute contains other restrictions, but these also may as a practical matter be defeated by the able lawyers whose services are at the command of the Morgans and the Van Sweringens.

It is unnecessary to go into further detail on this subject. The committees of Congress can undoubtedly obtain the lawyers of the Interstate Commerce Commission or the Reconstruction Finance Corporation, or from the Federal Coordinator of Transportation, a detailed explanation of each provision of the statute and its practical uselessness against such powerful people as the Wall Street bankers and the railroad promoters.

In this connection one has to bear in mind how judges, overburdened with many other classes of work, are without the necessary background to enable them to cut the Gordian knot. The limitation under which judges actually labor, when confronted with these big railroad receiverships and reorganizations, were pictured for the United States Senate in a report made 2 years ago by the legislative committee of the Interstate Commerce Commission. In view of these practical difficulties confronting judges, in view of the abundant evidence of the use made of railroad bankruptcy proceedings by Wall Street, even when those proceedings have been under the direction of highly esteemed judges, it is apparent that not even the provision of the law empowering judges to terminate such bankruptcies is likely to save the country from the Morgan-Van Sweringen stranglehold. As so often happens in these big reorganizations, provisions for the protection of the ordinary man are actually turned around to help the superman; and the power to terminate railroad-bankruptcy lawsuits may be held up as a bogy man to hurry investors and the Government lending authorities into accepting a reorganization drafted in the interests of the bankers and their convenient front, the Van Sweringens.

Applying the practical meaning of the law to the Van Sweringen empire, we discover that through holding companies nominally owned by the Van Sweringens and actually controlled by J. P. Morgan & Co. and their banking syndicate these interests are in a position to block the reorganization of every one of the major railroads which they have heretofore controlled. Let us take, for example, the Missouri Pacific Railroad Co. More than 34 percent of its stock is owned by the Alleghany Corporation, which in turn is controlled by the Morgan-Van Sweringen group. In consequence that group can effectively block the road to reorganization. It can effectively block the Reconstruction Finance Corporation, which has put more than $23,000,000 into the Missouri Pacific. The Morgan-Van Sweringen group can similarly block the owners of over $410,000,000 of bonds, who have the first right to the property of the Missouri Pacific. The Morgan-Van Sweringen group can similarly block the owners of $71,000,000 of preferred stock of the Missouri Pacific. In short, the Morgan-Van Sweringen group have the whip hand. Nobody can move without them. Their terms must be accepted by all other interests—interests of almost $500,000,000 in amount. The holders of those $500,000,000 of securities, whose rights are superior to the rights of the Morgan-Van Sweringen group, must wait year after year. To be sure, it is conceivable that the holders of these senior securities might find some way out of their dilemma by some chance, or through the help of some skilled lawyer, or through some accident; but knowing how able are Wall Street bankers and promoters in matters of this kind, matters involving their power over hundreds of millions and billions of dollars of the investments of the public, one can be sure that the probabilities are rather in favor of the entrenched Wall Street group than of the great mass of security holders.

What is true with respect to the Missouri Pacific is true with respect to other big railroad systems which are now in bankruptcy. This power, exercised under the 1933 statute by the Morgans and Van Sweringens, they would never have had under the law as it stood prior to March 3, 1933. The boon, the gift, the prize, the empire thus placed within the stranglehold of the Morgans and the Van Sweringens was placed within their power by a law adopted just when the Morgans and the Van Sweringens were in desperate need of achieving the very position which this law gave them—a position, so far as we know, never before in all American history enjoyed by any other bankers or anybody else.

So remarkable is this coincidence that it may be helpful to the Senate Committee on Interstate Commerce to receive some facts with respect to the circumstances in which the Morgan-Van Sweringen group found itself during the depression.

THE MORGAN-VAN SWERINGEN EFFORTS TO PRESERVE THEIR CONTROL DURING THE EARLIER YEARS OF THE DEPRESSION

Although the United States Senate Committee on Banking and Currency did not have the time to delve more deeply into the affairs of the Van Sweringens, and particularly did not have the time to unearth the activities of the Van Sweringens and their bankers in the later years of the depression, that Senate committee nevertheless demonstrated beyond any doubt the fact that the Van Sweringens, on a personal investment of "shoe-string" proportions, acquired control of a railway empire in which the investing public had put some two billion dollars. Obviously, a financial structure of this size, resting on a comparatively infinitesimal base of Van Sweringen investment, was likely to come tumbling down on their heads in the first financial storm. This could be prevented only if one were able to resort to the conjurer's art. The Van Sweringens and their bankers resorted to that art.

One of the first efforts of the Van Sweringens, so common in the case of a big plunger who has been caught by the market, was to speculate even more deeply and to use for the purpose money to which they had no right. They played the market with money of the Missouri Pacific Railroad Co., and they lost. That loss they caused the Missouri Pacific to bear.

The Van Sweringens also endeavored to save their structure by juggling with money. They had the Missouri Pacific lend money with its right hand to subsidiary railroads and then take money back from subsidiary railroads with its left hand. They called the money delivered to the subsidiaries "loans", and the money taken from the subsidiaries "dividends", and by thus tossing balls in the air they made zero into the appearance of something which did not exist—into the appearance of earnings by the Missouri Pacific Railroad on which the market value of its stock might be held higher, and thus on which the holding company controlled by the Van Sweringens and the Morgans might be saved from defaulting on the bonds which the bankers had sold to the public.

The Van Sweringens not only pulled rabbits out of a hat in this way, but they also made rabbits disappear so that nobody could see that there had been any rabbits. The fact that the Van Sweringens had forced the Missouri Pacific into stock-market-gambling transactions was kept from the Interstate Commerce Commission, which, under the law, should have been given the truth, and from the security holders of the Missouri Pacific, who, under the law, were also entitled to be told the truth.

Other steps of a comparable nature were taken by the Van Sweringens in an effort to protect themselves and their bankers before they reached the extremity, in which only help of the Government of the United States could save them. They unloaded real estate and terminal properties on the Missouri Pacific Railroad in the midst of the depression at higher-than-boom-time prices and let the mystified public understand that real-estate promotion and prices which utterly ignored the depression were really appropriate features of the operation of a railroad. Finally, the Van Sweringens treated the railroads in their control as though these iron highways were rich milch cows, and milked them through a Van Sweringen milking machine, one of the Van Sweringen corporations setting the dairy industry a remarkable example by getting each year more out of these railroads than the year before, although each depression year the railroad companies were fed with constantly less business and less revenue.

The facts just stated were recently presented to the Committee on Interstate Commerce in more detail, and the sources of the information then furnished the committee were, in all cases where any Senator asked for them, given to the committee.

GOVERNMENT HELP

When the magicians' entertainment was over and the magicians themselves were obliged to face the world of cold realities, they realized that they were done for unless the Government would come to their help. So, together with other railroads, the companies

under their control asked the Interstate Commerce Commission to permit them to charge the shipping public higher rates than were charged in the boom years; and to save the roads from receivership the Interstate Commerce Commission permitted them to exact from the shipping, and thus from the consuming public, at a time when it was less able to pay more than it had been paying in previous years, increased rates on a number of commodities. The matter was finally settled on condition that all the money obtained by these rate increases should be available, through a corporation organized by the railroads, for the help of any of them that might need money in order to keep out of receivership.

This, however, was not enough for railroad promoters in the precarious condition of the Van Sweringens and for railroad bankers whose loans to railroad promoters were as badly endangered as the loans of the Morgan banking syndicate to the Van Sweringens. The tills of tradesmen purchasing goods and paying more by reason of increased freight rates, and the wages of the general public, whose cost of living was increased by the rate increases, were not adequate sources for the Van Sweringens. They wanted access to the Treasury of the United States, and they got such access. They wanted access to the United States Treasury on condition that they and their bankers should be allowed to retain full control of the Van Sweringen railroad empire, and this condition also they were able to secure practically as they wanted it.

But the greed of the bankers led to something in the nature of a scandal, and soon blocked the efforts of the Van Sweringens to remain in control with the help of unlimited millions from the Government Treasury. The earliest applications to the newly created Reconstruction Finance Corporation by the Van Sweringen roads were applications, in considerable part, for Government money with which to pay the debts of the roads to their bankers. Some of the people who were to get money this way were private bankers, who had no right under the law to get Government help at all. Some of them were large New York banking institutions which did not need Government help in order to remain in business, and therefore under the law were not entitled to help. The most glaring cases in which private bankers and New York banks, using the railroads as pipe lines for Government money, got indirectly from the United States Treasury what they could not have gotten directly, arose out of applications by such Van Sweringen railroads as the Missouri Pacific, the Nickel Plate, the Erie, and the Chicago & Eastern Illinois. Through these roads, J. P. Morgan & Co. and Kuhn, Loeb & Co., the two principal private banking firms in America, and Guaranty Trust Co. of New York, a Morgan bank and closely involved with the Van Sweringens, secured authorizations to get Government money in the amount of over $15,000,000. The resulting scandal led to a clamor in Congress which made it much more difficult to get Government millions for the Van Sweringen-controlled railroads, even if they had not begun, as they in fact did, to exhaust their available securities requisite for pledge to the Government as security for any further money it might sink in these roads.

THE DESPERATE PLIGHT OF THE VAN SWERINGENS AND THEIR BANKERS

Faced with such conditions, it looked as though the Van Sweringen empire was about to break down like the house of cards it really was. As has already been indicated, if the Van Sweringen roads were compelled to go into receivership, under the law as it had always applied to security holders in such cases, there was considerable danger that the Van Sweringens would be wiped out and that the interest held by the bankers, being in substance the interest of the Van Sweringens, would also have to go overboard.

This jeopardized the Van Sweringen control of $2,000,000,000 of property, the control of a Nation-wide network of railroad systems. The same stake was also involved for the bankers, but, in addition, they had another stake. They had tens of millions of dollars which might have been lost if they lost control. How much was owing to the bankers by the Van Sweringens in the latter part of 1932 or early 1933 is not at the present time disclosed, and may not be disclosed until the Senate Committee on Interstate Commerce has been authorized by the United States Senate to make a thorough inquiry. What is known is that at the present time the Van Sweringens owe the bankers $48,000,000. The importance of so huge a sum to bankers headed by J. P. Morgan & Co. may be gaged from the fact that the amount now due to the bankers from the Van Sweringens exceeds the total net worth of J. P. Morgan & Co. at the time of the passage of the railroad reorganization statute on March 3, 1933. Anyone who reads the Morgan hearings before the United States Senate Committee on Banking and Currency and notes with care the discussion in which the head of the Morgan law firm blocked the efforts of Mr. Pecora, the attorney of that committee, to get the true facts about J. P. Morgan & Co.'s financial balance sheet, will recognize that the wiping out of the Morgan share of the huge banking loan to the Van Sweringens' personal corporations might have been seriously embarrassing to J. P. Morgan & Co., even to the point of threatening its position as overlord of some of the biggest railway, public-utility, and industrial corporations of the United States.

These were the tremendous stakes and the corresponding needs of J. P. Morgan & Co. and the Van Sweringen interests when Congress acted in the early part of 1933.

ENTER THE NEW YORK FINANCIAL LAWYERS

Months before Congress acted there were some significant developments. These arose, though the general public would not have deemed it possible, out of efforts of President Hoover and his Solicitor General of the United States to achieve reforms of bankruptcy procedure. Early in his administration President Hoover instructed the Solicitor General to make a thorough study of bankruptcy reform. A lengthy report was subsequently made by the Solicitor General and was transmitted to Congress by President Hoover. His message, and the accompanying report of the Solicitor General, dealt largely with the subject of relief of the small debtor and the ordinary creditor, as well as relief of the overindebted farmers. These documents, dealing with subjects which seemed very far indeed from the problems of railroad bankers and promoters and their lawyers, were turned to good account by them for their own needs.

A meeting was held in New York City on May 25, 1932. This meeting was held in the bar association there. The man who presided over it was president of that association and head of the law firm which handles the legal business of J. P. Morgan & Co. and Guaranty Trust Co., the chief Van Sweringen bankers. At this meeting a resolution was adopted to seek to broaden the bills then pending in Congress for the reform of bankruptcy law, by including reorganization provisions for insolvent railroad corporations. A committee to urge and help Congress make these fundamental changes in the pending bills was appointed. It may be of interest to note who did the appointing and who were appointed to the committee.

The meeting, though attended by a very small fraction of the membership of the Bar Association of New York, was graced with the presence of important financial lawyers. First, of course, was the presiding officer. Others were also present from his law firm, the firm of Davis, Polk, Wardwell, Gardiner & Reed. One of these was appointed a member of the special committee. This gave the J. P. Morgan and Van Sweringen lawyers a key position at once. Another place on the committee was granted to another big financial lawyer, a partner in the law firm of Cravath, de Gersdorff, Swaine & Wood, the regular attorneys for Kuhn, Loeb & Co. and for J. & W. Seligman & Co., New York banking firms active in railroad finance, railroad reorganization, and railroad control. The fact is that he was also general counsel at the time of St. Louis-San Francisco Railway Co., which was then engaged in preparing a futile reorganization of its bankrupt finances and was shortly thereafter going into receivership. He was also at the time—and still is—New York counsel for and a director of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., recently reorganized under the auspices of his banking clients and himself. Both railroads, for which he was general counsel, were at the time in danger of receivership, and one of them has already gone into receivership, while the other is in all likelihood going to go into receivership shortly.

A third member of this committee was a New York lawyer who has been much used by leading New York banks, including Guaranty Trust Co., of New York, in receivership and bankruptcy business. Thus, the committee appointed by the head of the law firm which serves J. P. Morgan & Co., contained a majority (since there were only five members of the committee) who were closely associated with the big private bankers and banks of New York—the ones who play the most prominent part in railroad finance and railroad reorganization.

This committee of lawyers reported to the Bar Association of New York under date of April 5, 1933, a month after the passage of the law which has proved so wonderful for the Van Sweringens and their bankers. The report was to the effect that Congress had passed a law dealing with railroad reorganization. The report included no disclosure of the part played by the lawyers' committee in molding that statute, or of the part played by any of its financial lawyer-members in that molding process.

Although the committee members did not make disclosure to the bar association for which they were supposed to act, a series of strange circumstances brought to light what at least one of these financial lawyers had to do with the legislation which was pending before Congress. The facts came to light as a result of a loan of some $3,390,000 by the Reconstruction Finance Corporation to the St. Louis-San Francisco Railway Co., in the summer of 1932—a matter already called to the attention of the Senate Committee on Interstate Commerce. This money was lent by the Government to the railway to be used for the payment of taxes and interest, after the railway reported that it was in most urgent need of Government money for that purpose. But the bankers in control of the road shortly thereafter took $400,000 out of its cash box and delivered it to themselves as reorganizers of that railway. The New York attorneys for those reorganizers, who have since abandoned the reorganization plan which they prepared in 1932, have sought to be paid $100,000 for their services in that reorganization fiasco. Those lawyers are Cravath, de Gersdorff, Swaine & Wood, one of whose partners was a member of the New York City Bar Association committee appointed in 1932 to work on the subject of railroad reorganization. Supporting this law firm's demand for $100,000 for preparing and pushing a Frisco Railway reorganization plan so deficient that it was thrown overboard as soon as its deficiencies had been publicly exposed, papers were submitted to the Federal court in St. Louis describing the services of the lawyers. These papers were filed in the archives of that court. The firm of Cravath, de Gersdorff, Swaine & Wood included in their statement to the Federal court in St. Louis the following:

"The proposed law for reorganization of railroads under the Bankruptcy Act was under active discussion, and counsel for the [managers meaning Messrs. Cravath, de Gersdorff, Swaine & Wood, acting as attorneys for the reorganization managers of the St. Louis-San Francisco Railway Co.] * * * devoted a great deal of time to consideration and discussion of the proposed law. Many amendments were suggested by counsel for the managers [that is

to say, by Messrs. Cravath, de Gersdorff, Swaine & Wood], most of which were adopted in the law as finally passed."

The document from which these words are quoted is entitled by the law firm seeking the $100,000, "A Memorandum of Services Rendered by Counsel for Readjustment Managers." This memorandum is called schedule M, attached to a formal court petition entitled "Petition of Readjustment Managers for Approval of Accounts." This petition was sworn to on February 13, 1934. The words we quote from schedule M are to be found on page 8 of that schedule.

We have felt it important thus minutely to identify the papers of these lawyers because of the importance of the revelation they made in the course of seeking their $100,000 fee. Now, for the first time, there is definite proof of the large part played by one of the Wall Street lawyers in connection with the creation of the railroad reorganization law. Now, for the first time, the public can know that lawyers of such great stature in Wall Street were able to labor on this legislation without anybody on the outside knowing anything about it. The words quoted above from the papers filed in St. Louis are illuminating indeed, despite the failure to specify the nature of the lawyers' activity and the methods they followed. It is curious that in a memorandum of services seeking $100,000 out of the treasury of a hard-up, bankrupt railroad, the lawyers did not deem it appropriate to tell a good deal more of their doings, to describe the amendments they prepared for inclusion in the legislation before Congress, and to state what representations they made in getting their amendments adopted. If we knew what they then said and how they got what they wanted, we would be able to see whether there were any disclosures they did not make, when they went to work to fix up the railroad reorganization bill.

No public disclosures of any kind, not even in the general language quoted above from the court records in St. Louis, have, so far as we know, been made by the other financial lawyers on the bar association committee. Only a thorough inquiry, such as that proposed for the Senate Committee on Interstate Commerce, will make it possible to ascertain just what each of these distinguished financial lawyers did in helping Congress to pass a law which, as things turned out, has proved such an inestimable boon to J. P. Morgan & Co., their banking allies, and the Van Sweringen interests.

We do not undertake to say what these lawyers did, what these lawyers intended, or what connection there was between their work and the provisions of the law as it now stands. We present simply the facts that are available in public records.

One thing about the activities of these lawyers can be stated, and that is the lack of knowledge of Congress that the lawyers were doing so much to make the railroad reorganization statute what it is today. While the Wall Street attorneys were laboring on the legislation, the House Judiciary Committee was engaged in reporting to the House on the theory that the bill would eliminate "the opportunity for manipulation on the part of special groups." When the bill, as it came up in the House for passage, was there debated, the leading advocate of the legislation made remarks showing that he thought the bill would eliminate the very evil of banker control which it has in fact accentuated. He said, "Are you going to leave the management of the reorganization and receivership of these railroads in the hands of the gang that has ruined the railroads * * *?"

The courageous Congressman who spoke these words, a public servant with the finest of records in the public service, was obviously kept in the dark about what was really going on behind the scenes. For, when he spoke of "the gang that has ruined the railroads", when he indicated that he was trying to get rid of the Wall Street group, he did not mince words. He did not hesitate to name names. Those he wanted to get rid of were, as you will see if you consult the CONGRESSIONAL RECORD, the Morgan firm, the Kuhn-Loeb firm, and their lawyers. He specifically included among these lawyers two of the committee working at the very time to get the very statute that was then under discussion in Congress. What better proof can one ask of the skill of these gentlemen in getting what they wanted with a minimum of friction, arousing the minimum of hostility and distrust for what they sought?

Any member of the Senate committee who wants to read the debates on this subject in the House, and the names mentioned during those debates, will find them in the seventy-sixth volume of the CONGRESSIONAL RECORD, at page 5358.

Leaders in the Senate were equally kept in the dark about the financiers' lawyers and their handiwork. The bill was discussed in the Senate by the Senators who were then chairmen of the Committee on Interstate Commerce and the Committee on the Judiciary. Both chairmen had long demonstrated their devotion to the public interest. Both would have fought to the utmost any attempt by Wall Street to get the kind of railroad reorganization statute the bankers wanted. Yet, though each of these committee chairmen took considerable part in the debate in the Senate, neither of them had the benefit of any disclosure about the activities of the legislative draftsmen from Wall Street. Indeed, such had been the representations on which the bill was being pressed for passage, such had been the nondisclosures, that one of the chairmen said of the bill, "This is a plan to take out of the Wall Street bankers the power to reorganize the railroads which they have had heretofore * * *." This remark, and more to similar effect, can be found on page 5269 and other pages of the seventy-sixth volume of the CONGRESSIONAL RECORD in the Seventy-second Congress.

HOW THE BILL BECAME LAW

In view of the lapse of more than 2 years since the adoption of the railroad reorganization law by Congress, and in view of the fact that the law was adopted in the rush of the final days of the Seventy-second Congress, we may, perhaps, be indulged in recalling to the minds of the members of this committee the haste with which that law was passed by Congress. You will remember that there was a subcommittee of the Senate Committee on the Judiciary and that this subcommittee refused to recommend passage of the railroad reorganization law. You may remember that in the course of the debates in the Senate a member of that subcommittee, Senator Bratton, of New Mexico, now a United States judge, said that, "In the final analysis of the situation only one member of the Judiciary Committee has given prolonged consideration to this important measure. As a member of the subcommittee and as a member of the full Committee on the Judiciary, I do not think we would be justified in passing during the closing days of this session a measure so far-reaching in its effects as the section touching railroad reorganization." Senator WAGNER, of New York, asked whether the full Judiciary Committee had considered the legislation, and received the reply, "It has not." One may sum up what took place in the Senate by quoting from the remarks of two Senators. The Senator who introduced the bill said that he did so because "It was suggested to me yesterday that it was perfectly possible to have this bill rushed through the Senate." A number of Senators warned of the danger of such rush methods. Their views are illustrated by the following remarks of Senator CONNALLY, of Texas:

"This is a measure too complex, too intricate, too important for me to vote upon it largely in the dark. If the Committee on the Judiciary, after examining the amendment, declined to act on it—and that committee ought to know more about it than the rest of the Senate—if the Senate here now, in the last 3 days of its session, under tremendous pressure, in a mere brainstorm, passes this legislation because it thinks something must be done, but does not know quite what it is, I cannot get my own consent to vote for the amendment * * * the matter has not had proper consideration. In other words, they have considered it briefly; they know something ought to be done; they know one of the patient's legs ought to be cut off, but they do not know which one; and they will just cut off one in order to be doing something."

The passage here quoted from the debates are to be found on pages 5033, 5036, 5037, and 5274–5275 of the seventy-sixth volume of the CONGRESSIONAL RECORD.

It was on the plea of emergency that Senators voted for the bill. Some Senators voted for it on the ground that this would relieve the Reconstruction Finance Corporation of the necessity of making further loans to the railroads—an opinion which reckoned without the astuteness of financiers and their lawyers, who may, in the course of reorganization, get far more money from the Reconstruction Finance Corporation for particular railroads than the Government has put into them up to the present time. Consider for a moment the application of the Van Sweringens for $75,000,000 to be used in the reorganization of the Missouri Pacific—more than three times the sum, huge as it was, that the Missouri Pacific had gotten out of the Reconstruction Finance Corporation prior to the railroad's resort to the bankruptcy court.

Needless to say, as soon as the railroad reorganization bill became law, the J. P. Morgan & Co. and Van Sweringen interests got busy, and within a few weeks had formally applied to receive such advantages as might be gleaned, using railroads under their control as instrumentalities to help these bankers and promoters under the new law.

J. P. MORGAN & CO.'S VETO POWER

The Morgans and Van Sweringens were not content with the huge gift they had secured for themselves in their role as lords of the Alleghany Corporation, and thus of its holdings of Missouri Pacific common stock—more than the requisite 33⅓ percent. Having annexed this benefit, they later proceeded to make use of another provision of the law. Just as a fraction of a percent more than one-third of any class of stock can embarrass any and all reorganizations, so a fraction of a percent more than one-third of any class of creditors can, under the 1933 law, embarrass or block any reorganization. J. P. Morgan & Co. now have the benefit of an order of the Federal bankruptcy court making them a special class. The Reconstruction Finance Corporation has contested this order and has shown the court that J. P. Morgan & Co. have not the remotest ground for claiming to be a special, single, and exclusive class of creditors of the Missouri Pacific Railroad Co. The matter is still to be decided by the Federal court, but at the present moment the banking firm is entrenched by an order of the court—an order under which the bankers can effectively turn thumbs down on the best reorganization plan in the world, even though that plan were favored by all the bondholders of the railroad, by the Reconstruction Finance Corporation, and by all the holders of Missouri Pacific's preferred and common stock other than the Morgan and Van Sweringen interests.

THE BANKERS' VETO POWER THROUGH THE PROTECTIVE COMMITTEES

J. P. Morgan & Co. have put one of their partners on the principal bondholders' committee in the Missouri Pacific reorganization. They have put a partner of Kuhn, Loeb & Co. on that committee, and they have other friends and allies on that committee. That committee purports to represent the Missouri Pacific bondholders. Facts have been submitted to the Senate Committee on Interstate Commerce showing that the banker-influenced Mis-

souri Pacific committee, ostensibly offering to represent bondholders, insists upon becoming absolute owner of the bonds of the general investing public and assumes to itself even an extraordinary privilege under which its individual members may speculate in the very class of bonds for which they have undertaken to become guardians. This committee has reserved the right, for all its members and their banking firms, to sit on both sides of the table, to be at one and the same time both for and against the bondholders they ostensibly protect. Every member of the bankers' committee has reserved the right to make private profits by dealing in his private capacity with himself as a committee member.

J. P. Morgan & Co., Kuhn, Loeb & Co., and their allies on the "protective committees" have also undertaken to defeat a portion of the railroad reorganization law they do not like. Congress sought to give to bondholders the right to vote on reorganization plans, to express their personal preferences, to have something to say about their own property. But the bankers' committee, using intricate legal devices for the purpose, seeks to take away from bondholders what Congress wanted them to have. The "protective committee" wants to make bondholders pay a heavy tax to the protective committee for exercising the voting privilege conferred on them by Congress. That is the type of additional stranglehold these bankers have sought to obtain.

THE BANKERS MONOPOLIZE THE VOTERS' LISTS

When Congress enacted the railroad reorganization law, Congress tried to give investors in railroad securities one of the most important of safeguards. Congress tried to give them the opportunity of communicating with each other, conveying facts to each other, warning each other of dangers, gathering together for common protection. This was to be made possible by requiring that the names and addresses of bondholders in a bankrupt railroad be placed on file in court, so that any of them who desired to do so could communicate with his fellow investors.

This attempt by Congress was in line with sound practice. It followed the long-standing precedent under which stockholders have been entitled to get the names and addresses of their fellow stockholders. It is similar to the method employed in political elections when voters' lists are made accessible to all parties.

Congress tried to give bondholders this protection, but the bankers have defeated the purpose of Congress. Consider the Missouri Pacific Railroad bankruptcy. Bondholders' lists are in the possession of the banks and bankers, J. P. Morgan & Co. and banks in its sphere of influence, such as Guaranty Trust Co. of New York and Bankers Trust Co. of New York. These lists are used by the banker-organized "protective committees" to get bondholders to give up their bonds to those committees and to give them up in such a way that bondholders' interests are, as already explained, in great danger.

Bondholders who have studied the facts want to get those facts to their fellow investors, to warn them about the bankers' committees, about the bankers' purposes. This cannot be done. Independent bondholders cannot get the lists of names and addresses. The lists of thousands of names are not on file in court. Only a few hundred names are filed there. The vast majority of names are kept secret. How can this be, in view of the purpose of Congress? The lawyers found a loophole in the law and defeated what Congress intended. They claim that technically the law has been complied with—this law that Congress intended for the benefit of the investing public, this law on which Wall Street lawyers quietly worked. As a result, the Van Sweringen bankers have tightened their grip, and ordinary investors are insulated from each other, unable to communicate with one another, left at the mercy of the bankers, who have converted into a private preserve for themselves the bondholders' lists, which should be available to all.

INFLUENCE THROUGH THE BANKRUPTCY COURT MACHINERY

Your committees may be interested to know how much reform was achieved through the railroad reorganization law. The people in control of the Missouri Pacific were the first people to take advantage of this law. At the outset, they induced the court to leave the control of this property in the hands of themselves, rather than in the hands of the court through independent trustees. Thereafter, when the Reconstruction Finance Corporation urged strenuously that trustees ought to be appointed so that control of the property in bankruptcy should be really in the hands of the court and not in the hands of the Van Sweringens and their bankers, two trustees were appointed. One of these was the president of the road—the man chosen for that road by the bankers and continued in the job by the Van Sweringens. Then came the highly important question, Who should be the counsel for the court trustees in control of the property? The man chosen for this job was the counsel of the railroad company—the man previously used as counsel of the road by the Van Sweringens themselves. As a result, when the Reconstruction Finance Corporation waged a fight in behalf of all bondholders and creditors and security holders of the Missouri Pacific Railroad Co., attacking the transaction by which the Van Sweringens had unloaded on the Missouri Pacific for $20,000,000 some real estate and terminal properties, one of the two court trustees and the general counsel for the trustees helped the Van Sweringens, and not the Missouri Pacific, not the bankruptcy estate, not the bondholders of the road, not the Reconstruction Finance Corporation as a creditor, not anybody who had a genuine and single-minded interest in the railroad.

The Missouri Pacific has now been in the bankruptcy court for approximately 2 years. The bankruptcy law applies to these railroad-reorganization bankruptcy proceedings. Under the bankruptcy law, if a small business man becomes bankrupt, there is almost automatically a proceeding to question him and any and all persons who have dealt with him in order to throw light on what has happened to the business and property of the bankrupt—to ascertain whether there has been mismanagement, waste, or concealment of assets, and to ascertain whether it is possible by lawsuits against any persons to recover damages for the bankrupt estate and for the creditors of the bankrupt. Has anything remotely approaching this been done in the Missouri Pacific bankruptcy for the benefit of the holders of approximately $500,000,000 of securities? With the exception of the fight made by the Reconstruction Finance Corporation with respect to one transaction only, there has been no examination of officers or directors or bankers or promoters of the Missouri Pacific Railroad Co. On no subject has any banker of the Missouri Pacific Railroad been examined. Independent bondholders of Missouri Pacific Railroad have been trying their hardest to get an examination of the bankers and directors and stock brokers who made money out of the Missouri Pacific and had a hand in what befell it. But up to the time we had our latest word on the subject, no order had yet been made in the court proceeding subjecting the bankers and directors to the same treatment, or anything like the treatment, given a small business man in the bankruptcy courts as a matter of course. The financiers and promoters who ran the Missouri Pacific Railroad in Wall Street have thus far got off scot-free, though the company has been in bankruptcy and under the bankruptcy court for 2 years.

That is the way in which the railroad reorganization law, so advantageous to the Morgans and Van Sweringens in the use to which they put it, has proved to be beneficial to them in saving them from the embarrassment of examination and disclosure of what they did to this railroad in past years.

ANOTHER BOON FOR THE MORGANS AND THE VAN SWERINGENS

The bankers and promoters in control of the Van Sweringen empire were faced with another grave danger. They ran the risk of losing control of the Alleghany Corporation, the holding company by which they had thus far maintained their power over so many railway systems. The Alleghany Corporation was in serious financial difficulties. The time came when it was clear that that corporation would have to go into receivership and be reorganized. There was, of course, serious danger that then the bondholders, having at least theoretically a free choice, might push the Van Sweringens and their bankers out of control.

The opportunities for financial master strokes, carved by the Morgan-Van Sweringen lawyers out of the railroad reorganization law, were not available to them for use in the Alleghany Corporation. That law related to railroad companies, and the Morgans and Van Sweringens had deliberately contrived that the Alleghany Corporation should not be treated under the laws that apply to railroad companies. This policy they adopted in 1929, when, prohibited by the Interstate Commerce Commission from building vast control over railroads on a personal investment very small in comparison, the Van Sweringens turned to the holding company device to outwit the Government. It was in this manner that the Morgans were enabled to float millions of dollars of holding company bonds to the investing public without any supervision by the Interstate Commerce Commission.

This policy of the Van Sweringens and the Morgans, a policy which kept their chief holding corporation outside the law for the regulation of railroads and railroad finance, has continued successful to the present day. Even when Congress passed a law in 1933 to bring railroad holding companies under the regulation of the Interstate Commerce Commission, phrases were included in the statute under which these men have claimed that their Alleghany Corporation and other holding companies are still free from Interstate Commerce Commission supervision, free from Government regulation, free from the necessity of letting Commission examiners inspect the books, the files, and the records of these billion-dollar holding companies. What disclosures such access to the books and correspondence of the Alleghany Corporation and the other Van Sweringen holding and management companies might have brought about! But as the law to regulate railroad holding companies took shape, the Van Sweringen companies slipped through again—further evidence of the fact that the regulating authorities cannot get the needed facts, and that a congressional committee is the only agency which can get the facts.

Enjoying, thus, for their empire immunity from the law of the land applicable to the great railroad-operating companies they had annexed to that empire, the Van Sweringens were, of course, not in a position to use the railroad reorganization law of 1933 for the holding companies which they wanted to keep immune from the law. Fortunately for them, a bill had been pending in Congress to deal with the bankruptcy of corporations other than railroads. In fact, at the 1932 meeting in the Bar Association in New York City, when a resolution was adopted to appoint a committee and to press for a railroad-reorganization statute, the lawyers' committee, the one with a majority of Morgan-Kuhn-Loeb-Guaranty Trust Co. lawyers, was directed to press also for a statute on the subject of reorganization of corporations other than railroads. This was right down the Morgan-Van Sweringen alley. And, in fact, a law on this subject was passed by Congress and signed on June 7, 1934.

The Van Sweringens shortly thereafter took advantage of this law. Its provisions were particularly satisfactory to them, although it is obvious from the reading of the debates in Congress that no one in Congress foresaw the use to which the Van Sweringen interests would be able to put the new statute for the preservation of their control.

They brought about a bankruptcy proceeding under this 1934 law in the Federal court in Baltimore. The Alleghany Corporation now appeared in several roles inconsistent with each other. Facing in one direction, the Alleghany Corporation declared itself to be a bankrupt. Facing in another direction, the Alleghany Corporation proceeded as though it were not a bankrupt at all. And even in that aspect of the Alleghany Corporation in which it admitted itself to be a bankrupt, the court permitted control over the company to remain in the hands of the Van Sweringens and their bankers just as before. Taking advantage of the provisions of this law, the Van Sweringens and their bankers put through a reorganization of Alleghany Corporation in record time—probably the fastest reorganization ever accomplished in all financial history. The principal feature of this reorganization was that although many of the bondholders of the Alleghany Corporation were compelled to take stock for bonds, the big prize in the American railway system—control over Alleghany Corporation and a tremendous network of railways—remained in the hands of J. P. Morgan & Co. and their banking syndicate.

It is significant, also, that although the Interstate Commerce Commission had complained for some years that the organization of holding companies, the chief of them being the Van Sweringen holding company, had defeated the regulatory efforts of Congress and the Commission, and although the sucking of vast quantities of credit into the railroad holding companies had helped to impair railroad credit in general, the reorganization of the Alleghany Corporation was not submitted to the Interstate Commerce Commission's scrutiny. The Alleghany Corporation, having, as has already been said, escaped the statute passed by Congress in 1933 to regulate railroad holding companies, could be reorganized without letting the soundness and fairness of the reorganization plan reach the official eye of the Government Commission which knows more about the subject than most courts, probably more than all courts. The principle that reorganizations dealing with railroad affairs ought to come before the Interstate Commerce Commission—a principle recognized in the debates in the United States Senate in February 1933—remained wholly ineffective so far as the Van Sweringen holding companies are concerned.

MORE MAGIC

The Van Sweringens have now come back for more Government money. This time the magic wand is the wand of those who say they can bring back prosperity. This time there is also a magic stick with which to beat the Government if it will not lend the Van Sweringen companies more money, and that stick is the threat that without reorganization of the Van Sweringen roads the country is in danger, the country cannot be saved, the depression cannot be routed, prosperity cannot be brought back. In insisting on their magic, the prestidigitators slur one condition which, from their point of view, is vital, and from the point of view of everybody else is fatal. J. P. Morgan & Co., and its banking syndicate, now in control and using the Van Sweringens as a convenient front, insist that the money, when lent by the Government, shall be lent on a basis that gives this small group control of the $2,000,000,000 railway empire, which they have thus far controlled, by controlling the investments of the public. Is it to be believed that the country cannot be saved, that recovery cannot be secured, that railroad investors cannot be protected, that railroad labor cannot be protected, that railway service cannot be adequately maintained, unless J. P. Morgan & Co. and the Van Sweringens control these great railroad systems? Has America sunk to such low estate, to such desperation as these bankers and these promoters, with their deplorable record in railroad control and railroad finance, would make us believe?

Here is the banker-promotor control of these great railway systems, operating on a "shoe string" with that "shoe string" investment already lost and with hundreds of millions of other people's money also lost for them by the bankers and promoters—and the control of these bankers and promoters still continues. They have access everywhere. They can go to any agency of the Government, and when they do not want to go they can send so-called "railway associations", maintained with the money of all the principal railroads of the country, to call upon any and every agency of the Government and indirectly seek to protect before such agencies the Van Sweringen bankers and the Van Sweringen interests.

How does it happen that J. P. Morgan & Co. and the powerful banks in their syndicate have such power over these railroad associations and organizations? A report of the Interstate Commerce Commission made on January 7, 1935, provides the answer. This report deals with the 4 years, 1930, 1931, 1932, and 1933. The Commission shows that in those 4 years the Van Sweringen roads paid well over $2,000,000 as the contribution of the Van Sweringen empire to the support of all manner of railway associations. But there is even more to the story. Other railroads, for which J. P. Morgan & Co. and financial institutions in the Van Sweringen banking syndicate also act as bankers, have paid additional millions for the support of these railway associations. Therefore, when we read that this or that association has gone to see this or that public commission, administrative authority, or high official, we can fairly conclude that anything discussed by such an association bearing on Van Sweringen interests will be in full accord with the wishes and needs of the Van Sweringen bankers.

It is of the utmost importance to recognize how these direct and indirect agents of the Van Sweringen banking syndicate are in a position to descend upon Washington and on Government agencies that have anything to do with the railroads, to descend upon Washington in full force, and both in Washington and throughout the country to press the views and requirements of J. P. Morgan & Co. and its affiliated banking houses and institutions with the utmost of astuteness and power. In brief, the bankers for the Van Sweringen empire have such potent charms that most doors open readily to them, to the Van Sweringens, and to the railway association executives, who every little while, not unlike presidents of railways, are active in Washington to do the bankers' errands.

THE DANGER TO THE COUNTRY

One of the most dangerous combinations of property and wealth in this country today, one of the most active in riding roughshod over the public interest and over the interests of investors at large, is the Van Sweringen railway empire. The country will not be safe until that aggregation of railway systems has been separated into more workable units and into units which cannot by themselves exercise such dangerous powers in the affairs of our country. Until we get rid of the stranglehold of the Van Sweringen bankers and of the Van Sweringens themselves on this vast aggregation of large railway systems, investors will be without safety, railway labor will be without safety, Government money will be without safety, Government agencies will be harassed and invaded, and democratic processes and representative government will be flouted. There is no safety in this country for private property so long as a small group of men have the power, by misuse of a congressional grant, to get a stranglehold on property in which they no longer have a penny of their own money and which they have abused to the damage of is true owners. There will be no safety until the railroad reorganization law is changed in such a manner as to release great railroad empires from the control of such men. It may be difficult to get this law changed, and it will certainly be difficult to achieve amendments which are unquestionably in the public interest and unquestionably not in the interest of J. P. Morgan & Co. and their banking allies, until an investigation by the Senate Committee on Interstate Commerce has aired all pertinent facts thoroughly. Without such an investigation, there is every danger that the huge Van Sweringen empire will continue in the midst of our Republic; and so long as that empire within a republic continues, so long are great American public interests in constant danger.

REGULATION OF BANKS AND BANKING—STATEMENT BY A. P. GIANNINI

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by A. P. Giannini, as published in the New York Journal of Commerce of today, in relation to the proposed Banking Act of 1935.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce of Apr. 15, 1935]

GIANNINI ATTACKS NEW YORK BANKERS—BACKS TITLE 2 OF BANKING BILL, HITTING OPPOSITION OF WARBURG

Bringing into the open the pronounced differences of opinion between eastern and western banking groups over title 2 of the proposed Banking Act of 1935, A. P. Giannini, head of the Bank of America, California, over the week-end attacked the attitude expressed before the Senate Banking Committee by James P. Warburg, vice chairman of the Bank of the Manhattan Co.

Mr. Giannini charged that, in attacking title 2, which vests credit control in an administration-appointed Reserve Board, Mr. Warburg had represented, not the opinions of bankers as a class, but only the opinions of the New York bankers. He declared that in the past monetary policies were largely determined by the New York banks.

SEES WESTERN TRADE GAINS

Following his attack upon Mr. Warburg, Mr. Giannini yesterday issued a statement upon the pick-up in trade in the far West.

"The West is alive with industry," said Mr. Giannini. "Five great building enterprises are being worked out and will be completed within the next 3 years."

Mr. Giannini enumerated the various projects under way, declaring that they comprise "only the beginning of the 'new era.'"

"Agriculture had a great year in the far West, and the oil and mineral industries also took on added impetus. Nevada's condition was considerably improved, owing to the activity in the numerous silver mines in the State and the vast wine industry of California developed into one of the country's major industries during the year, largely through the efforts of the newly organized wine institute.

"These are the major reasons for the waves of improvement that have been noted heretofore in the trade balances.

"Naturally good times in the far West are bound to aid in bringing industrial activity to the entire country."

VIEWS OF TITLE II

The statement upon title II follows:

"I have read the testimony of James P. Warburg, who appeared early this week before the Senate Committee on Banking as a witness against the banking bill of 1935. In view of the possibility that his attitude may be taken as that of bankers as a class, I wish to take issue with him. However typical his attitude may be of that of the New York banker, it by no means represents the atti-

tude of many bankers outside of New York. It is true that one of the purposes of the banking bill is to lessen the authority of bankers to determine the monetary policies of the country, but it should be emphasized that bankers at large have had very little voice in the determination of such policies in the past. The group that has exerted the predominant influence has been the New York bankers. Mr. Warburg did not dare to advocate a continuance of this situation in so many words, but a careful reading of his testimony leaves no question but that is what he had in mind. Although he claimed that he was not pleading for bankers' control of the people's money, he nevertheless maintained that the New York Federal Reserve Bank should determine its own policies, and he had the audacity to maintain that this represented popular control of the people's money.

MONETARY CONTROL

"Mr. Warburg attacked the banking bill by suggesting that it tended 'to undermine the "American order" and was an important step toward communism.' Perhaps Mr. Warburg understands by 'the American order' the inalienable right of the New York bankers to issue money and to regulate the value thereof. Most of us feel that when the Constitution gave Congress the power to coin money and to regulate the value thereof, it meant what it said, and I know of no higher authority as to what constitutes the 'American order' than the Constitution itself.

"Mr. Warburg professes to believe that the power to control the money of the country is in any case a useless power since, he maintains in effect, it is quite impossible to influence business conditions by inflating or deflating money. Why then should he be so exercised over defeating public control over money? If he lays so much importance on who has the control it surely must be because he knows full well that the control of money is a real power for good or evil. Personally, I would rather that this power be exercised by a public body in the public interest than by the New York banking fraternity.

"I am opposed to a Government-owned central bank, but I support the idea of giving the Federal Reserve Board a large degree of authority in the system's policies. I think it wise that the Governor of the Federal Reserve Board be made the President's representative on the Board, his term to run concurrently with that of the President, and he, as such representative, should sit in on all monetary conferences with foreign governments rather than the Governor of the Federal Reserve Bank of New York as is the case at present."

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. BLACK. Mr. President, I desire to address myself to the bill for the consideration of which by the Senate a motion has been made. I realize that, to a great extent, many Senators have made up their minds on this measure even before the motion to take it up shall have been passed upon. A study of the bill, however, convinces me that neither the Senate nor the country is familiar with the effect this measure would have if it should be enacted into law.

I desire to preface my remarks with the statement that I am against lynching. In no public or private utterance I have ever made in all my life can anyone find a single statement made by me indicating that I favored lynching as a punishment for crime.

I claim that this bill which has been introduced by the Senator from New York [Mr. WAGNER] and the Senator from Colorado [Mr. COSTIGAN] could well be designated a bill to increase lynching, as a bill to suppress labor unions, as a bill to punish and prosecute sheriffs and peace officers who fail to perform satisfactorily the duties which owners and operators might claim they should perform in the case of a strike. I claim that it is not only a bill which would subject the sheriffs to prosecution in the Federal courts for neglect to protect persons from injury but it goes still further and would subject every sheriff in this Nation to a penalty not in excess of 25 years if he failed to exercise that diligence which the coal operators, for instance, thought he should exercise in order to protect their property in case of strike.

I do not claim that the Senator from Colorado and the Senator from New York intended to introduce a bill which would have that effect, but I assert that there never has been a self-respecting court in this Nation that could hold to the contrary of the views I have expressed with reference to this particular measure. I base that statement on the measure itself and on the report submitted by the Judiciary Committee, and particularly upon the brief in support of the report submitted by Mr. Charles H. Tuttle.

Therefore, Mr. President, I assert that if the bill should become a law, it would have an accentuating effect like unto that of the fourteenth amendment. There were many who believed that it was necessary to adopt the fourteenth amendment in order to protect colored citizens of the country from an infringement of their rights. Some were honest and sincere in that belief. They believed that the amendment would serve to effectuate such a purpose. I submit to the Senate that if at that time it could have been known that over a period of 10 years, out of 529 cases coming under the amendment, 509 would have been decided in a way to protect vested interests in their predatory special privileges in this Nation, the amendment would not have had easy sailing, even at that time, when the dictator from the State of Pennsylvania was practically deciding what should be the laws to govern the people of the Nation. In order that there may be no misunderstanding about my statement, when I say "dictator" I refer to Mr. Thaddeus H. Stevens.

The bill which it is now sought to bring before us is a lineal descendant of the measures which were enacted as laws in this country and about which the great historian Claude G. Bowers has written that magnificent book entitled "The Tragic Era."

There is nothing new in the proposal except that today to him who will read it, it is plain that it goes much further than its proponents in earlier days ever intended it should go, and that it is bodily placing in the Federal courts of the Nation, in courts presided over by men appointed for life, the unquestioned right and privilege of penalizing every sheriff, every peace officer, every judge, and even every Governor of every State, if he fails, forsooth, to be as diligent as the owners think he should be in protecting the property of those whose employees are out on strike.

Mr. President, I deny that this is an "antilynching" bill. The public, the great body of the citizens of the country, have been led to believe that we have in this bill a simple measure against lynching. I assert that if the bill should become a law not only would it affect the so-called "14 lynchings" which occurred in the country in 1934, but I assert that in the first year of its operation there would fall under the terms of the proposed law more than a thousand cases arising all over the Nation which would not even remotely in any sense of the word touch a lynching.

Standing here before this body, following the fights which have been made upon this floor in which I have frequently joined, I do not concede that the Federal courts should have the authority which has been exercised to suppress labor organizations. Nor do I propose to sit silently and permit anyone to cast a vote without having it called to his attention in language that he must understand if he will listen that whoever shall vote for this measure will be voting to crucify the organized laborers of the country upon a cross of so-called "idealism" with respect to one particular subject.

Before I proceed with reference to the discussion of that feature, however, I desire to deny that there was any lynching in the State of Alabama in 1934. It has been stated there were 14 lynchings in this country in 1934 and that 1 was in Alabama. I have investigated to see what it was that was designated as a "lynching." I found to my utter amazement that it has been charged that a lynching occurred in Jefferson County in 1934. That is the county of my residence. I do not recall that there has been any overt act in that county with reference to lynching, except on one occasion, during the past 30 or 40 years. At the time that overt act occurred, the sheriff of Jefferson County, Ala., met the onrushing mob at the doors of the jail, jeopardized his life, killed those who were in the lead, and wounded many others. This was done while he was protecting his prisoner.

The only case I recall when there was a near mob was when a colored man was accused of raping three colored girls in Birmingham, Ala. It was necessary to protect him from the outraged members of his own race.

What was the so-called "lynching" which it is alleged occurred in Jefferson County, Ala., in 1934? I am making

this statement, not because it will affect the particular measure, but in justice to the people of that county. When I read the statement about the alleged lynching, I went over to the Congressional Library to read exactly what occurred in connection with the incident to which reference was made. I found that this is what occurred:

About a year and a half ago three girls who lived in Birmingham were up on Red Mountain looking at the sunset. A colored man came to them with a pistol and forced them to accompany him down into the woods. For about 4 or 5 hours they were tortured. All three of them were left for dead. Fortunately one of them lived. She dragged herself to the waiting automobile and drove to her home. Every endeavor was made to find the man who committed the crime. Perhaps 150 men were brought for identification. She said that none of them was the man; that she would know him anywhere she ever saw him so long as she lived.

Several months thereafter, at a time when her father was with her, she pointed out a man on the street. She said, "There is the man." The man was arrested and taken to jail. He was tried, convicted, and sentenced to hang. The case went to the Supreme Court of Alabama and was affirmed. The case came to the Supreme Court of the United States and was sent back and thereafter the Governor of the State of Alabama, believing that there might have been a mistake in the identification, commuted the sentence to life imprisonment.

It was shortly after this crime occurred that three girls in the city of Birmingham, who had started to a meeting shortly after dark, were met on the street by a colored man with a pistol and told to go with him. They asked him what for. They said they had no money. He said, "Come on and I will show you." He had a pistol. A struggle ensued. One of the girls broke away. She rushed to the nearby meeting which the girls had intended to attend. She sounded the alarm. Citizens left that meeting, rushed to the spot, and found the other two girls engaged in a struggle with their assailant. The assailant shot at the men who had rushed to the scene. They started after him. Shots were exchanged and the man was killed.

That is one of the so-called "14 lynchings" which occurred in the United States in 1934. There has been charged to the State of Alabama a lynching by reason of the fact that the men who were notified what was occurring and went to save the girls would, under the terms of the bill which it is now sought to bring before us for consideration, if it applied to that kind of crime, have been liable to punishment by incarceration in the penitentiary if they had failed to listen to the cries of this assailant. It is charged that this was a lynching.

I have mentioned this occurrence because I resent the statement that there was a lynching in that county and in that State in 1934. There have been lynchings in the past. In my judgment, each one was one too many, in my State or any other State. I may say, in reference to what the Senator from Oklahoma [Mr. GORE] has just suggested, that under the common law—the very law that is cited in the brief to support this bill—it was not only the right but the duty of citizens to follow their assailants until they got to him, and it was not their duty to stand and permit themselves to be killed, even though someone might later say that they had violated the law.

Mr. President, I now desire to refer to just one other incident which happened in that county while I was the prosecuting attorney.

A colored man was charged with the crime of rape. He was identified by two girls. I mention this incident because it is stated that in some sections the sentiment is always against the man on trial. A lawyer was appointed to defend him. The lawyer now lives in the State of Illinois. He did defend the colored man. The defendant was identified from the stand by two witnesses. He pleaded an alibi, and his alibi was that at the time the crime was alleged to have been committed he was committing a burglary. He produced evidence that a burglary had been committed on that night at that time. He not only said that he had committed the burglary but, when asked what his occupation was, he said he was a burglar. The defendant was acquitted by the jury in Jefferson County, Ala., the county in which it has been publicly stated this lynching was committed.

Mr. President, I am very happy to say that the sentiment in the section of the country from which I come against the crime of lynching has increased marvelously during the past few years. The records will show convictions in the State of Alabama for failure to protect prisoners. I am of the opinion that if there were any one thing needed to reverse this salutary and wholesome growing sentiment against lynching, if there were any one thing that could reverse the trend, it would be the passage of a measure entrusting the trial of such matters to the Federal courts of the Union.

That is not the sentiment of a day; it is a sentiment of generations. Even before the War between the States was fought, Alabama was one of the States which followed the Jeffersonian idea that the courts of the State, not the courts of the Federal Government, should be trusted to enforce the laws with reference to the habits and customs within the State.

After the war was fought the State of Alabama, along with other States in the South, had a baptism of blood. It was subjected to the cruel and grueling punishment inflicted by reason of the tenacity and ruthlessness of a man who took the position that the Southern States were conquered provinces. Federal soldiers were quartered in the homes of the people of my State. Those transactions at that time aroused the opposition of the liberal thought of the Nation. Those who will consult the publications of those days will see that the voice of the liberal-thinking people of the country was finally heard. It took a great number of years, however, for them to recognize the fact which political philosophers had been expounding throughout the ages—that even though a province should be conquered, a wise conqueror left its local habits, customs, and manners untouched.

We all know the history of that period; and I mention it only because the bill under discussion to-day is a lineal descendant of the type of thought that placed the heel of the military oppressor upon the people until they could tolerate it no longer. I am glad to state that at that time men who lived in other sections of the country opposed the measures advanced, such men as the great Voorhees, of Indiana, the "tall sycamore" whose voice was raised in this Capitol time after time in the effort to bring about a return of sanity in a day when emotionalism had swept good, honest, idealistic people from their feet and had caused them to attempt things that could not possibly be performed. The laws of that day were a curse to those they were supposed to benefit as well as a curse to those they were supposed to punish.

I desire to call attention to the fact that in this Capitol there is a statue erected to a distinguished Alabamian. In 1865–66 that distinguished Alabamian went over the State of Alabama to convince the people that they should accept the verdict of the war. He persuaded them that they should build schools in which to educate those who had only recently been slaves. He not only stood for their education, but he stood for the extension to them of the right of suffrage. That man was Mr. J. L. M. Curry. That was not his sentiment alone; it was the sentiment of the sound-thinking people of the State; and it would have continued to be the sentiment of the sound-thinking people of the State if others had not entered that State on account of laws that were enacted at this Capitol largely for political advantage. Had that not been done, the solution of the great problem of two races living together side by side would not have been so much retarded.

I call attention to this fact in order that I may point out that frequently laws which on the part of some are designed for the most benign purposes fail to accomplish those purposes. They react, because, whether the condition to be affected is in the State of New York, the State of Indiana, the State of California, the State of Alabama, or any other State in the Union, we must take into consideration the

fact that, after all, this is a democracy; and unless we desire to turn over the administration of the laws to the military authorities, in the final analysis we must depend upon the sentiment of those who enter the jury box.

Mr. President, with those prefatory remarks I desire to call attention to the bill which is now before us. I state again that, while it is called in the press an "antilynching bill", that is a misnomer. I admit that lynching is included in it; but it would constitute such an infinitesimal part of the things affected by the bill that it is a misnomer to call it an antilynching bill.

I do not believe the Senate would willfully and deliberately pass a law which would subject the sheriff of a State to 25 years' imprisonment in the penitentiary if he neglected to protect a mine from striking miners. I assert—and I maintain that any court would so hold—that the bill would impose a penalty of 25 years in prison upon a sheriff not only for failing to protect an individual whose personal safety or life was in danger but would inflict a penalty of 25 years in prison for failing to protect property from striking miners or other striking employees.

Mr. BANKHEAD. Mr. President, will my colleague yield?

Mr. BLACK. I yield.

Mr. BANKHEAD. The Senators upholding the bill ought to hear the able argument being made by my colleague. Therefore I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). Does the senior Senator from Alabama yield for that purpose?

Mr. BLACK. Mr. President, most of the Senators were present at the time the roll was called a little while ago, and if my colleague would consent, I should prefer not to have a quorum called again. I understand there are a great many Senators who feel that they are perfectly familiar with the bill, and there are some, perhaps, who would still be of the opinion, as stated by the newspapers, that it is an antilynching bill. Therefore they would say, "We have to be for it." I assert that if the bill shall ever become a law, those Senators will then have called to their attention what they have perpetrated to enslave the workers of the Nation.

Mr. President, I have carefully analyzed the first paragraph of the pending measure, which is the foundation of the entire bill. The first paragraph defines what a mob is. I assert that there has not been a gathering of strikers during the last 20 years, as a consequence of which there was injury to any person or any property, where the case, if they had been arrested under State authority, could not, if the bill had been the law, have been removed to a Federal court, and they compelled to defend themselves before a judge who was appointed for life instead of a judge selected by the voters in the district where the alleged crime was committed.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BORAH. The Senator is now discussing a phase of the bill which is very interesting to me. As I understand the measure, it really provides that if a certain number are congregated together for a certain purpose, then the Federal question may be invoked.

Mr. BLACK. That is correct.

Mr. BORAH. But if one individual alone is acting in the particular matter, the Federal Constitution does not apply?

Mr. BLACK. That is correct.

Mr. BORAH. If that be so, it seems to me the argument ought to be concluded very readily, because we certainly have not one Constitution for a half dozen and another Constitution for an individual.

Mr. BLACK. I should like to invite the Senator's attention to the fact that one of the things the measure would do would be to give a change of venue from a State court to a Federal court at any time when someone was willing to make an affidavit that three or more people had gathered together, and as a consequence thereof—note the word "consequence"—someone had been deprived of due process of law or the equal protection of the law. Every time a man is killed he is deprived of due process of law. Every time a striker is given an advantage—and it is always alleged that the sheriff gives strikers an advantage over strikebreakers—the strikebreaker is deprived of the equal protection of the laws.

Under paragraph 2, which I shall discuss later, a paragraph so ably argued in the report on the bill, it is not necessary that a person be killed or injured; for one is deprived of due process of law if his property is damaged by a group of men. If property were damaged by strike breakers, and the charge could be proved—and, I regret to say, such a charge is too frequently proved—that instead of strike breakers damaging the property, actually strikers damaged the property, what would be the result? Those doing the damage would be held for the Federal court upon a mere affidavit by one special officer of the employer, and when they got into the Federal court, they would be tried by a judge appointed for life, who could not be removed by the votes of his peers in the county.

We have, following that, a reversion not merely to the old anti-injunction law—which many Senators have taken credit for supporting in connection with this bill—but it goes further than any court could have gone in an injunction. It would subject strikers to imprisonment, not for 6 months but for 6 years. It would subject a sheriff, not to impeachment alone but to 25 years' imprisonment in the penitentiary, if he failed to exercise that diligence which the Federal court might decide he should have exercised in order to protect the property of a company whose men had gone out on strike, perhaps, because they were not receiving decent wages, or because they were being worked contrary to contract, or contrary to Federal law.

Someone may say, "You are mistaken. This is an antilynching bill." The same thing might have been said of the fourteenth amendment.

I have divided the first paragraph as it must be read by the court, and I invite Senators who have the bill before them to follow me and see if I misquote any part of it. I have divided the paragraph into five parts to show what is designated as a mob. Remember, if there is a mob, immediately the case becomes a Federal case if something happens as a consequence of the actions of the mob. A special officer of a company can make an affidavit that the State courts did not afford due process of law, and the case would go to the Federal court.

Let us consider the first part:

> The phrase "mob or riotous assemblage" * * * shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person in the custody of any peace officer.

If it were desired to have an antilynching bill, that would limit it to some appreciable extent, although it happens that I have tried cases where under such a provision those who were out on strike could have been taken before a Federal court.

Let us read no. 2:

> The phrase "mob or riotous assemblage" * * * shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person—

Note this—

> suspected of, charged with, or convicted of the commission of any crime, with the purpose * * * of preventing the apprehension or trial or punishment by law of such person.

These two particular provisions come nearer limiting the bill than any other provision in it. Yet, under the illustration which I gave on the floor of the Senate a few days ago, they would include the group of miners down in Alabama who unfortunately engaged in an altercation a few months ago.

Let me read no. 3:

> The phrase "mob or riotous assemblage" * * * shall mean any assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person * * * suspected of, charged with, or convicted of the commission of any crime, with the * * * consequence—

Note—

> with the consequence of preventing the apprehension or trial or punishment by law of such person.

There is a vast difference between charging a purpose and a consequence. In other words, if a person should happen to be killed or injured or removed, the case would go to the Federal court.

Now let me read no. 4, because it is no. 4 and no. 5 particularly to which I desire to call attention in connection with the brief filed in support of the bill:

The phrase "mob or riotous assemblage" * * * shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person * * * with the purpose * * * of depriving such person of due process of law.

What is due process of law? It is the right to be tried in a court. Every time one man meets another and has an altercation with him and kills him, the person who is killed is deprived of due process of law. If one injures another without cause, the person injured is deprived of due process of law. The only right any citizen in this country has to lay his hands on another man is under authority of law; and certainly if three or more miners, or three or more railroad men, or three or more workers of any kind or type, meet together, it is easy to charge, if they are on a strike, that they met for the purpose of injuring somebody; and if, after that, someone is injured, of course, the strikers can be taken right straight into Federal court upon an affidavit by the special officer of the company.

Let me read the next one:

The phrase "mob or riotous assemblage" * * * shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of killing or injuring any person * * * or * * * depriving such person of the equal protection of the laws.

The last two clauses which I have set out in connection with paragraph 2, to which I shall refer in a moment, would make this bill the strongest weapon which has ever been placed in the hands of the employing groups of this country to destroy every association of working men where they attempted to protect their rights, to protect their wages, and to protect the working conditions of their lives. Let me say why I make that statement. I desire to call attention to the statements made in the report as to the objects and purposes of this bill and why it is legal.

In the first place, if Senators will read the report they will see on page 5 a very lengthy argument to sustain the view that it is necessary to construe this bill most liberally. Cases from the Supreme Court are cited for that purpose. It is said that it is necessary to construe it most liberally in order to effectuate what is said to be the purpose of the fourteenth amendment.

In the next place, some Senators may think that the measure affects a State only when it fails in its corporate capacity to do something to protect those who are charged with a crime. That is not the case at all. If Senators will look on page 6 of the committee report, they will find that the brief asserts that the bill affects the State if the State acts in its corporate capacity, or fails to act in its corporate capacity, through its Governor, its executive officers, sheriff, policemen, deputy sheriffs, constables, through its judiciary, its judges, through its ministerial officers, even down to the lowest one of all the categories of officials in the State.

Not only that, but Senators will find in the brief a case from the Supreme Court which states that the State would be bound by the action of the lowest ministerial officer, even a policeman, even though he were acting directly contrary to the law of his State and directly contrary to the Constitution, which is the fundamental law of each State of this Union.

In other words, let us assume that the constitution of the State—any State we may see fit to take—has a prohibition against doing a certain thing. A sheriff, a peace officer, a justice, a deputy sheriff, or a constable acts directly contrary to the statute and the constitution of that State. If Senators will look on page 6 of the committee report, they will find the argument made by Mr. Tuttle to the effect that even though the State officer acts directly contrary to law his action is fastened around the people of that State, and even though it should be the poorest county in all the Nation, if by that officer's neglect—not his criminal action but even his neglect—someone is injured and thereby deprived of due process of law, a verdict for as much as $10,000 can be rendered against the county, even though the action was contrary to a State law, contrary to county administration, and contrary to the belief of every other citizen in the county.

Not only that, Mr. President; but after the judgment is obtained the persons who claim to be injured can levy upon the courthouse in the county to collect the judgment, and can levy on the jail, thereby perhaps satisfying those who seem to think some criminals ought to have things made as easy for them as possible in the United States of America. That is in the bill.

If anyone has any doubt about the theory on which this bill is written, let him read the brief on page 6 in support of this measure, and see if the third argument given in favor of the constitutionality of this bill is not that the action of a ministerial or judicial or executive officer in a State fastens liability on the State, even though the action is contrary to the desire and will and hopes and aspirations and laws of all the other people in the State.

If anyone doubts that the bill is intended to apply to the action of municipal officers, constables, mayors, policemen, street sweepers, all the way to the governor, I ask that he read the brief on pages 8 and 9. Senators will find not only that the argument is made, but they will find, in addition, that an opinion of the Supreme Court of the United States is cited to sustain the viewpoint that if the Congress has any power to enact the proposed law, it has the power to go just to that extent. In other words, if the State of New York or the State of California or any other State in the Union should adopt in its fundamental law a prohibition against lynching—as all of them have, according to my information, either under the crime of murder or specifically designating it is lynching—if its Governor were opposed to lynching, if all its officers but one were opposed to it, under the authority cited, if this bill should become a law, one petty officer in one little county could bring his people under the operation of this bill not only by his direct action but by his failure to act; not only by his deliberate failure to act but by his negligent failure to act!

I wonder how many Senators who have so glibly stated they are for this bill knew that a fine could be imposed upon counties of their States because a peace officer was negligent in the performance of his duties; and not only a fine but the peace officer, not for criminal intent, not for deliberate action, but because, forsooth, he had failed to measure up to the standard set by the Federal court, could be sent to the penitentiary at Atlanta or to any other penitentiary in this country for a period of 25 years. The bill so provides. I wonder how many of those Senators who always take the liberal side of legislation, who realize that history has shown that harshness of punishment is the attribute of a despotism, and that leniency in the way of punishment is the characteristic of a democracy, and who have stated that they would vote for this measure, knew that if a little sheriff in a rural county of their States should exercise wrong judgment and a man should be killed and deprived of due process of law, that little country sheriff could be jerked into the Federal court and sent to the penitentiary for 25 years.

I assert that such punishment could be meted out to him, not because he had deliberately committed a crime but because he had been negligent in the performance of his duties.

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield.

Mr. TRAMMELL. I very much appreciate the able speech being made by the Senator from Alabama. I wish to make an inquiry of the Senator.

I have scanned the bill, every word of it, two or three times. I am unable to find where the bill provides any effort at retribution or any effort at compensation to the person,

we will say, who has been ravished, or the members of such a person's family. The proponents of the bill do not seem to think the members of such a family should have the county fined and that penalties should be imposed to compensate the family. Does the Senator find anything of that character in the bill?

Mr. BLACK. There is nothing in the bill which provides for compensation for anyone except one who is injured or killed by a mob, where three or four are gathered together.

Mr. TRAMMELL. I should like to know why such a distinction is made.

Mr. BLACK. If, perchance, someone had been murdered, and citizens should become infuriated and they went out after the murderer and took the law into their own hands, the county where that occurred would be held liable. Not only that, but if they took the man into another county, even though no one in that other county knew he had been taken there, as I happen to know was the case in one instance, where he was taken just over the line at night, the county where they had taken the prisoner or the person would have to pay half the penalty, and there would be no compensation of any kind to the person who had been originally killed. The Senator is correct.

Mr. TRAMMELL. That is the point I wish to make inquiry about. It seems to me the authors of the bill were more solicitous of the person who may have suffered the fate of being lynched than they were of the victim of the criminal who outraged the public to the point of bringing about the lynching, for if they had not been, why did they provide for fining a county and getting compensation from a county for the members of the family of the one lynched, who, in the first instance, provoked the mob? I should like very much to see the authors of this bill and those supporting it more solicitous in behalf of the absolutely innocent ones and their families.

Mr. BLACK. I might say to the Senator that, so far as my own personal views are concerned, I am inclined to the belief that I would favor a general law which provided where a person is killed or murdered in any way and leaves dependents, that the laws which owed him the duty of protection should see that his dependents are taken care of. I do think, however, it is wholly unfair to provide such compensation for some and not provide it for others.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Montana.

Mr. WHEELER. I understood the Senator to say a moment ago that if any officer of the law had in his possession a prisoner charged with a crime, and negligently let somebody get that prisoner away from him, he would subject himself to imprisonment for 25 years. I do not find such a provision in the bill.

Mr. BLACK. I ask the Senator to read the report.

Mr. WHEELER. I do not care what the report says; I should like to have the Senator point out to me some provision to that effect in the bill.

Mr. BLACK. Certainly. I pointed out in the beginning before the Senator got here what is included in this bill.

Mr. WHEELER. But on page 3, section (b) provides that—

Any officer or employee of any State or governmental subdivision thereof——

Mr. BANKHEAD. Mr. President, I rise to a point of order. I should like to follow the debate but I cannot hear what is going on.

Mr. BLACK. I will read the exact language to the Senator, beginning at the bottom of page 2:

or any officer or employee of any State or governmental subdivision thereof charged with the duty of apprehending, keeping in custody, or prosecuting any person—

This includes judges, Governors, prosecuting officers, sheriffs, policemen—

participating in such mob or riotous assemblage who fails, neglects, or refuses to make all diligent efforts to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment under the laws of such State all persons so participating, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years, or by both such fine and imprisonment.

I assert that under that the prosecuting attorney of the county where the Senator lives, the sheriff of the county where the Senator lives, a policeman of the county where he lives, the Governor of the State where he lives may be taken into the Federal court and charged with neglect of duty for failing to protect the prisoner and for mere negligence may be sent to the penitentiary of the Federal Government for 5 years; and I assert that it is barbarous and inhuman even to make such a suggestion in a civilized country.

Mr. McGILL. Mr. President——

The PRESIDING OFICER. Does the Senator from Alabama yield to the Senator from Kansas?

Mr. BLACK. I yield to the Senator.

Mr. McGILL. I observe from section 5 of the bill that it attempts to fix civil liability attaching to a county in favor of the person injured or the legal representative of the person injured. The county being a subdivision of the State, of a different sovereignty, deriving its powers under the laws of the State, I should like to inquire of the Senator whether or not he feels that the Federal Government, a separate sovereignty, has authority by act of Congress to fix civil liability of any subdivision of a State such as a county?

Mr. BLACK. I will state to the Senator that I have not undertaken to present any of the constitutional phases of this bill because they have been very ably presented by others who have preceded me. I will state, however, that it would certainly be a paradoxical situation if the Federal Government, not founded upon the idea of enacting laws with reference to crime which affect individuals within a State, could have given to it the responsibility of sending to jail the officials of the communities that have been fixed with the responsibility because they failed to enforce the laws for which they alone were responsible. In other words, we will certainly all admit, I think, that the Federal Congress has no right to enact a law against murder in the State of Kansas; that is a question for the State of Kansas. The Federal Government has never attempted to do such a thing; but we find ourselves in a situation where, although the Federal Government cannot enact such a law, except insofar as it affects Federal property for the acquisition of which the Government obtained the consent of the legislature in advance, the authority is here attempted to be given to it to send local officers, charged with the duty of enforcing their own laws, to the penitentiary because they neglect to enforce the laws which they alone can write. Not only that, but we find that Federal authorities could paralyze the hands of the local communities by levying on their jail and on their court house at the same time when they are supposed to have the authority to pass laws and to preserve order within their jurisdictions.

Mr. BORAH. Mr. President——

Mr. BLACK. I yield to the Senator from Idaho.

Mr. BORAH. If any such power as that exists, it must be possible to point to the provision in the Constitution of the United States which grants such power. I should like to know what is the provision upon which reliance is placed for the exercise of such power.

Mr. BLACK. The Senator will find that in the brief which is embodied in the report.

Mr. BORAH. Yes; I read the brief.

Mr. BLACK. They attempt to rely on two separate clauses of the Constitution. One is that the Federal Government shall guarantee a republican form of government to each State, and the other is the fourteenth amendment.

Mr. BORAH. So far as the guaranty of a republican form of government is concerned, that seems to me utterly irrelevant; I do not think it has anything to do with the proposition at all. The other is the fourteenth amendment, in reference to denying due process of law. How would we know whether due process of law had been denied until the authorities, the courts, who administer the law

within the States had been appealed to and had refused to protect the individual?

Mr. BLACK. Of course, the authors of the bill set up in section 1 what they say should be construed to be a denial of due process of law, and that would be if for 30 days the prosecuting attorney and the judge and the sheriff had failed to catch a man and to try him and to convict him and send him to the penitentiary. If 30 days elapse without all that being done, anyone could go to the Federal court, make an affidavit that he had been denied due process of law, in spite of the fact that in many of the Federal courts of this country it would take 5 years to give him a trial.

Mr. BORAH. If that could be done with reference to a case where a number of people had congregated, if the district attorney or sheriff failed to catch a single one of the individuals who had committed the crime, appeal could be had to the same principle precisely, that due process of law had been denied.

Mr. BLACK. There can be no possible doubt about that.

Mr. BORAH. In other words, if this principle is correct, the Federal Government may step in and take over completely and absolutely the administration of the criminal laws of the State on the theory that they were not being properly administered.

Mr. BLACK. That is absolutely correct. It may take over the law governing each separate community in the United States. If that be correct, there never was any reason for the adoption of the fourteenth amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Texas.

Mr. CONNALLY. The suggestion of the Senator from Idaho is certainly a most pertinent and comprehensive one. Let me suggest to the Senator from Alabama that if a man's life is taken or he is injured by one individual, has not his right been infringed to the same degree as if he were killed or injured by three individuals?

Mr. BLACK. Certainly he would be just as dead, if killed by one, as if he had been killed by three.

Mr. CONNALLY. If the Federal Government has the power to intervene in a case because three individuals are acting in concert, why would it not have the power to enter the State in any case where a man was murdered or his property was despoiled or where, on any kind of a claim, his rights under the fourteenth amendment were not guaranteed to the same extent that some other citizen's rights were guaranteed? Why could not the Federal Government step in, not only as to his personal safety but as to his property rights, because the fourteenth amendment applies as well to property rights as it does to individual rights?

Mr. BLACK. That fact as to property rights is pointed out in the brief.

Mr. BORAH. Mr. President——

Mr. BLACK. I yield to the Senator from Idaho again.

Mr. BORAH. Some of the large cities have had great difficulty in enforcing the law. There has been almost a reign of terror in some of them. Machine guns in the hands of criminals wounding and killing people.

Mr. BLACK. Yes; in some of the cities even more than 14 have been killed in 1 year.

Mr. BORAH. If there is any justification for the Federal Government moving into the States and undertaking the enforcement of the criminal law in the instances which are cited by this bill, there would be no exception, and the people of the cities would have a perfect right to invoke the Federal Government to take charge of the enforcement of the criminal laws in the cities.

Mr. BLACK. The Senator is correct. If the law should be carried to its logical conclusion Tammany could not supply enough officers in New York City; they would exhaust their entire roster in 3 years, because the remainder would go to the penitentiary.

Mr. BORAH. Not only that but, in all probability, if the Federal Government should move in, it would take entire possession of Tammany.

Mr. BLACK. Of course, they would soon take possession of it, because if Senators will examine the Wickersham report and see how many have committed crimes in the city of New York who have not been apprehended and who have not been punished and who have not been convicted, and if they will also consult the records and ascertain how many times it has been charged that the failure of that city and of other cities to punish was because of improper motives of officials and improper influences brought to bear upon them, they will understand how it would be impossible for any political organization to supply enough officials from day to day, from week to week, from month to month, from year to year to take the places of those in the ever-continuing procession going to the penitentiary.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BLACK. Certainly.

Mr. GORE. I may be under a misapprehension and for that reason I should like to ask the Senator a question. Under the terms of the bill which it is sought to bring before the Senate, a State court would not be divested of jurisdiction and a Federal court would not be vested with jurisdiction unless and until some individual made an affidavit?

Mr. BLACK. Someone could always be found who would make an affidavit. It is usually easy to find someone who will make an affidavit. I very seriously doubt, under the bill, whether a man could plead former jeopardy if he had been tried in one jurisdiction and later should be indicted in the other. I do not believe he could.

Mr. GORE. My point is that jurisdiction to be vested under the terms of the bill would depend upon one individual making an affidavit.

Mr. BLACK. Certainly taking the case to the Federal court would depend upon one individual making an affidavit. As the Senator from Idaho [Mr. BORAH] has well pointed out—and I concede it absolutely—if the Federal Government has the power to punish where three or more have committed a crime in a State, there is no earthly reason why it does not have the same power to punish where one has committed the identical crime. The individual is just as dead when he has been shot and killed by one as when he has been killed by three.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BLACK. Certainly.

Mr. BAILEY. In the light of the very clear statement by the Senator from Idaho [Mr. BORAH], which no one can successfully contradict, I wish to suggest that those who are opposing consideration of the measure are fighting, first, for the lives of the 48 States which constitute the Union, and are fighting, second, for the character of the Union itself.

Mr. BLACK. I may say to the Senator in that connection that we are fighting against the philosophy declared by Mr. Charles Sumner when he said the Southern States had committed suicide. That was the entire philosophy upon which he based his attack upon the South shortly after the war. He took the position that those particular States had committed suicide. Mr. Stevens took the position, not that they had committed suicide, but that they were conquered provinces.

As the Senator from North Carolina has well pointed out, it is certainly true that if this bill can be enacted into law, whether or not the States committed suicide, they would be murdered by the representatives whom they had sent to the Capitol in the city of Washington.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BLACK. Certainly.

Mr. BORAH. It ought to be said that Mr. Lincoln had the directly opposite view to that of Mr. Sumner and Thaddeus Stevens. The views of Sumner and Stevens were combatted by President Lincoln so long as he lived.

Mr. BLACK. The Senator is correct. So did President Johnson. It was by reason of President Johnson's coura-

geous stand for the principle for which he stood, it was on account of his standing up like a man in the face of a hostility second to none that has ever been heaped upon an individual in the White House, that he was dragged into this Capitol and subjected to the indignity of a trial.

At that time there were certain idealists in the country who were asserting that President Johnson was wrong and they were praying in certain church organizations in the United States not that justice should be done, but that the Senate should vote to impeach President Johnson.

Telegrams were sent by the hundreds and by the thousands, prompted by idealism, I admit, but prompted by an idealism which concealed and blurred reason, sanity, and judgment, and which, if their principles had been adopted, would have made of our Republic one Union with no State line of any kind, with no privilege of any community to adopt any law which every other community did not adopt, regulating their habits and their customs.

Mr. President, it might be appropriate at this time for me to state, with reference to one part of our system of government, one thing in connection with which I am of the opinion that time itself has wrought changes and conditions.

Mr. BAILEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Alabama yield for that purpose?

Mr. BLACK. I do.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Robinson
Bachman	Costigan	La Follette	Russell
Bailey	Couzens	Lewis	Schall
Bankhead	Dickinson	Logan	Schwellenbach
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Donahey	Long	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	O'Mahoney	Walsh
Carey	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. BLACK. Mr. President, one of the tragic things about this measure is that there are some who are attempting to seize upon it for political advantage in order to try to prove their friendship for many voters in this country, although history does not record that in their political efforts in that regard heretofore they have raised the standard of living of those they claim to love, nor have they added to their opportunities for a more abundant life.

Some sentiment of that kind has been created, and therefore some of those who are so anxious at this time to have this measure voted upon that they vote practically in a solid block believe that by doing this they can cause the people of the country to forget their history with reference to economic affairs. I refer at this time particularly to those "regulars" on the other side of the Chamber who belong to the party of Mr. Mellon, and who subscribe to the idea that he was the greatest Secretary of the Treasury the world has ever known, and who hope by reason of this particular measure again to get a foothold in the political arena, and to cause the people to forget that in reality their interest is not in the large group of voters whom they hope to pacify and win by their action; but their desire is again to place the country in the grip of the same predatory and privileged interests that practically brought us to destruction at the end of 1929. It is a sad and tragic thing to me that some of those who are most liberal in their views, and who really honestly desire to raise the standard of opportunity of the great masses of American men and women belonging to all races, find themselves at this juncture fighting side by side with the apostles of special privilege and greed.

Mr. President, it is my belief that if any administration in all the history of mankind has shown an honest desire to raise the standard of living of the great masses of American men and women, it is the present administration. Whether or not one agrees with the methods adopted, it is difficult for me to understand how anyone can deny this fact.

We have under consideration at the present time by the Finance Committee a bill for social security, a bill which will affect millions and millions of American men and women, irrespective of race or creed or color. That bill, if enacted into law, will give a ray of hope to millions of men and women who are now in despair. It will not affect possibly 14 individuals; it will affect millions of individuals.

While I do not agree in detail with each of the provisions of that measure, in my judgment, it is one of the most forward and progressive steps for giving security to the underprivileged of this Nation that has ever been proposed since this became a self-governing country; and yet we find ourselves now unable in this body to continue preparation for that measure, to consider the payment of the soldiers' adjusted compensation, or to provide various other means of adding to the peace and hope and security of the men and women of the Nation, chiefly because, as I assert here, of the political pressure brought about, not in the main—and I do not refer to all individuals—by those who are really interested in the great masses of men and women of the country, but by some with the political hope that they again may seize the reins of government and continue to operate it not for the benefit of all but for the benefit of their favored few.

Mr. President, I had begun an analysis of the bill. I desire now to take up section 2, which provides that—

> If any State or governmental subdivision thereof fails, neglects—

Note the word "neglects" again—

> or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob of riotous assemblage, whether by way of preventing or punishing the acts thereof, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person due process of law and the equal protection of the laws of the State—

And for that reason, it is said, the bill is to be enacted.

Now let us refer for just a moment to the fourteenth amendment.

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. * * * nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Did any Member of the Senate hear me read the word "corporation" as I read the fourteenth amendment? He did not. The word "corporation" does not appear in the fourteenth amendment. Did Senators note that out of 529 cases during a period of 10 years, 285 cases decided by the Supreme Court applied the fourteenth amendment to protect corporations? What does this section of the bill say, and what does every section of the bill say? It refers to injuring a "person." What is a person? Has not the Supreme Court said what a person is? Does not the fourteenth amendment provide that if a person is injured in his property without due process of law it shall be contrary to the Constitution? Is there anyone who thinks the Court would decide differently as to the meaning of the word "person" if this bill should be taken before them? What is meant by injury to a person known as a corporation? One cannot commit an assault on a corporation. One cannot murder a corporation. One cannot destroy a corporation's life by shooting it with a gun. There is only one way in which a corporation may be injured, and that is by injuring its property, and here, in a bill which the press has heralded as an antilynching bill, we find it provided that if two or more persons get together, and, as a consequence, a corporation is injured, they are depriving that corporation of due process of law. Hiding behind a senti-

ment against lynching, it is proposed now to have enacted a law which will fit the predatory interests of the Nation, and, as I have previously stated, will crucify every labor organization which exists in the United States of America.

How can such a corporation get into a Federal court? It is a very simple process; it requires only an affidavit. Every lawyer here knows how one now gets into a Federal court with a case involving over $3,000.

I might take occasion at this juncture to say that this is not the first time I have objected to more jurisdiction being given to the Federal courts. The great senior Senator from Nebraska [Mr. NORRIS] has had pending in this body for quite a number of years a bill which would reduce the jurisdiction of the Federal courts, and, if I am not mistaken, a great many of those who are here, and some who have indicated they would favor the so-called "antilynching measure", have supported the bill of the Senator from Nebraska.

If it be right to reduce the jurisdiction of the Federal courts instead of increasing it, as proposed by the bill of the Senator from Nebraska, why should we now rush over ourselves in order to add more jurisdiction to the Federal courts, presided over by judges appointed for life, to have them take jurisdiction of the matters affecting the daily life and customs and habits of the people of the country, and particularly to rush into the Federal courts the organized workers of the Nation every time three or more of them gather together?

Do not be deceived. If this bill should be enacted at the next session, Congress would be asked to reduce the number defined as a mob from 3 to 2, or to 1, and it would likely be done. It would certainly be done if those who have adopted reactionary policies should succeed in their political maneuvering and again find themselves where they can control the laws of the Nation.

Mr. President, there is no argument which can possibly be advanced to justify the conclusion that a murder committed by three can be removed to a Federal court and a murder committed by two must remain in a State court. There is no person who can advance any argument to sustain the contention that a murder committed by three can be removed to a Federal court and the murder committed by one can only be tried in a State court. So we find ourselves in this situation: The Federal Constitution leaves to the States the right to determine the type of criminal laws they will enact, and yet the Federal Congress is asked to say, "After you have enacted these laws, if you do not prosecute the violators and punish them within 30 days, we will take out of the hands of the State courts the right to prosecute and punish at all."

With reference to the provision in section 2 of the bill, that if the State neglects to perform its duties it shall be considered to have deprived someone of the equal protection of the laws, I have just a word to say. Note that that has no reference whatever to whether a man is a prisoner or not. It is not limited to natural persons; it includes artificial persons, which would cover corporations.

Let me invite attention in this connection to just what the committee reports a State to be. In other words, how does a State act? How is it going to neglect its duty? Let us turn to page 6 of the report, where I read the following from the brief:

> For the same reason the prohibitions of the fourteenth amendment apply to local officers as well as to the State-wide officers, for officers of counties, States, or other local subdivisions of government are in the ultimate analysis the repository of the power of the State. * * *
>
> So likewise in *Yick Wo* v. *Hopkins* (118 U. S. 356)—

Which case went up from California—

> it was held that a municipal ordinance to regulate the carrying on of public laundries within the limits of the city of San Francisco, which conferred purely arbitrary power upon the municipal authorities to give or withhold consent, was violative of the fourteenth amendment. * * *
>
> In *Tarrance* v. *Florida* (188 U. S. 519) Mr. Justice Brewer, speaking for the Supreme Court said:
>
> "The contention of plaintiffs in error is that they were denied the equal protection of the laws by reason of an actual discrimination against their race. The law of the State is not challenged but its administration is complained of. * * *
>
> "Such an actual discrimination is as potential in creating a denial of equality of rights as a discrimination made by law."

Again, it is said on page 6:

> In *Virginia* v. *Rives* (100 U. S. 313) it was said:
>
> "It is doubtless true that a State may act through different agencies, either by its legislative, its executive, or its judicial authorities."

Let me call attention to what this means. It means that the Governor of every State is brought within the provisions of the measure. It means that a charge can be made against a Governor for failure to have a man apprehended, to have a man tried, and to have a man convicted. It does not recognize the fact that the States have a right to try an accused man, but it means that the Governor places himself within the scope of this proposed law if he is negligent in the performance of his duty as Governor, and that question would have to be determined by the court and by the jury.

What else does it mean? It means that where a case was tried in court a charge could be made that the judge had been negligent in charging the jury. The charge could be made that he had been negligent in permitting certain evidence to be introduced in the case, or that he had been negligent in failing to reprimand counsel because counsel had made a statement which should not have been made, and the judge would be brought within the scope of the act, and he could be tried. It means that every prosecuting attorney in the Nation would have his actions reviewed in order to determine whether he had been properly diligent in prosecutions.

A few days ago the Supreme Court rendered a decision directly to the contrary of this hypothesis. The Supreme Court handed down a decision to the effect that it was not merely the duty of a prosecuting attorney to convict; that one of the highest and most sacred duties of a prosecuting attorney was to see that each side had its case properly presented to the jury. But under the pending measure the district attorney must walk with caution, he must plant his feet with care, because, forsooth, if he neglects to perform a single duty, he can be taken into a Federal court and tried, under the proposed law, for neglecting to perform his duty, and he can be sentenced to the penitentiary for a period of 5 years.

Mr. President, I do not believe there has ever been a civilized nation on earth which would send a man to the penitentiary for 5 years for plain, simple negligence. Yet those who have glibly said they are for the pending measure, if they vote for it, must vote to make it a crime to be negligent in the performance of duties and to convict a man and to put the stigma of a felon upon him for negligence, and to send him to the penitentiary for 5 years. Someone raised a question about this statement a few moments ago and asked me where that was provided, and I read the provision.

Let us go now to section 3. If this were merely an antilynching bill, as it has been so widely heralded to be, there would be no reason in the world for having any more in section 3 than the parts included in lines 15 to 24. Lines 15 to 24 provide that any person or employee of a State shall be included—and remember, that means governor, lieutenant governor, attorney general, secretary of state, probate judges, circuit judges, supreme court judges, inferior court judges, prosecuting attorneys, policemen, constables, deputy constables, street sweepers, all the employees of the State. If any Senator has any doubt about it including all of them, let him read the report of the committee which reported the bill to the Senate. If any one of these—

> who is charged with the duty or who possesses the power or authority as such officer or employee to protect the life or person—

And remember, "person" includes a corporation; it included it in the fourteenth amendment, and it includes it here, and there is nothing in the world which can be said to deny that it includes a corporation—

> to protect the life or person of any individual injured or put to death by any mob or riotous assemblage or any officer or employee of any State or governmental subdivision thereof having any such individual in his custody—

Note—

who fails, neglects, or refuses to make all diligent efforts to protect such individual from being so injured or being put to death—

Then such person—

shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years.

What does that mean? That includes the judge of the county. He certainly is charged with responsibility for protecting the lives and persons of individuals put to death. The judge and prosecuting attorney certainly are charged with the duty of attempting to protect them. It includes them all. And not that for the first time in the history of any civilized government, except a despotism, so far as I have been able to read history, we propose to give the Central Government the power to send the prosecuting attorney to the penitentiary because a jury might think he had been too fair to the man he was prosecuting as a criminal.

I had always subscribed to the idea that a man was entitled to a fair trial; that he was entitled to be presumed innocent until he had been proven guilty beyond a reasonable doubt. I had thought that the laws of this Nation, instead of attempting to hold a club over prosecuting attorneys to force them to prosecute with harshness and with vigor, really were designed to the end that those carrying them out would act as the Supreme Court of the United States said last week they should act—to try to convict only the guilty, but to protect the innocent. But, lo and behold! in this bill, which is called an antilynching bill, we have a new and novel doctrine announced in this democracy for the first time. Each prosecuting attorney, all over this Nation, when he is called upon to prosecute a man charged with a crime, has a sword of Damocles hanging over his head, with the knowledge that if he fails to prosecute as vigorously as some think he should he can be taken into the Federal court and there tried and sent to the penitentiary.

Let us suppose, as has frequently happened, that a strike has occurred. An individual miner or trainman—and I have tried both of them on such charges—may be charged with injuring a strike breaker. It is charged that three of them were present. Suppose a prosecuting attorney should decide the man was not guilty. Would he dare to tell the jury so? He would not. Would that prosecuting attorney dare to rise from his chair and tell the jury, "I believe that the killing of this miner was justified"? He would not. Why would he not? Because he would know that his Government, the Government of the United States, a democracy, had passed a law which subjected the prosecuting attorney to 5 years' imprisonment, and to have the stigma of felony put upon his brow if he neglected to do everything he could to convict that man.

Mr. President, let all who desire secure any political advantage they may think is theirs from attempting to force such a bill upon the American people. If it should pass, time will tell who was right. I state that there is no class in America which would be more injured by this bill than those who belong to the colored race, whose wages have frequently been so low as to be a crime against civilization and against decency, and whose wages have been raised more by organization of men than by any other method, and, practically, that has been the only method by which their wages have been raised, until the present administration began to secure the enactment of its legislative program.

I realize that someone may say, "Well, there has been some kind of a recommendation of this bill by organized labor." That is wholly immaterial. I make the assertion that if this bill should become a law, within 2 years from the date it was signed and went into operation there would be the greatest change in the position of organized labor this country has ever known in a like period of time, because this law would crucify organized labor, and the man in the ranks would know what was the matter.

I do not yield to any man on this floor in my loyalty to the ideas of good working conditions for the people of this country, white or black, or any other type. I yield to none in the desire to see that they receive an honest compensation for an honest day's work. If I had my way about it, I would make the minimum wages higher than they now are. I yield to none in my desire to see that they have good working conditions as to hours and the conditions in which they toil. But I state, Mr. President, that nothing could be more absurd or more ridiculous than for people to come here at one session of Congress and fight and become elated over a victory which prevents the issuance of injunctions by Federal courts against strikers, and at the very next session of Congress come into this body and offer and pass a bill which makes a mob of any three or four strikers who gather together, as a consequence of whose actions somebody is injured or killed.

I pointed out a few moments ago that the injury can be to a corporation and that the injury can be to the corporation's property. It will be useless to pass 7 (a)'s; it will be useless to pass labor-disputes bills; it will be useless to set up a vast machinery to protect the rights of laboring people to organize, if at the same time we shunt them off into the Federal courts, the place they have always abhorred and detested, every time three or more of them are gathered together and somebody's property is injured or some person is injured.

I make another statement. The matter of injury to a corporation or its property cannot be eliminated from a bill of this type. It cannot be done. The Constitution says that laws must apply with uniformity. There is no attempt to eliminate those matters in this bill in the form in which it now appears. They are included. And yet we find that sometimes, perchance, the unions elect a sheriff, and, of course, when they do it is charged that he is too friendly to them. Now, let us suppose that such a condition has existed in a county, and there is a trial held in that county. The sheriff goes down and makes an investigation, reaches the conclusion that the strikers did not commit the crime they are alleged to have committed at all; that strike breakers had been utilized to plant an apparent crime. Suppose the sheriff should decline to arrest the strikers. Do Senators think that he would dare to decline to arrest them if somebody told him they were guilty? If he did, an affidavit could be made in the Federal court and the sheriff could be taken in and given 5 years' imprisonment for failure to perform his duty.

Let us consider the next part of this section:

Any officer or employee of any State or governmental subdivision thereof who is charged with the duty of apprehending—

Note this language—

apprehending—

That means catching. That includes the Governor and the sheriffs and the constables and police—

keeping in custody—

That would include the sheriffs and the judges, because the judges have a responsibility with reference to keeping in custody—

or prosecuting any person—

That includes the district attorney and the attorney general—

or prosecuting any person participating in such mob or riotous assembly—

Note—

who fails, neglects, or refuses to make all diligent efforts to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment under the laws of such State all persons so participating, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years.

What does that mean? It means that every time a prisoner escapes, somebody may have the Governor tried; it means that if the prosecuting attorney fails to prosecute he may go to the penitentiary; and the trial is taken away from the State where the crime was committed and is conducted by the Federal court. We find that some of those who have said that they favored the bill of the Senator

from Nebraska, designed to reduce the power of the Federal courts and their jurisdiction, in line with the fight made by Mr. Jefferson in the early days of the Republic, are now anxious to throw thousands of cases into those courts under the bill which is here pending, for, I assert, that even a careless reading of it will show that it is not limited to lynching.

Mr. CONNALLY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Robinson
Bachman	Costigan	La Follette	Russell
Bailey	Couzens	Lewis	Schall
Bankhead	Dickinson	Logan	Schwellenbach
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Donahey	Long	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	O'Mahoney	Walsh
Carey	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

(At this point Mr. SCHALL presented a letter, which was referred to the Committee on Agriculture and Forestry relative to the eradication of cattle diseases. His remarks and the letter appear elsewhere under the appropriate heading.)

Mr. BLACK. Mr. President, the interruption of the Senator from Minnesota [Mr. SCHALL] reminds me that he has placed in the RECORD several speeches vigorously upholding the rights of the States; it reminds me that he and others on the other side have been attacking the present administration to some extent for what they said was an invasion of the rights of the States. This bill would take away from the States which they represent the right to try in the local State courts any crime committed by more than three persons resulting in the injury or death of an individual, and would subject their sheriffs, their prosecuting attorneys, their judges, their Governors, their policemen, and constables and their deputy constables to trial in the Federal court, with a punishment of 5 years in the penitentiary for negligence in the performance of their duty. Yet great speeches have been made on State rights.

Mr. President, with reference to subdivision (b) of section 3, on page 3, I will state that if any Federal antilynching law be justifiable that section should be adopted. I have no criticism of subdivision (b) of section 3, if it be justifiable to enact a Federal antilynching law. I will state, however, that that section provides a 25-year punishment for an official who conspires to murder. In Alabama the punishment is death or life imprisonment; but if it be thought desirable to reduce the punishment provided by a State to 25 years' imprisonment, it will be perfectly all right to enact subdivision (b) of section 3. I may state that the records will disclose that in Alabama the law to which I refer has been invoked and juries have recognized it.

Now let us get down to section 4. I particularly call the attention of the gentlemen who are interested in the rights of their States and the rights of their State courts to section 4. That section confers jurisdiction on the district court in the district "wherein the person is injured or put to death by a mob or riotous assemblage." Of course, if by this bill we shall confer jurisdiction on the Federal courts where the killing or injury is brought about by three or more, we will reduce it to one the next time, because if it is proper to prosecute in the Federal court three who kill a man, it is just as necessary to prosecute one.

I deny the logic and the consistency of those who are so interested in the rights of individuals that when a murder is committed by three or four persons they would send the case to the Federal court, but if a murder is committed by one man they would have him tried in the State court.

SEC. 4. The District Court of the United States judicial district wherein the person is injured or put to death by a mob or riotous assemblage shall have jurisdiction to try and to punish, in accordance with the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who participate therein.

That is the way jurisdiction is to be given to the Federal court, this great haven of refuge, the Federal court; this great repository of knowledge and wisdom and justice, the Federal court; this great safeguard presided over by men appointed for life by an individual who is so much better qualified to preserve the rights of the people than is a court presided over by a man elected by the people themselves.

It is a little strange to me that in the main those who we would suppose would stand by the old liberal theory of letting the people elect as many of their officials as possible are pushing with vigor the idea of doing away with the State courts for the protection of the people and seeking to send them into a court whose judges they do not elect.

If I had my way, the Constitution of the United States would be amended so as to provide that Federal judges should be elected, because I believe in a democracy, and I believe in the election of judges by the people themselves. It has been said that judges so elected might be amenable to the people. Why should they not be? Whose Government is this? Does it belong to one man who has the appointing power? Do Senators who think that all wisdom and all justice repose in the Federal court subscribe to the gospel that we should extend still further the appointment of officers instead of having them elected by the people? I wonder if Senators on the other side who pay lip service to the man who said, "government of the people, by the people, and for the people", want the people to elect their judges, or if the reason why some of them are supporting the pending motion is that it is not seen that under the bill citizens can be rushed from all over the Nation into the arms of the Federal court, there to have their rights determined by a judge appointed for life.

So far as I am concerned, I am perfectly willing to trust to the justice of the people rather than to the justice merely of judges appointed for life. Let Senators who subscribe to the great principles of democracy explain why it is they want to rush thousands of cases into courts presided over by the very judges who issued the very injunctions which some of them have been condemning on the floor of the Senate and to prevent which they favored prohibitory legislation. There is no defense for such a position. The bill places under the jurisdiction of the Federal court every one of the strikers whom we endeavored to protect by the enactment of the Norris-LaGuardia bill. The pending bill would throw them back into the Federal court. Not only would it throw them back to that court, but, sad to relate, it would take away the last chance they have to hope for a judge who might not be unfriendly, for a sheriff who might not be unfriendly, for a prosecuting attorney who might not be unfriendly, none of whom would dare to place his neck in the Federal noose when he knew any special officer or any strikebreaker could, by a simple affidavit in a Federal court, take that judge or sheriff or prosecuting attorney, or even the governor, into the Federal court, and, if he were convicted, subject him to a sentence of at least 5 years in the penitentiary—and all this in the name of protecting members of the colored race!

Mr. President, I yield to no man in my hostility and my antagonism to the crime of lynching; I make no defense for it; I have none to make; it is abhorrent to me; but in the name of antilynching, to crucify the hopes and the aspirations of the millions of workers of the country is beyond my conception and beyond my comprehension.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. Certainly.

Mr. FLETCHER. The Senator this morning mentioned that Alabama was charged with a lynching last year. He denied the charge, and stated there was no lynching in Alabama last year.

Mr. BLACK. That is true; there was no lynching there last year.

Mr. FLETCHER. I am wondering if there has been some duplication in the propaganda touching upon the bill. For instance, it is charged there was a lynching in Jackson County, Fla., last year. I telegraphed the secretary of state to furnish me with a statement giving the established and essential facts in connection with that lynching in Jackson County.

It appears from the statement that the officers arrested a criminal and, in order to escape the pursuing crowd, or mob, if you will, took him from Marianna to Panama City, then to Pensacola, and thence to Brewton, Ala. It was at Brewton that the mob, or pursuing crowd, overtook them and captured the criminal, whence they brought him back into Jackson County, Fla.

It is possible there has been some duplication with reference to this matter. It may be that Alabama was charged with this lynching because the man was seized in Alabama and taken back to Jackson County, Fla., where he was lynched.

I merely mention that in passing. Then the thought occurred to me that if the bill should be enacted into law, why could not the sheriff and other officers, even the county and State officers of Alabama, be pursued for violation of the provisions of the bill, although they were in nowise responsible for what occurred in any way, and at the same time the officers in Florida could be pursued for the same offense?

If the Senator will permit me, I should like to have the clerk read the telegram from the secretary of state of Florida. It states the facts with reference to that occurrence in Jackson County.

Mr. BLACK. I am glad to yield for that purpose.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read the telegram, as follows:

TALLAHASSEE, FLA., *April 27, 1935.*

Senator DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.:

Further reference your wire, Marianna lynching, am advised by press representatives that Claude Neal, Negro, was lynched somewhere in Jackson County on night of October 25, 1934, by mob of men who claimed he had attacked and killed Lola Cannidy, white farm girl. Girl's body was found on father's farm and search immediately was started for Neal. He was arrested by Jackson County officers, who spirited him from Marianna to Panama City, then to Pensacola, and then to Brewton, Ala., in effort to escape pursuing mob. After Negro was placed in jail at Brewton, mob appeared and demanded his custody, finally overpowering jail guards and taking Negro. Returning to Jackson County, so far as best information available indicates, mob lynched Negro and at dawn strung his body to limb of tree in city of Marianna. Family of Miss Cannidy claimed Negro had attacked and ravished her and had killed her and attempted to conceal body in order to prevent discovery of his attack.

R. A. GRAY, *Secretary of State.*

Mr. BLACK. Mr. President, I was discussing section 4 of the bill, which provides that cases can be removed into the Federal court in this manner:

Provided, That it is first made to appear to such court (1) that the officers of the State charged with the duty of apprehending—

Note, now—

apprehending—

That is the executive officer—

prosecuting—

That is the district attorney—

and punishing—

That is the court—

such offenders.

The statement is that it must be made to appear that they failed to apprehend, prosecute, or punish. Suppose they try the man and turn him loose. They have failed to punish him. The Federal court will have jurisdiction of the crime if this bill shall be enacted. Former jeopardy cannot be pleaded because of an acquittal in a State court; so, in order to be absolutely sure of conferring jurisdiction, the proponents of this bill go to the extent of providing that if the offender has not been punished—in other words, if he has not been convicted—then, upon one affidavit made by one person, the case can be removed to the Federal court, the repository of wisdom and justice presided over by a man appointed for life, and there tried after he has already been prosecuted.

Not only that; 30 days is all that the State is allowed in which to try him. I may be wrong, but I was told not long ago, when an Alabama Federal judge was sent to the city of New York to help try cases in the Federal court in the city of New York, that they were trying cases that were 4 or 5 years old in the Federal courts of the city of New York.

In this bill it is made prima facie evidence that the States are failing to do their duty if they do not apprehend, catch, prosecute, try, and convict within a period of 30 days. In other words, when the State does not try the offender in 30 days, remove the case to the Federal court so that there can be a delay of 5 years before trying him.

Mr. President, if it be true that a case is to be removed from the State court because the jurors who are drawn in that court are not in sympathy with the prosecution, why should we limit that procedure to one type of case? It has been charged in various sections of the country that it is difficult to convict in the courts persons who belong to certain political organizations. Why not bring them within the bill? It was charged several years ago, for instance, in the city of Chicago that it was impossible to convict before the juries of the State courts anybody who belonged to a certain political ring. Why not bring them in, if the juries will not convict? It has been charged from time to time—whether or not it is true I do not know—that in certain instances it has been impossible to convict in the city of New York persons who were closely associated with Tammany. If that be true and an affidavit to that effect can be made, why should not that case be removed to the Federal court, where different types of jurors can be obtained?

In other words, if we are going to establish a precedent of removing cases from the State court upon the ground of prejudice of jurors, why should that procedure be limited to a single type of case? Why should we not, in order to obtain justice, have them all taken over by these repositories of wisdom and justice, the Federal courts of the United States?

Now, what happens? The State has failed to catch, prosecute vigorously, and convict in 30 days. We have a so-called "trial", we will say, after this bill is enacted. As the case is tried the shadow of this bill is in the face of the judge.

The shadow of this bill is in the face of the prosecuting attorney. The shadow of this bill is in the face of the sheriff. Each one of them, as he looks over at the little defendant, perhaps a poor and humble man, perhaps nothing more than a miner belonging to a union, making $6 a day, he feels sorry for him. Perhaps they think, perchance, he is not guilty. Perhaps there enters into their minds the thought that the crime was "planted" on him. What do they do? Do they dare raise their voices and tell the jury that? They do not. The shadow of this bill haunts them, even as they lie down and try to sleep, with the picture of the defendant fresh on their waking vision. They know that if they do not prosecute with all the vigor possible, if they are not vicious before the jury, somebody will go into the Federal court and swear that the prosecuting attorney neglected his duty, that the sheriff neglected his duty, that the judge neglected his duty. Therefore, we find a trial not according to the democratic institutions of this country, where a man is supposed to have the benefit of a reasonable doubt, but we have a trial with the shadow of the

heavy hand of the Federal judiciary hanging over the accused man, hanging over the defendant, hanging over the judge, hanging over the jury, because the jury is a part of the trial. Yet it is said that somebody is going to get some political advantage out of trying to pass a bill such as that!

It is a travesty and a crime against the sacred and traditional principles of justice of the American people even to introduce a bill which places the threat of the stamp of infamy upon the brow of a district attorney because, perchance, he neglects to prosecute as vigorously as somebody thinks he should prosecute. That is in the bill. Let him who says it is not in the bill rise to defend it. I have just read it.

Then, Mr. President, what is done? We will assume, now, that the sheriff has been tried and convicted; the district attorney has been tried and convicted; the judge has been tried and sent to the penitentiary. The Governor of the State has been taken; and, not satisfied with that, those who consider themselves injured sue the county and obtain a judgment. Then, they levy on the courthouse. What does the bill provide?—

Such court shall have jurisdiction to enforce payment thereof by levy of execution upon any property of the county.

Who owns the courthouse? The county. Who owns the jail? The county. It is true that they would be practically useless if this bill should pass. Perhaps there is no reason why the courthouse and the jail should not be levied upon. They would cease to serve any useful function in any State in the Union, they would cease to have any place, because there would be nothing left to be done there. Certainly no one should call a courthouse a temple of justice if, as a defendent charged with a crime is tried, the district attorney and the judge and the sheriff and the officials stand there cowering with fear because they feel the possibility of the heavy hand of the Federal judiciary, backed, if need be, not only by the marshal but by the tramping march of Federal troops. That is what occurred before. Of course, it did not work. No greater injury was ever done the Negro population of the South than by the laws which were put on the statute books during reconstruction days.

Mr. NORRIS. Mr. President, I should like to ask the Senator a question about section 4, which he is now discussing.

Mr. BLACK. I yield to the Senator.

Mr. NORRIS. That section provides that—

The District Court of the United States * * * shall have jurisdiction to try and to punish, in accordance with the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who participate therein.

Then follows the proviso which is the remainder of the section. Before the court has jurisdiction to try the offender the finding must be made, as I understand, as provided in the proviso. Suppose there is a dispute about that; where will that question be tried.

Mr. BLACK. The Federal judge will try it.

Mr. NORRIS. Will the case have to be tried in the Federal courts before the warrant is issued? It has not any jurisdiction to try until a certain finding is made. In order to give the court jurisdiction, even before the man is arrested, will it not be necessary first to determine?—

That the officers of the State charged with the duty of apprehending, prosecuting, and punishing * * * under the laws of the State * * * have failed, neglected, or refused to apprehend, prosecute, or punish * * *.

Will not that finding have to be made somewhere?

Mr. BLACK. Yes.

Mr. NORRIS. Will not that finding have to be made in order to give the Federal court jurisdiction to try the defendant?

Mr. BLACK. That is true, except that the Senator will notice that the failure must be for a period longer than 30 days.

Mr. NORRIS. That is another fact which would not be difficult to determine, because 30 days is fixed. But before the court could try a defendant he would have to be satisfied that the officers had failed or neglected to do their duty. That question would have to be tried somewhere if the officers denied it. Suppose the officers said, "We have not failed. We have done our duty. We have done the best we could." If they had a trial first to determine whether or not they had done their duty, and if it was found on that trial that they had done their duty, had done the best they could, then the court would not have any jurisdiction. And would not that finding have to be made before a warrant could be issued? There is no doubt it would have to be made before the man could be tried. So the warrant would be issued and the man could not be tried, even though he were willing to be tried, but the court would first have to try this other question.

Would there be a jury trial of the preliminary question? Would not the court have to determine that, and would not the court take evidence on that controverted question and determine it, before he would proceed to the trial of the defendant? Or would it all be in one trial, and when the defendant came to be tried, would evidence be offered both pro and con as to what the officers had done or neglected to do about their duty? I do not see just where we would be with such a provision in the law.

Mr. BLACK. I will state to the Senator that my judgment about it is that all that would be required would be an ex parte affidavit from some individual upon which the judge could act. That is the way they have acted in the removal of other cases.

Mr. NORRIS. I think it would require more than that.

Mr. BLACK. The bill does not so provide.

Mr. NORRIS. It reads, "*Provided*, That it is first made to appear to such court." The court must be satisfied. It is a matter of fact whether or not an officer has done his duty. It must be made to appear to the court. An officer would have a right to offer evidence and to say, "I have done my duty", would he not, before the court made a finding?

Mr. BLACK. I would think so had I not had experience with the Federal court in just exactly that regard. Under the present law, as I recall it, while I am not sure about the exact language, it is provided that if certain things appear to the judge, a case shall be removed. I recall in one instance that certain things did appear to the judge through an ex parte affidavit, and he removed a case to the Federal court, when I had evidence showing the facts to be entirely different from those shown in the affidavit. I made a motion to remand the case to the State court. In one instance out of perhaps fifty in which I have made such a motion, I have succeeded in obtaining a removal back to the State court. I found that the Federal courts, like all other courts, want all the jurisdiction they can get, and my judgment is that under the proposed law all that a court would require would be an affidavit, and he would bring the parties in.

Mr. NORRIS. Then, the Senator thinks if he were an officer charged with neglect of duty, and I made an affidavit that the Senator had neglected his duty, it would be taken as conclusive before the court, and the Senator would not have a right to deny it?

Mr. BLACK. I think it would be taken as conclusive so far as a trial in that court was concerned, unless I made a motion to remand.

Mr. NORRIS. But the court must make a finding of fact in order to give him jurisdiction.

Mr. BLACK. That is correct.

Mr. NORRIS. If there is a dispute about that provision, let us go on to the next provision. I have not gotten through with referring to what must be shown.

The second thing is, "if it shall be made to appear to the court"—

I am reading what comes immediately after the proviso, but that applies to point no. 2 just as it does to no. 1. I take it there is no dispute about that.

Then, if it shall be made to appear to the court—

That the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is probability that those guilty of the offense will not be punished in such State court.

What action would the court have to take about that? An affidavit would not be sufficient, would it? Before the court

could try the defendant charged with a neglect of duty, he would have to find that the jurors of a particular county where the offense was alleged to have been committed were so prejudiced that he could not get a jury which would convict; that they would be friendly to the defendant, in other words.

An affidavit made by some one that that was the state of affairs in that county would not in any court on earth be taken as conclusive. Would not the court take the other side of it? Would the court accept affidavits? Perhaps the court would say, in making its finding, "I will submit that question to a jury." So, while one case is on trial, with the jury impaneled, the judge would stop that case and take up another case and try that before a jury, and see what their finding was, and, depending on their finding, would decide whether the other jury could go on with the other case.

Mr. BLACK. I think that could be done under the bill. I have no question about it.

Mr. BORAH. Mr. President, under the bill, the question of a change of venue to another county is eliminated entirely, is it not?

Mr. BLACK. Oh, yes; that is eliminated. It is changed now to the Federal court.

Mr. NORRIS. The Senator will undoubtedly remember, from his long experience, that a question often arises in State courts in regard to a change of venue. When that kind of a case has arisen, I have never known a court to presume for a moment to take an affidavit of some individual that the people of the county were prejudiced and remove a case on such a statement alone, without giving the other side an opportunity to be heard.

Mr. BLACK. That is the procedure in my State as to change of venue. There is a hearing, and a decision is reached by the court.

Mr. NORRIS. Yes; but in the meantime what happens to the other case?

Mr. BLACK. It will probably take a little more than 30 days to reach a decision on that, so we have 30 days more.

Mr. NORRIS. It is a question whether that finding would not have to be made in order to give jurisdiction even to start the criminal case by the issuance of a warrant.

Mr. BLACK. Mr. President, of course a fine of $2,000 to $10,000 would be a very insignificant thing to any county where there was a population of a million or two or three million; but $10,000 is not an insignificant amount to many of the counties in the United States. There are today counties where, on account of economic conditions over which the citizens of the county have no control, it might be very difficult to find any one man in the county actually worth as much as $10,000. To a small county a $10,000 penalty would be a very serious imposition.

It is interesting to note the theory upon which the right to impose a penalty on a county is based. Several years ago, in reading Macaulay's History of England, I found the beginning of the idea of imposing a penalty upon a county. It came into England from Denmark. The idea at that time was that when the hue and cry was raised every citizen had to respond and make an arrest. There were few sheriffs and few officers charged with the duty of apprehending criminals.

When the Normans conquered England, it was found, as had always been the case, that there was great antagonism between the Normans and the Saxons and the original natives of England. The result was that there were a great many Normans who were found murdered from time to time, and since they were in control of the country in those days, which some of us might now call primitive, a law was enacted which imposed a fine upon each hundred, the hundred being somewhat similar to the present township. The theory was that those citizens must apprehend the criminal.

That law did not work very satisfactorily, because it was found that in the poor hundreds usually 1 man or 2 men had to pay the entire penalty, men who had nothing whatever to do with the affair, and knew nothing about it until after it had occurred. Since the law provided that the penalty must be imposed when anyone of French descent was found murdered, the result was that the bodies were mutilated, and it became impossible to determine, from the dead body, whether it was that of a Frenchman, a Norman, a Saxon, or a native Englishman. So that law was amended and there was used the prima facie clause which we have in the pending measure, and it was provided that if any dead body was found it should be presumed to be that of a man of French descent. Before very long it was found that did not work, some of the books stating that an individual would simply disappear, and no body could be found. So the law was repealed. One of the great writers on law says that since those primitive times—he uses that term—a more equitable system of imposing punishment has been adopted, and that an effort has been made to punish those who commit the crime rather than to punish the innocent.

In the pending bill we find that a fine is to be imposed upon a county, and if the county is unable to pay, those who claim to be injured can levy on the courthouse or jail—and the hospital, I assume. They probably would take them all. If there happened to be a county hospital, of course, it would be far more important to have the judgment paid than to operate a hospital for the benefit of the sick and the needy! It would be far more important to have the judgment paid than to keep the doors of the courthouse open! Everything sinks into insignificance in the minds of those who have brought before the Congress a bill which is the lineal descendent of those pernicious measures which cursed the very people they were intended to benefit after the War between the States. They were a curse alike to those against whom they were directed and those for whose alleged benefit they were passed.

I understand, of course, the sentiment which has been stirred up with reference to this particular measure. In what I am about to say I do not refer to my friend the Senator from New York, nor to the Senator from Colorado, for whom I have a great admiration and even affection. I refer to the group agitation behind this measure from its very beginning. I give the two Senators I have mentioned credit for pure, idealistic motives, and for having the honest desire and ambition in their hearts to confer a benefit upon those who, as they believe, will be benefited by this measure. But, Mr. President, there are those who constantly stir up strife and attempt to create hostility between the races; and they do so, not from idealism, not from purity of purpose, not with the idea of benefiting those they claim to benefit, but frequently because they are drawing a salary from some organization, and the only way they are able to continue to obtain funds with which to pay themselves and their secretaries and assistants is by spreading the deadly fumes of hatred and race hostility.

I refer to others who are prompted by political motives, such as the man who referred to the Southern States as "conquered provinces", and who declared, as can be seen by anyone who will read Claude Bowers' The Tragic Era, that it was necessary to keep the seeds of hatred alive in order that his party might continue in power. When that man cracked the whip over one of the members of his party the member came to him and said, "My conscience will not permit me to vote this way"; and the reply was, "Your conscience be damned! You will vote with your party!"

Mr. President, I refer to the sentiment created by men for their own political aggrandizement or for their own financial advantage. In doing so, I desire it to be distinctly understood that I recognize a distinction between a man like the one who has recently been elected to Congress from the city of Chicago to succeed Mr. De Priest and others who have gone over this land holding aloft the ancient torch of prejudice and passion and hate, thereby contributing no benefit to the people of their race; simply attempting to stir up an antagonism which does not exist between the white people of the South and the colored people of the South.

In the State which I have the honor in part to represent there is an institution which was founded by a distinguished American, Booker T. Washington. His successor was another distinguished American, Dr. Robert R. Moton. To both those men I pay at this time my tribute of respect and of

admiration. In that school in the State of Alabama is another man, humble in aspirations, but great in achievement. I refer to Dr. George W. Carver. There is no spirit of antagonism existing between the white people of my State and the people who operate this institution of learning. Seated there in the midst of one of the most fertile sections of Alabama—and, I might say, of the world—in a county which has long had a heritage of men and women who think of their Government and who love its traditions, there will be found no outcroppings of prejudice or hostility or antagonism. On each occasion when there has been presented to this body any measure from which it was believed Tuskegee Institute might receive an advantage, I have had from the white people of Macon County, Ala., messages expressing their hope that I would assist to bring about the improvements desired. On other occasions they have traveled all the way from Tuskegee, Ala., to Washington in an effort to obtain benefits for that institution.

Is it right, is it fair, is it just to the thousands of Negroes who do not feel disgraced when we mention the name of their race, but who, instead, have a feeling of pride that it is their race, is it right to them or is it right to us, who live there side by side, whose destiny must be inseparably linked the one with the other, for political advantage or for any other motive, to enact legislation which drives a wedge between the races, following up the old idea of the men in charge of the Freedmen's Bureau and the others who traveled into the South in those dark and gloomy days of desolation and despair, lured by the hope of pecuniary profit to themselves? Is it fair to us at this time, when we are working in peace and harmony the one with the other, to do something which will bring about again the spread of the flame of race antagonism, and instill prejudices which, thank God! have been stifled in the hearts of most of the people of Alabama and of the other States of the South?

I realize that it may be impossible to appeal to those who think they know more about the problem than those who live with it. That has always been the case. People have always been anxious to purify somebody else. They have always been anxious to impress the ideas of those who live a thousand or two thousand miles away upon the local habits, manners, and customs of those whom they do not know. That was tried a short time ago. The memory of it is still fresh in the minds of the men and women of America. I had personally hoped that the eighteenth amendment would be a success, because I believe liquor has done a great deal to degrade mankind and to drive man from the noble plane of his highest aspirations; but it did not work as those who designed it had planned. It was found that it was very difficult for a man, perhaps from Alabama, to understand exactly the problem facing the people in the populous cities of New Jersey and New York. Is it too much, is it unfair, is it wrong for me to ask those who live in New York and in New Jersey if they think they know more about how to meet the problems of the men and women in Alabama than do the people of Alabama?

I would be the last, Mr. President, I believe, to be pleading against a measure which I believed would accomplish the purpose of raising the standard of the underprivileged in America, whatever might be their color, their race, or their creed. I have tried to demonstrate since I became a Member of the Senate that the greatest purpose of my life is by my service here to bring about a nearer approach to social and economic justice. I have gone much further than have many of my colleagues from my own section of this Nation in following along the way that I believed would accomplish that purpose. I have sought to face the situation squarely that the Constitution as it was written, for instance, with reference to interstate commerce, while it affected but little commerce and trade at the time the Constitution was written, today touches every nook and cranny of America. I have realized and sought to face the facts honestly and squarely that economically, in trade and commerce, this Nation is one, indivisible and inseparable, and that today, when the mills of New Jersey may depend upon purchasers in South Carolina or California, when the cotton grown in Alabama may depend upon purchasers in Wisconsin or California, a national problem must be met by national legislation. I have planted my foot upon that political philosophy, because I believe that there is in the Constitution, even though it could never have been anticipated by those who wrote it, a clause which, by reason of the expansion of commerce between the individuals in the different States, has brought about a new condition and a new economic era.

However, let my friends, or those of them who are familiar with the problems that faced the founders of this Republic, go back in their memories for a moment, if they will. Do they recall that all over the world it was stated that it would be impossible for us to become one nation under one flag even at the time when there were only 13 little Colonies? Do they recall that since that time the sturdy pioneers have moved westward and the flag has followed them until today it is floating in the breezes of California and Oregon all the way to the Gulf? Do they recall that the problem which faced them then with reference to attempting to have a comparatively small number of people who lived in the Thirteen Colonies under one flag and one government has been accentuated by reason of the fact that today there are thousands of miles of territory of which they did not dream, and that we now approach 130,000,000 people living in different communities and different States? Cannot even those of us who favor recognizing the indivisibility of our commercial and economic establishment in America recognize that there is a distinction which, whether we want to or not, the people will make us realize, between the habits and customs of the people who live in the State so ably represented by the Senator from California [Mr. JOHNSON], whom I now see, and the people of Maine and the people of Alabama? Do they not have their problems in California, which they have been permitted to meet in their own way, even sometimes going to the extent of passing laws which have been stricken down by the Supreme Court of the United States?

Has not my State also had occurrences brought to that Court as to which the Court declared the supreme law of the land? And did not the Governor of the State which I have the honor in part to represent immediately after the last decision rendered by that Court, touching upon the practices of the people of the State of Alabama in connection with their courts, immediately announce that Alabama bowed before the supreme tribunal of this Nation and that her laws must and would be obeyed? Then, why, at this time, with an administration which is trying really to do something to help those people—not to affect 14 possible individuals, not to touch 14 lives, but to touch millions of human lives—with an administration which has before us now a bill which, if it shall pass, will give to every Negro who lives in the South who has passed the age limit provided in the bill for the first time a pension to take care of him in his declining years, when the administration has fed thousands and thousands of them, more than it has the people of the other race in my State, fairly and justly without any claim of prejudice, so far as I have heard, why should it now be necessary to enact such legislation as is proposed in the pending measure? We know the object of the measure; we know its history; and, with all due regard to my friends who propose it, for what I say is not meant with reference to them, because, as I have said, I have a high regard and affection for the two Senators who have offered this bill, I ask, with the knowledge of the iniquitous conception of the idea behind this bill back in the days of Thad Stevens and his group, why should it now be revived to mar the harmonious relations that exist between us, when we are working out our problems together and we have in the South committees of both races to work side by side in order that the harmonious and pleasant relationship shall not be affected?

I presume that it is unnecessary, or, at least, useless and futile, to make these remarks. It always was so in the past. It has been demonstrated in the past, seemingly, that there was only one way by which we could protect the people themselves who are supposed to be the beneficiaries of such measures as this. That way has been followed in the past, and if it shall be necessary to protect those men and women

in the South—and I am talking now about the ones whom the report of the committee indicates this bill was intended to protect, the members of the colored race—from measures which might react to their disadvantage, which will play upon prejudices which do not now exist there and which carry out the old idea that was poured into their minds immediately after the War between the States that there is hatred between the two races, we stand here ready, willing, and, I hope, able to protect them in the only way that we have ever before been able to protect them from this prejudice and this passion.

Mr. President, this is about all I have to say on this bill at this time. I sincerely hope that it will not be necessary to say anything more at any time. Where there is involved the program of the President, who, I believe, by his actions and his recommendations has raised the standards of opportunity of the underprivileged more in 2 years than has ever been done before in a period of 50 years, I regret exceedingly that anything should occur to retard that program to the slightest extent.

I regret very much that it is necessary to delay, even for 1 day, action upon the soldiers' adjusted-compensation bill. I regret its delay, because I believe it provides for the payment of a just debt. I have always so believed, and I believe so now.

It seems to me that with the great progress which the Nation has made with the problem attempted to be dealt with, there can be little excuse for rejecting such a bill at this time. I was told that 30,000 people were killed in accidents last year. I believe the Senator from South Carolina [Mr. SMITH] told me that, if I am not mistaken. If one is interested in the way crime has increased in the country, I invite him to read the so-called "Wickersham report" which was submitted several years ago. We will have made ourselves, it seems to me, just a little absurd, in view of the magnificent progress we have made and the improved relationship which exists between the races who live in the country, if we stop the real business of the Senate in order to consider a measure which, according to the maximum figures, would have affected only 14 people last year. I do not know exactly how many it would have affected, but I know from my own knowledge and investigation that that number was not correct insofar as the alleged lynching charged to the State of Alabama was concerned, because there was none there.

So, Mr. President, vain as it is, futile as I believe it to be, noting the empty seats which I see about me, with the political advantage which I know is hoped to be obtained by certain men whose party has been justly and righteously criticized by reason of its enmity toward the plain, ordinary, average, everyday man, I have assumed to utter these words; but at least I can express for the people of my State their views.

Let him who will say that those who oppose the measure favor lynching. I denounce that statement as unequivocally false. We desire to improve the relationship between the people of the Nation without animosity, sectional or racial. So far as I am concerned, even if I favored an antilynching bill, I should not vote for this measure; and I state my reason with highest respect for those who have sponsored it, though I do not know who wrote it. Even if I favored an antilynching bill, and at the same time I stood for the rights of the people of the country to organize in a collective manner and to protect themselves by strikes or otherwise, I should not vote to crucify them on the cross of a so-called "antilynching bill." If we get ready to make it illegal for men to strike and to define a group of three strikers as a mob, let us do it fairly and squarely, and let us entitle the measure "A bill to prevent strikers from meeting together and injuring the property of their employers, or, as a consequence of their meeting together, injuring or killing strike breakers or other individuals." Let it not come under the guise of a bill which has been heralded to the people of the country as having the benign purpose of preventing lynchings when there were, perhaps, only 13 lynchings in this country last year.

Mr. President, for the time being I surrender the floor. At a later time I may discuss the matter a little more in detail.

Mr. BYRNES obtained the floor.

Mr. SMITH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Robinson
Bachman	Costigan	La Follette	Russell
Bailey	Couzens	Lewis	Schall
Bankhead	Dickinson	Logan	Schwellenbach
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Donahey	Long	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	O'Mahoney	Walsh
Carey	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2035. An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes; and

H. R. 5914. An act to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. BYRNES. Mr. President, I wish to address the Senate with reference to the motion of the Senator from Texas [Mr. CONNALLY] that the bill from the Finance Committee providing payment of the adjusted-compensation certificates be taken up, instead of the motion of the Senator from Colorado [Mr. COSTIGAN] being adopted to take up for consideration at this time the so-called "antilynching bill."

I think the motion of the Senator from Texas is wise, and that the Senate should proceed to the consideration of the so-called "bonus bill." I do not believe the Senate should proceed to the consideration of the antilynching bill. I think it would be exceedingly unwise, because, instead of promoting the cause in which Senators are interested, I believe it would retard the development of the fine spirit which has developed during recent years in behalf of the enforcement of law throughout the Nation.

I believe that lynching is murder whenever the victim of the mob dies at their hands. It is impossible for me to understand how men, and particularly lawyers, can make a distinction between lynching a human being when that crime is participated in by three persons, and the murder of a human being by an individual. I can conceive of no defense for it. In all my public career I have never made any other statement. Lynching, like any other form of murder, is a violation of the law of God and of man. For it I have never made, and never will make, an apology.

I know that those who have participated in the commission of such offenses have argued that their action was due to

the fact that the law was not enforced; that delays prevented the enforcement of the law; that lawyers would appeal from the decisions of lower courts, delay punishment being meted out to the criminal, and that has been the excuse of many who have been guilty of the crime of murder, called "lynching."

To me it has always seemed that when a human being is killed by three persons rather than one, instead of lessening the offense it but exaggerates and aggravates the offense.

While this is true, I know that in the light of history with reference to lynchings in this country nothing could be more unfortunate than the enactment of legislation of this character.

In order to get an idea of the views of the committee in reporting the bill, I have examined the report. After setting forth the details of the measure, the report of the committee says:

> The committee, during the Seventy-third Congress and during the Seventy-fourth Congress, has given much consideration to this bill. Hearings were held by a subcommittee at which evidence was presented demonstrating to the committee's satisfaction the continuing and increasing need for Federal legislation of this character. When a measure similar to the pending reported bill was before Congress in 1934 and its enactment into law appeared to be more than a possibility, two lynchings occurred in January 1934, a month prior to the public hearings conducted by this committee. During the months from January 30 to June 8, 1934, when public opinion in favor of legislation to curb the practice of lynching was particularly articulate, no lynchings occurred. During the first week in June 1934, word was generally circulated that hope for the enactment of the proposed measure had been abandoned. On June 8 there was a lynching in Mississippi, followed in rapid succession by 2 lynchings in Alabama, 1 in Texas, 1 in Tennessee, 1 in Louisiana, a third in Mississippi, a third in Alabama, 1 in Georgia, and 1 in Florida.

Gentlemen of the Senate, we have here stated the reasons for this proposed legislation—that while the committee was considering this bill from January to June no lynchings occurred in the United States; that during the first week in June 1934 word was generally circulated that hope for the enactment of the measure had been abandoned, and on June 8 there was a lynching in Mississippi.

Because we may fail to appreciate what has happened throughout the Nation, it is interesting to note that statement. When word that the bill was not likely to pass was generally circulated—I do not know who circulated it, but it seems, according to the report of the Judiciary Committee, that word was generally circulated throughout the Nation in the first week of June 1934, that there would be no legislation at that session—immediately, away down in Mississippi that information was made known, and then a lynching occurred on June 8; and then the information drifted over into Alabama, and two lynchings occurred in Alabama. It seems that those individuals for 6 months had been waiting to lynch someone, waiting for the opportunity to commit murder. Finally, when the information came to them that the Judiciary Committee would not report the bill, they immediately proceeded in Mississippi to have 1 lynching, in Alabama 2, in Texas 1, in Tennessee 1, in Louisiana 1, a third in Mississippi, a third in Alabama, in Georgia 1, in Florida 1; and it is stated that by March 13, 1935, 3 lynchings occurred. So evidently from January 1 until March 13, 1935, the information must have been generally circulated throughout the country that there would be no legislation on the subject at this session, and the lynchers proceeded to kill human beings because of that fact.

The committee said:

> It is more than a coincidence that the practice of lynching is practically stopped when Federal legislation designed to curb this practice is pending in Congress.

That immediately follows the statement that between January 1 and March 13, 1935, while legislation was pending, three lynchings occurred; but the declaration of the committee is that if a bill is pending there will be no lynchings. Therefore, it follows that the sane, sensible thing for the Senate to do is to adopt the motion of the Senator from Texas and proceed to consider the bill for the payment of the adjusted-compensation certificates, and permit antilynching legislation to be pending, and thereby, according to the committee, make impossible lynchings in this country.

The Senator from Colorado [Mr. COSTIGAN] gives another reason for having the bill reported at this time. He says that one reason why the bill would stop lynchings is that—

> The proposed law would bring the pressure of tax-paying public opinion, as well as the support of peace officers, to guard counties against mob violence, well illustrated in the case of South Carolina, where further lynchings have not occurred in certain counties of that State after the financial penalties were imposed.

The Senator refers to the fact that in South Carolina there is a statute authorizing the beneficiary to bring an action against the county in which a human being loses his life as a result of the action of a mob, when he is "lynched", and no other word is used, without authority of law. He can sue the county for $2,000.

Mr. President, that statute was enacted pursuant to a provision of the State constitution, for it is written in the constitution of the State of South Carolina that the beneficiary of the victim of a mob has the right of action to which I have referred. The constitution, adopted December 4, 1895, provides:

> In the case of any prisoner lawfully in the charge, custody, or control of any officer, State, county, or municipal, being seized and taken from said officer through his negligence, permission, or connivance, by a mob or other unlawful assemblage of persons, and at their hands suffering bodily violence or death, the said officer shall be deemed guilty of a misdemeanor, and upon true bill found shall be deposed from his office pending his trial, and upon conviction shall forfeit his office, and shall, unless pardoned by the Governor, not be eligible to hold any office of trust or profit within the State. It shall be the duty of the prosecuting attorney within whose circuit or county the offense may be committed to forthwith institute a prosecution against said officer, who shall be tried in such county, in the same circuit, other than the one in which the offense was committed, as the attorney general may elect. The fees and mileage of all material witnesses, both for the State and for the defense, shall be paid by the State treasurer in such manner as may be provided by law: *Provided*, In all cases of lynching when death ensues the county where such lynching takes place shall, without regard to the conduct of the officers, be liable in exemplary damages of not less than $2,000 to the legal representatives of the person lynched: *Provided further*, That any county against which a judgment has been obtained for damages in case of lynching shall have the right to recover the amount of said judgment from the parties engaged in said lynching in any court of competent jurisdiction.

Mr. President, the clause penalizing a county in the case of a lynching was offered in the constitutional convention by Senator Tillman, who for years served as a Member of this body. He stated at the time that it might not prove effective, that he doubted its effectiveness, but that it might serve as a scarecrow. The adoption of the provision by the constitutional convention was solely an expression of the law-abiding sentiment of the people of South Carolina against the lawlessness of a mob, the same sort of sentiment that has resulted in the gratifying decrease in the number of lynchings in that State of recent years.

But lest someone in the Senate should conclude that the Senator from Colorado was correct in believing that the enactment of the section of the bill offered by him authorizing a suit against the county would result in decreasing lynching, I wish to quote some statistics with reference to the State of South Carolina before and after the adoption of the constitutional provision.

In the Negro Year Book, published by the director of the department of research of Tuskegee Institute, it is stated that for the 11-year period from 1885 to 1895, inclusive, there were 1,897 lynchings in the United States, and 45 in the State of South Carolina. The constitution of South Carolina was adopted December 4, 1895. For the 11-year period succeeding the adoption of that constitution, with its antilynching provision, to wit, during the years from 1896 to 1906, there were 1,206 lynchings in the United States, and 43 in South Carolina. Therefore, while there was a marked decrease in the number of lynchings throughout the Nation, in South Carolina, where this antilynching provision had been written into the constitution, there was a reduction of only two in the number of lynchings in the 10 years succeeding its adoption as compared with the previous 10 years.

From that I would judge that Senator Tillman was right in believing that it would not be an effective deterrent insofar as the commission of this offense was concerned.

I think the Senator from Colorado ought to realize, it ought to appeal to a man's common sense, that when a mob of men willing to take human life, because their reason for the time is dethroned by the commission of some crime which they believe so horrible as to demand instant punishment, get hold of the criminal and take him out into the woods, they will never be deterred from committing murder by the fear that the county in which they live may at some future time be sued for $2,000 by the heirs of the man who is lynched. On the contrary, Mr. President, it is my belief that under those circumstances, when a mob seeks to take the life of the rapist or the murderer, nothing will deter them except the assurance that the man they have in custody will receive a speedy trial at the hands of the court, and when they have confidence in the honest enforcement of law by their courts. Only when such confidence exists can we hope to deter the commission of this offense.

Throughout the history of my own State I know of cases when not only sheriffs, but judges, have risked their lives in order to prevent lynchings. Never have I known of a case when the Governor of the State would not call out the militia, call upon armed forces, in order to preserve order and to prevent a lynching. It can be done in that way. It can never be done by enacting a Federal statute to usurp the powers of the State, and to endeavor to frighten State officers with punishment by the United States courts.

I would not undertake to discuss at length the question of the constitutionality of the proposed law. The Senator from Texas [Mr. CONNALLY] has gone into that question at some length, as have the Senator from North Carolina [Mr. BAILEY] and the Senator from Alabama [Mr. BLACK].

Nevertheless, I cannot refrain from expressing this opinion. In order to visit punishment upon a murderer or a rapist a mob is willing to violate law, to disregard all law. If the bill under discussion is unconstitutional, as I believe it to be, I would not want the Congress of the United States to follow the spirit of the mob and to disregard the provisions of the Constitution of the United States in order to visit punishment upon lynchers.

The United States Supreme Court has so clearly construed the fourteenth amendment and has so forcefully indicated its opinion as to legislation which would seek to control and to punish the acts of an individual within a States that it seems to me there is hardly any room for doubt as to the unconstitutionality of the proposed measure.

I desire to read for only a few minutes from the Civil Rights case, reported in One Hundred and Ninth United States Reports, page 11. In speaking of the provisions of the fourteenth amendment, the Court said:

> It is a State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject-matter of the amendment.

What is murder but the invasion of the rights of the individual? It is not contended that there was any action by any State denying to the individual citizens of the State the protection of the law. The argument is, not as to any law, but as to the failure or alleged failure of some State to enforce the law.

The Supreme Court said:

> To adopt appropriate legislation for correcting the effects of such prohibitive State laws and State acts, and thus to render them effectually null, void, and innocuous. This is the legislative power conferred upon Congress, and this is the whole of it. It does not invest Congress with power to legislate upon subjects which are within the domain of State legislation; but to provide modes of relief against State legislation, or State action, of the kind referred to. It does not authorize Congress to create a code of municipal law for the regulation of private rights; but to provide modes of redress against the operation of State laws, and the action of State officers, executive or judicial, when these are subversive of the fundamental rights specified in the amendment.

The Court said further in this case:

> And so in the present case, until some State law has been passed, or some State action through its officers or agents has been taken, adverse to the rights of citizens sought to be protected by the fourteenth amendment, no legislation of the United States under said amendment, nor any proceeding under such legislation can be called into activity; for the prohibitions of the amendment are against the State laws and acts done under State authority.

Nowhere is it contended that wherever a lynching has occurred it has been done under State authority.

The Court said further:

> Of course, legislation may, and should be, provided in advance to meet the exigency when it arises, but it should be adapted to the mischief and wrong which the amendment was intended to provide against; and that is, State laws, or State action, of some kind adverse to the rights of the citizen secured by the amendment. Such legislation cannot properly cover the whole domain of rights appertaining to life, liberty, and property, defining them and providing for their vindication. That would be to establish a code of municipal law regulative of all private rights between man and man in society. It would be to make Congress take the place of the State legislatures and to supersede them. It is absurd to affirm that because the rights of life, liberty, and property (which include all civil rights that men have) are by the amendment sought to be protected against invasion on the part of the State without due process of law, Congress may therefore provide due process of law for their vindication in every case, and that because the denial by a State to any persons of the equal protection of the laws is prohibited by the amendment, therefore Congress may establish laws for their equal protection.

Gentlemen of the Senate, I submit that that at best is all that could be said for the present bill—that it seeks to establish laws for the equal protection of individuals; and the Supreme Court of the United States in this case distinctly stated that because the denial by a State to any person of the equal protection of the laws is prohibited by the amendment, it cannot be contended that Congress may have established laws for their equal protection.

> In fine, the legislation which Congress is authorized to adopt in this behalf is not general legislation upon the rights of the citizen, but corrective legislation, that is, such as may be necessary and proper for counteracting such laws as the States may adopt or enforce, and which, by the amendment, they are prohibited from making or enforcing, or such acts and proceedings as the State may commit or take, and which, by such amendment, they are prohibited from committing or taking.
>
> It is not necessary for us to state, if we could, what legislation would be proper for Congress to adopt. It is sufficient for us to examine whether the law in question is of that character.
>
> An inspection of the law shows that it makes no reference whatever to any supposed or apprehended violation of the fourteenth amendment on the part of the States. It is not predicated on any such view. It proceeds ex directo to declare that certain acts committed by individuals shall be deemed offenses, and shall be prosecuted and punished by proceedings in the courts of the United States. It does not profess to be corrective of any constitutional wrong committed by the States; it does not make its operation to depend upon any such wrong committed. It applies equally to cases arising in States which have the most just laws respecting the personal rights of citizens, and whose authorities are ever ready to enforce such laws, as to those which arise in States that may have violated the prohibition of the amendment. In other words, it steps into the domain of local jurisprudence, and lays down rules for the conduct of individuals in society toward each other, and imposes sanctions for the enforcement of those rules, without referring in any manner to any supposed action of the State or its authority.

If Congress ever believed that it possessed the power to provide that the acts of an individual could be prohibited by such legislation as is now proposed, Congress never would have resorted to the procedure of submitting the eighteenth amendment to the States for ratification. Congress realized that in the absence of constitutional authority it could not make criminal such actions as were thereafter declared to be criminal by the Volstead Act. Therefore, it proceeded in a legal way, with regard for the Constitution, first to amend the Constitution and then to enact the Volstead Act.

Here, without any attempt to have passed a resolution submitting to the States an amendment to the Constitution, which would give constitutional authority for such legislation, we proceed to legislate; we offer for the consideration of the Congress a measure which would make criminal the acts of an individual purely within the domain of a State, and without any claim of violation by State law of the rights guaranteed under the fourteenth amendment to the Constitution.

The Senator from Colorado a few days ago referred to the fact that among the States of the Union which had adopted penal statutes fining the officers of a county who were negligent, who failed diligently to enforce the laws, and author-

izing an action to be brought against such county, were the States of South Carolina, North Carolina, Ohio, Illinois, and two or three others I have now forgotten. I regret greatly that the Senator from Colorado could not have enumerated in that list the State of Colorado. I find that neither the State of Colorado nor the State of New York has taken any action to give to the family of one who is lynched a right of action against the county in which the lynching occurred. The States in which the authors of this measure live have failed to show the interest in the families of the deceased which has been shown by a number of States in the South. I only regret that those Members of the Senate who are so vitally interested in this question could not urge such action on the part of their own States before asking the Congress of the United States to enact this bill.

The Senator, of course, may say, insofar as the State of Colorado is concerned, that fortunately very few lynchings have taken place within the borders of that State. I assume that if one is to define "lynching" and describe it in any particular way, to say how a man must meet his death, by what means he must meet his death, in order to come within the definition of "lynching", the Senator could correctly make that statement. I recall some years ago, however, when I was serving as a Member of the House, having to go to the State of Colorado as a member of the Committee on Mines and Mining to investigate a most unfortunate situation existing there. A labor controversy had existed for some time. Armed conflicts resulted. Into the State there were imported detectives, as I recall, from the Baldwin-Phelps Detective Agency. They came into the State and were appointed special deputies at the mines, and the conclusion I reached was that they brought on most of the unfortunate difficulties which arose in the communities into which they were brought. The United Mine Workers were on strike. In defense, they armed themselves. They occupied tents. Colonies were established. They leased the land upon which their tents were located. I should hesitate now to say how many human beings lost their lives, but I think surely more than 200, from the beginning to the end of that conflict, ending, as I recall, with what was known as the "Ludlow disaster."

Listening today to the argument of the Senator from Alabama, my mind went back to the conditions then existing in the State of Colorado. Four members of the United Mine Workers of America did arm themselves. Machine guns were in the hands of their opponents. The lives of children, the lives of women, were taken during that conflict.

If two or three participated in the conflict, and as a result of it one of the deputies appointed by the operators of the coal mines should be killed, when officers were present on the scene, I am wondering who would be responsible for the conflict, under the language of the bill. It was almost impossible for us to tell in many instances; but if such a conflict should arise after the enactment of this legislation, as I construe it, the parties would have to be tried in the United States court. Certainly, if we may judge by the feeling which then existed, the operators of those mines, under the conditions existing in southern Colorado at the time, would have sought to take them into the United States courts, except in one or two counties where I believe they had sufficient control of local authorities so that they might have felt it was unnecessary to remove the cases.

I concur in the statement made by the Senator from Alabama [Mr. BLACK]. It matters not what motive was in the minds of those who drafted the bill or what purpose they sought to accomplish, under its language, whenever there is a conflict arising out of a labor controversy, those who are participating in it can be tried in the courts of the United States instead of in the State courts.

Mr. President, I desire to comment for a few moments upon some of the provisions of the bill. Paragraph (a) of section 3, provides:

SEC. 3. (a) Any officer or employee of any State or governmental subdivision thereof who is charged with the duty or who possesses the power or authority as such officer or employee to protect the life or person of any individual injured or put to death by any mob or riotous assemblage or any officer or employee of any State or governmental subdivision thereof having any such individual in his custody, who fails, neglects, or refuses to make all diligent efforts to protect such individual from being so injured or being put to death or any officer or employee of any State or governmental subdivision thereof charged with the duty of apprehending keeping in custody, or prosecuting any person participating in such mob or riotous assemblage who fails, neglects, or refuses to make all diligent efforts to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment under the laws of such State all persons so participating, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years, or both such fine and imprisonment.

Let us see what that section includes. It includes first of all the sheriff. It is provided in a subsequent subsection that "failure for more than 30 days after the commission of such an offense to apprehend or to indict the persons guilty thereof" or to prosecute such person, shall "constitute prima facie evidence of the failure, neglect, or refusal described in the above proviso."

There never was a man charged with the enforcement of the law who did not know that when there was a lynching and an officer attempted to ascertain who participated in the lynching, if he proceeded to the community immediately following the lynching, when everybody who participated in it was on guard, it was an absolute impossibility to secure any information as to the participants.

For a short while I served as prosecuting attorney. During the time I served there was one lynching. I went to the county in which the lynching occurred, for the purpose of securing information as to those who had participated in it. I resorted to every possible means to ascertain their identity. It soon appeared to me that if I hoped ever to secure the information I should have to wait until someone who participated was not on guard and should make some statement which would disclose the identity of the members of the mob or those who participated in the lynching.

If, perchance, after the enactment of this legislation it should be desired to discover who participated in a lynching, and the sheriff had to wait before going to the community for the reason I have stated, he would have facing him the provisions of the bill that if he failed to apprehend the guilty person within 30 days his failure would constitute prima facie evidence of guilt and make him liable to 5 years' imprisonment or to a fine, or to both imprisonment and fine.

In addition to that the section provides further that if the officer selected by the people of his State to serve as prosecuting attorney——

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from South Carolina yield for that purpose?

Mr. BYRNES. I do.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Robinson
Bachman	Costigan	La Follette	Russell
Bailey	Couzens	Lewis	Schall
Bankhead	Cutting	Logan	Schwellenbach
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Donahey	Long	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	O'Mahoney	Walsh
Carey	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

The VICE PRESIDENT. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. BYRNES. Mr. President, under the terms of this bill, if three persons should secure custody of an individual charged with committing some offense which they believed

demanded immediate punishment and should do him injury, the matter would come within the jurisdiction of the United States court. If, however, the husband, father, or brother of one who had been injured should take the law into his own hands and either kill or do injury to the criminal, that would not be within the jurisdiction of the United States court. We have, by this bill, a one-man Constitution and a three-man Constitution. The United States court would have no jurisdiction of the case if the husband or father of the unfortunate victim of a rapist should immediately take his life. He could be tried only in the State courts, and under the language of the bill no offense would have been committed which would bring him within the jurisdiction of the United States court.

Mr. President, I wish to speak for a few minutes about the effect of this bill upon prosecuting attorneys. The language of the bill is:

A failure for more than 30 days after the commission of such an offense to apprehend or to indict the persons guilty thereof, or a failure diligently to prosecute such persons, shall be sufficient to constitute prima facie evidence of the failure, neglect, or refusal described in the above proviso.

By whom is a person indicted? Either by the district attorney in some jurisdictions or by the grand jury in other jurisdictions. Certainly under the laws of the State of South Carolina the indictment is by the grand jury. If the grand jury fails to indict someone within 30 days, it shall be construed as "a failure diligently to prosecute such person", and the United States court has jurisdiction over the grand jury in order to determine whether or not they are to be fined or imprisoned. If the prosecuting attorney fails to indict someone, then at the expiration of 30 days there is a prima facie presumption of his failure to diligently perform his duties, and upon such a showing the United States judge can take jurisdiction of the case against him for failure to diligently perform the duties of his office.

In other words, the duty is placed upon the sheriff first to get some man for this crime, and if he fails to do it he knows that he is liable to fine and imprisonment. Even after he gets him, if the grand jury, upon hearing the evidence, concludes—certainly in my State—that there is not sufficient evidence to warrant a true bill, then its members come within the provisions of this section.

Then, Mr. President and gentlemen of the Senate, just consider for a minute the position of the prosecuting attorney.

The prosecuting attorney, we have always been told, should bear in mind that it is his duty to see that no innocent man is punished in the criminal courts. He is not a partisan attorney, employed merely for the purpose of securing a conviction. It is his duty to act as the protector of the innocent man. If he attempts to do it, and reaches the conclusion that there is not sufficient evidence to warrant a true bill, or to warrant a verdict of guilty against the man, and takes that position in court, he is liable to punishment under the provisions of this bill.

Who is to pass upon that? I can picture the prosecuting attorney in a State prosecuting a case before a jury. He has been elected by the people of his county as prosecuting attorney. He is presenting the evidence in what he believes to be the best possible manner. He argues the case to the jury.

However, there may be present some representative of the Department of Justice, or the representative of some other organization, and that representative may conclude that the prosecuting attorney has not been diligent in endeavoring to secure a conviction at the hands of the jury, and he proceeds to take action against him, to bring to the attention of the judge of the United States court for that district the failure on the part of the prosecuting attorney diligently to endeavor to secure a conviction.

Let us see the position in which the court finds itself:

The district court of the United States for the district wherein the person is injured or put to death by a mob or riotous assemblage shall have jurisdiction to try and to punish, in accordance with the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who shall participate therein.

What is necessary in order to confer jurisdiction upon the United States judge? First, it must appear to him—

That the officers of the State charged with the duty of apprehending, prosecuting, and punishing such offenders under the laws of the State shall have failed, neglected, or refused to apprehend, prosecute, or punish such offenders."

The question has been raised as to how it shall be made to appear to the court. Certainly there in this section there is nothing other than the statement that it must only be made to appear to the court that the prosecuting attorney in the State court has not been diligent.

Can it be made to appear by an affidavit? If an affidavit is presented, what opportunity is to be given to the prosecuting attorney to show that he was diligent? Who is to pass upon his diligence? Who can say what kind of argument the prosecuting attorney made to the grand jury, or what kind of argument he made to the petit jury? Who is going to say how well he presented his case to the jury through the witnesses? Certainly the United States judge, who was not present at the trial, cannot possibly say.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from South Carolina yield to the Senator from Texas?

Mr. BYRNES. I yield.

Mr. CONNALLY. In connection with the exact point which the Senator is now discussing, the Supreme Court of the United States has held in Collector against Day that the Federal Government can in nowise tax any agency of a State. We cannot tax the Governor's income or his salary. That was held in these words:

As the States cannot tax the powers, the operations, or the property of the United States, nor the means which they employ to carry their powers into execution, so it has been held that the United States has no power under the Constitution to tax either the instrumentalities or the property of a State.

In the face of that sort of a constitutional construction, the Federal Government cannot even tax the salary of the prosecuting officer, because he is free from Federal control in order to perform his duties as an officer of the State. Yet under this bill he could be put in the penitentiary, and there could be assessed against him heavy fines for carrying out his duties to the State, his sovereignty, the government which he serves. But the Supreme Court says that the Federal Government cannot even tax his salary, because it would be an infringement upon the sovereignty and the powers of the State which he serves.

Mr. BYRNES. Mr. President, I am glad the Senator from Texas has called attention to that decision. It is in accord with all the decisions.

In the language of the bill, it is provided that—

If such amount—

Referring to the award against a county.

If such an amount awarded be not paid upon recovery of a judgment therefor, such court shall have jurisdiction to enforce payment thereof by levy of execution upon any property of the county.

As the Senator from Texas has shown, that would be in direct violation of the Constitution. But even disregarding that, let me picture the absurdity of the provision.

In the State of Illinois unfortunately there is a labor controversy, we will assume. In the course of that controversy three of those who are on strike get into a conflict with some special deputy who is appointed, probably some one of the men imported to serve as guards. A guard is killed in the conflict, we will suppose. The three men who are on strike are taken into court and are charged with an offense against the laws of the United States, and doubtless would be convicted, or at least, from the experiences we have generally heard of, they would be in great danger of being convicted.

A suit is then brought in the United States court against the county, and a judgment is secured for the amount of money provided, not less than $2,000 and not more than $10,000. The county refuses to pay the $10,000, and what is the United States Government to do?

The United States Government goes in to mandamus. The county does not levy a tax. It does not in most States. They have tried it in the State of South Carolina, where we have a provision of the State constitution, and all they could ever do was to mandamus the county officers to put a provision in, an estimate, into a budget, which must be submitted to the general assembly, and then only by act of the general assembly could taxes be levied. In the State of Illinois, in the instance of a suit and judgment which was not paid, the United States Government could sell the county property. What property would it sell? Would it sell its courthouse? Would it go down and levy upon the courthouse? Who would buy the courthouse?

Mr. BANKHEAD. Mr. President, will the Senator yield to me?

Mr. BYRNES. I yield.

Mr. BANKHEAD. It is a general rule of law that before real estate can be sold the personal property must be exhausted. Would they not be required first to sell all the records of the county, and all the furniture in the courthouse, or anywhere else in the county, including the almshouse, before they could proceed to levy on the real estate?

Mr. BYRNES. Mr. President, I have thought possibly that would happen. If they did not take the courthouse, they were going to take the almshouse.

Mr. BANKHEAD. They would strip themselves of all personal property, and then resort to the almshouse and the courthouse.

Mr. BYRNES. The question of the Senator from Alabama strips the argument of all weight. I can see no possible way of enforcing this measure even if by any possibility the Congress should pass it, and the courts should hold it to be constitutional.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. CONNALLY. The Senator ought not to overlook, in some of the counties, some school buildings, also.

Mr. BYRNES. I thought that in many of them there would be some question as to whether the United States Government could take the school houses, the property of the school districts. I know one State that seems to be discriminated in favor of—the State of Louisiana. I see the junior Senator [Mr. OVERTON] in the Chamber. He, at least, has the comfort of knowing that if I am correct in believing that there are parishes and not counties in the State of Louisiana, his State might possibly escape, as all these punishments are visited upon counties and not upon parishes.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Kentucky.

Mr. LOGAN. What difference does it make if the courthouse is sold in a county where there is mob rule? The people who live there have no use for a courthouse, anyway.

Mr. BYRNES. If all the courthouses in the United States where an individual has been killed by three persons should be sold, it would mean the sale of every courthouse in the United States; for there is not a county in the United States where at some time in its history some individual has not been killed by three or more persons. There would not be a courthouse left in Kentucky.

Mr. SMITH. That is true, Mr. President.

Mr. BYRNES. Yet I am enough of an admirer of the great State of Kentucky to believe that a condition does not exist there which would warrant us in saying that we should abandon all hope of Kentucky. I do not. I still believe the people of that State are a law-abiding people. The records show that there, as in every other State in the Union, lynchings have been decreasing annually, and if the State is left alone they will continue to decrease. But I hesitate to think what would occur if such a bill as this should pass, and there should come into Kentucky and into every other State, minions from Washington who would seek to pass judgment upon the efforts of a prosecuting attorney, and to say whether or not he was exercising due diligence in trying to convict a man accused of murder. I believe that in Kentucky, as in Alabama, and wherever murder has occurred, the people have stood behind the officers of the law seeking to gain a conviction, and they should continue to do it; and if they continue to do it they ought not to be handicapped by men who would come to interfere with the enforcement of the law instead of promoting the enforcement of the law.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. RUSSELL. I have listened with a great deal of interest to the observations of the Senator from South Carolina, particularly to what he said with reference to the State of Lousiana not being affected, inasmuch as that State does not have governmental subdivisions which are designated as counties. I will state to the Senator from South Carolina, who has also noted the fact, that upon reading this bill it apparently would not apply to the District of Columbia, for some reason which has not been made clear by the authors thereof.

Mr. BYRNES. No, Mr. President; so far as I read the bill, the statement of the Senator from Georgia is correct. I recall that back in 1917 or 1918 there was quite a little controversy in the District of Columbia about a number of matters, as the result of which some gentlemen who were then busy upon Capitol Hill found it quite a dangerous thing to go to their hotels. People were being killed all over the city. Quite a large number were killed. I do not know that there was any intention on the part of any persons to exempt the District of Columbia from the provisions of the law. I do not see why it should be exempted.

I desire now to call attention to another matter. I read section 4:

> The district court of the United States judicial district wherein the person is injured or put to death by a mob or riotous assemblage shall have jurisdiction to try and to punish, in accordance with the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who participate therein: *Provided*, That it is first made to appear to such court (1) that the officers of the State charged with the duty of apprehending, prosecuting, and punishing such offenders under the laws of the State shall have failed, neglected, or refused to apprehend, prosecute, or punish such offenders; or (2) that the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is probability that those guilty of the offense will not be punished in such State court.

How is that provision to be enforced? Suppose in the State of Michigan some unfortunate individual should be killed by three men riding by in an automobile, having with them a machine gun which they turn on the victim, and kill him. They ride off, and the prosecuting attorney is not able within 30 days to find out who occupied the machine. That would be prima facie evidence that the prosecuting attorney had not been diligent, and the sheriff had not been diligent, and that, therefore, they could be taken into the United States court.

There is a second proviso. The officers could be brought into the United States court for the reason stated, or, if they should arrest the man who was in the automobile and who fired the gun, and they should attempt to take him into the State court, some representative of the United States Government could ask that he be taken to the United States court on the ground that the jurors of that county were so strongly opposed to punishment that there was no probability of guilt being determined.

How is that to be ascertained? It is stated in the bill that it must first appear to the judge of the United States court. Are the Federal authorities going to examine the jurors, or are they going to take an affidavit from some man who goes into the State and who takes the position that in that particular county those who probably would be called for jury service would not render a true verdict? Are they going to indict a whole county of people and say there is no sentiment there in favor of law and order?

Mr. President, when I read that provision I know that so far as that particular section is concerned it will not be a very serious factor in the enforcement of law. I do not believe the district judge of any United States court who has regard for his oath of office will accept the statement of any individual that in any county of the United States where jurors have not even been drawn they are of such character,

that all those who are available for service are of such character that there is no probability that those guilty of the offense will ever be punished in a State court.

Then how are they to be punished in the United States court? Where are the jurors coming from? Presumably, county lines do not make a great change in the character of people.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. TYDINGS. I am sorry to say that in the State of Maryland recently there was a lynching. As it was very recent, I know the Senator is familiar with the happenings over there in a general way. I desire to point out that on that particular occasion State troops were rushed to the scene, but apparently insufficient numbers of them were there, and the people broke into the jail, got hold of the culprit, and killed him. However, the Governor did not stop there. The attorney general of the State and a battalion of the National Guard went into the community in an attempt to ascertain who had been guilty of this offense. The matter wound up in a riot in that section, and for a long while it looked as if additional blood would be spilled.

I do not mean to condone the lynching at all, but what I do mean to point out is that even with the best of intentions a State executive, really on the job, and with the National Guard at his disposal, and with a desire not to have lynchings, and to punish those implicated in lynchings, quite frequently finds that in the face of a mob he is powerless to carry out the law.

Governor Ritchie, in my State, won the commendation of people of humane instincts all over the country. To some extent it affected his political career, perhaps. I do not think, however, that was the deciding event. At any rate there was the Governor who perhaps did not act quickly enough, or did not do this, that, and the other, as we look back upon it, but who had every desire to throw around the accused every safeguard possible, and further than that, to go in after the deed was done and to right the wrong so far as he could. The Senator is familiar with that happening in the last couple of years, and it shows the futility, almost, of trying to find those who really were guilty of the offense. In line with what the Senator is saying, I simply make that observation to show the difficulty even when it is intended by high authority to bring order out of chaos in a situation of that kind.

Mr. BYRNES. Mr. President, I recall the story as it appeared in the newspapers. No one commended Governor Ritchie more sincerely and more heartily than I did at that time.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. COSTIGAN. The Senator, of course, is aware that under the proposed legislation in cases where all due diligence had been exercised by local peace officers the Federal jurisdiction would not attach.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. BYRNES. I yield.

Mr. TYDINGS. I know that the Senator from Colorado, in introducing this bill, was actuated by instincts and attributes of humanity, and I have tried to bring myself in line with his general thoughts. One of the difficulties I have found in supporting the bill—and I wish to overcome all of them that I can—is that when the courthouse is sold, so to speak, or when the $10,000 fine is levied on the county, I do not like to levy an extra tax or assessment on law-abiding people who in that particular community were opposed to the crime of lynching. I happen to know that in this particular case many people in the community were just as much opposed to it as the Senator was.

Yet under the terms of the bill we would tax them for their proportionate share of the $10,000. I suppose the Senator's answer to that question is, "That is true"; but there is no better way we could find to bring some measure of recompense to the children or the offspring of the man who had been lynched. As that was the best way we could get at it, we had to do it in that way. Nevertheless, the fact remains that it does penalize innocent people who had no part in the lynching, and to that extent we are embracing the very thing which we seek to eliminate.

Mr. COSTIGAN. Mr. President, will the Senator yield further to me?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from South Carolina yield further to the Senator from Colorado?

Mr. BYRNES. I yield.

Mr. COSTIGAN. Since the last remarks were addressed to me I merely wish to refer once again to the fact that in about 11 States of the Union there now are provisions in State laws making cities, or counties, or both, liable in such cases.

I directed the attention of the Senate the other day to the fact that Professor Chadbourn, assistant professor of law in the University of North Carolina, in a book entitled, "Lynching and the Law", published in 1933, compiled these statutes and introduced a table showing that in the State of South Carolina, one of the pioneer States in introducing and enacting this type of legislation, no lynching has occurred in any county of the State in which judgments under such a law were collected, as they were, against counties.

Mr. TYDINGS. I am glad to learn that from the Senator.

If the Senator from South Carolina will permit me further, my own feeling in the matter is that I should like to see every State in the Union, rather than the Federal Government, take whatever action it could logically take to discourage and minimize the promptings toward lynching.

Mr. BANKHEAD. May I answer the suggestion of the Senator from Colorado by stating that lynchings had about ceased, anyway. The fact that we have not had any lynching in South Carolina does not prove anything except that we are wiping it out. If we may be let alone, we will complete the job.

Mr. TYDINGS. I myself believe the number of lynchings is declining. My own State had a very enviable record. I am very sorry that recently that record was not maintained. I should like to support any legislation I could which would eliminate lynching. My only fear is that I doubt very much that we will accomplish what we hope by the bill which we are now discussing.

In that connection a lady came to my office the other day asking me to support the bill. By way of arriving at her viewpoint I said, "What would you have done if you had met Hauptmann the day after Mr. Lindbergh's baby was discovered dead?" She said, "I would have shot him down in cold blood, without the least hesitation." Yet the lady was there asking me to support antilynching legislation.

Mr. BYRNES. Mr. President, the Senator from Colorado said with reference to South Carolina that, after judgment had been obtained, no lynching occurred subsequently in that county. Last year no lynching occurred at all in South Carolina in any county. I am glad to say in the last 8 or 10 years our record has been a splendid one. The Senator's statement does not prove anything. I have heretofore quoted from the record to show that after the adoption of that provision, not by statute, but in the constitution of South Carolina, in the 10 years following the adoption of the constitution in 1895 there were just as many lynchings as had occurred in the 10 years preceding 1895.

One might consider the logic of Professor Charbourn that a mob, having in custody a rapist who had aroused the emotions to such extent that they were about to violate the law and take human life, would stop and say, "Now, we had better not lynch this man because the county will have to pay $2,000."

No; it would not be done!

There is only one way, and the one way is the way in which we have been proceeding; that is to have every teacher, every preacher, every editor, day in and day out, preach that lynching is murder, and for it there shall be no excuse; that the law must be upheld at all hazards. In response to that a sentiment has grown which has resulted in a wonderful improvement not only in our State, but in every other State. The figures have been placed in the

RECORD. It ought to be known by all men that since 1882 when there was a total of 113 lynchings, the number has decreased until 1932 when there were but 8 lynchings in all the Nation, though the number increased to 28 in 1933, but again last year decreased to 15.

There were but 15 lynchings in 1934, according to figures compiled by the Tuskegee Institute, and even as to those there is always some question because it is difficult for some people to agree as to exactly what constitutes a lynching.

There will be even more difficulty, if we enact such a statute as is here proposed, to determine, if three persons participate and a human being is killed, whether it is a lynching. I imagine in what has been classified as "lynching" by the Tuskegee officials, they have had in mind where there was a mob composed of a large number of people, and not merely an assemblage of three persons who would constitute a mob under the terms of the bill which we are here discussing.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BYRNES. Certainly.

Mr. LOGAN. I know the Senator means to be fair, but he and other Senators have argued the matter from a standpoint which I think is erroneous. The bill does not provide that if three persons simply go out and kill a man, then the provisions of the bill shall apply; but he must be someone who is in the custody of an officer, who has been convicted of a crime, or charged with a crime, or is suspected of a crime. It is not a question of three men conspiring together to go out and kill a man.

Mr. BYRNES. If he is suspected.

Mr. LOGAN. In other words, he must be a criminal who is either in custody or whom the officers are preparing to take into custody, and then if three or more men take him they constitute a mob.

Mr. BLACK. Mr. President, will the Senator from South Carolina yield to me at that point?

Mr. BYRNES. Certainly.

Mr. BLACK. Unfortunately the Senator from Kentucky is mistaken. I analyzed this morning the first paragraph of the bill. All the Senator has to do is to read the bill in careful detail to see that no such requirement is there. As a matter of fact, it is provided under one of the clauses that he must be in prison or in custody or must be suspected of a crime, but under another clause, all that is necessary is that three or more persons shall meet and as a consequence of their meeting together the man or the corporation—because the provision includes corporations—shall be deprived of due process of law, or be deprived of equality under the law.

I know the keen legal mind of the Senator from Kentucky, and the training he had on the supreme court bench. I would suggest that the Senator read the bill carefully and in connection with it the brief of Mr. Tuttle, which is a very able brief. He will find there are three different conditions which control the group of three people and bring them within the definition of a mob. Two of them do not require that it be an injury to someone who is in custody or has been suspected of a crime.

Mr. WAGNER. Mr. President, will the Senator yield for just one question?

Mr. BYRNES. I yield.

Mr. WAGNER. Instead of dealing in technicalities, as it is so easy to do if one seeks reasons for opposition, why not face the facts? Is it not generally known what lynching is and how it takes place, so that when we talk about it we confront not some imaginary situation but something which everybody knows and recognizes? We know how lynchings occur and what they are.

Mr. BYRNES. Mr. President, if the Senator from New York knows what a lynching is, what is it? If everybody knows it, will the Senator tell us what it is?

Mr. WAGNER. The Senator from South Carolina has talked about lynchings. He has said that only so many have taken place in his State and so many in another State, that there are less lynchings now than there were some years ago, and that, therefore, this legislation is unnecessary. He intimates that if a thousand victims were involved they would be entitled to protection, but that if only 15 lose their lives they are not entitled to protection. That is a sort of logic that I cannot follow.

Mr. BYRNES. The Senator from New York is the author of the bill in which it is stated that it is a bill to prevent and punish the crime of lynching, and he says everybody knows what lynching is. I ask the Senator if he will tell us what constitutes a lynching. He is the author of the bill, and if we are wrong about it I should like to have the author of the bill tell us what constitutes a lynching. He says everybody knows. Now, what is it?

Mr. WAGNER. The Senator from South Carolina has been talking about lynchings.

Mr. BYRNES. I have been talking about the bill the Senator from New York introduced. What is it, then?

Mr. WAGNER. One is charged with a crime—and, by the way, it is not always rape. As a matter of fact, the records show that offenses other than rape are charged most generally. Some very trivial offenses have been charged, usually against persons of a certain race. When a suspect is apprehended, and the community is aroused, and three or more persons go into the jail and take the victim from the custody of a sheriff and string him up to a pole, or do something like that, that is called a lynching. When that occurs, either with the connivance of the sheriff or other official or through his neglect—and we know exactly what that means—then not only is the officer in such a case guilty of a crime but the county should pay by way of liquidated damages for his offense.

Mr. BYRNES. Mr. President, I know the Senate is delighted to have the author of the bill advise us that what he intended to say when he drafted this bill was that if two or more men enter a jail and take a prisoner——

Mr. WAGNER. No; I am not limiting the definition to that. The Senator from South Carolina asked me about the ordinary case of lynching. That is the ordinary case. There are other cases.

Mr. BYRNES. This bill is to prevent and punish the crime of lynching. Therefore, it is good to know not only what is in the proposed law but what it was the intention of the Senator from New York to place in the proposed law.

Mr. WAGNER. I do not wish to have the Senator from South Carolina confine me to that particular definition, because there are other cases where the official whose duty it is to protect the prisoner or to apprehend the offender fails to do so.

Mr. BYRNES. Is that lynching?

Mr. WAGNER. No; but that is neglect to protect the particular individual charged with the crime.

Mr. BYRNES. Mr. President, I know we are fortunate in having the Senator from New York tell us exactly what we are doing.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BYRNES. Before yielding, I should like to say that, while the bill is said to be a bill to prevent lynching, of course, we know that regardless of the intention of the author of the bill, if the intention has not been expressed in the law, it is unfortunate so far as the victim is concerned who is hauled up for violating the law. Nevertheless, what the Senator intended to say in drafting this bill was that whenever two or more persons enter a jail and take a prisoner and carry him out and hang him up to a pole and kill him they shall suffer the penalties that are provided.

Mr. WAGNER. Yes; they are guilty of lynching.

Mr. BYRNES. It is unfortunate that that is not the way the bill is expressed. If it had been, it would have made unnecessary a great deal of the debate which has proceeded according to the language of the bill. The language of the bill is entirely different.

Mr. BLACK. Mr. President——

Mr. BYRNES. I yield to the Senator from Alabama.

Mr. BLACK. The Senator from New York asked if there was any misunderstanding on the part of anybody as to what a lynching is. I called attention today to the fact that Alabama has been charged with a lynching, and I gave the

facts. They are the facts as stated, even in the publication which referred to the occurrence as a lynching. I challenge anybody to make the statement, under those facts, that that was a lynching. That is one case where there was clearly a mistake.

Mr. BANKHEAD. Mr. President, I should like to have my colleague restate those facts.

Mr. BLACK. It was a case where three girls were held up by a man with a pistol, and one of the girls broke away and went to a nearby meeting and told the persons at that meeting that they were being assaulted; and men in the meeting rushed to the place, and the man who was assaulting the girls proceeded to break away and shoot at them, and they shot him and killed him. That is the "lynching" which was charged up to the State of Alabama last year!

Mr. BYRNES. And under this bill the family of the rapist in that instance would be entitled to sue and recover $10,000!

Mr. BLACK. He did not succeed in his purpose. The men got there before he could take the girls away, even at the point of a pistol.

Mr. BYRNES. The man was committing the assault, then, with intent to commit rape.

Mr. BLACK. But here is the point: The Senator from South Carolina calls this an antilynching bill. He read the title of the bill, and designated it as an antilynching bill. I submit that the only place where it can be said to be an antilynching bill is in the title. I submit that the bill covers far more than an antilynching measure does, as I have set out here today.

Mr. WAGNER. Mr. President, will the Senator yield for a suggestion?

Mr. BYRNES. I yield.

Mr. WAGNER. In view of these differences of opinion, would not the logical thing be to proceed with this proposed legislation as we have proceeded with other proposed legislation? Let us bring up the bill for consideration, and if the language of the bill does not accurately reflect what it is intended to accomplish, then we may by amendment and discussion and deliberation perfect the language, for out of this composite view there undoubtedly would emerge a perfected bill. It seems to me illogical to discuss the merits of the bill now, when the pending motion is merely that the Senate take up the bill for consideration, deliberation, amendment, and then final action one way or the other.

Mr. BYRNES. Mr. President, in the first place, I desire to say that I stated at the outset that I was addressing my remarks to the motion of the Senator from Texas [Mr. CONNALLY] to amend the motion of the Senator from Colorado [Mr. COSTIGAN], and to take up the bill providing for the payment of the adjusted-compensation certificates. I stated that I believed that motion to be a wise one, because I did not believe in the provisions of this bill, and I was showing the reasons why I took that position. I submit to the Senator, however, in all seriousness, that when it does appear that there is such an absolute difference of opinion even as to what constitutes lynching, and when I think the Senator, upon reading the bill, will agree that it does not express the view of lynching which he expressed here a few moments ago, the thing to do is not to consider the bill at this time, but to redraft it in accordance with the Senator's statement of his intention, and reintroduce it at a later date, when it can be considered.

Mr. WAGNER. There are some amendments which the Senator from Colorado [Mr. COSTIGAN] and I have agreed to offer the moment that the bill is up for consideration. Our minds are open. If there are Senators interested in this legislation who will suggest language that is more desirable than the language used, of course we shall accept it. That course has been followed every day. Why make an exception of this particular legislation, by preventing us from even bringing the matter up for consideration and amendment? Since I have been in the Senate, I do not know of any other piece of legislation reported by a committee that occasioned a discussion of the merits of the measure upon a motion to take the bill up for consideration.

Mr. BYRNES. Mr. President, there is nothing about the motion to bring the bill up for consideration which makes it at all sacred. Pending at this time is the bill for the payment of the adjusted-compensation certificates, to be followed by the N. R. A. bill and the social-security bill. The Finance Committee declares it is ready to bring those measures in.

The Senator from New York says he and the Senator from Colorado [Mr. COSTIGAN] have talked about a number of amendments. Now, when it appears that as to the very foundation thing, the definition of lynching, what is, according to the title, sought to be prevented, there is to be an amendment, I suggest that the Senator should first change the language of the bill in its definition of lynching, and perfect these other amendments, and then next week he can offer it.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

Mr. BYRNES. I yield.

Mr. WAGNER. Does the Senator think that when the national recovery bill comes up for consideration there will be no perfecting amendments offered and adopted upon the floor?

Mr. BYRNES. No; I do not.

Mr. WAGNER. Or that when the social-security bill and the bonus bill are up for consideration there will not be some Senators who will offer amendments to perfect the legislation? Why not deal with this antilynching legislation just as we shall deal with the N. R. A. legislation, the social security legislation, the labor-disputes bill, and other bills which we are bound to consider before we adjourn? What is there about this proposed legislation that should prevent its receiving the consideration which I know we shall accord the measures which the Senator predicts will be reported?

Mr. BYRNES. Mr. President, I regret exceedingly that the Senator from New York has not been able to be here, or he would have heard a number of reasons urged. First, there was presented the question of the unconstitutionality.

Mr. WAGNER. Oh, well——

Mr. BYRNES. The Senator says "Oh, well." I know he would be opposed to considering the constitutionality, but still that has been urged with great force by Members of the Senate who believe it is a matter still to be considered.

Mr. WAGNER. Is not that so as to every piece of new-deal legislation that has been proposed? Has not all such legislation been attacked, particularly by the other side, upon the ground that it was beyond our constitutional authority to enact laws of that kind? If we are satisfied with the merits of the proposal, we can safely leave the constitutional question to be determined by the courts.

Mr. BYRNES. I know that that is the attitude of the Senator.

Mr. WAGNER. It is the attitude of the Senator from South Carolina, too.

Mr. BYRNES. If the Senator is satisfied with it, we need never consider the constitutionality at all.

Mr. WAGNER. It was the attitude of the Senator from South Carolina with reference to the National Recovery Act, and with reference to other measures we have enacted here, which were attacked particularly as being in contravention of the Constitution. It did not disturb the Senator very much that constitutional questions were raised.

Mr. BYRNES. I am very glad to have the Senator make a speech, but the trouble with the Senator is that when he discovers that he cannot exactly justify his position he speaks of attacks from the other side. Nobody from the other side is attacking the constitutionality of this measure, with the exception of one or two. No one on the floor of the Senate has attempted to support the constitutionality of the measure except the Senator from New York and the Senator from Colorado, in two prepared addresses. Every other Senator who has addressed the Senate upon the measure has declared what the United States Supreme Court has decided, that legislation of this character is unconstitutional.

When the Senator says that when the security legislation is offered some amendments may be offered, I agree; but no

amendment will be offered and seriously considered which will entirely change the character of the measure. Yet the Senator now says that his definition of "lynching" is that two men must go into a jail, pull a man out, and hang him to a telegraph pole. That is what the Senator said.

Mr. WAGNER. Mr. President, the Senator asked me what the ordinary case of lynching was. The Senator must not make misstatements of fact.

Mr. BYRNES. I read to the Senator the language of his own bill, and asked him to give us the benefit of a statement as to what he intended by that language. His language is in the RECORD, and by that I am willing to stand. I contend he made an entirely different statement than that which is contained in the bill, a statement which is entirely different in effect from the language of the bill.

I wish to submit further that from the standpoint of policy the measure should not be considered at this time. I have read heretofore from the record as to the improvement in conditions. I know that the Senator from New York is inspired by no motive other than a laudable one, to make punishable an offense which he believes is not punished in every State of the Union with the speed with which some people would like to have it punished. But I think the Senator from New York agrees that the development of sentiment in this Union for the enforcement of law for the prevention of lynching is nothing short of remarkable. The States have been doing remarkable work, because the best elements in every State have been devoting their time to teaching, preaching, and writing in an effort to encourage a sentiment in behalf of law and order, and in condemnation of lynchings wherever and whenever they occurred. We are making headway with the development of this fine spirit of law enforcement, and at this time, when we are proceeding to reduce the commission of this offense, no matter how it is classified, we should not be handicapped.

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. BYRNES. Just one moment, and I will yield.

The debate with my friend, the Senator from New York, was brought about by my statement that it is difficult to classify lynchings. The officials of Tuskegee Institute hardly ever agree with other authorities on the subject. The Day Book will show a number differing from the number given by Tuskegee, and necessarily there must be some difference. My statement was simply to show that at times it is difficult to tell how the statisticians arrive at their conclusions and figures.

Now I yield to the Senator from Alabama.

Mr. BLACK. The Senator was discussing another point, concerning which I intended to make a suggestion.

The Senator called attention to the extent to which we had reduced this particular crime in the United States. As a matter of fact, statistics show that we have reduced this crime in the United States more than any other crime on the statute books has been reduced. Take the crime of murder, for instance, in the State of New York or in the State of Alabama. Take the crime of burglary in the State of Alabama, or the State of New York, or in the Nation. It will be found that the crime to which the bill is directed has been reduced far more than murder, burglary, robbery, stealing, or any other crime has been reduced.

The Senator asks why, if there were only 14 lynchings last year, should we pass this bill? Why should we select one class of crimes in the prevention of which we have made more remarkable progress than in the case of any others in the Nation? We have not made that progress with reference to convictions for burglary or murder.

Mr. BYRNES. I will say to the Senator from Alabama, who has devoted considerable thought to the legal aspects of this subject——

Mr. WAGNER. Mr. President, will the Senator yield to me for a question?

Mr. BYRNES. I will yield in a moment.

The Senator from Alabama refers to other offenses. If, under the Constitution, we have the power to legislate with respect to three or more persons participating in killing a human being, why, under the Constitution, cannot Congress legislate that if two or three persons participate in burglary, the offense referred to by the Senator from Alabama, they can be tried in a United States court? By what reasoning could we say that Congress did not have the right to provide that where three persons participated in a burglary they could be tried in the United States court?

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BLACK. I not only say it with reference to three, but with reference to one. This bill is based on the theory that it rests on the fourteenth amendment. The Supreme Court has held that the fourteenth amendment protects property rights as well as personal rights; and this particular bill would cover the case of burglary if it were intended to do so, because it is not limited to lynchings, as I stated, but to cases which come within the purview of depriving one of due process of law. When anyone takes a man's property from his house by burglary, he does not do it by due process of law. He does it beyond the law. There is no due process of law connected with it; so there is no reason why we should not include burglary if we include lynching. There is no reason why we should not, for instance, take cognizance of the fact that gang killings in the city of New York, in the city of Chicago, in the city of Cleveland, and in various other cities of the Nation, have not been decreasing but increasing.

We deprive people of their property without due process of law. If we are to enact Federal legislation to protect where there is the most crime, why is it necessary to shut our eyes and not see where the crime actually is? We all know there has been more crime in this country of the type of gang killings, gang rackets, racketeering, and crimes of that kind, than any other type of crime in America; and yet in this bill there is picked out the only type of crime which the American people have turned their faces against, and brought down to the lowest point in all the history of the Nation, making a record which is absolutely the most commendable of any record we have established in connection with the suppression of crime. In the case of the crimes which have been decreasing, we are asked if there are 14 crimes of a particular kind, why we ought not to invite Federal legislation. Then why not invite Federal legislation to stop the crimes that are the most prominent, the most terrible, the crimes increasing most in number and in viciousness?

Mr. WAGNER. Mr. President, will the Senator yield for a question?

Mr. BYRNES. I yield.

Mr. WAGNER. Of course, the Senator and I will surely agree upon the proposition that it is the duty of the Federal Government to see that the States give equal protection of the laws to its citizens. That is not merely a State function, but also the duty of the Federal Government. It is a mandate of the Federal Constitution. Will the Senator tell me, if he has the statistics, how many prosecutions there have been of those charged with the crime of lynching in relation to the number of lynchings that have taken place? And, secondly, after he has given us the number of those who have been prosecuted for these crimes, will he give us the percentage of convictions?

Mr. BLACK. Mr. President, before the Senator does that, will he yield for another question in connection with it?

Mr. BYRNES. I yield.

Mr. BLACK. If he has those statistics, will he also tell us what was the number of gang crimes committed last year in Chicago, in New York, and in the other great cities of this country? Will he tell us, if he has the statistics, what percentage of the criminals were apprehended? Will he tell us what percentage were convicted?

Mr. BYRNES. Mr. President, the Senator from Alabama has answered the Senator from New York.

Mr. WAGNER. That is the answer; is it?

Mr. BYRNES. Mr. President, if it does not answer the Senator from New York, it is because he does not desire to receive information.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. GLASS. After all, when people who engage in lynch law are tried, are they not tried by jurors?

Mr. BYRNES. They are.

Mr. GLASS. Do they not have the right, under the Constitution, of trial by jury?

Mr. BYRNES. Undoubtedly.

Mr. GLASS. Are not the jurors drawn from the very same people in the State courts as in the Federal courts?

Mr. BYRNES. Absolutely.

Mr. GLASS. Then why may we not expect convictions in State courts just as well as in Federal courts?

The whole thing goes back to this utterly vicious tendency to invade the police powers and every other power of the States for political purposes.

Mr. BYRNES. Mr. President, the Senator from Virginia has stated the matter much better than I could ever hope to state it. When, under a section of this bill, it is provided that it must be made to appear to the court—

> That the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is probability that those guilty of the offense will not be punished in the State court.

Where are the jurors for the United States court to be obtained, as the Senator from Virginia inquires? From that county and from the adjoining counties—the same kind of people. If there could not be found in a county jurors who would probably find a true verdict under their oaths in the State court, what right have we to expect that it could be done in the United States court? It would be utterly impossible, but that is proposed to be done by this bill.

There is another provision to which I should like to call attention. In the section providing that the county shall be liable, it is provided that—

> In the event that any person so injured or put to death shall have been transported by such mob or riotous assemblage from one county to another county or counties during the time intervening between his seizure and injury or putting to death, the county in which he is seized and the county in which he is injured or put to death shall be jointly and severally liable to pay the forfeiture herein provided, and action shall be brought and prosecuted by the United States district attorney of any district wherein any such county is located.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. WAGNER. I asked the Senator to give me some statistics.

Mr. BYRNES. Mr. President, I was interrupted by the Senator from Alabama——

Mr. WAGNER. This will only take a second, Mr. President. I will give the Senator authentic statistics on that. There have been 5,071 lynchings in the United States since 1882, and 280 since 1922. Since the turn of the century only eight-tenths of 1 percent of these crimes have been followed by prosecutions, and in only 12 instances have convictions resulted.

Mr. BYRNES. Mr. President, I have not the statistics, but I wish I could make such a statement as to the commission of similar crimes in the State of New York of the character described by the Senator from Alabama, the gangster crimes. Those of us who read the newspapers are filled with horror as we read of the commission of crimes wherever they occur, whether the crimes be of the character described by the Senator, where a man is taken and hung up to a pole, or whether a man innocently walking along the streets of Chicago, New York, or some other great city, is shot down from an automobile by a machine gun, the automobile continuing on its way, scattering death wherever it goes, with no hope of ever convicting the criminals, no hope of ever trying them, or ever taking them.

Those of us who live in other sections extend sympathy to the law-abiding people of New York who would like to prevent the commission of such crimes, and would like to see them punished when they do occur.

We know, however, that such matters must be left to the people of New York. Not only under the Constitution, but under all good common sense such matters must be left to them, and we rely upon the law-abiding people of that State, the overwhelming majority of whom denounce such crimes, to build up a sentiment which will prevent them or, whenever they do occur, will see that those who commit the crimes are punished.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. WAGNER. I shall get the statistics for the Senator, because he is interested in that question, but there has never been a suggestion made, in any of these cases, that any of those offenses were committed with the connivance of any public official, or through his failing to protect the innocent victim.

Mr. BYRNES. Mr. President, I wish I could agree with the Senator.

Mr. WAGNER. I shall give the Senator the statistics.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BYRNES. In just a moment.

In the first place, the Senator from New York could not give me any statistics because they never have been able, in the city of New York, where he lives, to keep up with the number who are killed each year, and the Senator knows it. Many crimes are committed where the criminal could not be detected because of the great population. The Senator from New York can never be able to give the statistics of human beings who have lost their lives. The Senator says that in no case has there been any connivance. Hereafter I shall endeavor to keep a little scrapbook for him about such matters, because I know it would enlist his sympathy.

Mr. BLACK. Mr. President, will the Senator remind the Senator from New York of Lieutenant Becker?

Mr. WAGNER. Yes; and Becker was prosecuted, convicted, and executed.

Mr. BYRNES. Mr. President, I only want to say that because such statistics are not available, and the Senator from New York says such things are not done, I am going to present the little scrapbook to the Senator. Because of his wonderful industry, his wonderful intellect, I ask him to use some of it in the State of New York to get his State to enact a law similar to that enacted in South Carolina, so that when a human being is killed by three or more, the family of the deceased may recover something from those who killed him. He should do this before he comes to the Congress and asks Congress to legislate in that way for other States of the Union.

Mr. GLASS. Mr. President, right on that point let me say that I have here the statutes of Virginia, and I invite the Senator from New York to contrast them with the statutes of New York against mob violence and lynching.

Mr. BYRNES. The Senator from New York has no statute with which to contrast the statutes of Virginia.

Mr. WAGNER. The Senator overlooks the fact that when this bill is enacted into law it will apply to New York just as it will to any other section of the country.

Mr. BYRNES. That is what I said. The representative of the great State of New York rises on the floor of the Senate to say, "We cannot do it in the State of New York; New York would not do it; so we come to the United States Government and ask that the United States Government shall force us to do something for the innocent victims of the mob." The Senator from Virginia [Mr. GLASS] has said that in his State a law has been enacted to provide for such cases. That is true of North Carolina, South Carolina, Illinois, and Ohio, but nothing of the kind has been enacted in New York or in Colorado.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BLACK. The Senator from New York said that never had it been charged that the gangsters and racketeers in New York were protected by the officials and the politicians. During the many years I have heard of gang killings and racketeer killings, it has been charged all over the country in every State in the Union that frequently the criminals are protected by political clubs, by politicians, and by officers, and I include in that the charge that has been printed frequently

for many years that they are protected by political organizations in the city of New York. Why should the Federal Government be called on to attempt to purify the city of New York? Of course, I understand New York might be able to purify all the other sections of the country, but I have always heard something about taking the mote out of one's own eye before beginning work on the beam in somebody else's eye.

Mr. BYRNES. I think the Senator from New York has heard that suggestion, too. Others have heard it, I know.

As a matter of fact, I have spent considerable time denying the truth of the charge to which the Senator has referred, and I think all of us have. It is charged that these officials in the city of New York were guilty of conniving with those committing crimes. I did not believe it possible to the extent it was charged throughout the country. I am still hopeful that it is not so.

Mr. President, I desire now to return to a discussion of the details of the bill. Among those details is a provision to which I invited attention a few moments ago, that if a person injured shall have been transported by a mob or riotous assemblage from one county to another county or counties during the time intervening between the seizure and the injury or putting to death, the county in which he is seized and the county in which he is injured or put to death shall be jointly and severally liable.

In other words, if a man is taken in a county adjoining the city of Washington and is transported into another county under the cover of darkness and there put to death, the county into which he is carried, having nothing to do at all with the matter, the county whose people are not engaged in the matter, the county which has committed no offense other than to exist and to have a telephone pole or a tree, is to be held liable. Because in the middle of the night there were not sufficient officers of the law standing all along the border line of the county to prevent coming within the borders of the county the mob with this individual; because they failed to do that and the man was killed in that county, the taxpayers of that county must be forced to pay damages, possibly $10,000, to the heirs of the deceased.

The bill even provides that in a case where a mob takes an individual from one county to another if they should cut across the corner of a third county then each of the three counties shall be liable for not less than $2,000 and not more than $10,000, and innocent taxpayers, having nothing to do with the affair, must pay taxes because of the action of some people in a county removed possibly 75 or 100 miles. In this day of automobiles and good roads, when men travel across county lines rapidly, such an event is possible at any time, of course. Such a provision would be utterly impossible of enforcement, and absolutely unfair if it could be enforced.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BANKHEAD. I should like to know if the Senator means, if a mob of racketeers or otherwise in the night should be organized along the line of one county and without any notice pass across the county line into another county, that the Senator from New York [Mr. WAGNER] proposes to tax the county into which they pass although it and its officials had nothing to do with the affair? Is that the sense of justice contained in this measure?

Mr. BYRNES. It is not only proposed to give the right of suit, but if they do not pay the judgment the courts may proceed to sell the property of the county, the courthouse, the almshouse, even the schoolhouses, and thus take away the opportunity for education, in order to compensate for an action occurring in another county. Let me read the provision:

SEC. 6. In the event that any person so injured or put to death shall have been transported by such mob or riotous assemblage from one county to another county or counties during the time intervening between his seizure and injury or putting to death, the county in which he is seized and the county in which he is injured or put to death shall be jointly and severally liable to pay the forfeiture herein provided, and action shall be brought and prosecuted by the United States district attorney of any district wherein any such county is located. Any district judge of the United States District Court of the judicial district wherein any suit or prosecution is instituted under the provisions of this act may by order direct that such suit or prosecution be tried in any place in such district as he may designate in such order.

Accordingly, it may be tried in any county of the judicial district in which the judge is presiding.

Mr. WAGNER. That is, the constitutional provision of the State of South Carolina imposes upon the particular county where the lynching takes place a fine or liquidated damages of some kind?

Mr. BYRNES. It provides in all cases of lynching where death ensues that the county where the lynching shall take place, without regard to the conduct of the officer, shall be liable in exemplary damages of not less than $2,000 to the legal representatives of the deceased.

Mr. WAGNER. Is that different from the provision in this bill?

Mr. BYRNES. It is somewhat different.

Mr. WAGNER. Does the Senator approve or disapprove that?

Mr. BYRNES. I was in favor of the constitutional provision. I have been pleading today, though the Senator from New York was not here, and I repeat my plea now, since he is here, that the Senator from New York use his influence to have a similar statute enacted in his State if he believes it is constitutional without a constitutional provision. I doubt it. Such a provision is in our Constitution; but, because of the Senator's interest in it, I hope he will have the State of New York do likewise, because, if the Constitution authorizes it, it is within the power of the State to do it.

Mr. WAGNER. Then I misunderstood the position of the Senator from South Carolina. I understood him to criticize the proposition of compelling a county to pay at all when a lynching occurs within its borders.

Mr. BYRNES. Oh, no! We have been discussing that subject all afternoon. What we are discussing is taking the man into another county.

Mr. WAGNER. That is what we are discussing at this moment; but some time ago the Senator from South Carolina referred to the imposition upon a county of the payment of liquidated damages.

Mr. BYRNES. The Senator misunderstood me.

Mr. WAGNER. Then the Senator agrees upon the principle of making a community or a county pay when a lynching occurs in that community or county. But the Senator takes the position that each State should enact a statute of its own; that the provision ought not to be in a Federal statute?

Mr. BYRNES. If, under its constitution, it can do so.

Mr. WAGNER. Of course, the attitude of the Senator from South Carolina differs from that of some of his colleagues in this respect.

Mr. BYRNES. I have called attention several times to the States wherein such constitutional provisions and such statutes exist, the eight of them that are cited in the record. I have expressed the hope that other States, including the State of the Senator from New York, would do the same thing; and I have stated that if any good could be accomplished by that course, that was the way to do it, and not by a Federal statute. That is the position I have been endeavoring to present; but what I desired to call to the attention of the Senator was that under the present bill, the case in behalf of the heirs of the deceased is to be tried in the United States courts, and it may be tried in another county. The provision is that the district judge of the judicial district "wherein any suit or prosecution is instituted may direct that such suit or prosecution be tried in any place in such district as he may designate in such order"; and the county to which the prisoner or the victim of the mob is taken, having nothing to do with it, is likewise made liable to the heirs of the deceased.

Mr. President, I heard some Senators say they wish to vote. I do not desire to be interrupted when I am addressing the Senate upon the details of this nefarious bill.

Mr. ROBINSON. Mr. President——

Mr. BYRNES. I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from South Carolina has not concluded his address?

Mr. BYRNES. I have not. I could conclude in 30 minutes or so, I think.

Mr. COSTIGAN. Mr. President, will the Senator yield to permit me to offer for the RECORD some messages received today?

Mr. ROBINSON. Yes.

Mr. COSTIGAN. I am in receipt of various telegrams on the antilynching bill from different parts of the country; also, a resolution adopted by the city council of Denver, my home city. I ask unanimous consent to have these messages placed in the RECORD. I should say that one of the telegrams, which is from Denver, is signed by two of that city's most prominent and estimable citizens, one the pastor of Plymouth Congregational Church. Mr. Platt Lawton, who also signs, has been helpfully active for years in our civic affairs. The other messages speak for themselves. I ask unanimous consent to have them printed in the RECORD.

Mr. CONNALLY. Mr. President, reserving the right to object, I should like to examine the telegrams first.

The VICE PRESIDENT. The Senator reserves the right to object. Is there objection to the request from the Senator from Colorado?

Mr. CONNALLY. There is.

The VICE PRESIDENT. The Senator from Texas objects.

Mr. COSTIGAN subsequently said: Mr. President, the Senator from Texas [Mr. CONNALLY] temporarily objected to the insertion in the CONGRESSIONAL RECORD of certain messages and a resolution received and tendered for publication. It is my understanding that he withdraws his objection.

Mr. CONNALLY. I withdraw the objection.

The VICE PRESIDENT. Is there objection to the insertion of the messages and resolution in the RECORD?

There being no objection, the messages and resolution were ordered to be printed in the RECORD, as follows:

DENVER, COLO., *April 27, 1935.*

Senator EDWARD P. COSTIGAN,
Washington, D. C.:

Denver Interracial Commission of 84 citizens, representing educational, business, religious, and civic leadership, protestant, Catholic, and Jewish, are vitally concerned about passage of Costigan antilynching bill. Wide-spread sentiment in Colorado favors this effective measure for abolishing lynching, a national disgrace and peril.

VERE V. LOPER, *President.*
PLATT R. LAWTON, *Secretary.*

Resolution no. 17

Whereas lynching has for many years been a national disgrace and contrary to the fundamental American principle that the punishment of crimes should be meted out through the orderly processes of the courts, rather than resort to mob violence; and

Whereas many innocent American citizens have lost their lives as a result of lynchings on account of mistaken identity; and

Whereas the United States Government is better equipped to cope with the situation than the several States; and

Whereas there is now before the Congress of the United States a bill known as the "Costigan-Wagner antilynching bill", which is designed to remedy this condition: Now, therefore, be it

Resolved by the council of the city and county of Denver, That the Congress of the United States be requested to enact said bill into law, and that a copy of this resolution be transmitted to all Colorado Senators and Representatives in Congress.

Passed by the council and signed by its president this 25th day of March, A. D. 1935.

WILLIAM KNIGHT, *President.*

STAUNTON, VA., *April 29, 1935.*

Senator EDWARD COSTIGAN,
United States Senate:

Regret deeply filibuster being carried on with regard to antilynching bill. As a southern woman, feel the need of Federal control of the terrible evil of lynching absolutely essential. Trust all forces are being rallied to bring bill up for vote. My congratulations on splendid work you have done so far. Two friends sign with me.

Mrs. W. S. PLUMER BRYAN.
Mrs. A. STUART BALDWIN.
Mrs. R. L. WALTON.

NEW YORK, N. Y., *April 29, 1935.*

Senator COSTIGAN:

We commend and encourage your advocacy of Costigan-Wagner bill.

STUDENTS LITERARY ASSOCIATION.

NEW YORK, N. Y., *April 26, 1935.*

WALTER WHITE,
Care of Hon. Edward P. Costigan,
Senate Office Building:

Since filibuster of September 21, 1922, to date, lynchings total 248—225 Negroes, 23 whites; 243 men, 5 women; 13 burned.

R. G. RANDOLPH.

PHILADELPHIA, PA., *April 26, 1935.*

EDWARD P. COSTIGAN,
United States Senate:

To encourage you to press for roll-call vote on antilynching bill. Most Senators must be with you.

EMMA R. SIDLE,
Philadelphia Society of Friends.

CHICAGO, ILL., *April 26, 1935.*

EDWARD P. COSTIGAN,
United States Senator:

Twenty-three thousand readers of the Chicago World urge you to resist filibuster and stand firm for passage of the antilynching bill at all costs.

CHICAGO WORLD,
JACOB R. TIPPER.

PHILADELPHIA, PA., *April 26, 1935.*

Senator EDWARD P. COSTIGAN:

Because we are deeply interested in the future of our American Commonwealth, in the salvation of our Nation from interracial slaughter, we urge that the Senate will pass the antilynching bill now in discussion.

J. H. JACKSON,
Executive Secretary Foreign Mission Board.

PHILADELPHIA, PA., *April 26, 1935.*

EDWARD P. COSTIGAN,
United States Senate:

Enlightened young people throughout country are backing you in splendid antilynching fight. We are praying for Senate vote today.

JOS. R. SILVERS,
Philadelphia Young Friends Movement.

PHILADELPHIA, PA., *April 26, 1935.*

EDWARD P. COSTIGAN,
United States Senate:

Young people of Philadelphia and churches we represent urge continued effort for vote on antilynching bill today. More power to you.

WILLIAM SMITH,
Young Peoples' Fellowship.

CHICAGO, ILL., *April 26, 1935.*

Hon. EDWARD P. COSTIGAN:

The Citizens Civic and Economic Welfare Council, composed of 100 leading colored men of both political parties, commend you for your work for the antilynching bill, and urge that you resist with all your might the filibuster of misguided Senators, even if it does take all summer.

HARRY H. PACE, *President.*

WASHINGTON, D. C., *April 26, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate:

As president Cincinnati Branch National Association for Advancement Colored People, we join national office in commending your fight for antilynch bill. We trust all Senators will actively and orally join in opposition to filibuster and motion to adjourn today.

Respectfully,

T. M. BERRY.

MOBILE, ALA., *April 29, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate:

We are grateful for your effort to have legislation enacted making lynching a Federal crime. Hope you may be able to win battle to have measure favorably considered tomorrow. All citizens who believe in the majesty of law are praying for victory. May God give you strength to carry on.

J. L. LEFLORE,
Secretary Mobile Branch National Association for the Advancement of Colored People.

LOUISVILLE, KY., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building:

Please resist any filibuster with all your strength and influence on the antilynching bill, and urge party leaders under no circumstances to surrender.

B. S. ETHERLY,
Secretary Louisville Branch, National Association for Advancement of Colored People.

MARION, IND., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building:

In name of Indiana State conference of branches National Association for the Advancement of Colored People, we request and urge you resist filibuster, pledging support in every way, and especially urging that party leaders under no circumstances surrender; but fight for the passage of the Costigan-Wagner antilynching bill.

F. KATHERINE BAILEY,
President Indiana State Conference, National Association for the Advancement of Colored People.

PHILADELPHIA, PA., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate:

Congratulations for your courage in valiant fight for antilynching bill. Am counting on you to do your utmost to bring bill to vote, as I understand majority of Senators will vote favorably.

DR. VIRGINIA M. ALEXANDER,
Philadelphia Society of Friends.

LOUISVILLE, KY., *April 26, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Chamber, Washington, D. C.:

With you 100 percent in antilynching bill fight. Please use all your influence to demand an immediate vote.

PETER SALEM POST, NO. 45, AMERICAN LEGION.

PHILADELPHIA, PA., *April 26, 1935.*

Senator COSTIGAN,
United States Senate, Washington, D. C.:

Urge passage of antilynching bill.

LOGAN BAPTIST CHURCH,
REV. C. CRANFORD, *Minister.*

PHILADELPHIA, PA., *April 26, 1935.*

Senator EDWARD P. COSTIGAN:

Three thousand members Pennsylvania Branch Women's International League urge every effort to push antilynching bill.

EMILY COOPER JOHNSON,
Chairman.

CHICAGO, ILL., *April 27, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate:

We urge you to resist to any limits pressure brought by filibuster designed to delay vote on antilynching bill. The Nation expects a leadership in this cause to fight to end without any compromise. We express the sentiment and opinion of 123 allied organizations representing more than 400,000 people.

SOUTH CENTRAL COMMUNITY COUNCIL.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. ROBINSON. Mr. President, it is apparent that a deadlock exists, and that it will continue indefinitely unless some arrangement shall be made to take up some other business.

With a view to a motion to proceed to the consideration of the adjusted-compensation bill, I now move that the Senate adjourn.

Mr. COSTIGAN. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bankhead	Black	Bulow
Ashurst	Barbour	Bone	Burke
Austin	Barkley	Brown	Byrd
Bailey	Bilbo	Bulkley	Byrnes
Capper	Gore	McNary	Schwellenbach
Carey	Guffey	Minton	Sheppard
Clark	Hale	Moore	Shipstead
Connally	Harrison	Murray	Smith
Copeland	Hastings	Neely	Steiwer
Costigan	Hatch	Norris	Thomas, Utah
Couzens	Hayden	Nye	Townsend
Dickinson	Johnson	O'Mahoney	Trammell
Dieterich	Keyes	Overton	Truman
Donahey	King	Pittman	Tydings
Fletcher	La Follette	Pope	Vandenberg
Frazier	Lonergan	Radcliffe	Van Nuys
George	McCarran	Robinson	Wagner
Gibson	McGill	Russell	Walsh
Glass	McKellar	Schall	White

The VICE PRESIDENT. Seventy-six Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] that the Senate adjourn.

Mr. COSTIGAN. I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from New Mexico [Mr. CUTTING] to the senior Senator from Oklahoma [Mr. THOMAS], and vote "yea."

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague [Mr. LOGAN] is unavoidably absent. He has a general pair with the Senator from Pennsylvania [Mr. DAVIS].

Mr. TYDINGS (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mrs. CARAWAY]. I understand that if the Senator from Arkansas were present she would vote "yea." If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. AUSTIN. I desire to announce the necessary absence of the Senator from Rhode Island [Mr. METCALF] and the Senator from North Carolina [Mr. REYNOLDS], who are paired on this question. If the Senator from Rhode Island [Mr. METCALF] were present, he would vote "nay", and the Senator from North Carolina [Mr. REYNOLDS], if present, would vote "yea."

I also announce the necessary absence of the Senator from South Dakota [Mr. NORBECK] and the Senator from Wisconsin [Mr. DUFFY], who are paired on this vote. The Senator from South Dakota, if present, would vote "nay", and the Senator from Wisconsin, if present, would vote "yea."

The Senator from Pennsylvania [Mr. DAVIS] would vote "nay" if he were present and voting.

Mr. ROBINSON. I desire to announce that the Senator from Connecticut [Mr. MALONEY] is absent on account of illness.

I also wish to announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Rhode Island [Mr. GERRY], the Senator from Kentucky [Mr. LOGAN], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Iowa [Mr. MURPHY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. DIETERICH. I wish to announce the unavoidable absence of my colleague the senior Senator from Illinois [Mr. LEWIS].

The result was announced—yeas 37, nays 38, as follows:

YEAS—37

Adams	Byrnes	King	Robinson
Ashurst	Connally	Lonergan	Russell
Bailey	Dieterich	McGill	Sheppard
Bankhead	Fletcher	McKellar	Shipstead
Barkley	George	Norris	Smith
Bilbo	Glass	O'Mahoney	Thomas, Utah
Black	Gore	Overton	Trammell
Brown	Harrison	Pittman	
Bulow	Hatch	Pope	
Byrd	Hayden	Radcliffe	

NAYS—38

Austin	Capper	Couzens	Guffey
Barbour	Carey	Dickinson	Hale
Bone	Clark	Donahey	Hastings
Bulkley	Copeland	Frazier	Johnson
Burke	Costigan	Gibson	Keyes

La Follette	Murray	Steiwer	Van Nuys
McCarran	Neely	Townsend	Wagner
McNary	Nye	Truman	Walsh
Minton	Schall	Vandenberg	White
Moore	Schwellenbach		

NOT VOTING—20

Bachman	Davis	Long	Norbeck
Borah	Duffy	Maloney	Reynolds
Caraway	Gerry	McAdoo	Thomas, Okla.
Coolidge	Lewis	Metcalf	Tydings
Cutting	Logan	Murphy	Wheeler

So the Senate refused to adjourn.

ORDER FOR RECESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that when the Senate concludes its labors today it take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting a convention and a treaty, and also several nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of John D. Martin, Sr., of Tennessee, to be United States district judge, western district of Tennessee, to succeed Harry B. Anderson, deceased, which was ordered to be placed on the Executive Calendar.

The VICE PRESIDENT. If there are no further reports of committees, the calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. With the exception of the nomination of John R. Hutchison to be postmaster at Santa Maria, Calif., I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations, with the exception referred to, are confirmed en bloc.

JOHN R. HUTCHISON

The legislative clerk read the nomination of John R. Hutchison to be postmaster at Santa Maria, Calif.

The VICE PRESIDENT. On this nomination there is an unfavorable report of the committee. The question is, Shall the Senate advise and consent to the nomination?

The nomination was rejected.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for promotions in the Navy.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations for promotions in the Marine Corps.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

NOMINATION OF EARLE A. BROWN—RECONSIDERATION

Mr. WALSH. Mr. President, on Saturday I gave notice that I would move to reconsider the vote by which the nomination of Earle A. Brown to be postmaster at Lunenburg, Mass., was confirmed. I should like to make a brief statement with regard to the matter.

Through an error, the son of the present postmaster at Lunenburg was nominated when it was intended that the present postmaster should be nominated, there being no controversy about the matter.

I therefore move that the vote by which the nomination of Earle A. Brown to be postmaster at Lunenburg, Mass., was confirmed be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. WALSH. I now ask that the nomination be rejected.

The VICE PRESIDENT. The question is, Shall the Senate advise and consent to the nomination?

The nomination was rejected.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until tomorrow at 12 o'clock noon, in accordance with the order heretofore entered.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate, in legislative session, in accordance with the order previously entered, took a recess until tomorrow, Tuesday, April 30, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 29 (legislative day of Apr. 15), 1935

DISTRICT ATTORNEY, CANAL ZONE

Joseph J. McGuigan, of the Canal Zone, to be district attorney, Canal Zone, vice himself.

APPOINTMENTS IN THE REGULAR ARMY

GENERAL OFFICERS

To be Surgeon General, with the rank of major general, for a period of 4 years from date of acceptance, with rank from June 1, 1935

Col. Charles Ransom Reynolds, Medical Corps, vice Maj. Gen. Robert U. Patterson, Surgeon General, whose term of office expires May 31, 1935.

To be Assistant to the Surgeon General, with the rank of brigadier general, for a period of 4 years from date of acceptance, with rank from August 1, 1935

Col. Major Augustus Wroten Shockley, Medical Corps, vice Brig. Gen. Albert E. Truby, Assistant to the Surgeon General, to be retired July 31, 1935.

To be brigadier generals

Col. Arthur Stewart Conklin, Coast Artillery Corps, from July 1, 1935, vice Brig. Gen. Abraham G. Lott, United States Army, to be retired June 30, 1935.

Col. Charles Frederic Humphrey, Jr., Infantry, from September 1, 1935, vice Brig. Gen. Pegram Whitworth, United States Army, to be retired August 31, 1935.

Col. Frank Wheaton Rowell, Infantry, from September 1, 1935, vice Brig. Gen. George Vidmer, United States Army, to be retired August 31, 1935.

Col. Clement Augustus Trott, Infantry, from September 1, 1935, vice Brig. Gen. Otho B. Rosenbaum, United States Army, to be retired August 31, 1935.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Clarence Eugene Brand, Coast Artillery Corps (detailed in Judge Advocate General's Department), with rank from March 11, 1926.

TO QUARTERMASTER CORPS

First Lt. Harold Mills Manderbach, Field Artillery (detailed in Quartermaster Corps), with rank from May 19, 1930.

TO COAST ARTILLERY CORPS

Second Lt. William John Ledward, Field Artillery, with rank from June 13, 1933, effective June 13, 1935.

PROMOTIONS IN THE REGULAR ARMY

To be captains

First Lt. Joseph Magoffin Glasgow, Cavalry, from April 20, 1935.

First Lt. James Lawrence Keasler, Infantry, from April 22, 1935.

To be first lieutenants

Second Lt. Robert Bruce Davenport, Air Corps, from April 20, 1935.

Second Lt. Donald Leander Putt, Air Corps, from April 22, 1935.

MEDICAL ADMINISTRATIVE CORPS

To be captain

First Lt. Seth Overbaugh Craft, Medical Administrative Corps, from April 20, 1935.

To be first lieutenants

Second Lt. Leonard George Tate Perkins, Medical Administrative Corps, from April 23, 1935.

Second Lt. Harold Lincoln Gard, Medical Administrative Corps, from April 23, 1935.

Second Lt. Joe Edward McKnight, Medical Administrative Corps, from April 23, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 29 (legislative day of Apr. 15), 1935

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Elmer Dane Pangburn to Quartermaster Corps.

Second Lt. Charles Gates Herman to Quartermaster Corps.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

Carl Eugene Nesbitt to be brigadier general, Adjutant General's Department.

PROMOTIONS IN THE NAVY

Charles St. John Butler to be medical director with the rank of rear admiral.

Edmund W. Burrough to be commander.

Hermann P. Knickerbocker to be lieutenant commander.

Myron T. Richardson to be lieutenant commander.

William E. A. Mullan to be lieutenant commander.

Allen P. Mullinnix to be lieutenant commander.

Benton W. Decker to be lieutenant commander.

Robert D. Threshie to be lieutenant commander.

John Perry to be lieutenant commander.

Thomas S. Combs to be lieutenant commander.

Ira H. Nunn to be lieutenant.

Richard S. Baron to be lieutenant.

Hugh J. Martin to be lieutenant.

James M. Robinson to be lieutenant.

Wilfred B. Goulett to be lieutenant.

Harman B. Bell, Jr., to be lieutenant.

Thomas G. Reamy to be lieutenant.

Sherman W. Betts to be lieutenant (junior grade).

Ray C. Needham to be lieutenant (junior grade).

Eugene Tatom to be lieutenant (junior grade).

Leo O. Crane to be lieutenant (junior grade).

Sidney J. Lawrence to be lieutenant (junior grade).

Edwin A. McDonald to be lieutenant (junior grade).

James B. Vredenburgh to be lieutenant (junior grade).

Michael G. O'Connor to be lieutenant (junior grade).

Edwin H. Bradley to be paymaster.

William T. Ross to be paymaster.

Letcher Pittman to be paymaster.

Harold T. Smith to be paymaster.

John N. Laycock to be civil engineer.

Glen B. Swortwood to be chief boatswain.

MARINE CORPS

John R. Henley to be colonel.

Samuel A. Woods, Jr., to be lieutenant colonel.

Dudley S. Brown to be major.

Ira L. Kimes to be captain.

Luther A. Brown to be captain.

George F. Good, Jr., to be captain.

Harold C. Roberts to be captain.

POSTMASTERS

ALABAMA

Frank A. Bryan, Columbia.

Herman L. Upshaw, Eufaula.

CONNECTICUT

Charles A. Babin, Waterbury.

GEORGIA

Fletcher N. Carlisle, Flowery Branch.

IDAHO

Harry L. Yost, Boise.

Frank H. Chapman, Parma.

Herman A. Krier, Troy.

INDIANA

Clarence E. Steward, Bainbridge.

Ray Dills, Farmersburg.

Firm I. Troup, Nappanee.

Richard G. Averitt, Plainfield.

Heber L. Menaugh, Salem.

IOWA

Augustus W. Lee, Britt.

Samuel H. Sater, Danville.

Walter R. Price, Earlham.

Nora E. Knapp, Quimby.

Hazel O. Graves, Stanton.

Mary C. Ilgen Fritz, Winterset.

MISSISSIPPI

Jesse E. Patridge, Duck Hill.

Abner W. Flurry, Perkinston.

John L. Owen, Utica.

OHIO

Charles J. Neff, Canfield.

Leo A. Bietz, Kent.

William R. Calovini, Laferty.

William J. Moriarity, Lorain.

George A. Greenbaum, New Lexington.

George J. Munger, Perrysburg.

Bernard F. McCann, Put in Bay.

S. Bruce Lockwood, South Euclid.

Merle G. Van Fleet, Waterville.

PENNSYLVANIA

Elwood M. Stover, Kulpsville.

Franklin M. Rorke, Meadowbrook.

Lincoln G. Nyce, Vernfield.

SOUTH CAROLINA

S. Russell Floyd, Olanta.

TEXAS

Edmund T. Caldwell, Bovina.

Oscar G. Williams, Conroe.

William C. Allen, Hearne.

Clara C. White, Megargel.

Grace M. Barnett, Palacios.

Melrose H. Russell, Robert Lee.

WASHINGTON

Lloyd Sullivan, Chehalis.

Charles E. Kinnune, Grand Coulee.

Hazel M. Surber, Pe Ell.

John O. Fresk, Raymond.

Will W. Simpson, Spokane.

WISCONSIN

Rudolph J. Lueders, Columbus.

Hazel I. Hicks, Linden.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 29 (legislative day of Apr. 15), 1935

POSTMASTER

MINNESOTA

Gabriel T. Torgrimson to be postmaster at Grand Meadow, in the State of Minnesota.

REJECTIONS

Executive nominations rejected by the Senate April 29 (legislative day of Apr. 15), 1935

POSTMASTERS

CALIFORNIA

John R. Hutchison, Santa Maria.

MASSACHUSETTS

Earle A. Brown, Lunenburg.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 29, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite God, the Father of our spirits, Thou knowest the foibles and tendencies of our human nature, and we pray for Thy forgiveness that we may spend no time in vain regrets, but with renewed determination we may press toward the mark for the prize of our high calling of God. Immanuel, God with us! May the divine power from the vast cloudy sphere be given us and transmuted into the condition in which we live. Our hearts rejoice that we have One who bears our burdens, who guides our ways and hears our prayers. Shield us against temptation and let us have the real joy and the full fruitage of a good, wholesome life. Bind together the very heart of our great Commonwealth and stimulate our people to patriotism, constancy, high aim, and valiant endeavor. In Thy holy name. Amen.

The Journal of the proceedings of Friday, April 26, 1935, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 19, 1935:

H. R. 3959. An act for the relief of the National Training School for Boys and others; and

H. R. 6359. An act to amend certain provisions relating to publicity of certain statements of income.

On April 22, 1935:

H. R. 2353. An act for the relief of the Yellow Drivurself Co.

On April 24, 1935:

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport, of Newark, N. J.

On April 27, 1935:

H. R. 7054. An act to provide for the protection of land resources against soil erosion, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2035) entitled "An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes."

EXTENSION OF REMARKS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing memorials from the State Legislature of the State of Florida.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

OPENING OCKLAWAHA RIVER FOR COMMERCE

Mr. GREEN. Mr. Speaker, the Ocklawaha River in Florida is one of the most picturesque streams in the world. The scenery there and its beauty are unexcelled. It traverses one of the most fertile grove and farm sections of Florida. Its water supply is adequate to bear heavy shipping craft. This stream is altogether worthy of expenditure of Federal funds for its improvement for commerce and navigation. We have placed an item in the river and harbor bill looking to this improvement. The Florida Legislature, appreciating the importance of this proposed improvement, has memorialized the Congress urging the project. Florida State Senate Memorial No. 8 follows:

Memorial to the Congress of the United States of America

A memorial to the Congress of the United States of America now convened in session as the Seventy-fourth Congress of the United States of America.

Whereas the navigable water known and designated by the United States Government as the "Ocklawaha River", with its outlet in the navigable water of the St. Johns River, is in fact navigable only to small craft; and

Whereas the Federal Government has expended large sums of money on said Ocklawaha River in the construction of a lock and dam and dikes, which are utterly useless without other and further work and development of said river for the purpose of making it navigable; and

Whereas the beauties of the Ocklawaha River and the inland waters of Florida connected with said Ocklawaha River are unexcelled in any part of the United States; and

Whereas said Ocklawaha River and its tributaries lie within the most productive and highly developed agricultural sections of the State of Florida; and

Whereas the expenditure of a comparatively small amount of money would make this wonderful land of lakes, rivers, tropical growth, sunshine, and wealth accessible to pleasure and commercial water craft: Be it, therefore:

Resolved by the Florida Legislature, That the Senators and Representatives from the State of Florida in the Congress of the United States be, and they are hereby, respectfully requested and urged to make every effort to obtain the necessary appropriation of moneys to be used for the purpose of making the said Ocklawaha River navigable from its outlet in the St. Johns River to its source in Lake Apopka; and be it further

Resolved, That copies of this memorial be immediately forwarded, under the great seal of the State of Florida, by the secretary of the State of Florida, to the President of the United States Senate, to the Speaker of the House of Representatives, and to each Senator and Congressman of the State of Florida.

THE FRAZIER-LEMKE REFINANCE BILL

Mr. GREEN. Mr. Speaker, there is strong sentiment in my State for legislation which has for its purpose the reduction of interest now paid on farm mortgages, and also for general farm-relief legislation. The Florida Legislature, which is now in session, has just passed House Memorial No. 4, which asks for the passage of the Frazier-Lemke bill. The memorial is as follows:

Memorial to Congress requesting that the Congress of the United States without further delay pass the Frazier-Lemke farm refinance bill, S. 212 and H. R. 2066

Whereas unless immediate relief is given hundreds and thousands of additional farmers will lose their farms and their homes, and millions more will be forced into our cities and villages, and the army of the unemployed will necessarily increase to alarming proportions; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness, and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas the Frazier-Lemke refinance bill, being S. 212 and H. R. 2066, in the Congress of the United States, provides for the liquidating and refinancing of agricultural indebtedness at a reduced rate of interest, through the Farm Credit Administration and the Federal land banks; and

Whereas the Frazier-Lemke bill has the endorsement of 22 State legislatures, and in addition the lower houses of the States of New York and Delaware, and of many commercial clubs, chambers of commerce, bank organizations, and of business and professional men and women, as well as the great majority of the farmers of this Nation; and

Whereas the enactment of this bill will have a vital effect not only upon agriculture but upon all classes of industry; and

Whereas agriculture is the basic industry of this country, and there can be no recovery until agriculture is put upon a sound basis: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Florida Legislative Assembly of the State of Florida, the senate and the house concurring, that the Congress of the United States should enact the Frazier-Lemke bill without further delay; be it further

Resolved, That a copy of this Memorial, duly authenticated, be sent by the Secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator LYNN J. FRAZIER and Congressman WILLIAM LEMKE.

THE THOMAS COST-OF-PRODUCTION FARM BILL

Mr. GREEN. Mr. Speaker, in a further effort to cooperate for farm relief, the Florida Legislature, now in session, has passed House Memorial No. 5, urging the passage by the Congress of the Thomas cost-of-production farm bill. I offer it to the House and ask the consideration of my colleagues. The memorial follows:

Memorial to Congress requesting that the Congress of the United States, without further delay, pass the Thomas cost-of-production bill, S. 1220

Whereas unless immediate cost of production is guaranteed, hundreds and thousands of additional farmers will be financially unable to produce crops, and millions more will be forced into our cities and villages, and the army of the unemployed will necessarily increase to alarming proportions; and

Whereas there is no adequate way of guaranteeing cost of production, the farmers are at the mercy of the markets throughout this State and Nation; and

Whereas many farm producers are selling below the cost of production with no immediate relief in sight; and

Whereas the Thomas cost-of-production bill has the endorsement of several State legislatures, commercial clubs, chambers of commerce, business organizations, and business and professional men and women, as well as the great majority of the farmers of this Nation; and

Whereas the enactment of this bill will have a vital effect upon not only agriculture but upon all classes of industry; and

Whereas agriculture is the basic industry in this country, and there can be no recovery until agriculture is put on a sound basis: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the 1935 Legislative Assembly of the State of Florida. the Senate and the House concurring, that the Congress of the United States should enact the Thomas bill without further delay; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator THOMAS of Oklahoma.

RECIPROCAL TARIFF TRADE AGREEMENT

Mr. COOPER of Tennessee. Mr. Speaker, I present a privileged resolution (H. Res. 84) from the Committee on Ways and Means.

The Clerk read as follows:

House Resolution 84

Resolved, That the Secretary of State is hereby directed to furnish the House of Representatives a list of the articles, both foreign and domestic, the names of which are on file in the Department of State for changes in rates of tariff in reciprocal trade agreements now under negotiation between the United States and any foreign country under the provisions of chapter 474 of the Forty-eighth Statutes at Large, page 943.

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the report be read.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the report (No. 804), as follows:

[House of Representatives, Rept. No. 804, 74th Cong., 1st sess.]

REQUESTING INFORMATION WITH RESPECT TO NEGOTIATION OF RECIPROCAL-TRADE AGREEMENTS

Mr. COOPER of Tennessee, from the Committee on Ways and Means, submitted the following adverse report (to accompany H. Res. 84):

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 84) to direct the Secretary of State to furnish the House of Representatives a list of the articles, both foreign and domestic, on file in the Department of State for changes in rates of tariff in reciprocal trade agreements now under negotiation, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following adverse report from the Secretary of State:

FEBRUARY 5, 1935.

The Honorable ROBERT L. DOUGHTON,
House of Representatives.

MY DEAR MR. DOUGHTON: I have your letter of February 2, 1935, enclosing a copy of House Resolution 84, which was introduced by Representative TREADWAY and is now under consideration by the Committee on Ways and Means. I am glad to give you my views concerning this proposed legislation.

The requirement which the resolution would seek to impose is open to objections that can best be explained by indicating the considerations which led to the adoption of the procedure now being followed.

The Government agencies concerned in the carrying out of the purposes of the act to amend the Tariff Act of 1930, approved June 12, 1934, have given careful consideration to the problem of working out rules of procedure which would facilitate the accomplishment of the purposes of that act. One of the matters to which thoughtful consideration was given was the question of the form and manner of giving public notice of intention to negotiate a trade agreement. On the basis of all pertinent factors, it was decided that only the name of the country concerned should be given in such notices. It was decided also, however, that statistics showing the principal items entering into the trade between the United States and the country concerned, prepared by the Division of Foreign Trade Statistics of the Bureau of Foreign and Domestic Commerce, should be issued along with such public notices.

The announcement of the products or subjects to be considered would involve serious difficulties. Compliance with the spirit and purpose of section 4 of the Trade Agreements Act requires that public notice of intention to negotiate a trade agreement be given before negotiations with the foreign government concerned have been even tentatively completed, in order that full consideration may be given to the views of, and to information supplied by, interested persons while the recommendations of the agencies responsible for advising the President with respect to proposed trade agreements are being formulated. Consequently, at the time public notice is given of intention to negotiate an agreement, these agencies themselves may not know all of the products or subjects to which consideration will be given. The foreign government concerned might later, even during the final stages of the negotiations, propose new products or subjects for consideration. Moreover, it is desired to leave the way open after public notice has been given for American importers, exporters, or other interested persons to make suggestions and call attention to products or subjects which they wish to have considered.

The result of announcing the products or subjects to be considered would be that as new products or subjects were brought under consideration in the course of the negotiations additional public notices, of not less than 30 days each, would have to be given; a procedure which would so complicate and delay negotiations as to interfere seriously with the carrying out of the purposes of the act. Moreover, if the products on which concessions might be granted were announced in advance of negotiations, the bargaining value of our concessions might be seriously impaired.

The present procedure of announcing only the name of the country with which it is intended to negotiate a trade agreement should not leave any serious doubt in the minds of interested persons whether their interests are in fact involved. It has seemed reasonable to assume that American producers, importers, exporters, and other interested persons would know whether the country with which a trade agreement is to be negotiated is of any consequence as a source of supply of, or as market for, the product or products in which they are interested, and that they would know also the factors affecting the trade in such products. As a convenience to those interested in proposed trade agreements, available statistical information concerning products entering into the trade between the United States and each country concerned is made readily accessible.

In my opinion, and in that of my associates, the resolution (H. Res. 84) under consideration by your committee would, if acted upon favorably, seriously hinder the carrying out of the purposes of the act to amend the Tariff Act of 1930, for the reasons set forth above.

If so desired, the Department would be glad to furnish to those Members of Congress who made request therefor copies of all public notices and appended statistical information with reference to trade agreement negotiations.

Sincerely yours,

CORDELL HULL.

Mr. COOPER of Tennessee. Mr. Speaker, I move that the resolution be laid on the table.

Mr. TREADWAY. Will the gentleman yield before he makes that motion?

The SPEAKER. The gentleman from Tennessee moves that the resolution be laid on the table.

The question was taken; and on a division (demanded by Mr. TREADWAY) there were—ayes 73, noes 33.

Mr. TREADWAY. Mr. Speaker, I object to the vote on the ground that there is not a quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors. The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 252, nays 91, not voting 88, as follows:

[Roll No. 60]

YEAS—252

Arnold	Dunn, Miss.	Lamneck	Reilly
Ashbrook	Dunn, Pa.	Lanham	Richards
Ayers	Eagle	Larrabee	Richardson
Beiter	Eckert	Lesinski	Robertson
Bell	Edmiston	Lewis, Colo.	Robinson, Utah
Biermann	Eicher	Lewis, Md.	Rogers, Okla.
Bland	Evans	Lloyd	Romjue
Blanton	Faddis	Luckey	Rudd
Bloom	Farley	Ludlow	Russell
Boehne	Ferguson	McAndrews	Sanders, La.
Boland	Fiesinger	McClellan	Sanders, Tex.
Boylan	Fitzpatrick	McCormack	Sandlin
Brennan	Flannagan	McFarlane	Schaefer
Brooks	Fletcher	McGehee	Schulte
Brown, Ga.	Ford, Calif.	McGrath	Scott
Brown, Mich.	Ford, Miss.	McKeough	Sears
Brunner	Fuller	McLaughlin	Secrest
Buchanan	Fulmer	McMillan	Shanley
Buck	Gasque	Mahon	Sirovich
Bulwinkle	Gassaway	Maloney	Sisson
Burch	Gavagan	Mansfield	Smith, Conn.
Caldwell	Gildea	Martin, Colo.	Smith, Va.
Cannon, Mo.	Gillette	Mason	Smith, Wash.
Carmichael	Gingery	Massingale	Smith, W. Va.
Carpenter	Goldsborough	Maverick	Snyder
Cary	Gray, Ind.	May	South
Casey	Gray, Pa.	Meeks	Spence
Castellow	Green	Merritt, N. Y.	Stack
Chandler	Greenwood	Miller	Steagall
Chapman	Greever	Mitchell, Ill.	Stubbs
Citron	Gregory	Mitchell, Tenn.	Sullivan
Claiborne	Hamlin	Montet	Sumners, Tex.
Cochran	Hancock, N. C.	Moritz	Sutphin
Coffee	Hart	Murdock	Sweeney
Colden	Harter	Nelson	Tarver
Cole, Md.	Healey	Nichols	Taylor, Colo.
Colmer	Higgins, Mass.	O'Brien	Taylor, S. C.
Connery	Hildebrandt	O'Connell	Terry
Cooper, Tenn.	Hill, Ala.	O'Connor	Thom
Corning	Hill, Samuel B.	O'Day	Thomason
Costello	Hobbs	O'Leary	Thompson
Cox	Hoeppel	Oliver	Tonry
Crosby	Hook	O'Neal	Truax
Cross, Tex.	Houston	Owen	Turner
Crowe	Huddleston	Palmisano	Umstead
Cullen	Igoe	Parks	Vinson, Ga.
Darden	Jacobsen	Parsons	Vinson, Ky.
Deen	Jenckes, Ind.	Patman	Wallgren
Delaney	Johnson, Okla.	Patterson	Walter
Dietrich	Johnson, Tex.	Patton	Warren
Dingell	Johnson, W. Va.	Pearson	Wearin
Disney	Jones	Peterson, Fla.	Weaver
Dobbins	Kee	Peterson, Ga.	Werner
Dockweiler	Keller	Pfeifer	West
Dorsey	Kelly	Pierce	Whelchel
Doughton	Kenney	Polk	Whittington
Doxey	Kerr	Quinn	Wilcox
Drewry	Kleberg	Rabaut	Williams
Driscoll	Kloeb	Ramsay	Wilson, La.
Driver	Kocialkowski	Ramspeck	Woodrum
Duffey, Ohio	Kopplemann	Randolph	Young
Duffy, N. Y.	Kramer	Rankin	Zimmerman
Duncan	Lambeth	Rayburn	Zioncheck

NAYS—91

Allen	Crawford	Hull	Ransley
Amlie	Crowther	Jenkins, Ohio	Reece
Andresen	Darrow	Kahn	Reed, Ill.
Andrew, Mass.	Dirksen	Kimball	Reed, N. Y.
Andrews, N. Y.	Ditter	Kinzer	Rich
Arends	Dondero	Knutson	Robsion, Ky.
Bacharach	Doutrich	Lambertson	Rogers, Mass.
Bacon	Eaton	Lehlbach	Sauthoff
Binderup	Ekwall	Lemke	Snell
Blackney	Engel	Lord	Stefan
Boileau	Fenerty	Lundeen	Stewart
Bolton	Gehrmann	McLean	Taber
Buckbee	Gifford	McLeod	Taylor, Tenn.
Buckler, Minn.	Gilchrist	Maas	Thurston
Burdick	Goodwin	Mapes	Treadway
Burnham	Gwynne	Marshall	Turpin
Carlson	Halleck	Merritt, Conn.	Welch
Cavicchia	Hess	Michener	Wigglesworth
Christianson	Hill, Knute	Monaghan	Wilson, Pa.
Church	Hoffman	Mott	Wolcott
Cole, N. Y.	Hollister	Pittenger	Wolfenden
Collins	Holmes	Plumley	Wolverton
Cooper, Ohio	Hope	Powers	

NOT VOTING—88

Adair	Berlin	Carden	Clark, Idaho
Bankhead	Brewster	Carter	Clark, N. C.
Barden	Buckley, N. Y.	Cartwright	Cooley
Beam	Cannon, Wis.	Celler	Cravens
Crosser, Ohio	Greenway	McReynolds	Schuetz
Culkin	Griswold	McSwain	Scrugham
Cummings	Guyer	Marcantonio	Seger
Daly	Haines	Martin, Mass.	Shannon
Dear	Hancock, N. Y.	Mead	Short
Dempsey	Harlan	Millard	Somers, N. Y.
DeRouen	Hartley	Montague	Starnes
Dickstein	Hennings	Moran	Thomas
Dies	Higgins, Conn.	Norton	Tinkham
Ellenbogen	Imhoff	O'Malley	Tobey
Englebright	Kennedy, Md.	Perkins	Tolan
Fernandez	Kennedy, N. Y.	Pettengill	Underwood
Fish	Kniffin	Peyser	Utterback
Focht	Kvale	Rogers, N. H.	Wadsworth
Frey	Lea, Calif.	Ryan	White
Gambrill	Lee, Okla.	Sabath	Withrow
Gearhart	Lucas	Sadowski	Wood
Granfield	McGroarty	Schneider	Woodruff

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Bankhead (for) with Mr. Withrow (against).
Mr. Imhoff (for) with Mr. Focht (against).
Mr. McReynolds (for) with Mr. Higgins of Connecticut (against).
Mr. Hennings (for) with Mr. Thomas (against).
Mr. Dies (for) with Mr. Martin of Massachusetts (against).
Mr. Griswold (for) with Mr. Wadsworth (against).
Mr. Dickstein (for) with Mr. Hartley (against).
Mr. Cartwright (for) with Mr. Seger (against).
Mr. Somers of New York (for) with Mr. Tinkham (against).
Mr. Ellenbogen (for) with Mr. Fish (against).
Mr. Kennedy of New York (for) with Mr. Carter (against).
Mr. DeRouen (for) with Mr. Guyer (against).
Mrs. Norton (for) with Mr. Hancock of New York (against).
Mr. Buckley (for) with Mr. Perkins (against).
Mr. Sabath (for) with Mr. Millard (against).
Mr. Schuetz (for) with Mr. Tobey (against).
Mr. McSwain (for) with Mr. Short (against).
Mr. Mead (for) with Mr. Woodruff (against).
Mr. Beam (for) with Mr. Gearhart (against).
Mr. Celler (for) with Mr. Brewster (against).
Mr. Harlan (for) with Mr. Culkin (against).

General pairs:

Mr. Granfield with Mr. Kvale.
Mr. Rogers of New Hampshire with Mr. Marcantonio.
Mr. Montague with Mr. Englebright.
Mr. Pettengill with Mr. Schneider.
Mr. Fernandez with Mr. Starnes.
Mrs. Greenway with Mr. Lucas.
Mr. Adair with Mr. Kniffin.
Mr. Haines with Mr. Tolan.
Mr. Crosser of Ohio with Mr. Dear.
Mr. Gambrill with Mr. Ryan.
Mr. Scrugham with Mr. Frey.
Mr. Sadowski with Mr. Dempsey.
Mr. O'Malley with Mr. White.
Mr. Lea of California with Mr. Cannon of Wisconsin.
Mr. Barden with Mr. Wood.
Mr. Kennedy of Maryland with Mr. Cravens.
Mr. Clark of North Carolina with Mr. Lee of Oklahoma.
Mr. Underwood with Mr. Carden.
Mr. McGroarty with Mr. Berlin.
Mr. Cummings with Mr. Utterback.
Mr. Moran with Mr. Clark of Idaho.
Mr. Daly with Mr. Cooley.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the motion was agreed to was laid on the table.

The doors were opened.

Mr. COOPER of Tennessee. Mr. Speaker, I present a further privileged resolution (H. Res. 83) from the Committee on Ways and Means.

The Clerk read as follows:

House Resolution 83

Resolved, That the Secretary of Commerce is hereby directed to furnish the House of Representatives a list of the articles, both foreign and domestic, the names of which are on file in the Department of Commerce, for changes in rates of tariff in reciprocal trade agreements now under negotiation between the United States and any foreign country under the provisions of chapter 474 of the Forty-eighth Statutes at Large, page 943.

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the report be read.

The SPEAKER. Without objection, the Clerk will read the report.

There was no objection.

The Clerk read as follows:

Report No. 805

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 83) to direct the Secretary of Commerce to furnish the House of Representatives a list of the articles, both foreign and domestic, on file in the Department of Commerce for changes in

rates of tariff in reciprocal trade agreements now under negotiation, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

Mr. COOPER of Tennessee. Mr. Speaker, I move that the resolution be laid on the table.

Mr. RICH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. RICH. I would like to know whether it is going to be possible for us to know what changes are going to be made in the tariff——

Mr. COOPER of Tennessee. Mr. Speaker, a point of order. The gentleman is out of order.

The SPEAKER. A motion to lie on the table is not debatable.

The question is on the motion of the gentleman from Tennessee [Mr. COOPER].

The question was taken; and on a division (demanded by Mr. MOTT) there were ayes 169 and noes 56.

So the motion was agreed to.

On motion by Mr. COOPER of Tennessee a motion to reconsider the vote by which the motion was agreed to was laid on the table.

Mr. COOPER of Tennessee. Mr. Speaker, I present a further privileged resolution (H. Res. 82) from the Committee on Ways and Means.

The Clerk read as follows:

House Resolution 82

Resolved, That the Secretary of Agriculture is hereby directed to furnish the House of Representatives a list of the articles, both foreign and domestic, the names of which are on file in the Department of Agriculture, for changes in rates of tariff in reciprocal trade agreements now under negotiation between the United States and any foreign country under the provisions of chapter 474 of the Forty-eighth Statutes at Large, page 943.

Mr. COOPER of Tennesse. Mr. Speaker, I ask unanimous consent that the report be read.

The SPEAKER. Without objection, the Clerk will read the report.

There was no objection.

The Clerk read as follows:

Report No. 806

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 82) to direct the Secretary of Agriculture to furnish the House of Representatives a list of the articles, both foreign and domestic, on file in the Department of Agriculture for changes in rates of tariff in reciprocal trade agreements now under negotiation, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

Mr. COOPER of Tennessee. Mr. Speaker, I move that the resolution be laid on the table.

The question was taken; and on a division (demanded by Mr. MOTT) there were—ayes 164, noes 54.

So the motion was agreed to.

On motion by Mr. COOPER of Tennessee a motion to reconsider the vote by which the motion was agreed to was laid on the table.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Do not the Democratic Members of this House want to know anything about the tariff?

The SPEAKER. That is not a parliamentary inquiry.

SECOND LT. CHARLES E. UPSON—VETO MESSAGE (H. DOC. NO. 168)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I return herewith, without my approval, H. R. 3071, an act for the relief of Second Lt. Charles E. Upson.

This bill provides that the said Lieutenant Upson, who was dismissed from the service of the Army of the United States in pursuance of approved findings and sentence of a general court martial, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on May 8, 1918, the purpose being to give him, as to the future, the rights, privileges, and benefits conferred by any law upon honorably discharged soldiers.

In view of the facts set forth in the accompanying letter of the Secretary of War, I cannot approve this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 26, 1935.*

The SPEAKER. The objection of the President will be spread at large upon the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the bill and message be referred to the Committee on Military Affairs and ordered to be printed.

The SPEAKER. The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

THE NECESSITY FOR AN ADEQUATE AMERICAN MERCHANT MARINE AND PACIFIC COAST SHIPBUILDING

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks and print in the RECORD a statement with reference to the necessity of an adequate merchant marine and Pacific coast shipbuilders.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WELCH. Mr. Speaker, from time to time I have invited the attention of the House of Representatives to some of the problems of the American merchant marine. Within recent weeks the President of the United States has forcefully brought this matter to the attention of the Nation by sending a special message to Congress dealing with the subject. More recently the Committee on Merchant Marine and Fisheries, under its able chairman, has held hearings on the problem.

We are all in common accord that an adequate merchant marine is necessary. It is necessary in time of peace in order that the entry of American goods into world channels of trade might be guaranteed equality in transportation costs with that of other nations. It is necessary in time of war in which the United States may not be engaged in order to carry on trade and commerce when the ships of other nations might be withdrawn to assist their own navies. It is necessary that we might have an adequate naval auxiliary to meet our own wartime requirements for the transportation of troops, supplies, and equipment. It is necessary that we have adequate shipbuilding facilities always available on our Atlantic and Pacific coasts prepared to meet any emergency requirement.

The President has emphasized these reasons and has stated that direct ship subsidies should be made—

Based upon providing for American shipping, Government aid to make up the differential between American and foreign shipping costs. It should cover, first, the difference in the cost of building ships; second, the difference in the cost of operating ships; and, finally, it should take into consideration the liberal subsidies that many foreign governments provide for their shipping.

Our own experience and the heavy outlays that have been necessary whenever emergencies have arisen point to the urgency of this matter. The United States could have maintained an adequate merchant marine from the foundation of the country up to the World War at one-half the expense that was necessary at the beginning of that war had we maintained a far-sighted policy. Instead, we permitted American manufacturers and producers to depend on foreign bottoms for shipping American goods. When these ships were withdrawn from trade routes our commerce was helpless. We cannot permit that condition to ever exist again.

Every major maritime nation upon the face of the earth subsidizes its merchant marine directly and openly. The United States stands alone among the nations of the world as one with major maritime interests granting subsidies by subterfuge, under the guise of mail contracts. The time has come when we must recognize the national necessity and purpose of an adequate merchant marine by granting these subsidies openly and directly. They should be granted for ship construction to meet the unfair competition imposed by lower standards of living and consequent cheaper costs in foreign countries. They should be granted for ship operation to such routes in international, intercoastal, and

coastal trade that will stimulate commerce, insure flexibility in operation, parity in competition, and surety in protection. The savings to American agriculture and industry thus effected will be far greater than the direct cost to the United States Government and will ultimately save the American taxpayer large sums.

The impetus given to a study of our merchant marine problems by our experience during the World War brought about an orderly plan in its development, but the time has now come when we must rehabilitate and maintain our merchant marine at its highest efficiency in accordance with that plan.

While the United States ranks second only to Great Britain in gross tonnage available for ocean-going traffic, a large part of it is what may be termed "static tonnage." Many of these vessels built during and immediately following the World War, cannot meet the competition of modern ships. Technical advances made in type, machinery, and equipment of ocean-going vessels has actually caused the United States merchant fleet to drop to fourth or fifth place among the nations. It is surpassed by every major maritime nation when measured in its ability to quickly and economically carry cargoes from port to port.

Of our entire merchant marine, the United States has only built 11 percent since January 1, 1924, while Great Britain has built 42 percent; Germany, 38 percent; France, 25 percent; Italy, 28 percent; and Japan, 21 percent. With 89 percent of our merchant marine composed of ships over 11 years old, economy in their operation and fair competition with the ships of other nations is almost futile.

Fuel consumption alone is 30 to 40 percent less on modern vessels than on those built 12 years ago. Mechanical equipment has been improved during the past decade to reduce costs, and other operation costs are similarly higher on older ships. In these times when speed of delivery is a major economic factor, the delays caused by the slower movement of these older vessels adds appreciably to the handicap American shipping has to overcome, as well as to operation costs. Steps must be taken now to regain the cargoes we are losing in ever-increasing numbers.

Coincident with the need for an adequate merchant marine is the need for adequate shipbuilding facilities on both the Atlantic and Pacific coasts. No greater insurance can be given for the success of our Navy than to have proper private shipbuilding and ship-repair yards always available to meet our needs in emergency. The problems involved are much easier of solution on the Atlantic seaboard than on the Pacific coast. At the same time, the need is probably far greater on the Pacific coast than on the Atlantic.

I can recall when shipbuilding was one of the major industries of the Pacific coast. Today it is almost a lost art. Thousands of artisans who formerly worked in shipyards have had to turn their efforts to other lines of trade. Not a single large merchant vessel has been built on the Pacific coast since the World War. With the advent of metal ships, sources of raw material are so distant that shipbuilders, looking primarily to profits, practically ceased west-coast construction because they could not meet east-coast prices and pay the costs of transportation of supplies to the Pacific.

Under present merchant-marine legislation we have loaned $150,000,000 at nominal rates of interest for ship construction. Every dollar of that money has entered into ships constructed within a few hundred miles of this Capitol Building. Certainly, we do not mean national security includes only shipyards within a short radius of Washington. If the primary purpose of this ship-subsidy legislation is to build our merchant marine and shipyards for national security, it must include shipyards on the Pacific coast as well as the Atlantic.

The result of all this has been that there is today not a single privately owned major shipyard on the Pacific coast capable of building a capital ship without first spending large sums to repair their equipment. Notwithstanding this, the United States needs such plants to be available in event of emergency. It must encourage private ship construction on the Pacific coast to guarantee the availability of such shipyards in time of war.

As I have already pointed out, the President has stated as the first purpose in granting these subsidies is to make up the differential between American and foreign costs of ship construction. If this differential is necessary between American and foreign construction, and we are in agreement that it is, the same principle holds true in ship construction in different sections of the United States. There should be a differential allowed to equalize the differences in cost of shipbuilding on the Pacific and Atlantic seaboards.

At one time the Navy Department recognized this principle by allowing a differential in the cost of ship construction at the navy yards on the Pacific coast to equalize the increases due to transportation costs. Congress should also recognize this need and encourage private ship construction by allowing a three-fourths of 1 percent differential on ship-construction loans on vessels built in Pacific coast yards, the home ports of which will be on the Pacific coast. This principle is agreed as necessary by representatives of the shipping and shipbuilding industry, whose primary interests are on the Atlantic seaboard.

Under existing law ship-construction loans are authorized for vessels entering into foreign-trade routes at 3½ percent interest. For such ships constructed on the Pacific coast and which will ply between Pacific coast ports and foreign ports this interest rate should be 2¾ percent. At the present time loans are authorized for the construction of ships for domestic trade, coastwise and intercoastal, at 5¼ percent. This interest rate should be 4½ percent for ships constructed on the Pacific coast and used in trade routes having at least one terminal in ports on the Pacific coast.

Such a differential will not cost the United States Government a single penny, for the Government borrows its funds at much lower interest rates. At the same time it will encourage the rebuilding of shipyards already there but now used only for ship repairs, thus guaranteeing to the United States adequate ship construction and repair facilities for capital ships, both merchantmen and naval.

The effectiveness of our efforts will depend in some measure upon the administration of such legislation as may be enacted. Upon Congress rests the responsibility of effecting the policy and appropriating the funds. We should now prepare to regain our portion of the world's commerce. We should now stimulate American ship construction in all sections of our coast. If we do not, we cannot hope to overcome the obstacles which will be in our way as international trade increases with improving conditions. Neither can we hope to avoid wasteful expenditure of billions of dollars to provide an adequate naval auxiliary should an international crisis arise. It is the cheapest form of insurance, guaranteeing security to our commerce in time of peace and security to our Nation in time of war.

THE THOMAS OIL BILL

Mr. STUBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a memorial from my State legislature.

The SPEAKER. Is there objection?

There was no objection.

Mr. STUBBS. Mr. Speaker, probably one of the most controversial measures before the Congress today is the so-called "Thomas oil bill", now under consideration by committees, in which the State of California is vitally concerned.

My district in California, particularly the counties of Kern, Santa Barbara, and Ventura, are big producing areas, and the Thomas oil bill affects them directly.

Therefore, I desire to draw the attention of the Congress to a joint resolution adopted recently by the California State Assembly, which condemns the purpose of this legislative measure.

CALIFORNIA LEGISLATURE.

The following joint resolution was adopted April 24 by the California State Assembly by a vote of 68 to nothing and adopted unanimously by the Senate on April 26, 1935.

Introduced by Welsh in assembly; introduced by Wagy in Senate.

Whereas the past history of the sovereign State of California is replete with illustrations of its earnest endeavor to jealously guard the State's rights, prerogatives granted under the Constitution of the United States; and

Whereas there is continuing evidence of a desire on the part of some officials in Washington to compel a surrender of these rights in whole or in part; and

Whereas the oil and gas conservation statutes of this State have been rigidly enforced to prevent physical waste in the production of crude petroleum or natural gas, and to protect the underlying strata that hold these natural resource reserves; and

Whereas there is now pending before the Congress of the United States a bill, generally known as the "Thomas bill", which has for its purpose the attempted regulation of the production of crude petroleum with the several oil-producing States; and

Whereas the objective of the main portion of this bill is contrary to the principles of our dual form of government in that it provides for an attempted invasion of the sovereign powers of California, and would permit Federal encroachment upon the exclusive power of this State to control the production of its natural resources: Now, therefore, be it

Resolved by the Assembly and the Senate, jointly, of the State of California, That Senators and Representatives in Congress from this State be urged to use their utmost endeavor to defeat the passage of this proposed measure and other measures of a similar nature; and be it further

Resolved, That the Governor of the State of California be requested to transmit a copy of this resolution to the members of the California delegation in Congress, to the Presiding Officers of the Senate and House of Representatives, and to the Chairman of the Committee on Mines and Mining of the United States Senate, and to the Chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives.

JAMES A. MOFFETT

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. KLEBERG. Mr. Speaker, my purpose in taking the floor at this time is based upon what I consider a sound statement that generally the road to attainment is paved with mistakes that have been corrected. Several days ago my distinguished colleague on the Democratic side of the House, Mr. STEPHEN YOUNG, of Ohio, made some statements which I honestly believe were the result of sincere belief on his part but none the less mistaken as to the facts involved. I refer to the statement made with reference to Hon. James A. Moffett, Administrator of the National Housing Administration.

I ask unanimous consent, Mr. Speaker, at this time to extend my remarks to include therein my own personal investigation of certain facts which the House and the country should know in connection with that statement.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. KLEBERG]?

There was no objection.

Mr. KLEBERG. Mr. Speaker, a Member of Congress is confronted at times with the necessity of calling the attention of the House and the country to the operations of one or more of the administrative branches of the Government; this, sometimes, because of a sincere belief on the Member's part that the administration is failing to operate in accordance with congressional intention; at other times based upon the conviction that administrative officers are recreant to their trust and are failing in the performance of their duties. It is not my desire to censure anyone on this occasion, and least of all my distinguished young friend and fellow Member, Mr. STEPHEN YOUNG. It is my belief that if an honest mistake is wrong, that no Member of this House could qualify with a spotless record.

Mr. Speaker, there are two reasons for my taking the floor in an effort to correct what I consider to be an erroneous impression based upon honest error, which of itself was occasioned by insufficiency of factual evidence on the part of my colleague. The first reason is to correct the effect on the country of his statement because of its effect upon the successful operation of the Federal Housing Administration, which I honestly believe is destined to serve a very important part in the recovery of our beloved country. The Federal Housing Administration depends more upon real salesmanship than upon any other thing for its successful functioning. It has no money to spend nor money to loan for either modernization, repair, or new construction. The public in general and financial institutions must do the job. This they will only undertake through an intelligent understanding of the plan involved and the opportunity afforded. Anything which reflects discredit upon the administration, which can certainly be accomplished by the discrediting of the Administrator, Mr. Moffett, obstructs and hampers accomplishment on the part of the F. H. A. of its intended function. Such an administration must command both the respect and the confidence of both those who are desiring to repair or rebuild old homes or build new homes, as well as financial institutions or individuals who must put up the money to effectuate the utilization of this guaranteed field of investment. Many a fellow citizen now on the relief rolls will be denied gainful occupation and self-sustenance by the discrediting and consequent limiting of the otherwise almost limitless field opened through the Housing Act.

The second reason, Mr. Speaker, which actuates me in taking the floor is to correct, if possible, the effect of my distinguished young colleague's honest error in his lack of appreciation of Mr. Moffett as a constructive citizen and a patriot. This because I have known Mr. Moffett many years, and through this long acquaintance I deem him to be my personal friend. There is no doubt but that I am his friend.

Without more ado, Mr. Speaker, my own investigation discloses that with the exception that Mr. Moffett's trip to Florida to attend the wedding of his son and take a 2 weeks' vacation, every other trip which has occasioned his absence from his Washington office has been on official business. Since February 4 and through April 26, I have found the following record of his movements to be true:

February 4 through 27: In Washington office.

Night of February 27: Left for Oklahoma City and Tulsa at the request of Governor Marland to make speeches on the Federal Housing program.

March 4 through 8: In Washington office.

March 9 (Saturday): Attended newspapermen's dinner in New York City.

March 11 through 14: In Washington office.

March 14 (p. m.): Left for Fort Worth, Dallas, San Antonio, and Austin, Tex., to address joint session of legislature, as well as bankers, chambers of commerce, clearing-house associations, and so forth.

March 21 (a. m.) through 23: In Washington office.

March 23 (p. m.): Left for Florida to attend son's wedding and for short vacation.

April 8 (a. m.) through 9: In Washington office.

April 9 (p. m.): Left for Detroit to address leading industrialists, bankers, and so forth.

April 11: En route from Detroit to Princeton, N. J.

April 12 and 13: Princeton University, presiding at round-table discussion on housing.

April 14 (a. m.) through 26: In Washington office.

So much for the period of his service under discussion. In addition to the above, I call your attention to the fact that he was appointed a member of the Industrial Advisory Board of the National Recovery Administration July 31, 1933. He resigned as vice president of the Standard Oil Co. of New Jersey to accept this appointment by the President. On August 30, 1933, he was appointed by our Chief Executive as one of three members to represent the Government on the planning and coordination committee to administer the Petroleum Code. He resigned as a member of the Industrial Advisory Board of N. R. A. on November 1, 1933, in order to be able to devote his full time to his duties on the planning and coordination committee. At the conclusion of his service on this committee, he left Washington on December 19, 1933. On January 15, 1934, he accepted the position of vice president of the Standard Oil Co. of California. On June 30, 1934, he was again called by the President and was appointed by President Roosevelt as Federal Housing Administrator. He has spent full time in Washington, and because his duties as Federal Housing Administrator require his full time, he forthwith resigned as vice president of the Standard Oil Co. of California on September 31, 1934. On April 27 he was given a 90-day furlough from the Federal Housing Administration by the President.

This brief résumé of his activities in connection with Mr. Roosevelt's administration is but a small part of the record of Mr. Moffett's contribution of efficient and patriotic service to our country. Time does not permit further reference to this distinguished and able administrative head on this occasion.

I am perfectly aware, through my first-hand acquaintance with Mr. Moffett and my own personal knowledge of many other meritorious and unselfish activities in which he has participated, that the major reason for the conscientious mistake of my distinguished young colleague is to be found in the fact that he is not so acquainted. Stephen Young and Jimmie Moffet should be more than acquaintances, and if this had been the case I am sure they would be friends.

Mr. Speaker, I thank the House for its indulgence, and may I express the hope that this and other natural consequences of human endeavor and mistakes may be corrected and the highway to recovery may be smoothed permanently and safeguarded against accident.

PROCESS TAX ON TOBACCO

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter received from Secretary Wallace on the processing tax on tobacco.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I enclose the following letter received by me from the Secretary of Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 26, 1935.

Hon. JOHN W. McCORMACK,
House of Representatives.

DEAR MR. McCORMACK: Reference is made to your letter of April 4 in which you request information as to what grades or character of tobacco have reached parity under the Agricultural Adjustment Act, and whether or not the processing tax thereon has been reduced.

The 1934 crop of flue-cured tobacco, which has just been marketed, sold at a price above what it now appears will be the fair exchange value or parity price of that crop. In the case of tobacco, the parity price of each type, which is used in determining the rate of processing tax, is based upon the average of the monthly indexes of the prices of articles farmers buy during the year in which the particular crop was sold. The average price for the 1934 flue-cured crop was approximately 27 cents per pound, and the 1934–35 parity price of this crop is expected to average around 20 cents per pound. No action has been taken to adjust or remove the processing tax upon flue-cured tobacco, and it is not contemplated that such action will be taken until the end of the current marketing year for tobacco. The marketing year for tobacco is the period October 1 to September 30, inclusive.

This is in accord with the policy adopted with reference to tobacco processing taxes. Last year when it became evident during the marketing season that the price of the 1933 crop of burley tobacco had fallen below parity by a much larger amount than had been the price of the 1932 crop from which the rate of processing tax was determined, action was not taken to adjust the rate of tax upward until the end of the marketing year. The same was true of the action taken last year in the case of Maryland tobacco when the rate of processing tax was reduced to zero. These adjustments were made effective October 1, 1934.

In cases where possible adjustments in tobacco-processing taxes have been relatively small and where the revenues needed to finance a program already under way have required a continuation of the rate the second year, the rate has been continued. This was done last year in the case of flue-cured, fire-cured, and dark air-cured tobacco. Rates equal to less than the difference between current prices and parity prices have been established for cigar-leaf tobacco and for all kinds of tobacco used in the manufacture of plug, twist, fine-cut, and long-cut tobacco.

You are aware, of course, that each change of processing tax is accompanied by a change in the tax on floor stocks. Frequent changes in the rates of such taxes are confusing to persons in the tobacco trade, and add greatly to the problems of administration.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Mr. LEA of California. Mr. Speaker, I desire to announce the necessary absence of the gentleman from California [Mr. TOLAN], who is serving today as a member of the Board of Visitors to the Naval Academy.

CONFERENCE REPORT—MOTOR VEHICLE RESPONSIBILITY ACT, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the conference report on the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other purposes, and ask for its immediate consideration.

The Clerk read as follows:

CONFERENCE REPORT

[To accompany S. 408]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

Mr. PALMISANO. Mr. Speaker, the conferees on the part of the House endeavored to follow the instructions of the House, but the Senate insisted on its amendments; and, after several conferences, your conferees recommend that the House recede.

I may say for the benefit of the Members present that some 28 or 30 States have the summons provision in their liability laws. With one exception in these States all that is necessary to get a summons is the posting of $2. In the amendment in question we go a little further in that a bond is required. I can readily understand why this additional requirement is made, for whereas the legislatures of the various States are interested in protecting the rights of the residents of the particular State, we in the national Congress are interested in protecting the rights of our constituents who come from the 48 States. Under the amendment it would be necessary before a suit could be filed that the plaintiff give a bond not only to protect the nonresident against costs but against attorneys' fees. So it will be seen this amendment is a little more stringent than the laws in the individual States.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BLANTON. I was one of those who voted with our friend, the gentleman from Oklahoma [Mr. NICHOLS], against this proposition in the committee, but investigating the matter since then, I am now with the conferees and I believe that their action in replacing this provision should be upheld. I find that in Oklahoma, the State of our distinguished colleague, they have just such a law; and they have practically the same law in 34 States. I am in favor of the action of the conferees, and think that we ought to approve their conference report.

Mr. PALMISANO. There is this difference, however, that in Oklahoma the protection of the bond is not in the law.

Mr. BLANTON. So, really, this provision is much more favorable to nonresident defendants than the law is in the State of Oklahoma.

Mr. PALMISANO. Yes.

Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. TAYLOR of South Carolina. Could the plaintiff in such a suit get a default judgment by this process and transcribe it to the State where the defendant resides?

Mr. PALMISANO. He must first procure a summons and serve it by registered letter.

Mr. TAYLOR of South Carolina. I understand that, but he gets jurisdiction by advertising.

Mr. PALMISANO. No; not by advertising; he must send a copy of the summons to the defendant by registered letter; and the attorney, or the plaintiff himself in his petition must file the notice of registered letter showing receipt by the defendant.

Mr. BLANTON. And such a personal judgment rendered in another jurisdiction would not be collectible. So why worry so much about it.

Mr. TAYLOR of South Carolina. If it were properly transcribed to the jurisdiction where the man resides, it would be good, would it not?

Mr. PALMISANO. The summons is served by registered letter, not by a deputy sheriff.

Mr. BLANTON. This would be a personal judgment rendered in a foreign jurisdiction, and would not be collectible in the resident State of the defendant.

Mr. TAYLOR of South Carolina. If it were transcribed to the jurisdiction of the State of the defendant it would be all right.

Mr. PALMISANO. Yes.

Mr. KLOEB. If such judgment were transcribed to another jurisdiction it would operate as a cloud on the title of the real estate of the defendant.

Mr. PALMISANO. As I say, this law is almost identical with the laws of those States which have automobile liability laws except they do not require the plaintiff to file a bond before they can get service. Under the proposed amendment the plaintiff must file a bond to protect the defendant.

Mr. KLOEB. The gentleman said that the costs included the summons and court costs.

Mr. PALMISANO. And costs of attorneys' fees.

Mr. KLOEB. But that does not mean the costs the defendant may be put to in traveling from his home to the District of Columbia to defend himself?

Mr. PALMISANO. Yes.

Mr. KLOEB. The language of the bill does not say so.

Mr. PALMISANO. It covers all necessary expenses.

Mr. KLOEB. But the bill is not so worded.

Mr. PALMISANO. All right; that is within the discretion of the court.

Mr. KLOEB. This provision is a monstrosity.

Mr. PALMISANO. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, I do not feel that it is necessary to make a hard fight on this proposition for as soon as the membership of the House is advised as to what is about to happen under it they will be opposed to it. As I said before when presenting this amendment, there are very few things in the laws of the District of Columbia that will directly affect the constituents of Members of Congress; but if this provision be enacted into law it will affect every constituent of a Member of Congress who visits the city of Washington. I want to read a portion of the bill which was stricken out by the House when the bill was under consideration by the House, but which was restored by the Senate, and which the conferees now want the House to accept:

> The operation by a nonresident or by his agent of a motor vehicle on any public highway of the District of Columbia shall be deemed equivalent to an appointment by such nonresident of the director of vehicles and traffic or his successor in office to be his true and lawful attorney upon whom may be served all lawful processes in any action or proceedings against such nonresident growing out of any accident or collision in which said nonresident or his agent may be involved while operating a motor vehicle on any such public highway, and said operation shall be a signification of his agreement that any such process against him, which is so served, shall be of the same legal force and validity as if served upon him personally in the District of Columbia. Service of such process shall be made by leaving a copy of the process with a fee of $2 in the hands of the director of vehicles and traffic or in his office, and such service shall be sufficient service upon the said nonresident.

It provides further, I grant you, that the serving officer shall mail to your constituent by registered letter a copy of the summons. That is no relief to him, when he is brought back to the District of Columbia from California, Florida, Texas, Oklahoma, or some other distant State to answer a frivolous suit.

The man may have the protection of a bond, but let us look at the kind of a bond that is provided. It says, "A bond by one or more sureties." Certainly there are enough lawyers in this House to know what a bond of one or more sureties, approved by a justice of the peace, amounts to in reference to the sufficiency of the bond in the event that a constituent must return to Washington and institute a suit against the bondmen to recover the money he has expended.

Mr. TAYLOR of South Carolina. Does not this open up a channel for an organized racket?

Mr. NICHOLS. It would be one of the prettiest rackets in connection with the justice of the peace courts that the gentleman ever saw.

This further provides for a personal service. Then it says:

> That said notice of such service and a copy of process may be served upon defendant in the manner provided for in section 105 of the Code Laws of the District of Columbia.

Here is what is provided in the Code Laws of the District of Columbia, and I read:

> Publication may be substituted for personal service of process upon any defendant who cannot be found and who is shown by affidavit to be a nonresident, or to have been absent from the District for at least 6 months, or against the unknown heirs or devisees of deceased persons, in suits for partition, divorce, by attachment, foreclosure of mortgage and deeds of trust, the establishment of title to real estate by possession, the enforcement of mechanics' liens, and all other liens against real or personal property within the District, and in all actions at law and in equity which have for their immediate object the enforcement or establishment of any lawful right, claim, or demand to or against any real or personal property within the jurisdiction of the court.

Mr. Speaker, the argument of my distinguished colleague the gentleman from Texas, is that even if you get a judgment in the District of Columbia it could not be enforced against our constituents in California and other States. I think that is right. I do not think the judgment could be enforced in other States, but if we are going to admit at the very outset of the consideration of this matter that it will have no effect if it is placed upon the books, why in the name of common sense clutter up the books? If it is going to have no force and effect, what is the justification for enacting this into law?

Mr. HULL. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Wisconsin.

Mr. HULL. Will the gentleman point out more clearly than he has already the fact that if this conference report is adopted and this section of the law goes into effect we are going to have a racket here that will work out into the various States and it will compel people to make settlements where no settlement should be made. In other words, it is a general racketeering scheme for a bunch of lawyers to reach out from Washington.

Mr. NICHOLS. I think the gentleman is entirely right. Mr. Speaker, the argument as to 35, 36, or 48 States in the Union having the same law is answered in this way. Do we pass legislation in this great body simply by reason of the fact that some State has passed a similar law? Why, there is no sovereignty in the District of Columbia. This is just a little parcel of land hewed out of the middle of the Nation and we say that this will always be controlled by Congress and will be a neutral ground for all of the citizens of the United States. I say that we should throw safeguards around the visitors to the District of Columbia who want to come here and transact their public and personal affairs in the Nation's Capitol. We ought to throw more protection around them than in a State that has sovereign rights, and which the District does not enjoy.

Mr. ROBERTSON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Is it not true that in the District of Columbia the statute of limitations on tort actions is 3 years?

Mr. NICHOLS. That is right.

Mr. ROBERTSON. How many States does the gentleman know of that have 3-year statute of limitations, where a man could delay his tort action arising out of an automobile injury for 3 years after the witnesses were scattered and all gone?

Mr. NICHOLS. I think that is beside the point. There is certainly provided in this bill a 3-year limit of time in which to bring suit.

Mr. BLANTON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Texas.

Mr. BLANTON. There used to be a slogan "Turn Texas loose." Would the gentleman like to have all Texas come here and be turned loose in Washington and the few

reckless drivers every State has allowed to run into automobiles, breaking up the machines, and causing serious injury to women and children, and then leave Washington and go back to Texas and be absolutely beyond the reach of the people of Washington?

Mr. NICHOLS. No; but may I say to the gentleman that if the amount of damages reached in dollars and cents the sum of $3,000, I think it is, it would permit the man to go into the Federal court by reason of diversity of citizenship. He could sue in the Federal courts, and that is his recourse, as already provided by the laws of this Nation.

Mr. BLANTON. When any Texas people who are reckless drivers come here and, through reckless driving, cause collisions and are responsible for damages, I want them to respond.

Mr. CARPENTER. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Kansas.

Mr. CARPENTER. In order to protect our constituents, as the gentleman from Oklahoma has pointed out, we should vote against the adoption of this conference report.

Mr. NICHOLS. Yes; we should vote down the conference report.

Mr. KENNEY. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New Jersey.

Mr. KENNEY. Will the gentleman tell us the amount of bond provided?

Mr. NICHOLS. There is no amount. It says, "A good and sufficient bond of one or more sureties." Go down and get your janitor in the courthouse and a justice of the peace will approve the bond. That is all that is necessary under this law.

Mr. KNUTSON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Minnesota.

Mr. KNUTSON. If a man from California seriously injures a Washingtonian or a person temporarily in the city and he could get out of the District before the papers are served on him, the injured individual would have to go to California in order to sue that party?

Mr. NICHOLS. Unless his injury is enough to permit him to go into the Federal court. If the injury was very great, does not the gentleman think the man would probably be stopped instanter and a process obtained immediately for him?

Mr. KNUTSON. Not necessarily. The accident may happen very near the District line.

Mr. NICHOLS. Mr. Speaker, I ask the Members to vote against the adoption of this conference report.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, at first blush I was with my distinguished colleague from Oklahoma, but after getting all the facts and the law I am thoroughly convinced the conference report should be adopted. However, as one of the conferees I insisted on the gentleman having an opportunity to discuss this report. If we do not have the facts and the law on our side, we are not entitled to win and should not win. I am not afraid of a fair presentation of the other side. Let the Members of the House say who is right.

In the District of Columbia last year 135 people lost their lives by reason of automobile accidents. More people lose their lives in the District of Columbia every year than there were soldiers from the District of Columbia killed during the entire World War. Certainly there is a very serious problem here relating to automobiles and automobile accidents.

There is a bill pending which provides that in the event one is convicted of driving an automobile while under the influence of liquor or if he is convicted of leaving the scene of an automobile accident or if he is convicted of any of these named offenses in any other State, before he can operate a motor vehicle in the District of Columbia after such conviction and after it has been upheld, he is required to take out liability insurance to protect the public. This is perfectly reasonable and is not placing a penalty on all the people. It is just requiring those who are found guilty of violating these particular laws to take out insurance to protect the people before they can operate an automobile anywhere in the District of Columbia. That is certainly reasonable. Then the point at issue is this: There is a provision in the bill that in the event there is an automobile collision and one party lives in the State of Maryland, Virginia, or any other State and is at fault, and a District resident or a resident of Illinois or some other State is involved, or suppose it is an Illinois car and a New York car that are involved, and they have an accident in the District and the New York car is at fault. The Illinois man will force the New York man to come to the District, the scene of the accident, where the witnesses live, in order to try the case. This is all there is to it.

If there is an accident in which a New York car and a District car are involved and the New York man is at fault, and the District resident desires to bring suit, before he can bring such suit, under this provision, he has got to give a good and sufficient bond, a bond that the judge of the court will say is good, a bond that will pay the expenses of the man coming back here from Texas or Illinois or California or Maine or Florida. This will guarantee that all the expenses of such trips will be paid, including his witnesses and even his attorney's fees. This is all absolutely guaranteed. It will have a tendency to discourage suits without merit and will certainly discourage small suits.

Now, you say the bond will not be good. When you say that you are impeaching the judges of the District. If the judges of the District will not require faithful performance of that part of the law, we should get rid of the judges, but until they fail we must presume they are going to do their duty as they are sworn to do their duty.

Now, I have an opinion from the corporation counsel. The law cited by the gentleman from Oklahoma was very persuasive to me. The thought that you could get service on people outside of the State by registered mail and require them to come back here and defend a suit was repulsive to me. I practiced law for 14 years, and it was repulsive to me to think that we would require people to come back on such service as that, but having looked into the matter I find that 35 States have similar laws. The State of Oklahoma has this law, and the people there do not have to put up any bond. The plaintiff can bring the suit and require a man from Maine or California or Florida to come back to Oklahoma and not put up any kind of bond, because the accident occurred there, but here, before we will permit a plaintiff to bring a defendant back, he has got to give a good and sufficient bond, and this service by publication mentioned by the gentleman will not apply in this case because the law says that before a judgment can be taken, 20 days must have expired after the actual service or after the notice by registered mail. Some States provide that notice by registered mail may be given if you send it to any person, a member of the family, over 15 years of age. In Oklahoma, if you want to give a defendant notice, just so you can show that the notice was delivered to a member of his family, 15 years of age or more, the service is good in that State, but under this law it it not good. You must actually deliver it to the man himself and get his receipt showing that it has been delivered to him before the service will be any good.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. VINSON of Kentucky. It seems to me it is a question of which end of the singletree you are on, whether you are the injured or the one who perpetrated the injury; and I take it in Oklahoma the legislature based that law upon the protection of the citizens of Oklahoma.

Mr. PATMAN. That is right.

Mr. VINSON of Kentucky. In order to prevent them from being required to go to the four corners of the country.

Mr. DONDERO and Mr. NICHOLS rose.

Mr. DONDERO. Would the defendant or the plaintiff put up the bond?

Mr. PATMAN. I am sorry, but I cannot yield now, because if I yield to one I must yield to all.

Let us consider the local situation. Twenty-five percent of the accidents here last year were caused by nonresident cars. Therefore if you strike this provision out, you are eliminating 25 percent of this law that you are passing to promote safety. Remember that cars from Virginia and Maryland operate here all the time, and if you strike this provision from the law, I do not care how many times they have been convicted of driving while drunk or leaving the scene of an accident, you cannot require them to take out liability insurance and you will be exempting them from this provision of the law.

Therefore, my friends, if you want to protect the people of this District, if you want your constituents and your family and yourself protected, it is necessary to leave this provision in the bill. If there should be one abuse of this privilege, I venture the assertion that Congress would quickly repeal the law. If there should be the least kind of abuse of this provision by the judges, we can get the wrong righted.

Mr. NICHOLS. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. NICHOLS. If the only reason you keep this in here is to protect the District of Columbia citizens against people having been convicted of an accident before the issuance of a license—I will ask if this is stricken out of the law and that person should come back and make application for a license, he would not be subject to service in this District.

Mr. PATMAN. He would not come back and make application for a license. If he was not using a District of Columbia license, he would not come back here and make application.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. The way the conference report is drawn, putting back this language, is for the protection of all other persons in the United States who come to Washington, as well as the citizens of the District of Columbia.

Mr. PATMAN. It is for protection of people all over the Nation. Suppose someone from Illinois was operating an automobile here in the District of Columbia and that person should have a collision with an automobile from New York. The Illinois man, we will say, was in the wrong. Should the New York man have to go to Illinois? Why should not he be able to require the Illinois man to come back to the District of Columbia?

Mr. ROBERTSON. This provides for a personal judgment in the District.

Mr. PATMAN. Yes.

Mr. ROBERTSON. If you get a judgment in the District and send it to the State where the man resides, they could get judgment in that State.

Mr. PATMAN. I think my friend will agree that the lack of notification is a defense to the judgment. If there was no service, the judgment is not good. I have an opinion from the corporation counsel that this service would not be by publication.

Mr. ROBERTSON. Does not the gentleman think that 3 years is too long?

Mr. PATMAN. That is a question of limitation. Some of the States have 1 year, some 2 years, and some 3 years. Three years is not unusual.

Mr. PARKS. You would have a different rule of law here than in other Commonwealths.

Mr. PATMAN. In my own State they do not require the plaintiff to deposit a bond. This will require them to deposit a good and sufficient bond.

Mr. PARKS. But in the city in which you live, after getting a judgment, you have to get personal service. You give to the District of Columbia a preference that no other city in the Union has.

Mr. PATMAN. No. Thirty-five States have this law. They are imposing a greater burden on the plaintiff in a lawsuit in the District of Columbia under this law than is imposed in any of the other States. So the gentleman cannot say we are giving them any privilege.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. Is it not a fact that in the jurisdiction of practically every State provision is made that where an accident occurs you can sue the wrongdoer, either where the accident occurs or at his home?

Mr. PATMAN. Certainly.

Mr. SISSON. Will the gentleman yield?

Mr. PATMAN. Just a moment now. In Texas it is 904 miles from Texarkana to El Paso. If an accident happens in El Paso County you can either sue the man in El Paso County or in Bowie County, Tex., 900 miles away, if the man lives there.

Mr. DONDERO. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DONDERO. Is there anything in this act to prevent a defendant being represented by sending his deposition, so that he would not have to come back here?

Mr. PATMAN. No. He can be represented any way he wants to. He can be represented by a lawyer and he will be paid if he is right. The expense of his lawyer will be paid. It is more protection thrown around the defendant than any law that I know of.

Mr. GILCHRIST. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GILCHRIST. The gentleman practices law in Texas. Suppose I come to the gentleman's office and say, "I am sued in the District of Columbia for $250. My time is worth something; your time is worth something"; what advice will you give me?

Mr. PATMAN. Of course, in small cases like that——

Mr. GILCHRIST. The gentleman would say to me, would he not, "You had better pay it and forget all about it"?

Mr. PATMAN. That is just like all lawsuits. Neither side wins in a small lawsuit.

Mr. GILCHRIST. It will simply be racketeering built up here.

Mr. PATMAN. That applies in your home county, as well as in the District of Columbia. The bond required will discourage small suits.

Mr. GILCHRIST. Another question: The gentleman is in error in saying you can sue a defendant in the county where the accident occurs, at least in many jurisdictions. That may be true in the State of Texas, but it is not true in many other places.

Mr. PATMAN. Well, that has no reference to this, anyway.

Mr. GILCHRIST. Suppose I assault you——

Mr. PATMAN. But we are talking about liability insurance now.

Mr. GILCHRIST. But the gentleman was talking about where the suit ought to be brought. I think this is more of a racketeering proposition for the racketeers.

Mr. PATMAN. If I felt a racket could be built up, I would be against it. The judges would not permit it. If they did permit it, then we would go after the judges. The judges can allow a racket to be built up under the present laws if they want to. If we have judges like that, we ought to get rid of them.

Mr. HEALEY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HEALEY. Would not a provision which required the posting of a bond for costs discourage these frivolous and small suits?

Mr. PATMAN. Certainly it would. The gentleman has brought out a very good point.

I ask that you adopt this conference report.

A MEMORANDUM ON THIS REPORT PREPARED BY HON. E. BARRETT PRETTYMAN, CORPORATION COUNSEL, DISTRICT OF COLUMBIA

(Conference report on S. 408)

The House of Representatives, on March 28, 1935 (CONGRESSIONAL RECORD, pp. 4638–4639), struck from the bill that portion beginning with line 16, page 8, down to and including line 5, page 10. The provision thus stricken is that which provides that the operation of an automobile by a nonresident in the District should be deemed equivalent to the appointment of the director of traffic as

an agent upon whom process might be served in an action growing out of an accident, provided that such process be served by leaving a copy with the director, and that another copy be forthwith sent by registered mail to the defendant, and the defendant's return receipt be appended to the writ and entered with the declaration.

It also required that in such an action the plaintiff should first file a bond in such an amount as the court may require to reimburse the defendant, on the failure of the plaintiff to prevail in the action, for the expenses necessarily incurred by the defendant, including attorneys' fees, in defending the action.

The conference report recommends that the House recede from its amendment.

The effect of the amendment, if adopted, would be (1) to eliminate the power of the authorities of the District of Columbia insofar as this bill is concerned, to revoke the right of a nonresident to drive on the streets of the District, if such nonresident causes an accident and refuses to pay a judgment for damages rendered against him, and (2) to make it necessary for a resident of the District to sue a nonresident in the latter's home jurisdiction in a case in which such nonresident had caused damages while driving a car on the streets of the District.

A MODERN PROBLEM

The question as to the proper venue for tort actions arising from automobile accidents is a modern problem. A generation ago torts committed against residents of one State by residents of a far distant State were not usual. With the coming of automobiles and transcontinental highways, however, damages inflicted upon residents of one State by automobile drivers from far-distant States became an almost daily legal problem. The situation exists all over the country. Automobiles from distant States are in every jurisdiction. Accidents involving those vehicles have become almost daily occurrences. A serious legal question arose as to the rights of the respective parties in such cases. The old rule, brought down from the common law, did not readily fit the new problem, and did not afford a satisfactory solution. Some new answer must be found.

THE MERITS OF THE PROBLEM

Assume an automobile accident in Illinois involving a resident of that State and a resident of New York. Considering proper venue for a suit consequent to such an accident, the first, and most obvious, provision is that a trial at the place where the witnesses are available ought to be readily possible. The rigid requirement that the suit be brought at the residence of the defendant would, in about half the cases, nullify this possibility. Obviously the law should be so drawn that suit where the witnesses are available should be permitted.

In the second place, assume that in such an accident the resident from New York was at fault. Now clearly wherever the suit be had it will be at the inconvenience of one or the other of the parties; if it be in New York, the inconvenience would be to the resident of Illinois, and if the suit be in Illinois, it would be at the inconvenience of the resident of New York. The question then becomes this: Who should suffer the inconvenience, the person causing the damage or the victim thereof? Thus stated, the answer is easy—clearly the person causing the damage should be put to the inconvenience, if inconvenience be necessary to one or the other of the parties involved. This, of course, means that jurisdiction be conferred upon the courts of the residence of the plaintiff in the action, if that be the place where the accident occurred.

Moreover, the question of public safety is involved. The power of every jurisdiction to protect the users of its own streets against damages and accidents must be protected. As the Supreme Court said in *Hendrick* v. *Maryland* (235 U. S. 610, 622):

"The movement of motor vehicles over the highways is attended by constant and serious dangers to the public."

Logically each local jurisdiction should be able to say that if nonresidents operate automobiles on its streets, it will hold such nonresidents strictly accountable for damages caused by them in such operation, and will enforce such requirements by its own laws, and will not require its own citizens to follow such nonresidents to distant points in order to satisfy such damages.

THE ANSWER TO THE PROBLEM

With the foregoing considerations in mind some 35 or 36 States have reached the same answer, and that answer is the one which is contained in the provision which was stricken from this bill by the House amendment. No other satisfactory answer has been devised or suggested.

States which have adopted this provision are:

Alabama, Arkansas, California, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Vermont, Washington, Wisconsin, Wyoming.

PROVISION IS NOT DISCRIMINATORY

The provision here involved does not discriminate against nonresidents, but, on the contrary, places them upon the same footing as residents. To strike the provision from the bill would be to discriminate in favor of nonresidents. To do so would mean that if a nonresident should cause an accident in the District the local person who is injured would have to go into a foreign jurisdiction to recover the damages, no matter how far distant that jurisdiction might be.

CONSTITUTIONALITY

The constitutionality of the provision here involved has been settled. *Hess* v. *Pawloski* (274 U. S. 352) involved a Massachusetts statute which contained the same provisions as are proposed in this bill. The case went to the Supreme Court on the flat question whether that enactment was constitutional. The Court held it to be valid, saying:

"Motor vehicles are dangerous machines; and, even when skillfully and carefully operated, their use is attended by serious dangers to persons and property. In the public interest the State may make and enforce regulations reasonably calculated to promote care on the part of all, residents and nonresidents alike, who use its highways. The measure in question operates to require a nonresident to answer for his conduct in the State where arise causes of action alleged against him, as well as to provide for a claimant a convenient method by which he may sue to enforce his rights."

Many State courts have upheld the provision. A list of such cases is attached.

THIS PROVISION IS AN INTEGRAL PART OF THE BILL

The basic purpose of S. 408 is to provide that where an operator of a motor vehicle either is convicted of driving while intoxicated, or leaving the scene of an accident without making his identity known, or fails to pay a judgment placed against him because of the damages caused by him in the operation of the automobile, his right to drive on the streets of the District of Columbia shall be revoked until he furnishes evidence of financial responsibility. To enforce the latter provision of the bill requires some method of obtaining judgments. Against residents the answer is already provided, but what about nonresidents? Should they be permitted to cause damages and remain immune from the provisions of the bill respecting their right to drive? If the provisions here involved be stricken, it would mean that nonresidents could cause damages, and there would be no readily available way to secure a judgment which could be the basis for the revocation of the right to drive on the streets in the District. The bill, with this provision stricken, is only part of a complete enactment for the main purposes sought.

NEED FOR THE PROVISION

That the traffic problem is a serious one, no one will dispute. One hundred and thirty-five people were killed in automobile accidents in the District of Columbia last year. Some method of controlling this tragic situation must be devised. The President of the United States in January of this year wrote letters to all Governors and to the Commissioners of the District, urging their earnest attention to the problem. This bill (S. 408) is a traffic-safety measure designed to help meet this appeal. Not only residents are involved in these accidents. About 25 percent of our accidents involve nonresidents. Thus a quarter of our problem is involved in the provisions stricken by the House amendment.

RECIPROCITY

The most effective enforcement of traffic laws is secured from reciprocity agreements among the States. If two States have the same laws, they help one another by mutual cooperation, exchange of information, and reciprocal punishments of offenders against the law in each jurisdiction. But if the laws be different in the States obviously such reciprocity breaks down. Both Maryland and Virginia have statutory provisions similar to the one here proposed for the District. The enactment here will strengthen the reciprocal enforcement so necessary in each of these jurisdictions.

SERVICE BY PUBLICATION

The suggestion is made that services in these cases might be had by publication after 6 months. Obviously reference is made to section 105 of the Code of Law of the District, which is section 378 of title 24 of the 1929 compilation. (Copy of the complete text of this section is attached.) In passing, we remark that the provision of the bill permitting the application of this section of the code to these cases is included within the part stricken by the House amendment. Regardless of that, however, this section of the code permits publication only in actions which are in principle in rem, and in divorce proceedings. The actions in which this method of service is allowed are listed in the code as "suits for partition, divorce, by attachment, foreclosure, or mortgages, and deeds of trust; the establishment of title to real estate by possession, the enforcement of mechanics' liens and all other liens against real or personal property within the District, and any and all actions at law or in equity which have for their immediate object the enforcement or establishment of any lawful right, claim, or demand to or against any real or personal property within the jurisdiction of the court." So that this section of the code would not, by its own terms, apply to these cases. In the second place, to permit service by publication instead of by the method provided in the provision of the bill here involved would seem to be unfair. The stricken provision of the bill requires either actual service by registered mail with return receipt or direct personal service. Thus actual notice to the defendant is required. Service by publication would not guarantee such actual notice. In the third place, service by publication in this class of cases would be subject to a very serious constitutional question. In *Wuchter* v. *Pizzutti* (274 U. S. 13), the Supreme Court held that service of process on a State official, without any provision "making it reasonably probable that notice of service on the Secretary will be communicated to the nonresident defendant who is sued". would be unconstitutional. In *Hess* v. *Pawloski* the Court held that the requirement that notice be mailed by registered mail, with return receipt required, was a reasonable provision for such probable communication, and a statute so requiring was valid. If service by publication were substituted for this requirement of service by registered mail, the same question might arise as arose in *Wuchter* v. *Pizzutti*.

We might add that the provision in the bill which referred to section 105 of the code was not intended to permit service by publication, but was intended to include only the second paragraph of that section, which permits actual personal service on a nonresident by a person not interested in the subject matter in controversy. This was put in the bill to cover cases where nonresidents might refuse to receive a registered notice and thus tend to defeat the bill; if such nonresident were in a nearby place, actual personal service might be secured, which would guarantee actual notice in such case.

CONCLUSION

This provision was in the bill which passed the House unanimously last year. It was adopted unanimously by the Senate this session. It was approved by the subcommittee and by the full District of Columbia Committee of the House. It was stricken by amendment on the floor of the House.

TITLE 24, SECTION 378, OF THE CODE OF LAW OF THE DISTRICT OF COLUMBIA

"378. Publication against nonresident, those absent for 6 months, unknown heirs or devisees, for divorce or in rem; actual service beyond District: Publication may be substituted for personal service by process upon any defendant who cannot be found and who is shown by affidavit to be a nonresident or to have been absent from the District for at least 6 months, or against the unknown heirs or devisees of deceased persons, in suits for partition, divorce, by attachment, foreclosure of mortgages and deeds of trust, the establishment of title to real estate by possession, the enforcement of mechanics' liens, and all other liens against real or personal property within the District, and in all actions at law and in equity which have for their immediate object the enforcement or establishment of any lawful right, claim, or demand to or against any real or personal property within the jurisdiction of the court.

"Personal service of process may be made by any person not a party to or otherwise interested in the subject matter in controversy on a nonresident defendant out of the District of Columbia, which service shall have the same effect and no other as an order of publication duly executed. In such case the return must be made under oath in the District of Columbia, unless the person making the service be a sheriff or deputy sheriff, a marshal or deputy marshal, authorized to serve process where service is made, and such return must show the time and place of such service and that the defendant so served is a nonresident of the District of Columbia. The cost and expense of such service of process out of the District of Columbia shall be borne by the party at whose instance the same is made and shall not be taxed as a part of the costs in the case; but where such service of process is made by some authorized officer of the law in this section mentioned, the actual and usual cost of such service of process shall be taxed as a part of the costs in the case (Mar. 3, 1901, 31 Stat. 1206, c. 854, sec. 105; Apr. 19, 1920, 41 Stat. 556, c. 153)."

APRIL 26, 1935.

MEMORANDUM IN RE: SERVICE OF PROCESS ON NONRESIDENTS AS PROVIDED BY SECTION 3 OF S. 406 (LINE 16, PAGE 8 OF THE PRINT OF THE BILL AS INTRODUCED IN THE HOUSE)

The leading case is *Hesse* v. *Pawloski*, 274 U. S. 352.

Similar provisions are in the statutes of many States and have been considered by many courts and held to be valid. Among the cases in which these statutes have been held valid are:

Pennsylvania statute: *Carr* v. *Tennis* (4 F. S. 142), *Aversa* v. *Aubry* (303 Pa. 139, 154 A. 311), *O'Donnell* v. *Slade* (5 F. S. 265).

Kentucky statute: *Hirsch* v. *Warren* (68 S. W. (2d) 767, 253 Ky. 62).

Wisconsin statute: *State ex rel. Ledin et al.* v. *Davison* (256 N. W. 718).

Connecticut statute: *Barbieri* v. *Pandiscio* (163 A. 469, 116 Conn. 48).

Delaware statute: *Beach* v. *Perdue Co.* (163 A. 265).

Nebraska statute: *Herzoff* v. *Hommell* (233 N. W. 458).

Texas statute: *Morrow* v. *Ascher* (55 F. (2d) 365).

Minnesota statute: *Jones* v. *Paxton* (27 F. (2d) 364).

Louisiana statute: *Moore* v. *Payne* (35 F. (2d) 232).

New Jersey statute: *Cohen* v. *Plutschak* (40 F. (2d) 727).

New Hampshire statute: *Poti* v. *N. E. Rood Mach. Co.* (140 A. 587, 83 N. H. 232).

New York statute: *Hand* v. *Fraser* (250 N. Y. S. 947, 233 App. Div. 800).

North Carolina statute: *Bigham* v. *Foor* (158 S. E. 548, 201 N. C. 14).

OKLAHOMA—CHAPTER 50, ARTICLE 12 (ORIGINALLY SEC. 10137, COMPILED STAT. OF 1921, AS AMENDED BY CH. 116, LAWS OF 1927, AND BY CH. 247, LAWS OF 1929), LAWS OF 1931

An act amending section 10137, Compiled Oklahoma Statutes, 1921, as amended by Session Laws of 1929, chapter 247, and providing for obtaining service of process on owners and drivers of motor cars from other States with automobile tags issued by other States in causes arising in the operation of said cars in the State of Oklahoma, and declaring an emergency

Be it enacted by the people of the State of Oklahoma—

PROCESS, SECRETARY OF STATE, SERVICE ON FOR NONRESIDENT

SECTION 1. Section 10137, Compiled Oklahoma Statutes, 1921, as amended by Session Laws of 1927, chapter 116, section 2, and as amended by Session Laws of 1929, chapter 247, by the addition of two new sections, is hereby amended, as to the said two new sections added, to read as follows:

"SEC. 10137–1. (1) The acceptance by a nonresident of the rights and privileges conferred by section 10137, as evidenced by his operating a motor vehicle thereunder upon the roads and streets of this State for any private use or purpose, or the operation by a nonresident of a motor vehicle on a public road, highway, or street in the State for business or commercial purposes, shall be deemed equivalent to an appointment by such nonresident of the secretary of state of this State, or his successor in office, to be his true and lawful attorney upon whom may be served all lawful processes in any action or proceeding against him growing out of any accident or collision in which said nonresident may be involved while operating a motor vehicle on such public road, highway, or street, and said acceptance or operation shall be a signification of his agreement that any such process against him which is so served shall be of the same legal force and validity as if served upon him personally.

"(2) Summons shall issue and be served as in civil cases, and service of such process shall be made by leaving a copy of the process with a fee of $2 in the hands of the secretary of state, or in his office, and such service shall be sufficient service upon the said nonresident: *Provided*, That notice of such service and a copy of the process, with the return of the officer endorsed thereon, are forthwith sent by registered mail by the plaintiff to the defendant, and the defendant's receipt and the plaintiff's affidavit of compliance herewith are filed with the papers in said case; or in lieu of mailing said copy by registered mail to the defendant, notice of such service may be had upon the defendant by delivering a copy of such process, with the return of the officer endorsed thereon, to the defendant, or to any member of defendant's family over the age of 15 years, at the usual place of residence of the defendant in any State where the defendant may be found or in which such defendant may reside, by the sheriff, constable, or any other peace officer in such State; such service of said notice to be made upon the defendant shall be made at least 20 days before the answer day provided for in such process, and the affidavit of the sheriff, constable, or other peace officer giving such notice, setting forth the manner and date of same, shall be filed with the papers in said case.

"(3) The court in which the action is pending may order such continuances as may be necessary to afford the defendant reasonable opportunity to defend the action."

FEE, RECORD KEPT BY SECRETARY OF STATE

"Section 10137–2. The fee of $2 paid to the secretary of state by the plaintiff at the time of the service shall be taxed as costs if he prevail in the suit. The secretary of state shall keep a record of all such processes, which shall show the day and hour of such service."

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER. Mr. Speaker, I am a member of the Committee on the District of Columbia, and I am a member of the Subcommittee on Traffic and Highways. I have been interested for the last 2 or 3 years in trying to get passed through this Congress some legislation that would give us protection on the highways of the District of Columbia. I have been especially interested in the taxicab-liability legislation. I have been interested in this legislation for the protection it would give to our constituents, who come to Washington by the hundreds of thousands. That being my idea, and being for this legislation, I was very much surprised when I discovered such a provisions in this bill as is incorporated in this conference report. It has no business in this legislation. We are trying to protect our constituents as much as anything else, and here we are subjecting them to a racketeering business, as has been pointed out. It has been stated by the gentleman from Texas [Mr. BLANTON], in answer to a question, that a judgment would not be worth the paper it was written on outside of this District. Then what is the reason to put such a provision in the bill? It is just to scare some of our constituents.

Mr. PATMAN. Will the gentleman yield?

Mr. CARPENTER. I cannot yield now. It is for the purpose of scaring our constituents who visit Washington, that they must either come to Washington and stand suit or pay up little $250 claims mentioned by the gentleman from Iowa. It is like a farmer client of mine who came into my office one morning and said, "I am in trouble." I said, "What is the matter?" "Oh", he said, "here are some fellows who have been trying to collect a claim against me that I don't owe, and I am sued." I looked at the title of the paper he handed me and it had at the top, a collection agency versus John Smith. "First notice. If you do not come and pay us the sum so-and-so dollars we are going

to turn this over to an attorney." Then he showed me the second notice—the same thing; all titled up like a court action: "If you do not pay within 5 days our attorney is going to commence suit." This man thought he was sued. That is the only purpose of having this in the law. It is to scare our people out in our States and make them think they have been sued. That is the only good it can do.

Mention was made of the fact that it would protect a man in Illinois who was injured by a man from Ohio, who would come here to Washington instead of going to Ohio to bring suit. We know nothing like that would occur, although it has been pointed out that they might get a default judgment and take it to the county in which the man resides and put it on record, and he would have a cloud on the title to his home or his farm that would cause him to go to the expense of having it removed. Some of our constituents could travel through here and some racketeer get the number of their car or their name, and without any accident at all they could commence suit against our constituents and have everything on file because they were not here and did not know anything about it, and a judgment could be obtained against them. If there was any trouble about it, they could say they were mistaken in the identity. I do not believe this Congress would want to give racketeers such a chance at our constituents as that.

Mr. PATMAN. Will the gentleman yield?

Mr. CARPENTER. I yield.

Mr. PATMAN. I would state to the gentleman that the Supreme Court of the United States has held this service good. The United States Supreme Court has held that the very minute you come into the jurisdiction of a city or the District of Columbia, when there is a law like this, you at that time come under the jurisdiction of that law. You make yourself liable to the jurisdiction.

Mr. CARPENTER. If the Supreme Court has rendered any such decision holding such service valid personal service on which to rest a valid judgment by default collectible in a State other than the one having such a law, that is all the more reason why such a law should not be enacted in the District of Columbia.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, in the consideration of the conference report pending before the House it seems to me we have lost sight of the most fundamental of all principles involved in this legislation. I think it can be stated best simply by saying that if my people from Illinois, or TOM FORD's people from California, or the constituents of any Member of Congress come to Washington, that fact does not give them any special rights in the District of Columbia; they are not entitled to anything more than any other citizen is entitled to under the law; and that is all this bill seeks to do insofar as other States are concerned. If a citizen of the District of Columbia goes across the line into Maryland and runs into somebody, the Maryland law recites that the Secretary of State by virtue of the fact that the person has driven into that State becomes his agent for purpose of service of process. So they serve process on the Secretary of State and then by registered mail serve it upon the person in question for the purpose of determining the equities in the suit. Is there anything unfair about that? Is there a single Member of this House who wants to arrogate to himself the right for his constituents to come to the District of Columbia, have an automobile accident, beat the motor cops or the sheriff or anybody else to the State line and then say, "Good-bye; I am outside the jurisdiction of the District of Columbia"? Certainly you are not asking for that sort of thing for your constituents; I would not. That is what we are doing in this bill. When somebody living outside the District comes into the District, and by a motor vehicle does injury to a resident or the property of a resident of the District of Columbia, this bill says that the Director of Safety shall become the agent of the nonresident for the purpose of service of process. The language then goes on to state that service must be had by registered mail on the defendant; and there is a third provision which requires the plaintiff to put up a bond sufficient to cover court costs, prospective attorneys' fees, travel costs, and all that sort of thing before an action will lie. The amount of the bond is determined by the court. There is not a chance of a default judgment being taken. It is simply an effort to render justice. It is the general experience that due to the increased use of the automobile and people going everywhere throughout the United States, that if an automobile accident happens, unscrupulous persons make for the State line just as quickly as they can. It is not a question revolving around some abstruse, technical, legal point; it is a question of control over those who inflict injuries upon citizens of other States by the negligent or careless use of their motor vehicles. This is the all-important thing. Is it not right that a person living in some other jurisdiction who comes into the District of Columbia and inflicts an injury through the use of his motor vehicle should be made to pay the cost or make some restitution for the damage he inflicts instead of requiring that the injured party journey to California, Illinois, Oklahoma, or some distant State to seek restitution? That is all this bill seeks to do.

So far as racketeering is concerned, I have seen no indication of it in the 34 States whose motor-vehicle responsibility laws contain almost this identical language. You will find it in Illinois, in Iowa, in Michigan, in Pennsylvania, and other States. Surely, if there had been any abuses they would have been exposed long before now. As time goes on, this measure will be adopted in every State of the Union. There will then be complete equality of residents of the District of Columbia with citizens of all States. So I repeat, all this measure seeks to do is to put the District of Columbia upon the same legal, equitable basis as the other States now having similar legislation; and I am asking the Members this afternoon to approve this conference report because this is a good measure and should become a law. The conference report should be approved. [Applause.]

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, when this bill passed the House last session it had this identical provision in it. Not a voice was raised against it in the House, not one. It was recognized then as a just provision.

When again in this session the House recently passed this bill I was one of those who voted for the amendment of the gentleman from Oklahoma [Mr. NICHOLS], which struck out this provision; but afterward I looked more closely into the matter and found that the law of the State of Oklahoma has this same provision in it, although in Oklahoma no bond is required. If a person from Maine or California has an automobile accident in the gentleman's State of Oklahoma, the out-of-town person can be served by registered mail, with no bond put up to protect him. I ask the gentleman from Oklahoma if this is not so?

Mr. NICHOLS. I do not know; I am not dealing with the State of Oklahoma now; I am dealing with legislation for the District of Columbia. Now, will the gentleman from Texas yield that I may ask him a question?

Mr. BLANTON. Certainly.

Mr. NICHOLS. Just because Oklahoma has some silly laws, would the gentleman seek to have them incorporated as part of the law of the District of Columbia?

Mr. BLANTON. If good, yes; if bad, no. The provision under discussion is good, though; and I will tell you why: Every day in Washington thousands of cars from the 48 States are running on the streets. The gentleman would be surprised to know how many of the foreign cars come from Maryland and Virginia, 10 miles away, to Washington. A very large percent of the motor-vehicle accidents last year, I understand, were caused by Maryland and Virginia cars owned by people living just across the District line.

Why, many of your constituents are here in cars and will be here constantly during the summer. Do you not want to afford them some protection? What right has a person to come to Washington, drive recklessly and cause damage,

and then not answer for it? Should anyone from Texas come here to Washington and run into somebody in a reckless manner and cause him to be damaged I want him to stand up like a man and answer for it, and take his medicine, and the same with the constituents of the other Members here.

Why should we not afford protection to Washington people in this matter? Do we want them injured without redress? It is not only the Washington people that will be protected, but your constituents as well, who are visiting in Washington, for they may be injured by other foreign cars. We have people from Texas in Washington this very minute, and a number are from my district. They traveled up here in their automobiles. They are stopping at the hotels and in the tourist camps. There are a number of automobiles from many of the other States here right now. Suppose someone from Maryland or Virginia runs into a car of a constituent of yours in Washington, should they not have some redress? The constituents from your respective towns should have some redress if a car from Virginia or Maryland runs into them here.

Mr. PARKS. Will the gentleman yield?

Mr. BLANTON. I yield to the distinguished gentleman from Arkansas.

Mr. PARKS. How would it be any easier for the gentleman's constituents to bring suit in Washington than go across the river and bring suit?

Mr. BLANTON. This would be where the collision happened. The gentleman from Arkansas is a distinguished lawyer. He used to be one of the finest prosecuting attorneys in his State. The gentleman knows he has a law right now in Arkansas which is a facsimile of the law of Texas that if an accident occurs anywhere in the State the wrongdoer can be sued either at the place where the accident occurred or in his home, even though the place of injury may be clear across the State from where he lives.

Mr. PARKS. Yes; but he cannot get personal judgment unless personal service is obtained. He cannot go to Abilene, Tex., and get judgment unless he has obtained personal service.

Mr. BLANTON. The gentleman is too good a lawyer not to know that a personal judgment here in Washington on that kind of a service against a constituent in Arkansas would not be worth a 1-cent postage stamp. So, why worry?

Mr. PARKS. That is exactly the way I think about the matter.

Mr. BLANTON. We ought, however, to give the protection of this provision to the people in Washington who have to stay here, for it will be a deterrent. Do the Members realize that there are over 95,000 Government workers here in Washington who have to stay here and face these collisions? They are entitled to the protection given them by this conference report and this law.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I take these few minutes to call attention of the Members of the House to the fact that this is not what might be termed strictly a "District bill." This was not suggested by the people of the District of Columbia. It is in the nature of a general automobile law that is sought to be enacted uniformly throughout the United States, 34 States having already enacted it. It is a model law of the country. In this act there is more restriction and protection for the outsider than there is in the law of any other State. This has to do with the requirement of a bond.

Mention has been made of the racketeering business. May I say to the gentlemen who have brought that question up that their respective States, or some of them, have adopted the law? Did those gentlemen consider the law a racketeering matter against the residents out of those States. I say, if they consider this law a racketeering business, then their respective States that have adopted this law have gone into the racketeering business against you, me, and everyone else.

This law is for the protection of the Members of Congress and their families. If a man from the State of California, for instance, happens to kill someone in the District, who may be a Member of the House, it is necessary to go into other States in order to get service.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 83, noes 48.

Mr. NICHOLS. Mr. Speaker, I make the point there is no quorum present and object to the vote for that reason.

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 201, nays 128, not voting 102, as follows:

[Roll no. 61]

YEAS—201

Allen	Darrow	Jenkins, Ohio	Ramspeck
Andresen	Dear	Johnson, W. Va.	Randolph
Andrew, Mass.	Deen	Kahn	Ransley
Andrews, N. Y.	Delaney	Kee	Reed, Ill.
Arends	Dies	Kelly	Reed, N. Y.
Ashbrook	Dingell	Kinzer	Reilly
Bacharach	Dirksen	Knutson	Robinson, Utah
Bacon	Ditter	Kopplemann	Robsion, Ky.
Beiter	Dobbins	Lambeth	Rogers, Mass.
Biermann	Dockweiler	Lehlbach	Rudd
Binderup	Dondero	Lewis, Colo.	Russell
Blackney	Dorsey	Luckey	Ryan
Bland	Driscoll	Ludlow	Sanders, La.
Blanton	Duffy, N. Y.	Lundeen	Schulte
Boland	Dunn, Pa.	McCormack	Scrugham
Bolton	Eaton	McFarlane	Shanley
Boylan	Eckert	McGrath	Sirovich
Brennan	Eicher	McKeough	Smith, Conn.
Brewster	Ekwall	McLaughlin	Smith, W. Va.
Brooks	Engel	McLeod	Snell
Brown, Mich.	Englebright	McSwain	Spence
Brunner	Evans	Maas	Steagall
Buchanan	Fenerty	Maloney	Stefan
Buckbee	Fitzpatrick	Mansfield	Stewart
Burnham	Flannagan	Mapes	Sullivan
Caldwell	Fletcher	Marshall	Sumners, Tex.
Carter	Ford, Calif.	Martin, Colo.	Sweeney
Cary	Fulmer	May	Taber
Casey	Gearhart	Mead	Taylor, Colo.
Cavicchia	Gifford	Merritt, Conn.	Thom
Chandler	Gildea	Merritt, N. Y.	Thomason
Chapman	Gillette	Michener	Thurston
Christianson	Goodwin	Millard	Tinkham
Church	Gray, Ind.	Montet	Tonry
Citron	Green	Moran	Treadway
Claiborne	Greenwood	Moritz	Turpin
Coffee	Gwynne	Mott	Vinson, Ky.
Cole, Md.	Hancock, N. Y.	Norton	Waligren
Cole, N. Y.	Hancock, N. C.	O'Connell	Warren
Connery	Hart	O'Day	Weaver
Cooper, Tenn.	Healey	O'Leary	Welch
Costello	Hess	O'Neal	Whittington
Cox	Hill, Knute	Palmisano	Wigglesworth
Crawford	Hill, Samuel B.	Patman	Wilcox
Crosby	Hoffman	Pearson	Wilson, Pa.
Cross, Tex.	Hollister	Pittenger	Wolcott
Crosser, Ohio	Holmes	Plumley	Wolfenden
Crowe	Hook	Polk	Zioncheck
Cullen	Igoe	Powers	
Cummings	Jacobsen	Rabaut	
Darden	Jenckes, Ind.	Ramsay	

NAYS—128

Amlie	Frey	Lord	Sandlin
Arnold	Fuller	McAndrews	Sauthoff
Ayers	Gassaway	McClellan	Schaefer
Bell	Gehrmann	McGehee	Schneider
Boileau	Gilchrist	McGroarty	Scott
Brown, Ga.	Gingery	McMillan	Sears
Buck	Goldsborough	Mason	Secrest
Buckler, Minn.	Greever	Massingale	Sisson
Bulwinkle	Gregory	Maverick	Smith, Va.
Burdick	Haines	Miller	Snyder
Carlson	Halleck	Mitchell, Ill.	South
Carpenter	Higgins, Mass.	Mitchell, Tenn.	Stack
Castellow	Hildebrandt	Monaghan	Stubbs
Colden	Hoeppel	Nelson	Sutphin
Collins	Hope	Nichols	Tarver
Colmer	Houston	O'Connor	Taylor, S. C.
Dempsey	Hull	Owen	Taylor, Tenn.
Dietrich	Johnson, Okla.	Parks	Terry
Doughton	Johnson, Tex.	Parsons	Thompson
Doxey	Kenney	Patterson	Truax
Drewry	Kerr	Peterson, Fla.	Turner
Driver	Kimball	Peterson, Ga.	Umstead
Duffey, Ohio	Kleberg	Pierce	Utterback
Duncan	Kloeb	Quinn	Vinson, Ga.
Dunn, Miss.	Kniffin	Rankin	Walter
Eagle	Kocialkowski	Reece	Wearin
Edmiston	Kramer	Richards	Whelchel
Faddis	Lambertson	Richardson	White
Farley	Lanham	Robertson	Williams
Ferguson	Larrabee	Rogers, Okla.	Woodrum
Fiesinger	Lea, Calif.	Romjue	Young
Ford, Miss.	Lesinski	Sanders, Tex.	Zimmerman

NOT VOTING—102

Adair	Dickstein	Keller	Rayburn
Bankhead	Disney	Kennedy, Md.	Rich
Barden	Doutrich	Kennedy, N. Y.	Rogers, N. H.
Beam	Ellenbogen	Kvale	Sabath
Berlin	Fernandez	Lamneck	Sadowski
Bloom	Fish	Lee, Okla.	Schuetz
Boehne	Focht	Lemke	Seger
Buckley, N. Y.	Gambrill	Lewis, Md.	Shannon
Burch	Gasque	Lloyd	Short
Cannon, Mo.	Gavagan	Lucas	Smith, Wash.
Cannon, Wis.	Granfield	McLean	Somers, N. Y.
Carden	Gray, Pa.	McReynolds	Starnes
Carmichael	Greenway	Mahon	Thomas
Cartwright	Griswold	Marcantonio	Tobey
Celler	Guyer	Martin, Mass.	Tolan
Clark, Idaho	Hamlin	Meeks	Underwood
Clark, N. C.	Harlan	Montague	Wadsworth
Cochran	Harter	Murdock	Werner
Cooley	Hartley	O'Brien	West
Cooper, Ohio	Hennings	Oliver	Wilson, La.
Corning	Higgins, Conn.	O'Malley	Withrow
Cravens	Hill, Ala.	Patton	Wolverton
Crowther	Hobbs	Perkins	Wood
Culkin	Huddleston	Pettengill	Woodruff
Daly	Imhoff	Peyser	
DeRouen	Jones	Pfeifer	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Massachusetts (for) with Mr. Cartwright (against).

Until further notice:

Mr. Imhoff with Mr. Focht.
Mr. McReynolds with Mr. Higgins of Connecticut.
Mr. Hennings with Mr. Thomas.
Mr. Griswold with Mr. Wadsworth.
Mr. Dickstein with Mr. Hartley.
Mr. Cochran with Mr. Seger.
Mr. Ellenbogen with Mr. Fish.
Mr. DeRouen with Mr. Guyer.
Mr. Buckley with Mr. Perkins.
Mr. Schultz with Mr. Tobey.
Mr. Corning with Mr. Short.
Mr. Bloom with Mr. Woodruff.
Mr. Harlan with Mr. Culkin.
Mr. Bankhead with Mr. Withrow.
Mr. Granfield with Mr. Kvale.
Mr. Rogers of New Hampshire with Mr. Marcantonio.
Mr. Boehne with Mr. Cooper of Ohio.
Mr. Cannon of Missouri with Mr. Doutrich.
Mr. Burch with Mr. McLean.
Mr. Oliver with Mr. Rich.
Mr. Gavagan with Mr. Wolverton.
Mr. Disney with Mr. Lemke.
Mr. Huddleston with Mr. Crowther.
Mr. Jones with Mr. Pfeifer.
Mr. Fernandez with Mr. Starnes.
Mrs. Greenway with Mr. Lucas.
Mr. Adair with Mr. Tolan.
Mr. Gambrill with Mr. Meeks.
Mr. Sadowski with Mr. Celler.
Mr. Barden with Mr. Wood.
Mr. Kennedy of Maryland with Mr. Cravens.
Mr. Clark of North Carolina with Mr. Lee of Oklahoma.
Mr. Underwood with Mr. Carden.
Mr. Daly with Mr. Cooley.
Mr. Berlin with Mr. Lamneck.
Mr. Carmichael with Mr. Mahon.
Mr. Patman with Mr. Hill of Alabama.
Mr. Gasque with Mr. Kennedy of New York.
Mr. West with Mr. Smith of Washington.
Mr. Keller with Mr. Hobbs.
Mr. Wilson of Louisiana with Mr. Somers of New York.
Mr. Harter with Mr. Hamlin.
Mr. Werner with Mr. Rayburn.
Mr. Gray of Pennsylvania with Mr. Beam.
Mr. Sabath with Mr. O'Malley.
Mr. Pettengill with Mr. Lewis of Maryland.
Mr. Montague with Mr. Murdock.
Mr. Clark of Idaho with Mr. Lloyd.

Mr. LUCKEY and Mr. CHRISTIANSON changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

Mr. CARTER. Mr. Speaker, my colleague the gentleman from California [Mr. TOLAN] is absent on official business and will be absent from the Chamber until Thursday of this week.

BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that there may be printed in the Appendix of the RECORD a portion of the testimony of Dr. Walter Spahr, who appeared before the Committee on Banking and Currency to discuss the banking bill which is now pending in the House. Through an inadvertence a portion of Dr. Spahr's testimony was omitted, and I think simple justice to him requires that this action be taken, and also it is proper for the information of the House that his entire statement may be available.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following statement of Prof. Walter E. Spahr, professor of economics, New York University, New York City, before Committee on Banking and Currency of the House of Representatives on Wednesday, March 27, 1935, relating to H. R. 5357—H. R. 7617 not included in printed hearings on the above-numbered bill:

There are no circumstances calling for legislation dealing with the fundamentals of the Federal Reserve System at this time. Legislation of this type should not be undertaken until after a commission of competent experts has made a thorough study of the money and banking problems of this country, and on the basis of adequate evidence and after careful deliberations, has drafted a plan which offers real promise of providing this country with appropriate and workable money and banking systems. Both systems have suffered sad mutilation in recent years, and what is needed now is careful and deliberate overhauling and reconstruction rather than further mutilation and distortion such as will result if title II of this bill is passed under the administrative whip and in the atmosphere of tense emotionalism now prevailing with respect to our money and banking problems.

It is very important that there be no legislation at this time beyond that necessary to correct technical difficulties or to remove crude inconsistencies in existing laws. And even this type of legislation should be undertaken only upon the recommendation of the Federal Reserve Board and in strict accord with specific proposals drafted by the Board.

The Senate and House Committees on Banking and Currency, I think, could perform no better service at this time, with respect to the proposed legislation, as embodied in this bill—S. 1715 and H. R. 5357—than to refuse to vote it out of committee and to substitute in its stead a bill of technical corrections embodying the recommendations of the Federal Reserve Board on specific difficulties.

At the same time a joint resolution should be prepared providing for the creation of a national commission on money and banking to gather evidence on our money and banking problems, and to draft bills to provide this country with the proper type of money and banking systems. This commission, I believe, should be composed of leading money and banking authorities of this country. Its membership might well be composed of: First, those Members of the Senate and House Committees on Banking and Currency who have devoted years to the study of problems of money and banking; second, the most outstanding and experienced professors of money and banking in our leading universities, men whose reputation, intellectual integrity, and capacity are beyond question; third, outstanding bankers who are men of experience, maturity, and social vision; and, fourth, other students of money and banking, drawn from other fields of activity, if they are recognized as thorough students of money and banking problems.

The delay in legislation which would result from the adoption of such a program is eminently desirable. Money and banking mechanisms are probably the most delicate and, at the same time, most vital of all instrumentalities in our economic system; and it is for this reason that hasty and ill-conceived legislation in such a field is very unwise and is to be deplored. In its stead there should be substituted legislation growing out of careful deliberation by our most competent experts.

Title II of the banking bill of 1935 is particularly dangerous, when viewed in its entirety, because it is a manifestation of the unsound philosophy held by some officials in this administration regarding the causal relationships existing between the supply of currency, on the one hand, and prices, recovery, and prosperity on the other. Involved in this false philosophy are also misconceptions as to, first, the proper functions of central banking systems, especially with respect to the appropriate relation between a nation's central banking system and governmental financing; second, the appropriate functions and powers of the central banks with respect to the control of the money and credit supply; and, above all, third, the appropriate relationship between the Government, acting in its supervisory capacity, and a properly constituted central banking system.

These false notions and misconceptions show themselves clearly in those sections of title II which will enable the party in power—I mean any party in power, of course—to control completely the personnel of the Federal Reserve Board. They are revealed in those sections which will enable this politically controlled Board to attempt to put into effect the theories of money and credit control held by many of those in power. They are seen in those sections of the bill which will enable the Government to force the central and commercial banking structure to aid the Government in carrying out the fiscal policies regardless of their wisdom, to give Government credit an artificially high rating, and to use the

banking system and people's savings without their approval and regardless of the effect upon commerce, agriculture, and industry.

In short, nearly all the fundamental conceptions regarding the appropriate functions, the methods of operation of a well-conceived central banking system, and the proper relation of the Government to such a banking system, are false, are contrary to the most outstanding lessons learned from central banking experiences, are dangerous, and are almost certain to lead to great trouble in the future.

The following analysis of the various sections of title II of the banking bill of 1935 support the accuracy of the preceding general observations.

Section 201 (a) provides the means by which the board of directors of each Federal Reserve bank will be brought under the control of the Federal Reserve Board, which in turn will be politically controlled. This means of control is found in the fact that the governor and vice governor of each Federal Reserve bank can be appointed only with the approval of the Federal Reserve Board.

The governor and vice governor can come from any district. In this manner the Federal Reserve Board can inflict any outsider on a Federal Reserve bank as governor or vice governor.

Since the governor and vice governor are approved by the Federal Reserve Board, and since two other class C directors, other than the governor, are representatives of the Federal Reserve Board, the Government can have four representatives as against the present three, since the vice governor need not be appointed a class C director. Why the office of deputy chairman is not combined with that of the vice governor is not clear unless the purpose be to enlarge the number of Government representatives on the board of directors of each Federal Reserve bank.

It is to be noticed also that "all other officers and employees of the bank shall be directly responsible" to the governor of the board of directors. This gives him the powers of a czar, and through him the politically controlled Federal Reserve Board can reach directly and arbitrarily down to every employee in every Federal Reserve bank. This means, of course, that the political authorities can reach any employee they please. In this manner every employee of every Federal Reserve bank will lose his independence and become, like the Federal Reserve Board, an unwilling vassal of the political party in power. Classes A and B directors will carry no weight under such a system, since the governor of each Federal Reserve bank is given this authority and is a Government agent.

Today the elected governors of the Federal Reserve banks are chairmen of the executive committees and, in this manner, they have increased their powers as against the chairman-Federal Reserve agent. This bill makes a Government agent chairman of the executive committee, and thus the Government worms its way into the direct operation of each Federal Reserve bank.

The slightest reflection upon such a proposed arrangement should convince one that all activities of each Federal Reserve bank can be brought under the absolute control and domination of the political party in power. These governors and vice governors may be as arbitrary as they please, so long as they satisfy the politically controlled Federal Reserve Board. In this manner the political party in power can lay its rough hands on the Federal Reserve banks, which the Government does not own, but which are owned by the member banks that, in turn, are owned largely by private individuals.

Such an arrangement provides conclusive evidence of the intent of the present party in power to extend its political tentacles over the banking system. In this case it is attempting to lay hold of one of the most delicate and most vital agencies of our economic system, an agency that must be free from such domination if our economic system and our people in it are to maintain any appreciable amount of their traditional freedom. When a nation's banking system passes into control of the political party in power, the freedom of a people can speedily disappear. And certainly there is no reason to expect that better banking can or will result from any such proposal as this one in section 201 (e) of this bill.

It is to be observed that one of the class C directors shall be appointed deputy chairman of the board of directors, and that the vice governor may be appointed a class C director. It is because of this word "may" that the Federal Reserve Board may have four representatives on the board of directors of each Federal Reserve bank.

The duties now performed by the Federal Reserve agent "shall be performed by such person as the Federal Reserve Board shall designate." This provides the Reserve Board with another representative at each Federal Reserve bank. In this manner it can have five agents there at the Federal Reserve bank.

The last paragraph of section 201 (a), on page 40, lines 17 to 22, permitting the present incumbents of the boards of directors to serve out their terms would seem to require a modification of the parts of the bill which provide that this section shall be effective 90 days after enactment.

Section 202 is one of those coaxing, half-hearted measures by which attempts are made to persuade nonmember banks to become members of the Federal Reserve System. Our statute books are cluttered up with these conciliatory provisions in law. That particular provision merely lowers still further the capital requirements of banks which may enter the System. At present the capital requirements are too low. And if it is believed that nonmember banks should be members of the System, then the Federal Reserve Act should be amended so as to provide that all banks should, after a certain date, be members of the System. If the capital requirements of some of the banks are too small, such banks should be made branches of larger member banks. But all legislation of this type probably should be left until a competent money and banking commission makes its report.

Section 203 provides the means by which the Federal Reserve Board is to be made into a politically controlled and dominated agent of the President. Lines 1 to 3, page 42, of section 203 (1), are probably the worst, if not the most subtle in the bill. They provide that the President "shall choose persons well qualified by education or experience or both to participate in the formulation of national economic and monetary policies." It will be noticed that these members of the Board are to be qualified to participate in the formulation of national economic policies as well as monetary policies. Does this mean that they are to participate in the formulation of national economic policies? If this sentence means what it appears to mean, then this Board will become a part of the planning bureaucracy of the Government, and the Federal Reserve System can become, and can be made to become, the financial agent of the Government in carrying out its planning policies. It can be made an engine of oppression, rather than a neutral agent to finance commerce, agriculture, and industry.

This section of the bill is either subtle or stupid. In any case, it is dangerous. It reveals how far removed its drafters are, in their notions of how to constitute a central bank board, from those who would profit from experience.

Section 203 (2) provides a means by which Mr. Hamlin may retire at once and Messrs. Miller and James in 1936, thus removing from the Board in a very short time, even if more arbitrary methods are not used, its three most experienced members. If this provision is to be enacted into law it would seem that it should be so amended that all ex-members of the Board would become ex-officio members of some advisory body, such as the Federal Advisory Council, in order that the benefits of the knowledge and experience of such men are not lost to the younger members of the Board. Such an arrangement could be an effective factor in developing fine traditions in central banking.

Lines 17 to 25, on page 42, are awkward and confusing. Lines 17 to 22 say literally that "each member of the Board so retired from active service who shall have served for at least 5 years shall receive, during the remainder of his life, retirement pay in an amount equal to the annual salary paid" now. Thus he would receive a total pension of $12,000 for the rest of his life, if you take those words literally. How much will he be paid the first year of retirement? Or is he to be paid $12,000 in a lump sum? This sentence probably was intended to give the retired members, who have reached 70 years of age and who have served 5 or more years, an annual pension based upon the years served, the yearly amount to be determined by the number of years served multiplied by $1,000; but the bill certainly does not make this point clear.

According to the first proviso, a person who has served, say, 8 years, will receive $8,000 per year, and if he lives 3 years thereafter he will receive $24,000 in a pension, whereas lines 17 to 22 preceding the proviso would give him only $12,000, regardless of how long he lived.

This proviso also omits the 5-year minimum, and, in line 25, the word "served" apparently should be inserted after the third word, "year." The entire section is badly muddled, and it should be rewritten and made to say what the authors intended that it should say.

Nor is the second proviso, on page 43, clear or sufficiently specific in its meaning. Furthermore, it is to be noted that, according to section 203 (3), every governor appointed and removed will come in for this pension if he is 65 years of age, since he shall be deemed to have served the full term for which he was appointed, even though he may have served only 1 month or even 1 day. What a great opportunity this provides a President to place his friends on a fine pension for life. In 30 days he could give 30 of his friends who had reached 65 years of age a $12,000 pension for life. In 4 years he could develop a large pension list, all to be paid by the Federal Reserve banks. The vice governor apparently can have his term of service terminated by the President without the benefit of it being deemed that he served his full term. It would appear that no member of the board could afford to accept the office of vice governor.

This section 203 (3) reveals clearly the method by which a President can change the Board's personnel within the space of a week to suit his particular wishes. It would be difficult to conceive of a more dangerous provision written into any central banking law. It reveals beyond the shadow of a doubt the purpose of the authors of this measure. They propose to convert the Federal Reserve System into a political instrumentality of the party in power. This section of the bill reflects clearly the authors' motives and concepts regarding central banking. It shows that they stand ready to destroy our Federal Reserve System, which we have tried to evolve into a useful system over a period of 20 years.

If every other section of the bill and of the Federal Reserve Act, as amended by the bill, were perfect, the System still could be destroyed and the bill still would be dangerous. Considering the dangers in sections 201 and 203 of this bill, the possibilities of dangers in the other sections of title II are accentuated. For this reason there are many today who oppose other sections of title II principally because they would be administered by a politically controlled Federal Reserve Board.

The answer to this proposed amendment to the Federal Reserve Act is that it must not be permitted to pass. The lessons of central banking teach that the farther the central banking administrative authorities are removed from political domination,

the better for the country concerned. The independence of the Federal Reserve Board should be strengthened, and not weakened, and our Federal Reserve System will not be what it should be until this is accomplished.

There are various ways in which this can be done. Indeed, there are so many devices available that it would be absurd for anyone to insist that he can suggest the best one. My contention is that our lessons have taught us that our Federal Reserve Board has not been sufficiently independent of the Government and that the method of nomination and final selection should be so changed as to remove the Board as far from political control as is the United States Supreme Court.

Of course, every central banking system must come under the control of the Government in some degree; but this control should be exercised through the passage of the proper organic act providing for the proper type of banking system and administrative boards, after which the Government should leave the system to operate, free from partisan politics, within the limits of the organic act. As the Board is reconstituted and strengthened after a careful study of the problem by our best experts, I should like to see the Secretary of the Treasury removed from the Board, though I think he should be a nonvoting auditor or participant in the Board's discussion; and I should like to see the office and functions of the Comptroller of the Currency absorbed by the Board.

Everything that any central banking system can be expected to accomplish can be written into the organic banking act, and thereafter the administration of the system should be left to independent nonpolitical administrative bodies.

Section 204 appears to be free from criticism.

Section 205, creating a new type of Federal open market committee, might have many virtues if the Federal Reserve Board were a properly constituted independent board. But considering how the Board is to be politically controlled, this section of the bill merely provides additional means by which the Government can extend its powers over the activities of the Federal Reserve banks.

Government financing, in the final analysis, should be looked upon as an intrusion into, and a disturbing factor in, the fields of private finance. And, if a well ordered central banking system performs its functions properly, there will be many times in which it must and should go into the open money markets to combat the effects of Government financing.

It is not the function of a central banking system to give Government credit a higher rating than it would otherwise have in the open money markets to which non-Government borrowers and lenders must go. It is the function of all commercial banks to give borrowers the exact credit rating to which they are entitled, and it is the function of these banks and the central banking authorities to give Government borrowers exactly the same type of credit rating. To assume that Government credit should be given an artificially high value by a central banking system is to assume that it is the function of a central banking system to inflate the currency.

This section 205 recognizes no such principle of central banking and opens the way by which the banking system can be made to absorb Government securities on terms satisfactory to the Government and is, for this reason, unsound in principle. The section provides the means by which the Government can compel open market operations to suit its particular notions and purposes, regardless of the needs of commerce, agriculture, and industry, and regardless of any principles of sound central banking.

All five members of the Federal open market committee are to be Government agents. The fact that two of the members are to be selected from the governors of the Reserve banks by the governors does not change this fact, since all these governors will be Government agents.

This committee is also given the power to make recommendations to the Federal Reserve Board from time to time regarding the discount rates of the Federal Reserve banks. It may be presumed that giving this committee this power has no particular significance unless it be assumed that the Reserve Board exercises the power of prescribing discount rates for the Reserve banks. It would seem preferable that the present method of having rates initiated by the respective Reserve banks subject to the approval of the Board, is preferable. But if the Reserve Board were properly constituted and independent of political influences, I should advocate that the Board be given the power not only to review discount rates but to institute the rates when a Federal Reserve bank is clearly running counter to sound national banking policies.

Section 206, which opens the way for discounting any commercial, agricultural, or industrial paper and for advances secured by any sound assets of such member bank, seems to be tacked onto the preceding parts of section 13 of the Federal Reserve Act without any regard to how it affects the preceding paragraphs of that section. It would appear that most of the preceding paragraphs are nullified. Just what the law is would be difficult to determine. It reveals a hasty and careless type of bill drafting.

It is doubtful whether, under the best type of central banking system, such a provision can be defended. It would seem that under such a system this wide-open provision should be reserved for emergencies.

Under a politically dominated system of central banking, as provided by this bill, section 206 provides the means by which the Reserve Board can admit to the portfolios of the Federal Reserve banks any kind of paper, regardless of its illiquidity, and fix the maturity of the paper at any distant date it chooses to adopt.

Since it is not the function of a central banking system to accept illiquid paper, the proper restrictions against such acceptance should be set up. Wise exceptions to meet emergencies can be provided and the proper penalties and handicaps attached, so that emergency transactions will not become the normal ones. This section, as it stands, is unsound and unwise.

Section 207 provides the means by which the Federal Reserve banks can be compelled to absorb Government securities, regardless of maturities. In this manner, the Reserve banks can become gorged with Government securities with long maturities and consequently can become very illiquid. Under a properly organized Federal Reserve Board, and with other appropriate administrative machinery, such a provision might be safe enough, but under the system provided in this bill, this section adds another dangerous provision to the Federal Reserve Act.

Section 208 (1) provides the means by which Federal Reserve notes are to be issued against the general assets of the Reserve banks in addition to requiring the 40-percent reserve of gold certificates. If these assets were liquid, this provision would not be objectionable, but since the way it is opened by this bill for admitting all kinds of illiquid paper to the portfolios of the Reserve banks, this section provides the way for converting illiquid assets into legal-tender paper money. This, of course, means inflation and is unsound in principle.

Then the question may be raised as to why the Federal Reserve notes are made legal tender for all purposes? When a money is legal tender for all purposes it can be used to pay all debts, public and private. This means, literally, that these notes could be used for lawful reserves and could be used to redeem any other currency. Is it intended that these notes shall be lawful money for reserve purposes, thus converting a liability into an asset? This, of course, is not a rational procedure, and yet this is what lines 22 and 23, page 46, really provide.

In contradiction to this, lines 24 and 25 exclude these notes from the lawful money for reserve purposes in the Federal Reserve banks. This means that the Federal Reserve notes are not permitted to fulfill their functions as full legal-tender money. The two provisions are in direct conflict and should make clear the fact that it is irrational to attempt to make Federal Reserve notes full legal tender.

This section provides, in lines 8 to 10, page 47, that the Treasurer of the United States shall cancel and retire unfit Federal Reserve notes coming from a source other than a Federal Reserve bank, but it does not specify or provide any fund for such retirement. The last sentence of this section, lines 10 to 12, page 48, provides that notes unfit for circulation shall be returned by the Reserve banks to the Comptroller of the Currency for cancelation and destruction. Just why both the Comptroller of the Currency and the Treasurer of the United States should be involved in canceling unfit notes is not clear.

This bill abolishes the 5-percent redemption fund with the Treasurer of the United States. It also permits one Reserve bank to pay out the Reserve notes of other Reserve banks without any penalties, and in this manner one of the factors forcing a retirement of these notes is removed. There appears to be no good reason for repealing either of these prevailing requirements. The omission of the latter requirement merely serves as another means of inviting a looser type of banking. The omission of the redemption fund may be due to careless bill drafting.

Section 208 (2) reveals careless bill drafting in the fact that care was not taken to strike out all words which should be deleted. For example, in the second line following the last deletion the words "or subtreasuries" appear again and are permitted to stand by this repealing section.

Section 209, which permits the Federal Reserve Board to change the reserve requirements of the Reserve banks as they see fit, is a dangerous weapon to put into the hands of a politically dominated Board. The preceding sections of title II of this bill, combined with this section, make it possible for the Board to pack Government securities and other illiquid paper into the portfolios of the Federal Reserve banks until the surplus reserves are exhausted, and then the reserve requirements of member banks can be reduced, thus permitting the Board and banks to proceed with their inflation without let or hindrance. The provision that the reserve required of these banks may be changed "in order to prevent injurious credit expansion or contraction" is merely the statement of a pious hope. It would mean nothing in the hands of a politically controlled Reserve Board.

Section 210, stipulating conditions under which member banks may lend on real estate, flies in the face of all practical experience with such loans by commercial banks. Provisions for such loans should be restricted, not enlarged. To raise the percentage of the value of the property for lending purposes from 50 to 60 percent is unwise, as is the 75-percent provision for loans amortized within 20 years. To raise the limits of such investments from 50 to 60 percent of time and savings deposits and from 25 to 100 percent of the bank's capital and surplus is a brazen denial of the value of our past experiences with such loans.

In lines 13 to 18, page 50, in which the real-estate loans are insured by the provisions of title II of the National Housing Act, all restrictions appear to be removed. The answer to this is that in sound commercial banking the question of the proper type of loans is not one of insurance and ultimate liquidation, but one of maturity and immediate liquidity.

Thus we see in title II of this bill a multitude of illustrations of the dangerous banking philosophy held by the advocates and authors of this bill. It must not be passed. It is extremely dangerous. The conceptions underlying it run counter to the best

opinion on central banking. If I may say it in that connection, I would like to remind the committee that 66 of the leading monetary economists of this country—men with established reputations on that particular thing—came out in support of this contention I have just made. I should be glad to submit a list of those people to the committee.

The bill is another, and probably the most brazen, daring, and dangerous, attempt of politically minded planners to increase their destructive and devastating hold on business enterprise in this country. There are no sound defenses that can be offered for the bill. If its advocates insist that they have the welfare of this Nation at heart, let them prove it by submitting the bill to a national commission of experts for analysis.

The authors of this bill would not risk such an analysis. What they want is not better central banking, but more political banking by political planners. They want to build a bigger and better political machine. Professions to the contrary are annihilated by the sections of this bill which provide the means desired by the political planners, and which are in harmony with the immature and muddled notions regarding principles of money and banking expressed from time to time by the chief backers of the type of proposals incorporated in this bill.

No person well trained in the principles of money and banking could examine the theories set forth by the present acting Governor of the Federal Reserve Board in his testimony before the Senate Committee on Finance in its investigation of economic problems in February 1933, without preceiving the dangers in this bill and the dangers in having our Federal Reserve System, as amended by this bill, administered by an official holding such views. In that testimony is revealed a confusion of understanding as to the causal relationship between the currency supply and a sound business recovery; in that testimony the currency is held responsible for conditions which can only be traced properly to the maladjustments created by the World War. There is advocacy of the issue of fiat money, of currency manipulation to raise the price level artificially, and it is even proposed that money be given away. There is revealed an appalling lack of understanding of the nature and consequences of inflation; more inflation is recommended to correct the difficulties caused by inflation. Economic planning is an obsession, and it is proposed to use the Federal Reserve System to make such planning effective.

These disconcerting facts are pointed out, and I say it with all deference, because this bill apparently has been drafted for the purpose of providing the means by which these unsound and dangerous theories of money and of banking and of currency control can be thrust upon the people of this Nation.

If this bill becomes law I believe only the most providential good luck will prevent this country from suffering severely as a consequence.

I firmly believe the best interests of the people of this Nation are served by registering as vigorously as one can his protests and objections to this bill. It was born in secrecy. No known or trusted experts attended its birth. Its parentage is hidden largely in obscurity and anonymity, although the Acting Governor of the Reserve Board, in his Columbus, Ohio, address of February 12, 1935, speaks of what "we propose" in referring to the changes provided by the bill. It reveals traits found in political and economic concepts alien to the best principles of central banking and the best traditions of the people of this Nation. It is an un-American, unsound creation that must never be permitted to find its way into our statute books.

OLD ST. PATRICK'S CHURCH, PITTSBURGH

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio talk delivered by myself.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORITZ. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address, on behalf of Old St. Patrick's Church in Pittsburgh, Pa., which I recently delivered over the radio:

My friends—and I consider you all my friends that are the friends of Father Cox—March 21 of this year was, indeed, a startling and tragic day for Pittsburgh, for it was on this day the church of St. Patrick, known as "Old St. Patrick's Church", burned down. It left its pastor, Reverend Father Cox, stranded. It left, indeed, an empty, gaping space, where once was a temple and edifice of generosity. Old St. Patrick's Church was, indeed, the heart and centerpiece of many humanitarian activities fostered by Father Cox. Just across the street from the church was the activity of "Shanty Town", which served as the happy sheltering place for the down-trodden and ignored members of society. These men are now happily lodged in the old Ralston School, but they still remain under the care and guidance of Father Cox. The parochial school is filled with the children of the slums, cared over and watched by the good Sisters of Mercy.

The old abandoned convent, which was attached to the church and which was utterly destroyed by the fire, proved, indeed, a loss to many homeless young men whom Father Cox permitted to use it as a home. Before the fire, a visitor, who by chance visited the site of old St. Patrick's would necessarily come to the conclusion that surely here was a haven of rest, a refuge for humanity. "This was, indeed", the visitor spontaneously exclaimed, "an island of refuge in a sea of misery." Who was responsible for this outstanding work? I dare say, without Father Cox old St. Patrick's would have been but another church. There would not have been that distinctive mark which characterized old St. Patrick's without his magnanimous personality. His works antedate by years the humanitarian acts of the new deal. Long before the new deal, when society knew little of the depression and nothing of financial adversity, Father Cox fed daily the unfortunate "down and outers", irrespective of creed or race until his finances prevented a continuation of this generosity. A huge deficit of $60,000 forbade him to continue God's work of feeding the hungry.

It was in the year of 1932 Father Cox led the march of 20,000 of the unemployed to Washington to ask for relief and received in answer a stone.

It was this same Father Cox who called the unemployed together and filled the numerous seats of the University of Pittsburgh Stadium as a protest to the then administration.

It was this same Father Cox who allowed himself to be drafted as a candidate for the Presidency of the United States. Not so much to win the office but to protest the lack of humanitarian efforts.

My friends, we are speaking about rebuilding a church. It was this same old St. Patrick's Church in which many prominent Pittsburghers have been baptized, received their first holy communion, entered into the bonds of matrimony, and, lastly, were buried with the last rites given at the foot of this altar. Is it any wonder that we have sentiment for a church? We have sentiment for any church of any denomination, because it is in church that the people get back to their Creator. Here was work carried on for man. Man, the greatest work of the Creator. To serve the wants of man for man's sake is the highest kind of religion. Man, with all his faults and virtues, after all, whether he be poor or rich, "is a man for all that." As Shakespeare so well expressed it, "What a piece of work is man; how noble in reason; how infinite in faculties; in form and moving, how express and admirable; in action, how like an angel; in apprehension, how like a god."

My dear friends, St. Paul expressed no truer words when he said, in effect, "If I have faith that would move mountains but had not charity, I would be but a tinkling cymbal and a sounding brass." As Christ Himself has said, the greatest commandment, after loving God, is loving our neighbor as well as ourselves. This has been exemplified by Father Cox by word and action ever since the day of his priesthood. Now he stands deserted in the midst of charred bricks and ruins, and the same generosity his big heart has shown he fails to receive from his friends.

Somewhere and somehow there necessarily must be an evening-up of returns on his dividends of charity, but I regret to say the dividends are slow in coming. The returns and the success for the rebuilding of old St. Patrick's Church look anything but cheerful. The words of Christ are surely appropriate when only 1 of the 10 lepers returned to thank him. Christ said, "were there not 10; where are the other 9?" I ask you where is the huge army of people, including politicians and candidates for many offices, who did not think it beneath their dignity to visit old St. Patrick's Church to procure his support. Where also is that huge army of sick and dejected, heart-broken, and discouraged populace who were granted many interviews and were dismissed with that fine spirit of a new life and renewed courage, which could only come from that sympathetic heart of Father Cox. Just last week I received a letter from a millionaire stating that he did not wish to serve as a member on the committee to rebuild old St. Patrick's Church. I replied that I think Pittsburgh appreciated the fact of his keeping his residence in Pittsburgh, and it is entirely his affair to whom he gives and to whom he refuses, but it strikes me if only 1 percent of the money he invested in art, which has no practical use, would be ample to fill the gap which misfortune thrust upon the slums of Pittsburgh.

My friends, I do not ask you for contributions, I simply ask those of you who have been the beneficiaries of this great "shepherd of the unfortunate" to now arise in ordinary decency and gratitude and come to the aid of one who can never refuse a request, whether it be for God's poor, the wealthy, or the politicians.

I call upon all lodges, unions, societies, and theaters to hold special affairs, called "Old St. Patrick's Nite", for the rebuilding of old St. Patrick's. I call upon the special friends of Father Cox, who might be compared to spokes of a wheel, which spokes meet at the hub, and this hub is Father Cox. He is, without doubt, one of the most popular clergymen in the country, because he works among God's favorite children—the poor and unfortunate.

As I stand afar and look at the bare ruins of the church—high brick walls surrounding a mass of tangled girders—I ask myself, "Is this the church where a few months before the crowds gathered from all over the city and county to worship God? Is this the same place and the same pulpit where Father Cox gave to the congregation and his unseen radio audience his great sermons?"

My friends, how queer it would be for Pittsburgh to be without its St. Patrick's. Then, indeed, would Penn Avenue and Liberty Avenue of the "Strip" be a "desolation of desolation", a slum without a guiding spirit. Pittsburgh must not be without this helping hand and old landmark of charity.

BANKING ACT OF 1935

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 205.

The Clerk read as follows:

House Resolution 205

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7617, a bill to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 15 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this rule is for the consideration of the banking bill. It is an open rule providing for 15 hours of general debate. We hope the debate will proceed with expedition and that the Committee will find orators up to 5 or 5:30 o'clock each day, so that general debate can be finished Wednesday or early on Thursday, in order that the consideration of the bill may be completed and the matter come to a final vote this week.

I reserve the balance of my time, Mr. Speaker.

Mr. RANSLEY. Mr. Speaker, I yield 20 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, I want to commend the Rules Committee for bringing this bill in under an open rule, so that all Members of the House may have an opportunity to suggest any amendments which they may care to offer; also for the granting of reasonably adequate time to discuss the highly important matters which are contained in the proposed legislation. Twice 15 hours would hardly be enough if the Members of the House really cared to go in detail into the many matters which are covered in this three-barreled bill.

A word of explanation here may very well be in order. Title I of the bill deals with the Federal Deposit Insurance Corporation, title II of the bill deals with basic changes in the Federal Reserve System, and title III contains a number of amendments, some minor and some perhaps of more importance to the general banking laws of the country.

In the time given me now I shall not try to discuss particular sections of the bill in detail. I know the distinguished chairman of the committee will take considerable time to explain the bill to the Members of the House minutely, and I beseech the Members of the House to stay on the floor and listen to the chairman so that they may be well apprised of what this bill contains, because the questions of currency, credit, and the general banking system are basic and fundamental to our well-being and are as complicated as any questions which this House will have to consider at this session of the Congress. It is very necessary that all Members of the House should, therefore, apprise themselves of what this bill contains in order that they may ultimately act intelligently when the measure comes to a final vote.

Title I of the bill will not be discussed by me at the present time. There is little objection to it in its present form. The same thing can be said of title III, but sandwiched between titles I and III is title II, which contains a philosophy with respect to our Federal Reserve System which heretofore has not been found in any of the banking legislation which this House has passed.

Most of you know the history of the original inception of the Federal Reserve System. At that time there was no central banking system in this country and had not been since the times of the First and Second Banks of the United States of somewhat unhappy memory. For some strange reason the people of this country have never been able to consider banking questions without dragging in politics at the same time, and the First Bank of the United States, which was put into operation in 1791, was embroiled in politics from its beginning. Its term ran out and was never renewed. The Second Bank of the United States, which went into operation in 1816, died when Andrew Jackson vetoed a renewal of its charter in the thirties, and when its 20-year term ran out in 1836 it also died. I am going into this to point out how unfortunate it has been that politics and banking have been tied together in this country.

Outside of these two United States Banks, there never was a real central banking system of any nature whatsoever in this country except that which was evolved by the banks themselves for their own particular needs, until the passage of the Federal Reserve Act in 1913. This act was the result of long and detailed study by various committees, and particularly the National Monetary Commission, which was appointed as a result of the Aldrich-Vreeland Act passed in 1908.

This committee was assisted very greatly by the National Citizens' League, and a number of the men who know most about the banking system of the country today were experts who assisted the National Citizens' League 25 years ago, when plans for the Federal Reserve Act were first made.

You all know that the Federal Reserve Act was finally passed under Woodrow Wilson. The Democratic Party has taken credit for the passage of the act, and the Republican Party has countered by saying that it drafted the preliminaries for the program.

To me such claims are wholly unimportant. It matters very little to me which party put the Reserve Act into existence. The important thing is whether or not we have a central banking system which is adequate for the banking needs of the country.

Now, a few words as to central banking generally, and do not think that I hold myself up as an expert on these matters. There are few real experts. I wish there were more around here. Most of us who sat morning and afternoon for weeks on the committee working on these problems have assimilated a little knowledge, and perhaps this little we may be able to pass on and may be of some value to Members of the House.

I want to point out that the Federal Reserve System is not a central bank in any sense of the word. It is, however, a central banking system which was evolved as a kind of compromise between those who felt that there should be complete Government control—a central bank of the Nation—and those who felt that any Government connection whatever with the banking system was a mistake.

The Federal Reserve System set up 12 regional banks wherein the banks had majority control. They were the stockholders and could elect two-thirds of the directors, the other one-third to be appointed by the Federal Reserve Board. The Federal Reserve Board was to be named by the President—named for a long term of 12 years, so there could be continuity and as little as possible of political influence brought to bear on the members.

It was felt that the Government should have some influence, should be at least in close advisory connection, so the Secretary of the Treasury was made a member of the Board, and so also was the Comptroller of the Currency, who is appointed for a 5-year term and therefore does not necessarily go out with the President.

In addition, the President was permitted to appoint one of the members of the Federal Reserve Board as the Governor of the Board, and one as Vice Governor. Thus, of the 8 members of the Federal Reserve Board, 6 are appointed for 12-year terms and 2 are Federal officials, and the dominant figure on the Board, the Governor, is also designated by the President. The Board is therefore, to a great extent, under the control of the President.

The Federal Reserve Board did not, however, at the beginning and never has had complete control over the Federal Reserve banks or complete control over the banks which constitute the Federal Reserve System. The Reserve banks are independent in their operations, and the Federal Reserve Board has merely supervisory power, and has also certain particular technical matters under its control.

In the time that I have to discuss this matter under the rule I shall not try to go into great detail on those technical matters where the Federal Reserve Board has its control and where it has not. I do want to point out, and point out as forcefully as I can, the essential changes which this bill tends to bring about in title II, because it is toward title II that I am directing my attention.

Title II gives first to the Federal Reserve Board greater control over the management of various Federal Reserve Banks than it has had in the past. It gives to the Executive somewhat greater control over the Federal Reserve Board itself than the Executive has had in the past. It gives to the Board much greater powers over the operation of Federal Reserve banks and over the whole credit system of the country than the board has had in the past. Those steps may be spelled out in detail, and I shall attempt to do this later when discussing the bill under general debate, pointing out that whereas each step by itself may not be a very radical departure from the existing situation, when you take the cumulative combination of four or five different steps and read them as a whole, you will realize very clearly how much greater Executive control will be placed over the credit resources of the country.

There are, in addition, certain liberalizations with respect to obligations that may be discounted with the Federal Reserve banks by the Federal Reserve member banks, much greater liberalization in the borrowings that the member banks may make from the Federal Reserve banks, and a greater liberalization in the amount of real estate which national banks may carry. While these matters do not bear on the chief objection to title II, which, in my opinion, is the further centralization of governmental control, they are nevertheless worthy of very deep consideration by the Members of this House before adoption.

One of the chief dangers which this bill brings about is the position in which it places the Government in its control over the Federal Reserve Board, of being able to compel the credit resources of this country to be applied to the acquisition of Government obligations. You all know today how many billions of Government obligations are held by Federal Reserve banks and the member banks. A very large proportion are now in the portfolios of the banks; in fact, such a proportion that most bankers dread the situation, most of them feeling that it is unwise and dangerous that the obligations of the Government should be held so generally by banks instead of being distributed among the people.

Let me say here something which is not generally understood, that under a proper credit policy the Government should sell its obligations in the open market, in the same way that private interests sell their obligations. There should be an open, free market by which the savings of the public can be invested in Government securities; in which those who have savings may decide whether they prefer a Government obligation with certain interest rates and with certain taxable provisions eliminated, or prefer to invest in private obligations. If the time ever comes that the Government is in a position to force upon an unwilling lot of buyers its own obligations against their will, then the time has come when the credit of the country is beginning to fall. Most of us know that the financing of continuing Government deficits by fiat money is the road to ruin. By "fiat money" is meant merely the printing of greenbacks, obligations behind which there is nothing but the promise of the Government. When the Government once starts to pump out such obligations and compels individuals to take currency of that nature instead of currency which has something behind it, either the Government is on the road to ruin or its people are, because it means ultimately a partial or total default, to the extent that the value of those obligations goes down and prices go up correspondingly.

If the Government, by compelling buyers to acquire Government obligations which bear interest, which are called "bonds", as distinguished from Government obligations bearing no interest, which are called "greenbacks", forces its promises on its people there is absolutely no difference in the procedure or the result. It is a compulsory process, and it means that the credit of the Government is gone; that the Government may no longer sell its obligations in the open market.

One of the chief objections to this bill is through the open-market provisions by which the Federal Reserve Board is given power to compel Federal Reserve banks to enter into open-market operations on the buying side. When that is once passed, then we have put into the control of the Federal Reserve Board a most dangerous instrument. We have reached the point then where, if sufficient Treasury control is exercised on the Federal Reserve Board, the Federal Reserve Board in turn may compel the Federal Reserve banks of the country, which, of course, have the reserves and the excess reserves of the various member banks in their vaults, to keep on buying and buying and buying Government obligations, even though all wise bankers and all careful economists would have served notice long before that the Government might not continue to issue obligations of the nature they are compelling the banks to acquire.

Now, this may seem far-fetched. You probably do not know that in no civilized democratic country today is there a central bank under government control. The Bank of England is frequently mentioned as a fine example of how banking operates in connection with the Government, and there are a great many people who believe that the Bank of England is a governmental bank. It is in no sense that. It is a private institution, under no Government control whatsoever, although admittedly cooperating thoroughly with the Government. It is because of this effectual, free cooperation between the Chancellor of the Exchequer and the governor of the Bank of England that England has been able through so many years to handle its finances as successfully as it has.

No one would resent quicker than the English people an attempt by the Government to exercise domination over the Bank of England. I could go into detail with reference to the central banking systems of the different countries, but let me point out in this connection that the two outstanding countries which today have banks entirely under Government domination are Italy and Russia; Italy, where the set-up is apparently a private one, but where by various edicts the Government has complete control; in Russia, where there is no pretext about its being a private banking system, but where the four banks are entirely controlled and operated by the Government. [Applause.]

A SUMMARY OF THE RELATIONS OF THE FEDERAL GOVERNMENT WITH BANKING IN THE UNITED STATES

The Continental Congress chartered the oldest bank in the United States, the Bank of North America, in 1781. The Congress, however, was uncertain of its power to create a bank, so the bank soon obtained a charter from the State of Pennsylvania, so that it might be assured of a legal existence. Robert Morris was the most important factor in the foundation of this bank and the reason for its creation was the dire distress of Washington's army. Financial aid had to be obtained in some way. Pennsylvania repealed the charter in 1785, but after facing the prospect of having the bank move to Delaware, the charter was soon renewed and was periodically renewed until 1863, when the bank entered the national bank system.

The next step which the Federal Government took in the banking field was in the form of the First Bank of the United States. Alexander Hamilton, then Secretary of the Treasury, outlined his plan for a central bank in a report made to the House of Representatives on December 14, 1790. The bill creating the bank followed Hamilton's ideas almost to the letter.

The capital of the bank was to be $10,000,000; that is, 25,000 shares at $400 a share; $8,000,000 worth of shares were to be offered to the public, to be paid for in 2 years. One-fourth of this was to be paid for in specie and one-fourth in Government obligations bearing 6-percent interest. The other $2,000,000 worth of shares were to be taken by the United States and paid for in 10 annual installments at 6-percent interest.

No voting by proxy was allowed so it was practically impossible for foreign-held shares to be voted. Each single

share had 1 vote, 3 shares had 2 votes, and so on, but no single shareholder was to have more than 30 votes no matter how many shares he controlled.

Circulating notes might be issued up to the amount of the capital stock, exclusive of deposits. The Secretary of the Treasury was to have power to examine the affairs of the bank at any and all times and might require statements as often as once a week. Private accounts, however, were excepted from these examinations. The notes of the bank were to be receivable for all public dues so long as they were payable in gold and silver coin.

The Treasury was not required to deposit the public moneys with the bank. The bank might sell any part of the public debt of which its capital was composed, but was not to purchase any part of it, nor was the bank to purchase anything which could not be pledged for money loaned and not repaid. The interest on any loan was not to exceed 6 percent.

There was a great deal of doubt in the minds of many as to the constitutionality of the act creating the bank. President Washington was not sure, and asked for the opinions of both Edmund Randolph and Thomas Jefferson. They both held the creation of the bank to be without the constitutional powers of Congress. They could not find that it was "necessary" to carry out any of the powers of the Constitution. Hamilton reviewed their opinions and reached the conclusion that "necessary" meant fitting and proper and that in that sense the bank was "necessary" in order to carry out constitutional powers. These views prevailed on Washington, and he signed the bill in 1791. This gave the bank an exclusive charter for 20 years.

There are few statements of the bank in existence, and it is difficult to ascertain how much, if any, influence the Treasury exercised over the affairs of the bank. It is uncertain how often the Secretary of the Treasury examined the condition of the bank or how often reports were made to him. Only two such reports have been found, which were two of those submitted by Gallatin in connection with the renewal of the bank's charter.

The charter of this first bank was to expire in 1811. There was a great deal of disagreement about whether it should be allowed to expire or be renewed. Henry Clay was one of the strongest opponents to renewal. His argument was based on the fact that war with England was pending, that 15,000 shares of the bank stock were held abroad, principally by Englishmen, and that they would surely gain control. Secretary Gallatin had pointed out years before that no votes could be cast by foreign shares unless the holder was here to vote, but this did not seem to carry much weight and the bank expired in 1811. It was in splendid shape and liquidated at once.

The liquidation of the bank led to a mushroom growth of State banks to finance the War of 1812. By 1814 they had flooded the country with a worthless currency and many of them soon after collapsed. The financial condition of the country was desperate. Even Clay recognized the need of a central bank and favored a bill which would create one. One such bill had passed the House, and a rather different one had passed the Senate when news of the Treaty of Ghent reached Congress. The House then postponed further consideration of the Senate bill and nothing further was done until 1815.

In his speech of December 5, 1815, President Madison recommended a new national central bank to bring about the resumption of specie payments. A bill creating the Second Bank of the United States was reported to the House in January 1816, and it became law in April 1816.

The new bank was capitalized for $35,000,000, four-fifths to be subscribed by private persons and one-fifth by the United States. There were 25 directors, of whom 20 were elected by the shareholders and 5 to be appointed by the President, with the advice and consent of the Senate. Foreign stockholders could not vote either in person or by proxy. All notes and deposits were paid in specie. The bank was given a right to issue notes, but heavy penalties were prescribed in the nature of forfeitures if the bank failed to pay any note, obligation, or deposit in specie on demand. The charter was again exclusive and to last 20 years, but this time the bank was to pay $1,500,000 bonus to the Government for the charter. (The specie payments were deemed important, because it was the practice at that time to pay deposits in the notes of the banks of other cities which were usually at a discount below par.) The bank was given the right to issue post notes but only for $100 or more. (Post notes were bank notes payable in the future.) In many ways the charter was merely a copy of that of the first bank.

In the early years of the bank's operation it was badly managed, the stock subscriptions were not paid up, and there was a great deal of trading in the shares before they were paid for. Mr. Langdon Cheves, of South Carolina, became president of the bank in 1819 and saved it from collapse. It then continued to prosper and became a great and respected institution until the Jackson Democrats, the "enemies of privilege", came along and succeeded in destroying it.

In 1829, in Jackson's first annual message to Congress, he recommended that the charter of the bank be not renewed when it expired in 1836. This thought was repeated by him the next year in a message to Congress, but the following year his opposition to the bank had softened greatly. If the bank had not been drawn into politics and made an issue by Henry Clay and his National Republican Party, it is fairly certain that Jackson would have signed a bill for its renewal in 1836. (By this time Henry Clay had become an advocate of the bank.) The bank was made an issue by the National Republicans, and they did their best to force a renewal bill through both Houses of Congress in the early summer of 1832. Their aim was to get President Jackson to veto the bill and by so doing sign his own death warrant in the approaching Presidential election.

The bill came to the President for signature in July 1832. By that time President Jackson's ire had been thoroughly aroused by reason of continued opposition to his wishes in both Houses, the virtual order of Congress, through their refusal to adjourn, that he sign or veto the bill and not kill it by pocket veto, and several banking indiscretions of Mr. Biddle, then the president of the bank. The result was that on July 10, 1832, the bill was vetoed and the message that accompanied the veto was so fiery and demagogic that the National Republicans were greatly encouraged. They felt certain of Mr. Clay's election and the eventual renewal of the bank's charter.

The result, however, was quite the opposite, and President Jackson was returned to power by a tremendous majority. In 1833 he desired to start the withdrawal of Federal funds from the bank. Secretary of the Treasury McLane refused to do so. He was removed by the President and placed in the State Department. William J. Duane was then put at the head of the Treasury. Although he had been opposed to the bank, he looked upon the deposits as a contract with the bank which could not be broken. He was therefore removed and Roger B. Taney succeeded to his place. He finally in 1833 began the removal of Government funds and the bank lost its final connection with the Government.

The bank did not go out of business in 1836, however. It sold more shares to replace those of the Government and obtained a charter from Pennsylvania. It was overcapitalized, however, for the limited territory of Philadelphia and vicinity and found it necessary to lend money on shares of stock. It speculated heavily and finally suspended operations in the panic of 1837. Suspension came again in 1838, and the last time in 1841. The liquidation of the bank took 15 years. All creditors were paid in full, but the shareholders got nothing.

Both the First and Second Banks of the United States became embroiled in politics through no wish or fault of their own, but the result was disastrous each time, and a truly central bank of the United States has never been created since.

From 1836 until the passage of the National Bank Act in 1863 the Federal Government did not in any way concern itself with the banking of the country. In 1861 Mr. Chase, then Secretary of the Treasury, recognized the need of some

means to finance the Civil War. He conceived the idea of a uniform national currency backed by the Federal Government and issued on the basis of United States Government bonds. He suggested that Congress pass a banking bill designed to make all of the currency uniform. Perhaps the greatest single motive behind Mr. Chase's bill was the need to have a steady market for United States securities in order to finance the war. Nevertheless, he did recognize the dire need then existing for one uniform currency.

At first there was a great deal of opposition to the new banking system and the bill proposing it was twice defeated in the House of Representatives. Finally, however, the Senate passed such a bill by a bare majority and the House then fell in line. The bill became law on February 25, 1863. Hugh McCullock, formerly of the Indiana State Bank, became Comptroller of the Currency and head of the system. He suggested a great many amendments to the bill, and it was revised and amended as suggested and a supplementary bill passed on June 3, 1864.

The new act set forth a unified banking system for all the States and Territories. It was upon regulations taken from State banks then or previously in existence. Aside from the uniformity of the system, the main features were as follows: All national banks were put under the supervision of the Comptroller of the Currency, an officer of the Treasury Department. Any association of five persons having the necessary amount of capital could organize a bank, never less than $25,000, and such only in small towns. The capital requirements rose with the population of the urban districts in which they were to be established.

The powers of national banks were limited to discounting notes, drafts, bills, and so forth; receiving deposits; trading in exchange, coin, and bullion; loaning money on personal security; and the exclusive issue of circulating notes. Each bank had to deposit a certain number of registered United States bonds with the Secretary of the Treasury whether the bank intended to issue notes or not. Rules and regulations were imposed upon directors and the elections of them. The double liability of shareholders was created except in the case of the Bank of Commerce of New York, the only bank having a "capital of not less than $5,000,000 and a surplus of 20 percent on hand."

Each bank was entitled to receive circulating notes from the Comptroller equal to the par value of the bonds deposited by it, but not exceeding the market value thereof and not exceeding its capital stock actually paid in. Rules and regulations for the redemption and retirement were prescribed. A tax of one-fourth of 1 percent was put on the notes in circulation. Reserve requirements were set forth. Each bank in cities of 500,000 or more inhabitants was to keep a reserve of lawful money equal to 25 percent of its deposits. Other banks were to keep a like reserve of 15 percent, three-fifths of which might consist of balances on deposit in banks approved by the Comptroller in "Reserve" cities. Any Reserve city bank might keep one-half of its reserve as deposits in a "central reserve city", that is, New York, Chicago, or St. Louis.

Interest rates to be charged were to be no higher than those allowed by State law. One-tenth of net profits were to be carried to the surplus fund of each bank until the surplus reached 20 percent of the capital. Restrictions were put on the amounts that could be loaned by the banks, and rules and regulations were set forth for reports and examinations of the banks, appointment of receivers, and taxation by States. Any national bank might be designated by the Secretary of the Treasury as a depositary of the public moneys, so long as the legal reserve of 25 percent of Government bonds was maintained.

The new currency caused the greatest opposition to the bill. It did not at first have any effect on driving out the old circulating notes of State banks. The State bank notes were legion in kind and number any they were badly depreciated but they were greatly favored in the localities where they were issued. Secretary Chase saw the necessity of taxing the State notes out of existence but such a tax was not imposed until after he had ceased to be Secretary of the Treasury. In 1865 a 10-percent tax was passed which went into operation in 1866. It was only then that national-bank notes became the accepted and predominant medium of exchange. The rigidity of the new national-bank-note issue was not regarded with favor as against the usual State regulation allowing $2 of notes to be issued against $1 of capital. The national-bank notes could never have gained foothold if the confiscatory tax had not been imposed.

The new National Bank System after once getting started worked well for some time. It weathered the crisis of 1873 with only 11 failures in the entire system during that year. By the year 1876 there had been only 49 national-bank failures since the inception of the system, and for 45 years the system served the country with only slight variations in the law.

One feature of the system, however, which many never felt to be sound was the rigidity of the note-issue structure. There was no method of expanding or contracting the currency as the needs of the community dictated. This feature became quite a political issue and some legislation would have probably resulted if the Spanish-American War had not intervened. The war did intervene, however, and the Government, instead of paying off the bonds then due, which were the basis of the currency, and passing some legislation to establish a more flexible currency, refunded the old debt and left the currency as it had been originally.

It is interesting to note the movements of the Secretary of the Treasury, the Honorable Leslie M. Shaw, as a result of the inflexibility of the country's monetary unit. In 1902, he decided to render the currency elastic by making his own rules and regulations without changing the law. First, he decided that that phrase of the law establishing the security required for the deposit of Government funds as "United States bonds and otherwise" meant "United States bonds or otherwise." This opened the door to the use of State and municipal bonds as security. He later allowed railroad bonds to be used in the same capacity. At the same time he argued that banks well protected with United States bonds as security need not keep the 25-percent cash reserve against Government deposits as the law required. The act of Congress of May 30, 1908, finally repealed that part of the law. He made another ruling that banks designated as depositaries of public money were branches of the Treasury, in order that public funds might be transferred to or from such banks at any time. He made rulings designed to further the movement of gold to this country and he attempted to aid the movement of crops and avert the usual autumnal pinch by withdrawing $60,000,000 from the banks and locking it up in order to release it in the harvest season.

These money movements failed, however, because of speculation, in spite of Secretary Shaw's regulation that there should be no speculation in these activities. The results of these rulings are partially to blame for the panic of 1907. The speculators of Wall Street threw prudence to the winds and "clamored for Treasury relief" whenever their own operations produced tightness in the money market. One author says of Mr. Shaw's actions:

> They were glaring examples of "paternalism in Government" which assumes that the holders of public office know how private business ought to be conducted better than business men themselves, and think that their powers ought to be made commensurate with their superior knowledge.

The panic of 1907 showed conclusively that the banking structure of the country was outmoded and unsuited to business and credit needs. Reform was badly needed and it was clear that it must come from the Federal Government and supply the essentials of what was provided by clearing houses during the panic in granting a means of payment by clearing-house certificates. The result was the Aldrich-Vreeland Act of May 30, 1908, which was notable because it established the National Monetary Commission. The bill also established national currency associations for the issue of currency during the recovery period after the panic; but this measure was purely temporary and had no lasting effect.

The National Monetary Commission headed by Senator Aldrich did a splendid piece of work. Senator Aldrich himself carried on a great deal of the work and an extensive study was made of many topics, especially banking in other countries. Following the act of 1908 several banking schemes were proposed. Among them was that of Mr. Paul M. Warburg who was a strong advocate of a central bank of the European type. His plan was known as the "United Reserve Bank of the United States." Another plan was the Aldrich bill.

The Aldrich bill had its origin in several sources. Senator Aldrich called a secret meeting at Jekyl Island in December 1910. Henry P. Davison, Paul M. Warburg, Frank A. Vanderlip, and Charles D. Norton were present besides the Senator. This conference lasted 2 weeks and at the end of it a rough draft of the bill the Senator later sponsored was drawn up. A large portion of this draft was the result of Senator Aldrich's studies made under the auspices of the Monetary Commission. The bill in that stage was far from perfect. Senator Aldrich was mainly interested in the administrative and control measures. He favored the idea of a strong central bank but did not perfect the recognized banking principles, and the bill as it stood at that time was rejected by banking experts as worthless. Conferences continued, however, and the bill was studied by experts and changed until the final result was the Aldrich bill, which was presented to the National Monetary Commission in December 1911. Senator Aldrich had called into his conferences the best banking talent, both practical and theoretical, which could be discovered in the country. Among them were J. B. Forgan, A. B. Hepburn, George M. Reynolds, and J. Lawrence Laughlin, in addition to those who had met at Jekyl Island.

During the period between 1908 and 1911 it was conceded by all those connected with banking reform that a program of education would be necessary in order to bring reform legislation to final passage. The result was the formation of the National Citizens League in May 1911. The league was formed by a nonpartisan group of business men throughout the country with J. Lawrence Laughlin, of Chicago, at the head. The purpose was to educate people and not to back any particular legislation unless it was found to be a sound plan best suited to the needs of everyone. As a result it did not endorse the Aldrich bill. On the other hand, it was not hostile to the bill. The league ceased to function actively except in a few sections of the country before the final passage of the Federal Reserve Act in 1913, but it did a great deal of good and its reform education was thorough and lasting.

The National Monetary Commission considered the Aldrich bill extensively with daily hearings and sessions during the month of December 1911. The bill was finally reported to Congress January 8, 1912. But by this time there was a Democratic majority in Congress, and the bill was turned over to the Banking Committees. It was never reported out in the session of 1911–12, and there died a natural death. The strong opposition of bankers and Democrats to the central bank features of the bill were responsible for its final demise.

In 1912 there were many so-called "radicals" in Congress, especially in the House, who were vitally interested in playing politics with the trust issue. In order to appease them in view of the coming election the Banking Committee of the House was divided into two bodies. The main committee under Mr. Pujo, the chairman, carried on an extensive investigation of the Money Trust in New York City. The other part of the committee under Mr. CARTER GLASS was given over to the study of banking legislation. In those days Mr. GLASS was deemed to be rather a novice in the banking field, but his close adviser was Mr. H. Parker Willis, who was quite familiar with the technical phases of the subject.

Although the Aldrich bill was out of the question, there was still a great deal of agitation for banking reform, and the time was fast becoming ripe for the passage of some legislation. In view of this, Mr. GLASS and Mr. Willis called in several experts, among them J. Lawrence Laughlin, who drafted three preliminary bills. The final one, plan D, presented in December 1912, carried many of the essential provisions which eventually became law under the Federal Reserve Act. The first conference with President Wilson was had on December 26, 1912, before he was inaugurated. Another conference was held January 30, 1913. By this time the bill drafted by Representative GLASS and his associates had become fairly definite and it then entered the so-called "political" stage.

President Wilson called a special session of Congress in April of that year, presumably to consider only tariff legislation. The President, however, recognized the importance of new banking legislation and realized that this was the psychological time to bring it up for passage. Therefore a new banking committee was organized in the House and Mr. GLASS became chairman of it. His official appointment as chairman did not come until June 3, 1913, but already a great deal of publicity had been given to his banking bill. The bankers of the country as a group declared war on the legislation in April. This culminated in a conference between the President and some of the important bankers who were leading the opposition. At this conference the President won out over the bankers and succeeded in settling the matter of appointment of members of the central reserve board. The bankers wanted representation on the board while the President desired to appoint the five members who were to make up the board with the Secretary of the Treasury, and the Comptroller of the Currency. The President was successful and the bankers left the conference without representation on the board.

Further opposition to the bill developed all along the line. Secretary of the Treasury MCADOO presented a plan to the President, William Jennings Bryan had his plan, and the New York group who advocated the central bank principles of the old Aldrich bill bitterly opposed the Glass bill. President Wilson appeased Mr. Bryan by making minor concessions in the note-issue power of the Glass measure and disregarded Secretary MCADOO's plan because of impracticability. The Glass bill was finally reported to the House of Representatives.

Extended hearings were then had by the Banking and Currency Committee and all phases of the bill were thoroughly gone over. The committee was, on the whole, in accord with the views of Mr. GLASS and the bill was favorably reported out by the committee and sent to the Democratic caucus for approval. It passed the caucus by an overwhelming vote.

When the Glass bill reached the Senate there was more organized opposition. The Senate formed a Banking Committee for the first time and gave it the new legislation for consideration. Senator Robert L. Owen was made chairman of the committee, and the first thing he did was draft a bill of his own. This put three bills in the field for President Wilson to consider; that is, the Owen, the McAdoo, and the Glass bills. The President again endorsed the Glass measure, already passed by the House. He finally won over Mr. MCADOO and was also able to bring Senator Owen into line. This did not bring the rest of the Senate over to his views, however, and this was accomplished only by a great many personal interviews at the White House with various insurgents and a rising tide of public opinion in favor of the new Federal Reserve Act—the Glass bill. It eventually passed the Senate on December 19, 1913, under the name of the Owen bill, with a few minor changes which were ironed out in a conference between the House and Senate committees, and became law on December 23, 1913.

The act, of course, centralized the banking of the country to a degree which had not been known since the days of the Second Bank of the United States. The country was divided into 12 Reserve districts, with a Reserve bank in 1 of the principal cities of each district. The 12 banks were governed largely by the Federal Reserve Board in Washington. The Board was composed of the Secretary of the Treasury and the Comptroller of the Currency and five members—later six—appointed by the President. Currency was made more elastic in that member banks might get

Federal Reserve notes from the Reserve banks upon the deposit of various kinds of paper, certain United States bonds, and gold, rather than through issuing notes only against United States securities with the circulating privilege. The new notes became obligations of the United States. All national banks were compelled to become members of the Reserve System or else surrender their charters. Certain reserves of all member banks were transferred to the Reserve bank. The operations of Reserve banks were carefully prescribed and powers were given to the Federal Reserve Board to determine other operations and policies. The discount rate was made uniform throughout each district, but might vary in different districts, as the bank of each district might determine.

The system, although young and almost untried, was found to be of great service in helping the Government finance the World War. Since the original enactment there have been many amendments to the Reserve Act. Yet none have changed basically the relation of the Federal Reserve Board to the banking system of the country or taken away the autonomy of the individual Federal Reserve banks.

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CENTRAL BANKING SYSTEMS OF VARIOUS FOREIGN COUNTRIES

I. THE BANK OF ENGLAND

Ownership and general function: The Bank of England is a privately owned joint-stock company with approximately 10,000 shareholders. The authorized, issued, and paid-up stock amounts to £14,533,000. The governor and deputy governor are chosen by the directors and the 24 directors are elected by the shareholders who each have one vote so long as they hold more than £500 worth of stock. The governor, deputy governor, and eight directors are elected each year but those retiring may be reelected (governor and deputy governor automatically retire each year but the Honorable Norman H. Montague has been reelected governor since 1920). Directors are chosen from the best bankers and business men of England, and since the governor is elected by seniority, the governors have usually served as directors for 20 years before becoming eligible for election as governor. The bank has 9 branches, 1 in London (besides the main office), and 8 others in the principal cities of England.

The Bank of England is the fiscal agent of the British Government and acts as the Government's banker. When the Government balances are too low to pay the quarterly interest on the British debt the bank makes "deficiency advances", and when the Government revenue is coming in too slowly to keep up with expenditures the bank makes "ways and means advances." The bank also manages any loan operations or issues which the Government desires to make, besides acting as the regular bank of the Government. The bank, however, is not owned by the Government and is in no way subservient to its desires or needs. The bank, besides acting as a State bank, carries on a general banking business and acts as a bank for bankers. There are a few other large banks in England, but there is nothing comparable to the American system.

Currency: Since 1884, with the exception of the years between 1914 and 1928, the Bank of England has had the exclusive right of note issue. Since 1928—the currency and bank-note act of 1928—the bank may issue notes to the extent of £260,000,000 over and above the amounts of gold coin and bullion in the issue department. This amount of currency may be increased by the bank requesting the treasury department to authorize an increase above the £260,000,000. The treasury department may then authorize an increase for 6 months, and this may be increased to 2 years. Beyond that time Parliament must authorize the increase. In 1932 the issue was increased £15,000,000, and stood so until April 1933, when it was reduced to normal.

A credit in the books of the Bank of England has come to be regarded as just as good as so much gold. As a result when an increase of circulating currency is needed, it can be attained by an increase in the balances of the other banks at the Bank of England—the other banks thereby get more cash to be used as the basis of credit. Then balances can be increased by borrowing from the Bank of England, which is generally carried out not by the banks themselves but by their customers from whom they have called in loans. The Bank of England is thus enabled to provide emergency currency with great ease, by means of loans, and so forth, which are used to swell the balances of the other banks, which thus show an increase of the cash at the central bank, which is used as a basis for credit operations.

Reserves, discounts, and so forth: Unlike the Federal Reserve System, no English banks, including the Bank of England, are required to maintain a minimum reserve. The Bank of England maintains, however, a high proportion of cash to liabilities, which is usually around 40 or 50 percent. Other banks do not keep such a high reserve but ordinarily a low one, and multiply credits based ultimately on the Bank of England reserve. Other banks ordinarily do not borrow from the Bank of England but adjust their position through their holdings of banker's bills, treasury bills, and loans to bill brokers and discount houses.

At tax-payment time money flows into the bank as the fiscal agent of the Government. At such times it is said the "market is in the bank" and so merchants and bankers borrow from the bank at the bank rate, which is the official minimum rate, and has been at 2 percent for the past year at least. Ordinarily, however, the market borrows from the bank at the bank rate, or when the bank makes advances on securities, one-half of 1 percent above the bank rate. The Bank of England controls the market by controlling the discount and rediscount rates, which seem to be the same. It is absolutely necessary that the bank have this control over the market, since all the banking of the country is based on the reserves of the bank.

II. LE BANQUE DE FRANCE

Ownership and general functions: The banque is privately owned by approximately 41,000 shareholders. Only the 200 largest of these may vote, and then they have 1 vote for every 5 shares up to 4 votes. They form a general assembly to represent all the shareholders and elect the 15 regents—board of directors. The regents, in turn, place the direct management of the affairs of the banque in a committee of three regents. The French Government exercises some control over the banque by appointing the governor and deputy governor. Besides this power, 3 of the 15 regents must be treasury officials. There are many other banks throughout France, but this one operates over 650 branches and connecting and auxiliary offices throughout France.

The banque is the center of the credit organization of France. It discounts paper directly for clients, but it is, above all, a bank of rediscount for bankers and credit companies. It is the fiscal agent of the Government, holder of the nation's reserves, and general clearing house for all banking business in the nation.

Currency and reserves: The most important function of the banque is the issue and regulation of the nation's paper currency, with the correlative function of maintaining the nation's reserves. The banque has the sole right of note issue in France, and the law provides that the banque shall maintain a 35-percent gold reserve against all engagements. Included, of course, are note issue and "creditor current accounts." An agreement between the Government and the banque removes any limit to the bank's note circulation, except for that placed there by the 35-percent requirement. The banque redeems its notes in gold at sight. The proportion of gold on hand to sight liabilities is now about 80 percent, and the banque's gold now aggregates about 82,000,000,000 francs (as of Financial and Commercial Chronicle, Nov. 24, 1934).

III. THE BANK OF CANADA

Ownership: The Bank of Canada was established by legislation passed at the session of Parliament ending in July 1934. As a result it has not yet begun operations.

Ownership of the bank is to be private. It is now capitalized at $5,000,000, i. e., 100,000 shares at $50 a share. This may be increased from time to time. No more than 50 shares may be held for the benefit of any shareholder, and shareholders must be British subjects ordinarily resident in Canada (including corporations). No chartered banks or directors, officers, or employees thereof may hold stock. The board of seven directors shall be elected from diversified occupations by the shareholders. The governor, deputy governor, and assistant deputy governor are to be appointed for 7 years by the Governor General in Council. After the first term, however, these officials shall be selected by the directors, subject to the approval of the Governor in Council.

The bank is to put its services at the disposal of the Government but is to retain a definite autonomy and is not to be subject to interference with details of its administration.

Note issue and currency: The bank shall be the central bank of issue. At present notes are issued by the Dominion Government—legal tender—and the chartered banks (not legal tender but notes so issued now constitute the greater part of circulation). The bank will take over all the Dominion notes, retire them, and issue in their place its own notes which shall be legal tender. The act creating the Bank of Canada also provides for the gradual reduction of bank notes and eventual extinction of the right of chartered banks to issue them. (At present the chartered banks are permitted to issue notes up to the amount of paid-up capital. A tax of 1 percent per annum is paid on such issue, and there are no legal reserve requirements.) Bank of Canada notes shall be redeemable in gold bullion in minimum quantities of 400 ounces fine.

The purposes of the bank shall be to regulate credit and currency and protect the external value of the national monetary unit. So far as is possible within the scope of monetary action, the bank will attempt to mitigate, by the influence of the monetary unit, the general level of production, trade, prices, and employment. Provision is also made for limited expansion of note issue during crop-moving seasons.

Gold and gold reserves: All gold now held by the Government and by the chartered banks shall be delivered to the bank upon its opening for business. This shall be held as reserve against the legal tender notes and deposit liabilities of the bank, and, indirectly, of the whole banking system.

The act requires a gold reserve of 25 percent to be held against all note and deposit liabilities of the bank. But because of Canada's need of working balances in foreign centers, funds carried in gold form with the Bank of England, Bank for International Settlements, Federal Reserve Bank of New York, and the central bank of any gold standard country may legally constitute reserves.

Discount: The Bank of Canada shall act as the fiscal agent of the Government, and the way is paved for a short-term money market in Canada, thus providing for more economical short-term financial operations of Government bodies.

Although termed a "banker's bank", the bank is empowered to deal with individuals to a limited extent in exchange or discounting. It may effect trade acceptances, banker's acceptances, and drafts and bills of exchange drawn in or on places outside of Canada having a maturity of not more than 90 days sight from the acquisition by the bank. The bank may buy, sell, or discount certain securities of the Dominion and the Provinces, short-term securities of the United Kingdom, any British Dominion, the United States, and France. The bank may also buy, sell, or discount bills of exchange and promissory notes endorsed by a chartered bank.

Besides this the chartered banks are given access to central bank credit in a set of provisions which are designed to insure a flow of credit in times of need, as are the elegibility rules under the Federal Reserve Act.

IV. THE RESERVE BANK OF INDIA

The bill creating this bank was passed by the Council of State in February 1934. It is planned on a model of the Bank of England. The bank is not yet operating.

Ownership and management: India is to be divided into five areas, with headquarters at Bombay, Calcutta, Delhi, Madras, and Rangoon.

Ownership will be private. The capital of the bank will be divided into 5 parts and offered for subscription to the residents of the 5 areas. There are to be local boards and one central board. One officer of the Government, without voting power, will sit on the central board. It is assumed, however, that the governor and deputy governor will be appointed by the Governor General of India in Council. The bank will be free from political influence.

Note issue: A sterling standard will probably be established.

The bank shall take over all notes outstanding and retire them, issuing its own in their place. All bank gold coin, gold bullion, silver securities, rupee coin, and rupee securities to the amount of notes then outstanding will be taken over from the Imperial Bank and the Government. So the new bank is taking over an already unified currency system.

The new legislation provides for 40-percent gold and sterling security reserves, but at no time is the gold holding to be less than 400,000,000 rupees in value. With previous sanction of the bank, the Governor General in Council may allow the gold reserves to fall below 40 percent for not exceeding 30 days, renewable for not more than 15 days. Even then the 400,000,000-rupee gold minimum must be retained. To provide ample coverage besides the gold reserves, the Government must transfer to the bank 50 percent coverage.

V. THE CENTRAL BANKS OF RUSSIA

The Russian banking system consists of four distinct central banks and a system of savings banks, all owned and operated by the Government.

A. State Bank of Soviet Russia: This bank is the largest and broadest in scope of all the central banks. It operates 2,500 branches in all parts of the union and employs 25,000 people. It is the primary source of all short-term credit for industry and agriculture and is the fiscal agent of the Government.

Currency and note issue: The unit of legal currency is the chervonets, which is equal to 10 gold rubles. The State bank has the right of issue along with the treasury department. The State bank issues chervontsi—plural of chervonets—and the treasury issues gold rubles, silver coin, and other notes. The treasury department was originally to issue notes in an amount to exceed 50 percent of the State bank issue, but this has since been raised to 100 percent.

No definite reserve is assigned against Treasury notes but the bank holds, as the fiscal agent, reserves in gold, platinum, and stable foreign currency. The minimum reserve for the issue of the State bank currency, however, is 25 percent in gold and precious metals and stable foreign currency.

Banking functions and duties: Because of its control over credit the State bank has the right and it is its duty to keep in touch with all movements of the agencies it supplies with financial support. This includes prescribing the systems of accounts to be kept, checking up on the wage and price scales used, as compared with those prescribed, and following the progress of goods from the manufacturer to the consumer. The bank is really one of the agents of the Government to make sure that the decrees of the Government are carried out. This is made possible by the fact that a large part of the business of the Union is carried on by simply making debit and credit entries on books of the bank in the accounts of the parties to the transaction concerned.

B. Bank for industry and electrification: This bank is the source of long-term credit for industrial and other construction. In carrying this out the bank follows the pro-

cedure of the State bank in checking on its debtors at every step. It does not, however, concern itself with manufacture and trade and extends no short-term credit.

The bank has branches but the number is not given.

C. Agricultural bank: This bank has the function of extending long-term credit to agriculture. It is concerned chiefly, however, with the "socialized" forms of agriculture or the large collective farms. It finances all phases of these institutions. It does not extend credit to the individual farmer who is fast being crowded to the wall because of lack of credit facilities.

The agricultural bank is probably located at Moscow and has 69 branches.

D. Cooperative Bank of Russia: This bank has the special task of financing the operations of all cooperative societies. It also finances "workartels" or associations of hand workers and artisans who produce a large supply of consumers' goods and whose place has not yet been taken by large-scale industry.

E. Soviet savings banks: There are 60,000 branches of this Government-owned savings bank. Its chief function is to market the bonds of the Government rather than take the deposits of the people. High rates of interest are paid, however—8 to 9 percent—and the deposits run well over a billion rubles. The capital of savings banks is invested in Government stock and cash holdings are small.

VI. THE REICHSBANK OF GERMANY

Established in 1924 under German laws as part of the Dawes plan. It acts as a central bank of issue and reserve for the German Republic.

Ownership: The Reichsbank is a private institution and independent of governmental influence or control. Nevertheless the president is appointed by the President of the Republic. The Reich also shares in the profits made after at least 10 percent is paid into the legal reserve—until it reaches the amount of the paid-in capital—and after an 8-percent dividend to the shareholders. Of surplus profits then the Reich takes from 75 to 95 percent. The Reich and the bank have no other important relations, except as banker and customer.

Note issue and reserves: The bank has the exclusive right of note issue for 50 years. A 40-percent reserve must be kept against note circulation, of which at least three-quarters must be gold. A 40-percent reserve must also be kept against all demand deposits. This need not be in gold, however, but may consist of demand deposits of the bank in German or foreign banks, checks on other banks, bills of exchange for 30 days or less, and claims arising from collateral loans.

VII. THE BANK OF JAPAN

Ownership: The Bank of Japan (Nippon Ginko) is a joint-stock company organized under the Act of the Bank of Japan in 1882. It has a subscribed capital stock of 60,000,000 yen and in 1930 had 2,316 shareholders.

Note issue: The bank conducts a general banking business and acts as a central bank. It has power to issue notes against any gold and silver specie reserve provided the value of silver shall not exceed one-fourth of the total.

VIII. THE BANK OF ITALY

The Bank of Italy was set up in 1893 as a central bank of issue together with the Bank of Naples and the Bank of Sicily. The bank is a private institution, there being about 11,000 shareholders. The bank is, however, closely connected with the State, it being directly under the supervision of the treasury. The Government shares in the profits to the extent of one-third above the 5 percent to special reserves and 5 percent on capital to shareholders.

By the decrees of May 6, 1926, and December 28, 1930, the bank was given the sole right to issue notes until 1950. It has been issuing notes since then to retire those formerly issued by the Bank of Naples and the Bank of Sicily.

A reserve of 40 percent in gold and foreign currencies convertible in gold must be kept against currency in circulation and all deposits, except treasury deposits.

The bank operates 13 central offices, 78 branches, 45 agencies in Italy and 8 auxiliary offices in the Italian colonies.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, we have in this resolution a rule proposed for the consideration of the banking bill, a wide-open, liberal rule, that allows 15 hours of debate confined to the bill and full freedom of amendment. The Rules Committee felt this was a measure that called for the very widest debate, because the banking business as regulated under this measure and under the previous act is an activity that touches every group of citizens; and many of the phases of the banking law have been tested during the last 2 or 3 years as they have never been tested before. We thought that the widest debate should be provided to give everyone a chance to discuss the bill and to offer any amendments he wished.

The Rules Committee, I think, by experience during this session has learned something about procedure that will be of advantage in the future consideration of measures in the House. During my few years' experience on the Rules Committee it has frequently been the custom for the chairman of a legislative committee with other ranking members to come before the Rules Committee and ask for a restricted rule on the theory that the best procedure by which to handle any bill was to get it through as hurriedly as possible and with as little debate, and sometimes with as little discussion as possible. The Rules Committee has not always been in favor of this procedure; in fact, rarely has there been a time when the Rules Committee was unanimous for the reporting of any kind of so-called "gag rule." In the handling of the recent social-security legislation under a wide-open rule which provided 20 hours of general debate and full freedom of amendment, we saw a bill handled as nearly to the unanimous satisfaction of the House of Representatives as any bill within my experience. Every Member was given an opportunity to discuss the measure and to offer any amendment he wished, and the Ways and Means Committee stayed here on the floor of the House and defended their bill against all amendments. The ultimate result of procedure under that method was that the bill was changed slightly if at all. I think the Banking and Currency Committee, one of the great committees of the House, will be in the same position to defend this bill they are proposing, at the same time allowing the Members full opportunity not only to discuss the bill but to offer any amendments they may wish. It is true some slight change may be made, but I presume that when consideration of the bill is finished it in large measure will be as it comes from the committee.

This is my idea of the way legislation should be handled. I was very much pleased with the way in which the social-security bill was handled by the Ways and Means Committee. As I say, the Committee on Rules, as the result of that experience, learned that probably this method of procedure is the best that can be followed. At least, it meets with the complete and unanimous satisfaction of the Members. So the Committee on Rules has reported a wide-open liberal rule allowing full freedom of discussion and amendment.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield the gentleman from Indiana 2 additional minutes.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. GOLDSBOROUGH. It is a fact, is it not, that the Committee on Banking and Currency did not ask for a closed rule?

Mr. GREENWOOD. That is true; and I am glad to note this change on the part of legislative committees coming before the Committee on Rules; they ask for more liberal rules and express a willingness to defend their measures, as did the Committee on Banking and Currency when it came before the Committee on Rules.

Mr. STEAGALL. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. STEAGALL. I would remind the gentleman that in times past it has been the practice of this committee to

request closed rules; but, as a matter of fact, since the present chairman of this committee took his position as chairman, the Committee on Banking and Currency have not presented a measure which has not been considered under an open rule.

Mr. GREENWOOD. I am willing to concede to the Chairman of the Committee on Banking and Currency that he came in the spirit of asking for this kind of a rule. The Committee on Rules is very much like other committees of the House; we like to give the kind of a rule sought by the committee appearing before us. I am glad to note the change, however. I must say that the legislative committees are asking for what I think is a more democratic and a more sensible method of handling these various pieces of legislation.

Mr. SWEENEY. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. SWEENEY. Is it not a fact that the rebellion against gag rules has brought about the change?

Mr. GREENWOOD. I think that has had some effect. I would remind the gentleman, however, that at one time last year the Democrats in a caucus required the adoption of a closed rule on a certain piece of legislation; and that was the only rule that was defeated—the one the caucus asked for.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 7 minutes to the gentleman from New Jersey [Mr. CAVICCHIA].

Mr. CAVICCHIA. Mr. Speaker, I want to compliment the Rules Committee for the very liberal rule they have given us, and I also want to compliment the Chairman of the Banking and Currency Committee as well as my colleagues. It is splendid to have a group of men who devote the time that they do to such important legislation as this. Even though we do not agree, we have a high regard for one another.

Like the gentleman from Ohio [Mr. HOLLISTER] I am not a banker, nor do I hold any bank stock, so whatever I say concerning this bill has been suggested to me during the 25 or 26 years that I have practiced law and in dealing with financial institutions.

Those of you who have read the bill will wonder whether it is wise to permit banks to grant loans on 60 percent of the appraised value of real estate. National banks today have $2,700,000,000 in real-estate mortgages on a 50-percent appraised basis and many of these mortgages are now considerably over 50 percent due to the drop in value of real estate. It is proposed to make borrowing easier from national banks. If the mortgages that the banks held in 1933, during the bank holiday, were frozen assets and caused some of these banks to close, are we going to put $10,000,000,000 more of time deposits in the form of real-estate mortgages to be lent on more liberal terms than the 50-percent mortgages that the banks now hold?

Heretofore each one of the 12 Reserve banks made their own discount rates. Each of the 12 Reserve banks throughout the United States has a peculiar function because of climate and business conditions, and the requirements are different. Each one has to decide what the discount rate shall be. Are you willing to give all power to the Federal Reserve Board to make rates, to raise or lower them, for all the 12 banks? Is it wise to do that?

Sixty percent of the capital and surplus of the banks, members of the Federal Reserve Board, is today invested in Government bonds.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. CAVICCHIA. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. The gentleman has referred to the power to control the rediscount rate. Is it not a fact that there is no difference in the proposed law from the existing law with respect to control of the rediscount rate?

Mr. CAVICCHIA. I may be mistaken; and if so, I should like to be corrected.

Mr. HANCOCK of North Carolina. The gentleman is mistaken, and I know he wanted to get only the facts before the Congress.

Mr. CAVICCHIA. If I am mistaken, I take that back; but I understood the bill gives the Federal Reserve Board the power to raise or lower the rediscount rates. See the committee report, on page 8.

Mr. HANCOCK of North Carolina. Under the present law the Federal Reserve Board has that power, and there is absolutely no change.

Mr. CAVICCHIA. The Board has the power in the present law, but I am told it has not exercised it; leaving the individual Federal Reserve bank to raise or lower the discount rate.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CAVICCHIA. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman does not mean to say that the Federal Reserve Board, under present operations, can force any Federal Reserve bank to act in unison with all the other Federal Reserve banks with reference to rediscount rates?

Mr. CAVICCHIA. In the open-market operations the Federal Reserve Board becomes the boss of all the 12 banks. It tells the banks what do do and they must do it. I did say that the Federal Reserve Board would be given authority to lower or raise the discount rates for the 12 banks. The gentleman from North Carolina tells me that is not so.

Mr. HANCOCK of North Carolina. No; I say the Federal Reserve Board has that power at the present time and they have under the proposed act the same power they now have under the existing act.

Mr. CAVICCHIA. I thank the gentleman for his statement.

Mr. HANCOCK of North Carolina. There is absolutely no change with respect to the law as applicable to the rediscount rate.

Mr. CAVICCHIA. The open market operation is no more or less than giving power to the Federal Reserve Board to buy Government bonds. Sixty percent of the surplus and capital of those banks is now invested in Government bonds. How much more in the way of holdings of Government bonds do you want to give the banks?

Mr. Speaker, I am afraid the foundation is being laid under title II of this proposed law for another banking holiday that is going to be much worse than the one we had in 1933. If the banks invest $10,000,000,000 of time deposits in mortgage loans of 60 percent of their appraised value, plus the purchase of Government bonds by the billions, most of the Government bonds will be held by the member banks of the Federal Reserve. Two years ago the Government bonds were selling for 85 and 82. Even in times of prosperity I can foresee a bank holiday. If the bond market should improve and industrials become profitable to investors, your Government bonds are going to be unloaded on the market and a drop of 15 or 20 points will wipe out the capital and surplus of your banks and they will close up.

I hope to speak more fully on this question during the debate on this bill.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the balance of the time to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, may I pay a little testimonial to the Chairman of the Banking and Currency Committee? Money and financing at best is a very abstruse subject and I suppose its abstruseness is the reason why so many millions of us fail to accumulate very much, but in like proportion banking and currency bills are things that tax the patience of Job and the tolerance of a saint to preside over the deliberations of a committee that has to do with that kind of a subject. We have had no end of witnesses before the committee, ranging from the Governor of the Federal Reserve Board to Dr. Spahr, of New York University, and including Mr. Frank Vanderlip, at one time a reporter on the Chicago Tribune and later president of the National City Bank of New York; Mr. James Rand, of Remington Rand, and a great many others.

Mr. Speaker, sometimes it is very bewildering; after you have listened to all these experts you feel something

like an expert yourself. Close attention then becomes necessary and a host of problems present themselves for a solution. I want to say on behalf of the committee that the Chairman of the Banking and Currency Committee has dealt very kindly and courteously with the Members of the minority and has shown a rare and gentle patience.

He has been very deferential to our wishes, firm and yet courteous in his treatment, never resisting or denying at any time full and open opportunity to be heard.

I believe I voice the sentiments of the entire committee, when I pay him my respects and my tribute here this afternoon for the gentlemanly and kindly and efficient and expeditious way in which he has presided over the deliberations on this bill that started on the 21st of February, over 9 weeks ago, and have been continued ever since. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

THE LATE CLYDE KELLY

Mr. DARROW. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DARROW. Mr. Speaker, it is with deep regret that I announce to the House the death today of our late colleague and friend, Hon. Clyde Kelly, who faithfully and conscientiously served Pennsylvania in Congress for a period of 20 years.

It was shortly after 9 o'clock this morning in Adrian Hospital at Punxsutawney, Pa., that Clyde Kelly received the final summons.

Before entering the public service Mr. Kelly was engaged in newspaper work in Braddock, Pa., where, at the age of 21, he founded the Braddock Leader, and 3 years later purchased the Daily News and Evening Herald.

He served as a member of the State legislature from 1910 to 1913; was elected to the Sixty-third Congress; then to the Sixty-fifth Congress, and continued such service until the conclusion of the Seventy-third Congress.

Mr. Kelly was known to all of us as one of our most painstaking and hardest workers. He will especially be remembered for the deep interest he took in postal matters, and his death will be deeply mourned not only by his former colleagues but by the large host of friends he made, not only in his district and State but throughout the Nation.

Mr. QUINN. Mr. Speaker, death is always shocking, but when it comes with the suddenness of the dash of a wave or the crash of thunder it leaves one appalled, and today when I learned of the death of my predecessor, the Honorable Clyde Kelly, words cannot express my profound regret at his untimely passing.

For 20 years he served as a Member of this honorable body, the Representative of the Thirty-first District of Pennsylvania, the world's greatest industrial center and developed a Nation-wide reputation and countless thousands of admirers by his tireless energy and unselfish devotion to the causes he espoused.

Our political differences and views were as wide apart as the poles, but none can deny and all did admire his courage to stand by his conviction.

Twenty years he served in this House and throughout all that long period he displayed his obligation to the masses of the people and disclosed that feeling by his legislative work. He did not seek to win the approval of the unthinking by unjust attacks on any class. He represented all and gave every legitimate assistance in his power to the things he believed right.

No simple words of mine can pay him adequate tribute. His record of achievement is written high on the roll of honor in the history of the State and Nation he loved and served so well.

We think of the sad might-have-been 'mid our tears, but God knew what was best and took him away from the oncoming years. Peace to his ashes, rest to his soul.

Mr. MEAD. Mr. Speaker, as Chairman of the Committee on the Post Office and Post Roads, with which our dear friend Mr. Kelly, of Pennsylvania, became associated many years ago, and speaking for the members of that committee, may I say that in the loss of this distinguished former colleague we feel the country has lost its best informed legislator on postal problems. Author of a number of books on postal policy, publisher of many illuminating and enlightening statements, he was of tremendous value to our committee, as well as to the House, and his contributions to the upbuilding of this great business Department of the Government stands out in the record unsurpassed, in my judgment, during the life of the American Congress.

Mr. Kelly was the father of the air mail. He was extremely interested in the personnel of this Department, concerned with all of its various ramifications and in all the deliberations of the committee a spirit of partisanship was never manifested by him. We respected his great ability, admired his personality. He was studious, energetic, kindly, and lovable—a splendid character, a true friend. The Congress has lost a great counselor, the Post Office personnel a great champion, and his State and the Nation one of its foremost citizens. We Members of the majority feel most keenly this loss, and every member of our committee will join me in extending our sincere sympathy to the members of his family. Clyde Kelly was my friend, and I cannot express the loss I have suffered by his passing.

Mr. GOLDSBOROUGH. Mr. Speaker, I suggest the absence of a quorum, and make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. ARNOLD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 62]

Adair	Dempsey	Kennedy, Md.	Rich
Bacon	DeRouen	Kennedy, N. Y.	Rogers, N. H.
Bankhead	Dickstein	Kerr	Sabath
Barden	Disney	Kvale	Sadowski
Beam	Dockweiler	Lambertson	Schuetz
Berlin	Doughton	Lamneck	Schulte
Bloom	Doutrich	Lee, Okla.	Sears
Boehne	Ellenbogen	Lemke	Seger
Brooks	Farley	McClellan	Shannon
Buckley, N. Y.	Fernandez	McCormack	Short
Burdick	Fish	McGroarty	Sisson
Burnham	Flannagan	McMillan	Somers, N. Y.
Cannon, Wis.	Focht	McReynolds	Starnes
Carden, Ky.	Fulmer	McSwain	Sumners, Tex.
Cartwright	Gambrill	Maloney	Tobey
Casey	Granfield	Marcantonio	Tolan
Celler	Greenway	Martin, Mass.	Treadway
Christianson	Greever	Meeks	Underwood
Claiborne	Griswold	Monaghan	Wadsworth
Clark, Idaho	Guyer	Montague	Walter
Clark, N. C.	Haines	Montet	Werner
Cochran	Halleck	Moritz	West
Connery	Hamlin	Nichols	White
Cooley	Hartley	O'Brien	Wilson, La.
Cooper, Ohio	Hennings	Oliver	Wilson, Pa.
Cravens	Higgins, Conn.	O'Malley	Withrow
Crosser, Ohio	Hill, Knute	Perkins	Wood
Crowther	Igoe	Pettengill	Woodruff
Culkin	Imhoff	Peyser	
Cummings	Johnson, W. Va.	Polk	
Daly	Keller	Randolph	

The SPEAKER. Three hundred and nine Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STEAGALL. Mr. Chairman and members of the Committee, the bill under consideration has three titles. The first relates to the provisions of the Banking Act of 1933, which provides for the establishment of a corporation to insure bank deposits.

Under the act of 1933 a plan was provided which would insure all deposits up to the amount of $10,000 in full, and afford insurance to the amount of 75 percent of deposits between the amount of $10,000 and $50,000, and insurance of 50 percent of all deposits in excess of $50,000.

The act provided for a fund which is made up of subscriptions to the capital stock of the corporation by the Treasury of the United States in an amount equal to the sum paid into the Treasury by the Federal Reserve banks in lieu of a franchise tax amounting approximately to $150,000,000.

A further sum to be made up by the subscription to capital stock of the corporation by the Federal Reserve banks to an amount equal to one-half of their surplus of approximately $147,000,000.

Additional capital would be obtained by the assessment upon the banks to be absorbed by subscriptions for stock in the corporation based on the total deposits of the banks. The total capital would be about $350,000,000.

That act provided that in case the funds of the corporation were reduced to an amount equal to less than one-quarter of 1 percent of all deposits of participating banks, it would be the duty of the board to assess all participating banks the amount of one-quarter of 1 percent of total deposits to replenish the insurance fund. The corporation was authorized to expand its capital three times by issuing obligations, making a maximum fund of about $1,400,000,000. That act was to become operative on the 1st of July 1934.

Another provision in the act of 1933 established a temporary insurance fund insuring all participating banks to the amount of $2,500, for each individual depositor, to be operative from the 1st day of January 1934 to the 1st day of July 1934. Under the temporary plan the initial capital stock was supplemented by assessments upon all participating banks not to exceed one-half of 1 percent, to be collected in installments.

Under both the permanent and temporary plans provided for in that act, all national banks, and all State member banks of the Federal Reserve System were to be automatically covered into participation in the benefits of the insurance fund.

State nonmember banks were to be insured upon application upon certification of solvency by the duly constituted State authorities and examination by the insurance corporation, showing to the satisfaction of the board that such banks were in solvent condition.

The bill as passed by the Senate contained a provision requiring State nonmember banks to become members of the Federal Reserve System as a condition precedent to participation in the benefits of the insurance fund under the permanent plan. The bill as it passed the House had no such requirement. A compromise in conference was reached which made that requirement effective on the 1st of July 1936.

In 1934 another act was passed, which provided for the continuation of the temporary insurance plan for a period of 1 year, but raising the amount of insurance for each individual depositor to $5,000 and extending until July 1, 1937, an additional year, the time within which nonmember banks should be permitted to remain as members of the Deposit Insurance Corporation fund, after which they should be required to join the Federal Reserve System.

The bill now before the House provides for the permanent continuance of insurance of deposits up to the amount of $5,000 for each individual deposit, and the assessment hereafter, under the new bill to be levied against the participating banks, is to be a fixed, specific assessment of one-eighth of 1 percent upon the total deposits of all participating banks, relieving the banks of the liability to assessment under the permanent mutual plan established in the first act, which would hold the banks liable to respond in amounts equaling one-fourth of 1 percent of the total deposits to replenish the fund in the event it should be reduced to an amount less one-fourth of 1 percent of all the deposits of all participating banks.

Under the bill now before the House nonmember State banks would be admitted to participation in the insurance fund upon terms of equality with national banks, State member banks of the Federal Reserve System, upon application, after a thorough examination by the Board of the Corporation and ascertainment by the Board of the soundness of the capital structure of such bank and that its assets are adequate to enable it to meet all its liabilities. All members of the temporary insurance fund are transferred into the permanent fund by the provision of the bill. The capital of the Corporation under the plan provided in the bill before the House will remain the same as heretofore, except that assessments paid by participating banks are not to become part of the capital stock of the Corporation. The Corporation may issue obligations in three times the amount of its capital. Such obligations shall be fully guaranteed by the Government of the United States. The requirement that State nonmember banks should become members of the Federal Reserve System after the 1st of July 1937 as a condition precedent to membership in the deposit insurance fund has been eliminated by the bill now under consideration.

Mr. BIERMANN. Will the gentleman yield?

Mr. STEAGALL. Yes; I yield.

Mr. BIERMANN. In other words, does that mean, if this bill is adopted, that a State bank will hereafter not have to join the Federal Reserve System?

Mr. STEAGALL. That is the provision of the bill now before the House.

Mr. BIERMANN. It will not have to join the Federal Reserve System in order to get the benefit of this insurance?

Mr. STEAGALL. That is correct.

Mr. EDMISTON. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. EDMISTON. Is there not a time limit within which State banks may become a member?

Mr. STEAGALL. There is no such requirement under this bill.

Mr. DUFFEY of Ohio. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. DUFFEY of Ohio. They will have the privilege to join, will they not, however?

Mr. STEAGALL. Of course, their privilege of membership in the Federal Reserve System will continue. I was about to say in that connection that under this bill provisions for the admission of nonmember banks in the Federal Reserve System have been liberalized, so that the Federal Reserve System may waive requirements embodied in existing law, as to capital and other provisions, before the admission of State nonmember banks into the System.

Mr. ARNOLD. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. ARNOLD. Is there anything in this bill that prevents nonmember banks from obtaining full benefits under the Federal deposit insurance law?

Mr. STEAGALL. Not under the bill now before the House.

Mr. ARNOLD. They can stay out of the Federal Reserve System and still get the benefits under the Federal deposit insurance?

Mr. STEAGALL. Absolutely, under the provisions of the bill now under consideration.

Mr. SWEENEY. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SWEENEY. Is that irrespective of their capital structure?

Mr. STEAGALL. There is no limit except such as I have indicated.

Mr. ARNOLD. It has just been called to my attention that eventually they will be required to come in. That is what I wanted to get clear in my own mind.

Mr. STEAGALL. Not under the provisions of the bill now before the House.

Mr. ARNOLD. Will this change existing law that will avoid the necessity of them coming in later on?

Mr. STEAGALL. I am not sure that the gentleman's question clearly indicates what he has in mind, but there is in existing law, a provision which would require State nonmember banks to join the Federal Reserve System by the 1st of July 1937 if they are to remain participants in the insurance fund.

Mr. ARNOLD. I understand that.

Mr. STEAGALL. Under the bill submitted to the House and now under consideration, that requirement has been removed.

Mr. ARNOLD. I am very glad to hear that.

Mr. STEAGALL. In that connection let me say I do not care at this time to enter into any extended discussion of this question of membership of nonmember banks in the Federal Reserve System as a condition upon which they may share in the benefits of the insurance fund. I will say in this connection that on three or four different occasions this House expressed itself on that question and in each instance the House voted overwhelmingly in favor of the admission of State nonmember banks into the insurance fund without requirement that they become members of the Federal Reserve System.

It was in deference to that sentiment in the House, as well as the views of members of the Committee on Banking and Currency who felt the same way, that the provision was incorporated in the bill now before you, relieving nonmember banks of that requirement. That matter was fought out as an issue between the two Houses of Congress. Some Members of the Senate at least, were of the opinion that all banks should be required to join the Federal Reserve System, if permitted to share in the benefits of deposit insurance. That view was expressed in the bill as it passed the Senate.

The other view was embodied in the bill that passed the House, and in conference a compromise was reached by which the time for the requirement of membership in the Federal Reserve System on the part of nonmember State banks desiring membership in the deposit fund should be extended to the 1st of July 1936, a period of 3 years; and then last year, when the temporary insurance plan was extended for a year, the same provision as to the requirement of membership in the Federal Reserve System by nonmember State banks was extended another year, giving them until July 1, 1937, within which to join.

Mr. PATMAN. Will the gentleman answer this question: Is it not a fact that Governor Eccles recommended that the existing law remain in regard to requiring State banks to become members of the Federal Reserve System by 1937?

Mr. STEAGALL. It is not.

Mr. PATMAN. He did not recommend it?

Mr. STEAGALL. This is what happened: The bill before the House, as agreed upon by the interdepartmental committee which had part in framing the legislation, made no reference to that question and did not seek to deal with it in any way. The provisions of the bill were designed to accomplish certain changes in existing law, and no change was proposed in that regard. The existing law was simply left undisturbed.

Mr. PATMAN. Did he testify in regard to the particular feature that we are now discussing?

Mr. STEAGALL. I was not present during the entire time that Governor Eccles testified before the committee. I do not think I can answer the gentleman's question specifically because I was away some of the time and not privileged to be present at all the hearings, nor have I had the opportunity of reading all the hearings conducted in my absence. For this reason I should prefer to consult the record to be sure of accuracy.

Mr. PATMAN. It is a fair question, though, to ask the chairman of the committee to state how the committee voted on this proposition.

Mr. STEAGALL. It is my recollection that on the final vote in the committee on which this question was tested out on a motion of the gentleman from Missouri [Mr. WILLIAMS], there were five voting against the motion. The members of the committee will remember whether I am accurate in my recollection——

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. HANCOCK of North Carolina. The gentleman has correctly stated the number of votes in opposition to striking out the provision requiring banks to come into the Federal Reserve System; but I am sure the gentleman, by refreshing his recollection, will remember the Governor of the Federal Reserve Board several times before the committee testified in favor of requiring nonmember State banks to come into the Federal Reserve System. The record is replete with his testimony to this effect.

Mr. STEAGALL. I have not stated that the Governor of the Federal Reserve Board did not express the view that at sometime nonmember State banks should be required to join the Federal Reserve System.

Mr. BEITER. Mr. Chairman, will the gentleman yield for a question?

Mr. STEAGALL. I yield.

Mr. BEITER. Are there any provisions in this bill guaranteeing 100 percent the deposits of municipalities or school districts?

Mr. STEAGALL. No.

Mr. BEITER. There is no such provision in the bill?

Mr. STEAGALL. No.

Mr. BEITER. And none under the Federal Deposit Insurance Act?

Mr. STEAGALL. The Deposit Insurance Act insures up to $5,000 of each individual deposit.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. COX. I believe the gentleman in his report on this bill states that it would protect about 98½ percent of the entire depositors of the country.

Mr. STEAGALL. The figures seem to disclose that under the plan now proposed deposits would be insured in full covering something like 98 percent of the number of depositors in the country and probably 33⅓ to 40 percent of the total amount of deposits. Fourteen thousand banks are members of the Deposit Insurance Corporation. About 1,100 State nonmember banks are not members of the Deposit Insurance Corporation.

Mr. COLDEN. Mr. Chairman, will the gentleman yield before he passes that point?

Mr. STEAGALL. I yield.

Mr. COLDEN. I believe the gentleman stated the bill in its present form would insure about 98 percent of all depositors.

Mr. STEAGALL. Of the number of depositors in full.

Mr. COLDEN. And the gentleman also made the statement that it would insure about only 35 percent of the amount of the deposits.

Mr. STEAGALL. An amount between 33⅓ to 40 percent.

Mr. COLDEN. That would indicate, then, that 2 percent of the depositors own about 60 percent of the deposits.

Mr. STEAGALL. The figures, as I remember them, disclosed that about 800,000 depositors own nearly 60 percent of all bank deposits of the country, and that the total number of depositors is something like 50,000,000.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SWEENEY. Was the extension of insurance to nonmember banks influenced by the fact that the R. F. C. now owns the capital stock of 5,000 banks, some of which are nonmember banks in cities of less than 5,000 population?

Mr. STEAGALL. I assume that the gentleman has hardly expressed accurately what he desires to say.

Mr. SWEENEY. Approximately 5,000.

Mr. STEAGALL. I understand the gentleman to mean that the Reconstruction Finance Corporation owns a portion of the capital of these banks.

Mr. SWEENEY. The R. F. C. owns the majority of the capital stock of 5,000 banks. I stand on this statement.

Mr. STEAGALL. I am not advised as to that.

Mr. SWEENEY. I want to know whether the committee was influenced by this fact.

Mr. STEAGALL. I may say to the gentleman that the R. F. C. has supplied more than twice the amount of aid to member banks of the Federal Reserve System than it has to the nonmember banks. But this has all been done since the passage of the act for insuring deposits.

I do not care to pursue this discussion, but I think it should be stated that the Chairman of the Board of the Federal Deposit Insurance Corporation, Mr. Crowley, very clearly expressed the view that it would be unwise and destructive to require nonmember banks to become members of the Federal Reserve System before having their deposits insured. I shall refer to an extract from his testimony.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. GOLDSBOROUGH. Where was this testimony given?

Mr. STEAGALL. This is his testimony before the Senate subcommittee. At that time he said there were 5,387 banks that could have qualified on June 30 and 2,134 banks that could not. The deposits in these 2,134 banks amount to $502,000,000. This would indicate quite clearly, I think, in reference to these banks referred to by the chairman of the Board of the Deposit Insurance Corporation as being unable to obtain membership in the Federal Reserve System at this time would be forced to close if excluded from the benefits of deposit insurance because of failure to join the Federal Reserve System. If we are to judge the future by the past, 2,134 banks could not be closed automatically without closing a large number of other banks as a result.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. Will the gentleman advise the Committee why those banks were not able to qualify for membership in the Federal Reserve System, and will he also state to the Committee that under the bill before the House at this time all capital requirements are waived so that the banks that are undercapitalized may seek admission into the Federal Reserve System?

Mr. STEAGALL. The gentleman's inquiry would involve a discussion that would probably be unwise and certainly unnecessary and unfortunate if we were called upon to name each individual bank listed by the chairman of the Board of the Corporation.

Mr. HANCOCK of North Carolina. The gentleman knows that I was not seeking that information.

Mr. STEAGALL. I understand. I have not the information in full, but I may say to the gentleman that the rights of the Federal Reserve System to waive requirements on the part of nonmember banks applying for membership does not relate alone to the fundamental questions of solvency. The desirability of continued operation of a bank in the situation of the applying bank and other inquiries determine the question of admissibility to membership in the Federal Reserve System.

The Federal Reserve bank before admitting any bank into the System looks upon the whole surroundings, the entire portfolio of the applying bank, its capital structure, its management, the community it serves, its competition, whether or not there is a chance for a bank to earn a livelihood in the community, and upon all of these considerations the Federal Reserve bank determines whether or not the connection of a State bank with the Federal Reserve System is a desirable thing for the Federal Reserve System, because the Board of the Federal Reserve bank is not the guardian of the independent nonmember banks of the United States. On the contrary, it is their business and duty to look first as conservative bankers to the best interests of the Reserve bank itself.

Mr. COX. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Georgia.

Mr. COX. I am wondering if the gentleman's committee was divided on that provision of the bill extending the privilege to nonmember banks of participating in the insurance fund or if they were divided to the extent that it is a controversial matter in this debate?

Mr. STEAGALL. There has never been in the committee of the House any substantial controversy as to the desirability of admitting nonmember banks to the benefits of the deposit-insurance fund.

Mr. COX. I had reference to the gentleman's committee sponsoring the legislation. Was that subject controversial within the committee itself?

Mr. STEAGALL. It has not been heretofore.

Mr. COX. If it is not a controversial matter, it seems to me that we might devote this time—and it is valuable—to a discussion of some other features of the bill, because we are being taken far afield.

Mr. STEAGALL. The gentleman's suggestion is very appropriate.

Mr. COX. I am not criticizing the gentleman. I thought the gentleman desired to pass over that matter, but was led into a full discussion of it. If it is not controversial, we should not spend so much time on it.

Mr. STEAGALL. I have not entered into a full discussion. What I have said arises out of what the gentleman may understand as the situation in the committee, which disclosed the votes in the committee favoring the proposition that we should ultimately require membership in the Federal Reserve System on the part of nonmember banks.

Mr. COX. I was particularly anxious that the gentleman might be privileged to push his argument a little farther on.

Mr. STEAGALL. I thank the gentleman.

Mr. MAY. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman will recall that when the Federal Reserve System was first organized we had a lot of suits in this country where the Federal Reserve Board undertook to coerce banks to become members of the System. As I understand the gentleman's statement now, this bill provides that the Federal Reserve System may reject their application to become members in the System?

Mr. COX. Will the gentleman yield further? I think if the gentleman will examine the legislation he will find that there is a liberalization in it instead of a restriction.

Mr. STEAGALL. Yes; I have attempted briefly to call attention to the fact that this bill liberalizes the provisions for membership in the Federal Reserve System; but there never was any requirement and could not be any requirement by an act of Congress that required State-chartered nonmember banks to join the Federal Reserve System. The law had a provision which permitted nonmember banks to join upon application and upon meeting certain requirements.

Mr. FIESINGER. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Ohio.

Mr. FIESINGER. I want to clarify something that has been said here. The gentleman stated if there was a requirement that the bank should come into the Federal Reserve System about 2,000 nonmember banks would have to fold up.

Mr. STEAGALL. I predicate that statement upon the testimony of Mr. Crowley, chairman of the Federal Deposit Insurance Corporation. I have no doubt the statement is correct.

Mr. FIESINGER. It was not on the question of solvency that they would be compelled to close up, but because of conditions imposed by the Federal Reserve System, which did not have anything to do with solvency?

Mr. STEAGALL. I cannot say what the facts are.

Mr. FIESINGER. I should hate to think we had 2,000 banks in this country that were insolvent.

Mr. STEAGALL. That would be one of the questions involved. Of course, we have no way here of knowing how many of those banks would find it difficult at that point; but the testimony of the chairman of the Federal Deposit Insurance Corporation is to the effect that we have that number of State nonmember banks that are not prepared to join the Federal Reserve System now.

Mr. FIESINGER. I have taken the view that all banks ought to be members of the Federal Reserve System, but I can see now, with the Federal Deposit Insurance Corporation, it is not so necessary to have them belong to the Federal Reserve System.

Mr. STEAGALL. There is another thing I want to bring out. If we were to require State nonmember banks to join the Federal Reserve System, unless we desire to precipitate the difficulties pointed out by Mr. Crowley, of which he has peculiar knowledge, the only prudent thing on the part of those who may desire and who may hold the view that nonmember banks should ultimately be brought into the Federal Reserve System is to approach that task with care and caution and work it out with the knowledge of all the facts and in a way that will accomplish the desired result without risking the destruction of a large number of State banks in the United States. Such an act would be dangerous at this time, and no matter how desirous it may be to have all State banks join the Federal Reserve System, ultimately no one can say now when such a change can be prudently and safely undertaken.

Mr. FIESINGER. One of the reasons I took that view and now take that view is that in the administration of these banks that have been closed up, the national banks and banks that belong to the Federal Reserve have shown results incomparably better than the administration of the State banks. The administration of the State banks has not paid out nearly as well as the national banks, and it is the saving of assets and the depositors' money that I am looking after.

Mr. STEAGALL. I think I must profit by the suggestion of my friend from Georgia and not spend quite so much time on this phase of the discussion, because I see that I am going to consume much more time than I desired.

Mr. MAY. If the gentleman will yield for one further question, which is closely related to the last question, I would like to ask the gentleman whether or not it imposes any additional restrictions on admissions of banks into the Federal Deposit Insurance Corporation other than the restrictions put in the act of 1933, which required certain populations in the different towns and, I believe, a capitalization of $50,000 before they could become eligible for such membership. Is there any change in that requirement?

Mr. STEAGALL. The requirement was not so strict as the gentleman states. In the act of 1933 the rule laid down as a test for membership in the Deposit Corporation by a nonmember State bank was solvency, and under that all State banks except 1,100 joined the Federal Deposit Insurance Corporation. Under the existing law these requirements are tightened and solvency alone is not the test, but the bank is required to show a proper, sound capital structure and ability to meet its obligations outside its capital stock. This applies to banks hereafter applying for membership in the Federal Deposit Insurance Corporation.

Mr. MAY. The gentleman means under the pending bill rather than existing law?

Mr. STEAGALL. Under the pending bill; yes.

Let me leave this phase of the matter for the moment. It will be remembered that the plan to insure bank deposits did not meet with universal favor in the banking world. I shall not review that contest now, although I was engaged in the struggle for quite a number of years before final enactment of the first bill in this House in 1932.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. COX. As I recall, it was through the efforts of the gentleman, extending over a period of 14 or 15 years, that such a result was accomplished, and in my judgment, and I think in the judgment of a majority of the people of the country, this measure has done more than any other bill that has been enacted in the past 3 years to strengthen our banking system and to bring about recovery.

Mr. STEAGALL. I thank the gentleman for his statement and for his kindly reference to me. I may say I have thousands of letters and messages from various sections of the Nation voicing the view he has expressed.

Mr. COX. It was the salvation of the small banks of the country.

Mr. STEAGALL. I want to call attention, not in a controversial spirit but because it has a proper place in the record of these developments, to the fact that the House passed a bank-deposit insurance bill in 1932. It embodied a plan for the insurance of State nonmember banks upon terms of equality with national and member banks and without discrimination against any nonmember bank because of its capital structure or the fact it was not a member of the Federal Reserve System. The gentleman was here and had something to do with the fight at that time in the interest of State nonmember banks in the United States and played an important part, for which he deserves the thanks of his State and the Nation. That bill failed of passage in the Senate.

In 1933 we passed a bill that I had the honor to introduce, which was finally worked out in a compromise of the views of Members representing the two Houses of the Congress. I have explained briefly what that was. I want to read to the Committee a resolution passed by the American Bankers Association at their annual meeting in Chicago in the fall of 1933, following the passage of the banking act of that year:

> The American Bankers Association hereby records its deliberate judgment that the dangers involved in attempting to initiate at the beginning of 1934 the provisions for deposit insurance contained in the Banking Act of 1933 are genuine and serious. It holds that the whole project for deposit insurance embodied in that law should be reconsidered, and it reiterates its conviction that the postponement of the first phase of the project is of first importance.

The resolution called upon the President of the United States not to permit the act to become operative.

Immediately after the assembling of Congress in 1934, during the period in which limited insurance of $2,500 for each depositor was in effect, the bankers, through their representatives, by letter and in person expressed hearty approval of the extension of the plan permanently, limited to the amount of $2,500 for each depositor; but we raised the amount to $5,000 insurance for each depositor under the bill that extended the temporary plan for 1 year. This year the bankers, practically without exception, have declared that the plan for insurance of deposits to the amount of $5,000 for each depositor should be made a permanent law.

Under the temporary plan of insurance deposits of $2,500 each we did not have a single bank failure in the United States of any bank that participated in the insurance fund during that 6-month period of 1934. [Applause.] Down to this hour, a period of nearly 1½ years, 6 months of the time being covered by the first temporary plan and the other period in which we have insurance at $5,000, we have had only 11 bank failures in the United States of banks that belonged to the Federal Deposit Insurance Corporation. Six of these failures grew out of defalcations.

Mr. MAY. From the inside.

Mr. STEAGALL. Three of them involved no loss to the Federal Deposit Insurance Corporation. The losses sustained in the others amounted to a little over $300,000 since the enactment of the law, effective the 1st of January 1934.

Deposits in United States banks have increased from seven and one-half billion dollars to $10,000,000,000.

Mr. MAY. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Kentucky.

Mr. MAY. Can the gentleman tell us approximately the number of banks that failed during 18 months preceding the guaranty law?

Mr. STEAGALL. I have not the figures, but we had a wave of bank failures unprecedented in the history of the

country. It culminated in the collapse of the whole bank structure in March 1933. Ten thousand banks had gone down in failure over a period of less than 10 years.

The officials of the American Bankers Association assure us that the banks of the country were never in so sound a condition as that which they enjoy at this hour. What of the dire predictions made at the Chicago convention as embodied in the resolution which I have just read? The plain fact is that the experience of these recent years has demonstrated quite clearly that our leaders of the banking world do not possess the infallible wisdom which we have been accustomed to ascribe to them. It is manifest that they are the victims of the same limitations and weaknesses under which the rest of mankind suffers. In any event, whatever else may be said, the resolutions adopted by the Chicago convention last year lend poor support to any contention that our bankers possess the gift of prophecy.

The public will not fail to note that at the first annual meeting of the American Bankers Association, 1 year from the passage of the resolution adopted at Chicago and following the first year of the operation of the Federal Deposit Insurance Corporation, during which period the Nation for the first time experienced relief from the distress and suffering incident to bank failures, there is to be found no official recognition of these happy developments by the Washington convention. It is a source of gratification to all of us that conditions have so improved that our friends, the bankers, seem to have forgotten the resolution adopted in Chicago in 1933. It is even more gratifying to know that a vast majority of the bankers of the Nation appreciate and approve what has been done for the elevation of banking.

In the light of what has transpired it would be folly to expect any system in the future to command public confidence, or to operate successfully without a guaranty upon which citizens may rely for the return of their deposits. The time has come when depositors who appear at the window of a bank will demand to know if the institution has its deposits protected by the Federal Deposit Insurance Corporation.

The Nation will never cease to remember the constructive service of Hon. J. F. T. O'Connor, both during the struggle for the enactment of the legislation and as Comptroller of the Currency and member of the Board, who bore the chief responsibility in laying the foundation for the remarkable success with which the act has been administered. Mr. Cummings, the first chairman of the Board and Mr. Crowley, who now serves so efficiently in that capacity, have placed the Nation under an immense debt of gratitude to them.

I want to call attention to that, not in faultfinding, but it is a little remarkable that at the first national meeting of the Banking Association in Washington, 1934—when at the meeting in Chicago they denounced the law and called on the President not to permit it to become operative—at the next meeting at the national convention at Washington—for the first time in a quarter of a century they gathered at the National Capital, after the banks of the country had gone through a period without a bank failure—as I say, they met at Washington and forgot the resolution at Chicago in 1933; they made no mention of what they had done at Chicago.

Mr. MAY. Will the gentleman further yield?

Mr. STEAGALL. I yield.

Mr. MAY. Does the gentleman have any information as to the number of banks out of the 11 he mentioned a while ago that closed up by reason of fear or lack of confidence, or was it bad assets?

Mr. STEAGALL. Let me say that no man in a position of responsibility in the banking business or in a Government position need hang his head in shame because of the unsoundness of our banking system or that solvent banks have been forced to close because of the lack of insurance of bank deposits. No solvent bank will be forced to close, nor will bankers refuse legitimate loans because of the fear of runs and withdrawals of deposits.

Mr. SWEENEY. The gentleman stated that there were several thousand bank failures. Does the gentleman know how many of those banks were members of the Federal Reserve System?

Mr. STEAGALL. I have not those figures in my mind—I cannot carry them all in my mind. I will be glad if the gentleman has them to supply them. For the moment, I do not remember those figures.

Mr. FIESINGER. I think about 1,100.

Mr. STEAGALL. I think that is pretty nearly accurate.

Mr. FIESINGER. I think Mr. O'CONNOR said that the other day at a meeting.

Mr. STEAGALL. Let me say this: The Federal Deposit Insurance Corporation has been operating at a profit of nearly a million dollars a month for the first year and a half, and the Corporation could pay a substantial dividend on the capital stock if it was desired to do so.

Mr. HEALEY. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. HEALEY. I would like to have it appear that the depositors in the 11 banks that the gentleman referred to received 100 cents on the dollar of their deposits.

Mr. STEAGALL. That is substantially true.

Mr. MICHENER. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MICHENER. As the gentleman knows, I have agreed with him for a number of years on guaranteed bank deposits. If we had had that, we would not have been where we were, in my judgment; but the gentleman has referred to the lack of stability on the part of banks since we have had this deposit insurance.

Now, as a matter of fact, every bank in the country was closed following the language of the President, and before a bank was permitted to open it must be shown to be a sound bank. Therefore, all of the banks having this insurance have gone through the wringers before they got the insurance, and we started out with banks with sound assets when we insured them. So I do not think we can take a whole lot of credit yet because a bank, if it was opened, should not have failed unless there were defaults, as the gentleman has suggested.

Mr. STEAGALL. The gentleman has called attention to a phase of the matter that has its proper place in this discussion. We could not expect to continue to show such a record as has been made during the first year and a half of the operation of the Federal Deposit Insurance Corporation. If I seem to have exaggerated in my statements it grows out of the fact that what I have undertaken to say is in connection with the dire predictions that were made by the American Bankers Association at their annual meeting in Chicago in 1933.

Mr. MICHENER. The gentleman understands I do not agree with the American Bankers Association.

Mr. STEAGALL. Oh, I am sure of that. I do not mean to criticize the American Bankers Association or the bankers of this country. The bankers have not escaped suffering. I do not think they are worse than the rest of us. I do not desire to say unkind things about our bankers. But I wish Members of Congress and the country could understand that these men in the banking world do not know everything just because they represent big business interests. They make their mistakes just like all the rest of us.

I did not intend to consume so much time on title I of the bill. I have not analyzed all the provisions of title I. I will undertake to supplement what I have stated regarding title I, by some further technical explanation of its provisions.

A nonmember bank may withdraw from the plan as of June 30, 1935, by giving notice to the Federal Deposit Insurance Corporation within 30 days after the enactment of the bill, and notice to its depositors not less than 20 days before June 30, 1935. Insurance of a State nonmember bank is also terminated on June 30, 1935, unless before enactment of the bill, the bank filed the statement showing its deposits as of October 1, 1934, and paid the assessment

as of that date, as required by existing law. A bank's insurance is also terminated as of June 30, 1935, if prior to the enactment of the bill it has permanently discontinued banking operations.

The Federal Deposit Insurance Corporation directors are authorized to terminate the insured status of a bank for continued unsound practices or repeated violations of the law or regulations to which the bank is subject. A statement of such violation must first be given the Comptroller of the Currency in the case of a national or district bank, the State supervisory authorities in the case of a State bank, and also the Federal Reserve Board in the case of a State member bank, for the purpose of securing a correction of such practices or condition. If correction is not made within such period, not exceeding 120 days, as the Comptroller, State authority, or Board, as the case may be, shall require, the Federal Deposit Insurance Corporation directors, if they determine to proceed further, shall give the bank not less than 30 days' written notice of intention to terminate its insured status, and fix a time and place for hearing. If the bank does not apear, or if the Federal Deposit Insurance Corporation directors make a written finding (such written findings to be conclusive) that any ground specified in such notice has been established, the directors "may order that the insured status of the bank be terminated." The Corporation may publish notice of the termination, and the bank must give notice to its depositors in the manner prescribed by the directors.

After such termination, the insured deposits of each depositor in the bank on the date of termination, less subsequent withdrawals, remain insured for 2 years; and during that period the bank must continue to pay assessments like any other insured bank and remains subject to all other duties of an insured bank. However, no additional deposits are insured, and the bank must not advertise or hold itself out as having insured deposits unless it states with equal prominence that deposits received after the date of termination are not insured. When the insured status of a bank is thus terminated, if it is a State member bank the Federal Reserve Board shall terminate its membership in the Federal Reserve System in accordance with the provisions of section 9 of the Federal Reserve Act; and if it is a national bank the Comptroller shall appoint a receiver for the bank (which shall be the Federal Deposit Insurance Corporation if the bank is unable to meet demands of its depositors).

Any insured nonmember bank, upon not less than 90 days' written notice to the Federal Deposit Insurance Corporation, may terminate its status as an insured bank, with continued insurance of existing deposits for 2 years as noted above in the case of expulsion.

Assumption of the liabilities of an insured bank by another bank terminates the insured status of such insured bank with like effect as if terminated as above, except that if the insured bank gives its depositors notice of such assumption within 30 days thereafter, in the manner prescribed by regulations of the Federal Deposit Insurance Corporation directors, the insurance of its deposits completely terminates at the end of 6 months, and all future obligations of the bank to the corporation also terminate. In lieu of the limited power of examination given the Federal Deposit Insurance Corporation in the existing section 12–B (y), the bill permits the Federal Deposit Insurance Corporation examiners, whenever considered necessary, to examine any State nonmember bank which is insured or seeking insurance, and also any closed insured bank. With the written consent of the Comptroller of the Currency, they may also examine any national or district bank and with such consent from the Federal Reserve Board, any State member bank. In addition to the usual powers of examination, these examiners have power to administer oaths, take and preserve testimony under oath and apply to court officials for subpenas to compel the production or taking of testimony.

The Federal Deposit Insurance Corporation is authorized to publish, in such manner as it may determine, any part of the report of such an examination of an insured bank, except a national or district bank, if such bank fails to comply with the recommendations of the Federal Deposit Insurance Corporation based on such report of examination, for a period of 120 days after written notice of such recommendations. Not less than 90 days' notice of intention to make such publication must be given.

Insured State nonmember banks, except district banks, are required to make condition reports to the Federal Deposit Insurance Corporation in such form and at such times as the Federal Deposit Insurance Corporation directors may require, and the directors may require publication of these reports. Failure to make or publish such a report within such time, not less than 5 days, as the Federal Deposit Insurance Corporation directors may require, subjects a State nonmember bank to a penalty of $100, recoverable by the Federal Deposit Insurance Corporation for each day of such failure.

Prior written consent of the Federal Deposit Insurance Corporation is required for an insured bank to consolidate or merge with a noninsured bank, assume liability for the deposits of a noninsured bank, or transfer assets to a noninsured bank in consideration of the assumption of liability for any portion of its deposits. Such consent is also required for an insured State nonmember bank, except a district bank, to reduce the amount or retire any part of its common or preferred stock or capital notes or debentures.

The Federal Deposit Insurance Corporation directors may by regulation require insured banks to protect themselves against insurable losses by carrying burglary, fidelity, and similar insurance; and, if an insured bank fails to comply with such requirements, the Federal Deposit Insurance Corporation may contract for such protection, adding the cost to the assessment otherwise payable by the bank.

The requirement of existing law that insured banks display a sign indicating the insurance of their deposits is extended to require that they also include such information in advertisements relating to deposits and in forms furnished for use of depositors. A definite penalty of $100, recoverable by the Federal Deposit Insurance Corporation, for each day of violation of this provision, is substituted for a mere authorization to the Federal Deposit Insurance Corporation to impose a penalty not exceeding that amount in its regulations on the subject.

Upon the closing of an insured bank, the Federal Deposit Insurance Corporation need no longer organize a new bank in all cases, as a means of paying off the insured deposits. It may follow this method, or it may pay off such deposits by transferring them to another insured bank in the same community or by any other procedure adopted by the Federal Deposit Insurance Corporation Directors. The provision is added that if a new bank is organized it must be organized in the same community. However, in certain circumstances, the Federal Deposit Insurance Corporation Directors may change the location of the new bank to the Federal Deposit Insurance Corporation office or some other place. Obligations guaranteed as to principal and interest by the United States are made eligible investments for such new banks.

Through claim agents the Federal Deposit Insurance Corporation may investigate claims for insured deposits, such claim agents having power to administer oaths, take and preserve testimony under oath, and apply to court officials for subpenas to compel the production or taking of testimony. Except as the Federal Deposit Insurance Corporation directors may prescribe, neither the Federal Deposit Insurance Corporation, a new bank, or a bank to which insured deposits have been transferred by the Federal Deposit Insurance Corporation, need recognize a claim to a part of a deposit not appearing on the closed bank's records as partly owned by the claimant, if it would increase the aggregate insured deposits of the closed bank. The Federal Deposit Insurance Corporation may withhold payment of an insured deposit to the extent necessary to insure payment of a stockholder's liability or any other sums due from a depositor to a closed bank, which are not offset by a claim due from the bank.

Payment of an insured deposit discharges the Federal Deposit Insurance Corporation, a new bank, or a bank to which the Federal Deposit Insurance Corporation has transferred an insured deposit, to the same extent that payment by the closed bank would have relieved the closed bank from liability for the insured deposits; and failure of a depositor to claim an insured deposit within 1 year after the appointment of a receiver for a closed bank bars the depositor's claim for insurance, leaving him merely the claim he would have had against the closed bank's estate if his deposit had not been insured.

The depositor and the Federal Deposit Insurance Corporation, under the bill, will participate proportionately in the dividends from the liquidation of the closed bank, whereas, under existing law, the Federal Deposit Insurance Corporation receives complete repayment before the depositor begins to receive dividends on the uninsured portion of his deposit.

The Federal Deposit Insurance Corporation need not give bond as receiver of a national or district bank, may appoint agents to assist in such duties, and subject to the approval of the Comptroller of the Currency, may fix the fees and expenses for such liquidation and administration. In order to simplify administration, the Comptroller may relieve the Federal Deposit Insurance Corporation from compliance with his receivership regulations.

In the event of a vacancy in the office of the Comptroller of the Currency, the Acting Comptroller is authorized to act on the Federal Deposit Insurance Corporation Board of Directors in his stead; and in the absence of the Comptroller of the Currency any Deputy Comptroller may, within the limits prescribed by the Comptroller, act as a member of the Corporation's Board of Directors in his stead.

The capital structure of the Federal Deposit Insurance Corporation is altered by the bill. Instead of consisting of 3 kinds of $100 par value shares, 2 of which types were to be held by the Treasury and the insured banks, respectively, and were to receive 6-percent dividends annually, the stock is to be that subscribed for before enactment of the bill—that is, by the Treasury and the Federal Reserve banks—and is to be no par value. None of the stock is to pay dividends, just as now provided with respect to stock issued to the Federal Reserve banks; and all stock in the Corporation is to be nonvoting. One share is to be issued, or exchanged and reissued, for each $100 of consideration, and the Federal Deposit Insurance Corporation directors are to allocate this consideration to the Corporation's capital or surplus as they deem desirable. Since the insured banks are no longer to own stock in the Federal Deposit Insurance Corporation, provisions for varying the Corporation's capital stock with variations in the insured banks' deposits, or upon the insolvency of insured bank, are eliminated.

The approval of the Secretary of the Treasury is made a prerequisite to the issuance of bonds or other obligations of the Federal Deposit Insurance Corporation and the amount of such obligations the Corporation may have outstanding is changed from three times its capital, to three times the amount received in payment of its capital stock and of the first annual assessments of the insured banks. The Secretary of the Treasury is authorized to deal in the Corporation's obligations as a public-debt transaction, and proceeds of securities sold under the Second Liberty Bond Act, as amended, may be used for such purpose or securities may be issued thereunder for that purpose. Obligations guaranteed as to principal and interest by the United States are made eligible for investment of the Corporation's funds.

The Federal Deposit Insurance Corporation's duty to purchase the assets of banks which closed before its creation is ended; and, similarly, the power of bank receivers to apply to the Federal Deposit Insurance Corporation for sales of or loans on the assets of closed banks is changed to apply only to receivers of closed insured banks, rather than to receivers of all closed member banks. If the Federal Deposit Insurance Corporation is also receiver of the closed bank, the loan or purchase must first be approved by a court of competent jurisdiction.

To avoid threatened loss to the Federal Deposit Insurance Corporation, or to encourage mergers or consolidations, and so forth, the Federal Deposit Insurance Corporation, until July 1, 1936, may lend upon or purchase the assets of any insured bank or guarantee another insured bank against loss by reason of assuming the assets and liabilities of an insured bank. National and district banks or, with the approval of the Comptroller of the Currency, conservators thereof, are given the necessary authority to contract for such loans from or sales to the Federal Deposit Insurance Corporation.

The Federal Deposit Insurance Corporation is given access to examination and condition reports made to the Comptroller of the Currency and the Federal Reserve banks. It may accept reports made by or to State bank supervisory authorities, and it may furnish to the Comptroller, the Federal Reserve banks, or such State authorities, examination, or condition reports made by or to it.

The routine operating expenses of the Federal Deposit Insurance Corporation (excluding payments such as insured deposits, expenses of acting as receiver, actual loans, expenses in running new banks, and so forth) must conform to estimates approved by the Director of the Budget and accounts necessary for this purpose are to be maintained on the books of the Treasury.

This concludes my discussion of title I of the bill, and brings us to a consideration of title II of the bill.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. STEAGALL] has expired.

Mr. COX. I trust the gentleman will not ask unanimous consent to conclude his argument on title II, but that he will reserve that for, perhaps, tomorrow. However, if the gentleman wishes to go on, I am sure he can obtain unanimous consent. I think title II is the most important title of the bill, and there should be a better attendance here. I know the gentleman can obtain unanimous consent if he wishes to continue. Would the gentleman wish to continue now?

I am particularly anxious that the gentleman shall discuss title II, but I do not want to see him do so under the disadvantage that he operates under at this particular time. There should be a better attendance.

Mr. O'CONNOR. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'CONNOR. What was the request of the gentleman from Alabama?

The CHAIRMAN. There is no request pending. The gentleman from Alabama has consumed 1 hour. Does the gentleman desire to prefer a unanimous-consent request to continue further?

Mr. STEAGALL. I think I shall yield the floor at present to other gentlemen and resume my discussion at some future time. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am very glad to be asked to follow the able Chairman of the Committee on Banking and Currency, a man who has devoted his entire time in this House to the leadership of that important committee, who has made a thorough study of banking; and I am happy to serve with him, although belonging to the other party. He has been fair to the members of the committee. He is big-hearted, kind, cooperative, and I agree with him in most everything except he is a dyed-in-the-wool Democrat and I am an unrepentent Republican. I am sorry he feels compelled to support this measure as an administration measure and to place more power in the hands of the Chief Executive, in defiance of the fundamental principles of his party, of the old Jeffersonian party.

I came here today to listen to the gentleman discuss title II; but unfortunately he did not reach title II. I am expected to answer the gentleman on that particular title. I do not know what my friend the gentleman from Georgia [Mr. Cox] is trying to do, but it is a little embarrassing when you prepare to answer the remarks of the chairman of the committee on title II to have him defer his argument on title II for the time being. So instead of that, I shall

spend a few minutes in replying, in a general way, to the radio speech made last night on the state of the Union by the President of the United States, covering most everything, including banking, and omitting nothing except the A. A. A. and the antilynching bill, which is now being attacked in the Senate by the Democratic leadership.

I only do so in a somewhat humorous vein, because there were a few headlights in that speech, according to the New York Times, in which the President is quoted as saying that conditions were vastly better; that people were happier, and practically that the depression had changed into recovery. Such a statement would be humorous if it were not actually so terribly tragic and pathetic out of the mouth of the President.

Mr. O'CONNOR. Mr. Chairman, I make the point of order that the gentleman must confine his remarks to the banking bill. Under every rule brought into this House as long as I remember there has been a provision in the rule requiring that the remarks must be confined to the bill. I shall object every second to any remarks that the gentleman makes which do not pertain to the Banking Act of 1935.

The CHAIRMAN. The gentleman will proceed in order.

Mr. FISH. Then, Mr. Chairman, I shall have to confine myself not only to title II of the pending bill but to a statement of the finances of the country under the present operation of the Federal Reserve System.

What is the situation? The situation is that the administration has no policy, no policy except to pile debt upon debt, to borrow billions, more billions, and still more billions without any attempt to extinguish the debt or to avoid the inevitable day of reckoning and bankruptcy. If this vicious system of borrowing billions persists we are headed straight for inflation, chaos, ruin, insolvency, and repudiation. In the remarks of President last night he made this statement, "While our present and projected expenditures "——

Mr. O'CONNOR. Mr. Chairman, I make the point of order the gentleman cannot read anything on the floor without unanimous consent.

The CHAIRMAN. The point of order is sustained. The gentleman will proceed in order.

Mr. FISH. I will memorize it. [Laughter.]

He says that we must now consider making provisions for the future, provisions to raise taxes to pay for this wild squandering of money. But when and how does the President propose to levy additional taxes or balance the Budget? This new-deal administration, since it has come into power, has issued about $15,000,000,000 of bonds, including $4,800,000,000 that was just authorized; and it is appealing to the banks to take these bonds and the banks are taking them and other Government securities and Treasury notes that are being continuously issued until today the banks hold in some instances as much as 40 percent—some banks have as much as $200,000,000—of these securities. There are approximately $30,000,000,000 of Government bonds outstanding and about 50 percent are owned by the banks and Federal Reserve System. The banks are terrorized. You did not see any bankers coming here and daring even to denounce title II. They are paralyzed with fear. I do not stand here speaking for the bankers. In my humble opinion there are no more cowardly people in America, although I cannot blame them for being complacent and quiescent. They are scared to death because they know that the Government already controls the banks even in spite of this proposed centralized-bank bill that just places another nail in the coffin and gives the Executive and the Federal Reserve Board just a little bit more power, although they have sufficient power at the present moment to do almost anything they want to banks and bankers. Were the Federal Government in any way to manipulate these bonds through the Treasury Department or Federal Reserve Board, so that they went down 10 points or 15 points, practically every bank in the United States would be ruined and would be forced into bankruptcy automatically. The bankers have got to play ball wtih the administration; and they do not even dare to come here and protest against this mammoth centralized-bank-control bill. If the bill were twice as vicious, if title II were twice as bad, eyen then the bankers would not dare open their mouths. As it is, some of these big banks, like the Chase and the City National, have borrowed $50,000,000 from the R. F. C.; and I am informed that 99 percent of the securities owned by the Federal Reserve Banking System is in Government bonds and notes.

If these bankers want to borrow from the Federal Reserve and their collateral is not quite as good as it should be, if the paper is not quite as sound as it ought to be, the Federal Reserve System can shut right down on them. That is the real danger of placing political control in the Federal Reserve Board and over both money and credit.

I do not go quite as far as some people who say that this bill aims to nationalize the banks, the currency, and credit, and is the first step to socialism and communism. Lenin always said that the first step to communism is the nationalization of banks, credit, and the currency. Certainly this procedure is consistent with other steps of the new-deal administration; it is a direct step toward state socialism and in defiance of every Jeffersonian principle. It is a revolutionary procedure as far as the Federal Reserve System is concerned, which was the creature, the baby, the pet of the real Jeffersonian party under Woodrow Wilson and which has functioned admirably. It should be amended in some respects but in a disinterested manner, not a political way. I am not for control of the Federal Reserve System by the bankers, nor, on the other hand, am I in favor of its control by politics. Some 60 economists recently suggested that there ought to be a committee, a commission, or a board created to give the most intense and disinterested study to title II, in order to revise our entire banking system and put it under fair and disinterested control, not banking control, nor Presidential or political control. I believe that is the attitude of the Republicans. The gentleman from Ohio [Mr. HOLLISTER], the ranking Member on the Republican side, probably will speak tomorrow on the details of the bill; but I believe I express at least the general sentiments of our objection to title II: That we do not want the control of the banks to be political nor do we want the bankers to control, but we want it in a disinterested group. You can add a disinterested member or two to the Federal Reserve Board, representing business and the economists. It takes so much time for worthwhile intensive study that a small group ought to be studying this question for the next year and then present sound, disinterested recommendations, not political or banking viewpoints, but policies that will improve our banking system and protect the people's money from selfish or political control and abuse.

I would strike out all of title II, but I know it cannot be done, for this is an administration measure. You Democrats, with a 3 to 1 majority, are going through with it regardless of whether it is right or whether it is wrong, because, unfortunately, in the last election, for the best interests of the American people and our American system based upon the initiative of the individual and private profit, unfortunately for you, too, my friends on the Democratic side, you pledged yourselves at a time when popular feeling was in favor of the President that you would uphold him in all things. Now that the time has come for you to deliver, you are going to have to deliver against the interests and wishes of your own constituents, whose feelings and views have been changing for the last 4 months. I know how they feel, for I have been among them and discussed matters with some of these Jeffersonian Democrats. They do not believe in turning more power over to the Chief Executive. I feel sorry for you, for I have nothing but the friendliest of feelings for all of you.

Many of you when you get back home and start explaining will find Jeffersonian Democrats looking for your job on the very ground that you were not sent here to be rubber stamps and defy Jeffersonian principles of government by turning over all legislative powers to the Executive, betraying thereby representative government, reducing Congress to a mere debating society with hardly any other function than to affirm the edicts and orders of the autocrat in the White House.

It would be a different matter if the Budget were balanced and there was confidence in the country. It would be different if we did not have 11,500,000 unemployed and 23,000,000 on the relief rolls. I know that the gentleman from New York [Mr. O'CONNOR] will not permit me to continue to reply to the President's radio speech under the rules of the House on the pending bill, but certainly that is not an evidence of recovery. That is what I started out to say, but I do not believe I can go any further without a point of order being made, so I will get back to section 2.

What are these banks doing? They are taking most of the bonds the Government is issuing, then with those bonds they either create currency or credit; then they buy more bonds. It is just a vicious circle. The Government gets the money for Government operations and it is diverted from private industry. If there is anything lacking, and I think everyone agrees with that regardless of partisanship, it is confidence, and what we want more than anything else is the restoration of business confidence. As soon as you have business confidence there will be a demand for credit to go into private industry in order to turn the wheels of industry and employ people. But there can be no business confidence as long as the Government insists on controlling and regimentating all business, small and large. But what is happening now? The banks are taking the money and with that money they are buying more bonds. They make a small profit. They may make 2 percent or 3 percent, and take no immediate risk. They load themselves down with all these Government securities and to that extent divert money from private industry which alone can solve the unemployment situation.

Mr. RABAUT. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. RABAUT. Does not the gentleman know that the type of speech that he is making now and putting in the RECORD is one of the causes for lack of confidence in the country?

Mr. FISH. We might as well settle that issue right now. I want to know from the gentleman whether it is treason in this country to tell the truth. Does the gentleman mean to say that the American people back home are not entitled to know the facts?

Mr. RABAUT. They know the facts.

Mr. FISH. They know there is no confidence because they are beginning to find out that most of the new-deal policies are unsound. There is only one way to restore business confidence in America and that is by applying sound principles and American principles and stop experimenting at the expense of the people and increasing unemployment.

Mr. RABAUT. The gentleman just took the words right out of my mouth.

Mr. FISH. The gentleman does not want to hear the facts, but the people back home are entitled to them. That has been the whole trouble with this administration. Hundreds of publicity agents, agents paid out of the Treasury of the United States, have been getting out propaganda day and night in the press and over the radio in defense of the new deal, and making out to the people back home that Roosevelt and recovery were synonymous. The facts are beginning to seep through to the people and they are beginning to understand the deplorable situation and to realize in spite of the honey words, fireside chats, and propaganda that there are a million and a half more unemployed than there were a year ago. They are beginning to understand the unsound new-deal policies are retarding recovery and impoverishing the people; yet the gentleman claims the Republican opposition must remain silent or join the "new dealers" in deceiving the people. It is not only the right, but the duty of the opposition to expose the failure of these unsound, unworkable, and socialistic policies. He says, "No; do not say a word. Hush! You will destroy business confidence." No speech of mine or any other Member of Congress will destroy business confidence. Business confidence is destroyed by unsound experiments and not by those who expose their failures. That is the only way to correct them and to eradicate the cause.

All I can say is I am sorry there are not more people in the gentleman's party like Senator Glass, Senator Byrd, Senator Tydings, Bainbridge Colby, Governor Talmadge, and I can mention a lot of others, including Huey Long, but he can speak for himself.

Mr. RABAUT. So can the rest of the party.

Mr. FISH. As Professor Kammerer, of Princeton, said: "I have been trying to find out what the financial policy of the Democratic Party is for the last 2 years, and I have been unable to do it." He says: "It is like trying to nail a custard pie to the wall. It just does not stick."

Now, you come in here with title II of the banking bill which simply rivets upon the banks more tyranny, and places more power in the hands of the President. Today the banks are terrorized; they are fearful of moving one way or the other, either because they are afraid they cannot get a loan from the Federal Reserve banks when necessary, or because through manipulation of the Secretary of the Treasury, Government securities will go so low as to put them out of business and then the Government will own all the banks. If Government bonds or securities dropped 10 percent it would mean virtual bankruptcy for most of the big banks.

No one yet has given us the reasons for granting more control to the Federal Reserve Board and establishing a political control. I had hoped that the chairman would speak on title II. May I ask who wrote title II? Who was the author? Who sponsored it? What are the reasons? Why should the President of the United States be given additional power? Why should the Federal Reserve Board be turned into a political machine? What is the hurry? We do not anticipate another panic at this time. Can we not wait and solve this problem the way it should be solved, for the best interests of all concerned, instead of for political interests? We have already turned over to the President the making of tariff schedules. We have given him the power to regulate money. We have turned over the purse strings of the Congress. Now we propose to say to the President: "Here is full power and control over the banks, currency, credit, and the wealth of the country", including the people's money, not the Democratic money, not partisan money, but the people's money. This is exactly what title II does.

I would have preferred to have heard the Chairman of the Banking and Currency Committee give his reasons first as to what title II does before trying to answer him. That would be the proper procedure. But the gentleman talked for an hour and did not touch on title II, which is the most controversial part of the bill.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. Will the gentleman kindly analyze section 2 for the benefit of the Members?

Mr. FISH. I think title II, as the gentleman probably knows, gives political control, and that is the only part to which I seriously object, to the Federal Reserve Board, which in turn controls the Federal Reserve banks through the governors and the appointment of the governors, and in that way right down to the other banks which deal with the Federal Reserve System. I used the word "President." I might just as well have said the Secretary of the Treasury or the Federal Reserve Board. They are all synonymous. The President has the appointive power and he controls the Treasury; the Treasury controls the Board; they in turn control the Federal Reserve System, and the Federal Reserve System controls the banks, each with a little more power as provided in title II.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. Will the gentleman explain to the Committee how the President controls the operations of the Federal Reserve Board and its various functions? The governors are appointed, as the gentleman knows, for a period of 12 years.

Mr. FISH. Yes; but when they resign, and many of them will resign, because of the pension feature of the bill——

Mr. GOLDSBOROUGH. They have not resigned in the past.

Mr. FISH. And the President has the power of appointment. The President has the appointment of the Governor of the Board and he likewise has the appointment of the members, and may I further point out that this bill provides for a new and more advantageous pension system.

Mr. GOLDSBOROUGH. He appoints the Governor, but the Governor is a member of the Board for 12 years. He can remove him as Governor, but not as a member of the Board.

Mr. FISH. And the Governor of the Board, as I understand it, also controls directly the appointment of the governors of the Federal Reserve banks.

Mr. HANCOCK of North Carolina. The gentleman is mistaken about that.

Mr. GOLDSBOROUGH. The gentleman is very much mistaken in that respect.

Mr. HANCOCK of North Carolina. The gentleman knows that the governor of each Federal Reserve bank is to be selected by the directors of the bank, with the approval of the Federal Reserve Board.

Mr. FISH. Yes; the Federal Reserve Board has to pass on the appointment, and no one can be appointed without its approval. That is why I am opposed to making a political machine out of the Federal Reserve Board.

Mr. GOLDSBOROUGH. There is a vast difference, and it is not the President.

Mr. FISH. Oh, no; not the President; but, as I said, I was using the President, the Secretary of the Treasury, and the Governor of the Federal Reserve Board in a synonymous way, because the President appointed the Governor of the Board, and the gentleman knows that as well as I do. We are not going to haggle or quibble about a matter of that kind. This centralized bank bill gives more power to the President. The chairman of the committee admitted it in a public speech the other day, and I had supposed that every member of the committee admitted that fact.

Mr. GOLDSBOROUGH. It does not give more power to the President, because the removal of the Governor of the Federal Reserve Board does not remove him from the Board. He still continues to be a member of the Board, and the only thing the President can do is to change the Governor.

Mr. FISH. He can change the Governor and he appoints every member of the Board. I do not say and I have not stated today that we are taking away legislative powers from Congress in this particular case except so far as it is difficult to rescind legislation or rewrite it over a Presidential veto. What I say is that we are giving more power to the President, to the Treasury Department, and to the Federal Reserve Board to rivet their political control over the banking system and currency and credit, and that it is unwholesome, dangerous, and un-American.

Mr. GOLDSBOROUGH. How are we giving more power to the Treasury Department?

Mr. FISH. Because the Treasury is under the control of the Secretary and he will make recommendations with respect to membership on the Board, or I assume he will make such recommendations, to the President, as he has always done in the past. He already has gigantic powers over floating securities and stabilizing the value of the currency.

Mr. GOLDSBOROUGH. The Secretary of the Treasury has been a member of the Board ever since the Federal Reserve Act was passed.

Mr. FISH. Yes; and I suppose the Secretary of the Secretary of the Treasury will make recommendations to the President as to who is to be on the Board.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. PATMAN. Is it not in the interest of the people that the power to regulate money be in the President, the Secretary of the Treasury, and the Congress rather than a few private bankers, as it is under the existing system which we have now and have had for many years?

Mr. FISH. I thought the gentleman realized that that power was supposed to be lodged in the Congress, and that we have delegated it very largely to the President to determine the value of money.

Mr. PATMAN. The gentleman realizes we cannot exercise that power until we have a unified banking system. Two-thirds of the banks now are State banks and Congress cannot exercise the power that the Constitution confers until we have a unified system, and this bill is a step in the direction of a unified banking system.

Mr. FISH. The gentleman and I must differ on that particular issue, although I want an improved banking system. I think the gentleman will find that even the Chairman of the Banking and Currency Committee admits that title II gives added power to the President and the Federal Reserve Board and sets it up as a more or less of a political machine, and probably this is why he did not discuss it this afternoon.

Of course, it takes it away from the bankers, and that may be all right. We are not complaining about that, but we are maintaining that the control should be in disinterested hands.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FISH. I am sorry, but I cannot yield, even to a member of the committee, as my time is expiring.

Mr. HANCOCK of North Carolina. Please let me ask just one question.

Mr. FISH. If the gentleman is so insistent I shall have to succumb.

Mr. HANCOCK of North Carolina. How would the gentleman secure a disinterested body in this country to operate the banking system? What would be the gentleman's method of approach to that objective?

Mr. FISH. I tried to make it clear at the beginning of my remarks that I would appoint a committee or commission—and I would be very pleased to have the gentleman from North Carolina on it because he has given much time and a great deal of study to this problem—to revise not only the banking system, but the control of it, and then have the committee come back here with an entirely nonpartisan, disinterested solution, so the control would not either be in the hands of the bankers nor in the hands of the President or any political control. That is exactly what I have in mind.

Mr. HANCOCK of North Carolina. Who would name such a board?

Mr. FISH. Why should not Congress name it, why should not the resolution come from the Committee on Banking and Currency?

Mr. HANCOCK of North Carolina. Does the gentleman mean to write the names into the bill?

Mr. FISH. No; there should be one Member of the House, one Member of the Senate, one member representing the banking association, one representing the public—a disinterested group—and one representing the Federal Reserve Board.

Mr. HANCOCK of North Carolina. Has the gentleman ever made any such suggestion to the Committee on Banking and Currency?

Mr. FISH. I do not know whether I made a direct suggestion to the committee, but I think that it has been done by the gentleman from Ohio [Mr. HOLLISTER], who is the Republican spokesman of the committee.

Mr. HANCOCK of North Carolina. A very able man.

Mr. FISH. Very able and industrious. Now, I am somewhat handicapped this afternoon because my good friend from New York [Mr. O'CONNOR] does not realize the fact that you have to go outside of Washington to see what is going on; to get a picture of what is going on you have to go outside of the city of Washington.

Mr. KOPPLEMANN. That is what the President said last night.

Mr. FISH. Precisely. You have to go out to sea on a big yacht so as to understand what the people are doing and thinking about. Of course, Congress is still in Washington,

and is still trying to legislate. We are now trying to legislate, but this is the wrong place, the worst place, the President says, to get a view of the country as a whole, in spite of the fact that the whole country is being run from Washington; yet he says he must go fishing or to Hyde Park, a fine Republican town in my district, to think quietly about the country and find out what is actually going on. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee determined to rise; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, and had come to no resolution thereon.

STATE ALLOTMENTS UNDER THE COTTON CONTROL ACT

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the House Joint Resolution 258, to provide for certain State allotments under the Cotton Control Act.

The Clerk read the bill, as follows:

Joint resolution to provide for certain State allotments under the Cotton Control Act

Resolved, etc., That section 5 (a) of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934, as amended, is amended by inserting before the period at the end of the first sentence thereof a colon and the following: "*Provided further*, That no State shall receive an allotment for any crop year beginning with the crop year 1935–36 of less than 4,000 bales of cotton if during any one of the 10 crop years prior to the date of the enactment of this act the production of such States exceeded 5,000 bales."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. SNELL. Reserving the right to object, does the gentleman think that this is really an emergency matter?

Mr. KELLER. Yes; we want to know what the allotments are before we plant.

Mr. PATMAN. Mr. Speaker, if this refers to cotton I would like to know what it is.

Mr. KELLER. When we had the cotton-industry bill up I was permitted to put in an amendment giving Illinois 4,000 bales. That amendment was accepted.

Mr. PATMAN. Has the gentleman consulted the chairman of the committee about this?

Mr. KELLER. Yes, I have; and this was put in the RECORD 10 days ago.

Mr. PATMAN. And he had no objection?

Mr. KELLER. No; none at all.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion by Mr. KELLER to reconsider the vote was laid on the table.

YOUR POCKETBOOK AND TRANSPORTATION

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech by the gentleman from Oregon [Mr. PIERCE]. delivered over the Notional Broadcasting Co. last Thursday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. WALTER M. PIERCE, of Oregon, at Washington, D. C., April 25, 1935:

It is a curious fact that methods of transportation remained practically unchanged from the very dawn of history to almost recent times. In the very shadows of the beginning we find boats propelled by sails, navigating the Mediterranean and the Nile. Early in historic times we find the wheel in use. Only during the last century has the world entered the era of mechanical methods of transporting freight, human beings, and news. When the seat of government was located on the Potomac, the clumsy stagecoach and the riding horse were the only methods in use for bringing to this National Capital from the farms and villages of our country those privileged to visit the scene of national activities. Every community at the birth of this Nation dreamed of having a ditch filled with water, called a "canal" upon which boats could be drawn by horses or mules. Our ancestors thought this the modern method of transporting freight from place to place.

A hundred years ago, when Jackson was President, venturesome men were starting to lay the bands of steel that were destined to bind this Nation together. I am just wondering if those who engaged in transportation by canal or stagecoach did not at that time look with apprehension upon the coming of this new method of transportation. I wonder if men financially interested in those very early enterprises ever sought for some method by which their financial investments could be saved from bankruptcy? As our ancestors progressed in their knowledge in the use of steam and the metals they made possible the building of more efficient railroads, and for a time ruined canal and river transportation.

As time progressed, that group interested in finance, commerce, and industry, grasped the opportunity of capitalizing and manipulating the aggregation of these units of capital, that were necessary to promote, build, and synchronize the railroad transportation of the country. An accurate history of the period marked by railroad development will chronicle shameful doings in the financial world, transactions which have no parallel in our story of economic development. These were the deeds of men who forgot everything else as they struggled to gain control, a complete and ruinous control, of the railroads. These Titans, whose power extended with each mile that rails advanced, exploited the land for the last possible penny. "The public be damned" was the slogan under which they conducted their frenzied grabbings. A bond issued for every railroad tie, capitalization beyond all reason, with often enough, little or no reference to honest investment or income-earning power—these were marked features of railroad operations. Traffic rates were then pegged at levels high enough to cover the cost of operating expenses and to pay dividends upon millions of dollars representing the face value of watered bonds and stocks. With the rising railroad rates, fixed by the monopolists in their effort to get money and still more money, came public rebellion against those rates. That rebellion finally resulted in regulation of the railroads by the United States Government through the establishment of the Interstate Commerce Commission.

Just join me for a moment to consider the word "regulation." Whenever you come upon the existence of regulation you come upon the existence of control. And where you find control you find one of three things: Establishment of a monopoly, safeguarding a monopoly, or displacement of a monopoly by a new monopoly. I realize how often I have repeated the word "monopoly", but it is just as well that I did so, because that word denotes the very thing which is today the center of the great transportation controversy—a controversy that involves the contents of our pocketbooks. With the growing manufacture and use of automobiles came the inception and growth of the campaign for better roads. It was a campaign which embodied so much power and which was backed by so great a display of public demand that it was simply irresistible.

The number of men engaged in automotive transportation equals, if it does not exceed, the number of men employed by the railroads. The railroads were and are a natural monopoly. Every firm desiring it could not have its own cars, and transport them over lines of steel, as the originators dreamed they would do a hundred years ago. The highways and waterways are not a natural monopoly; they are open to free competition. Anybody and everybody should be allowed to use them by conforming to reasonable rules and regulations. Such regulations should not govern rates.

The main reason for the difficulties which now face the railroads is not the development of highway transportation. It is to be found in the fact that the railroads were overcapitalized through greed. During the period through which this overcapitalization has been in process they have failed to discard obsolete methods. The sole object of the railroads has been to pay big dividends to the holders of their stocks and bonds. In connection with that fact it must be remembered that the railroads are controlled by the big banks. There are in the United States today approximately 270 railroads, all controlled by about a dozen banking groups, among the leaders of which are J. P. Morgan & Co. and Kuhn-Loeb & Co.

Now, the ears of the Nation's producers, shippers, and consumers are filled with the loudly proclaimed doctrine that unregulated competition between different kinds of transportation is as greatly to be feared by the public as unregulated monopoly. Chief among the prophets who are dinning this doctrine upon the public ear is Mr. Eastman, the Federal Coordinator of Transportation. His name is used for the bill that passed the Senate last week with little consideration and without a roll call. That bill (S. 1629) proposes to place highway transportation within a strait-jacket of regulation that has been designed by those who seek to regain for the railroads some vestige of the monopoly they once enjoyed. We who pay the freight wonder from what banking house this unique doctrine emanated.

Those who shout this dictrine at us would be only too glad if we would forget the time-proven fact that competition is the very life of trade. And they would be equally glad if they would make us forget that to competition may be traced every impulse and desire to improve—every impulse and desire that has led to the commercial and industrial developments which have brought to the United States a distinction among nations.

Now Congress is confronted with proposed legislation to destroy the beneficial effects of competition by regulating through Federal authority all common and contract motor carriers engaged in interstate commerce, all water transportation, and that which is air borne. Legislation pending in Congress requires a certificate of public convenience and necessity for all such carriers as I have indicated. The only exemptions are those individuals or firms which transport their own products in their own vehicles, and these operators are to be standardized by this same infallible Interstate Commerce Commission.

Who is asking for this? It surely is not the shipper. He has now the choice between water, motor, and railroad transportation, depending upon his location. He surely will not be benefited, but most seriously harmed by such regulation. It surely cannot be the consumer who asks this because the natural tendency of unregulated transportation is lowering of costs, and what the consumer desires, above all other things, is low cost for the commodities he consumes. Surely it cannot be the farmer who is desiring this regulation, for he naturally believes in competition; neither can it be the ordinary truckman or busman who is working for hire. The vast majority of them are small operators, owning on the average two trucks or less. They do not want to have the burden of applying for a certificate of public convenience and necessity. They do not wish to be obliged to start and stop at certain hours, at certain stations, be allowed to go only to certain places, and be paid a financial reward to be fixed in Washington. The independent truck owner, above all persons, would object to such regulation if he knew its ultimate effects.

Before going further, let me clear away a misapprehension which exists in the minds of many persons who have read or heard about the rising opposition to the Federal regulation of highway transportation proposed in the measure now before Congress. This measure, known generally as the "Eastman bill", is not a measure which deals with the control of size, weight, and speed of trucks and busses, nor does it concern itself with the effort to see that all such vehicles are equipped to provide the greatest possible safety upon the highways. Those among my listeners who have been led to believe that this bill has as its purpose the increase of convenience and safety on the Nation's highways should know that the measure is directed toward a different goal. Everybody who has voiced opposition to the Eastman bill advocates reasonable and proper regulation of motor vehicles for the purpose of promoting safety and convenience on the highways. Do not, therefore, allow anyone to make you think that the type of regulation proposed by the Eastman bill is anything but the type of regulation that seeks to foster a transportation monopoly which will increase the Nation's transportation bills and will unjustly take money out of our pockets.

The railroads know that enactment of this bill will have the effect of boosting highway transportation rates. And they hope that the boosting of those rates will enable them to regain some of the traffic they have lost, because they bled the traffic for all it would stand during the days when they had a monopoly on transportation.

Let us take a look at this proposed legislation which would so vitally affect all of us, if it were permitted to become a law. The declared purpose of the bill is to "improve the relations between, and coordinate transportation by regulation of motor carriers and other carriers." Use of the words "improve" and "coordinate" in this bill means simply that the measure's purpose is to make the situation in motor transportation just like the situation in railroad transportation. That means that highway transportation rates will be boosted to the same level as railroad rates. Railroads have to charge these rates in order to make any kind of profit in the face of their high interest charges, and other burdens, created as a result of their wild financial orgies of other days. Do you think, for one minute, that the railroads would be fighting tooth and nail for enactment of this Eastman bill if they thought it would have any other effect than to raise rates? They certainly would not.

You can look through the text of this legislative proposal, from one end to the other, and you will not find anything that will give protection against excessive rates to users of highway transportation. You may be able to find something that looks as if it might afford that protection, but if you study the text carefully, you will reach the conviction that the bill is directed toward fixing minimum rates and not toward control of maximum rates.

Every cotton grower and shipper knows that rail rates for transporting cotton were decreased on account of truck competition. Fruit and vegetable growers and shippers well know how the reasonable rates afforded by highway transportation have enabled them to keep their heads above water during the recent troublesome years. Every livestock man knows that at least 40 percent of the livestock shipments in this country today are moving to market by highway transportation.

The National Cooperative Milk Producers Federation estimates that this bill, if enacted by Congress and approved by the President, will result in increased hauling charges to the dairy farmer of between fifty and sixty-eight millions of dollars a year.

It would be necessary to call the roll of virtually all the classes of producers and shippers in the United States, if one were to attempt to cite those which have been aided in these days of economic hardship by the economies and facilities that highway transportation affords. This highway transportation has brought relief from high railroad rates.

Ultimate users and consumers of goods that are transported—and that means you and me—are unable to ascertain what percentage of our living-cost bills must be charged to transportation. That fact keeps us from knowing how much highway transportation has meant to us in dollars and cents.

If the Eastman bill should be enacted, regulating commercial trucking, the next regulatory move would attack those of us who carry our own goods and materials in our own motor vehicles.

It is evident that when the railroads have managed to get the commercial trucks under Government regulation, they will have only begun their move to wipe out the honest competition which motor vehicles provide. No good citizen wants to see that sort of thing happen.

That is what is coming if the banker-controlled railroads have their way and get the Eastman bill enacted. Wall Street bankers, carrying on their books railroad stocks and bonds often listed at three times their actual value, are making a great effort to enact this bill. Since the World War noncompetitive railroad rates have been increased more than 50 percent. Now those who speak for the railroads demand 17 percent additional increase, or a net income of one-half billion dollars more each year. The bankers want their last pound of flesh. Already they have been powerful enough to borrow from our Government $450,000,000 through the Reconstruction Finance Corporation and nearly two hundred millions from the Public Works Administration, that custodian of sacred funds supposed to give work to the unemployed.

It is said by those who are deeply read on this subject and have given it much thought that the final solution is governmental ownership and operation of the railroads. If that time ever comes, the crime of all crimes will be committed if these broken-down railroad lines unload on the Government their much depreciated railroad securities at their fictitious values.

Mr. Eastman has said that he wishes to delay Government ownership. If it must come, why try to stop it? It is a false notion that this Government is going to pass out of this so-called "depression" in a few months, or even years, and that prosperity is to reign as it did in the past. We are living in a new era.

Why must our country regard as sacred an investment in railroad securities? Six million farmers invested in lands, horses, and farm wagons, buggies, and harness. They have seen these investments cut in half by the depression. Why is money invested in a railroad bond any more sacred than the investment of a farmer in Oregon or Illinois? It is treated as more sacred for the reason that these holders of bonds are generally closer to the Government and the powers that be than are the owners of isolated farm homes. Their voices, I find, are far more effective in legislative halls. That is the reason they could, without any consideration, pass the Eastman bill through the Senate.

Waterways and highways should be free. Freight rates by water are generally about one-half of what they are by rail. Twelve thousand miles of railroad have been abandoned since 1920, and at least twice as much should be abandoned now. Should the people make good the losses that have come to those who have been unfortunate in these particular investments alone? We want no transportation bureaucracy in this land. This legislation will nullify every sound and accepted navigation policy, and it will make transportation excessively expensive, which will seriously affect any return of prosperity to the masses.

The entire automobile industry pays one and one-quarter billions of dollars in taxes, and the trucking industry pays three hundred and twenty-five millions of this amount. The average commercial truck engaged in interstate hauling today pays $1,875 in taxes and licenses annually, which nearly equals the original cost of the truck. In face of such a contribution to the Public Treasury, why regulate them out of existence for the benefit of New York bankers?

On the Great Lakes, from Lake Erie ports to Lake Superior ports, a distance of 800 miles, the freight rate on coal is from 30 to 40 cents a ton. The railroad rate is $3. The railroad freight rate from Pittsburgh to Memphis on iron is $11.50 a ton; by water it is $4.50. Does anyone believe that if the bankers can succeed in putting over these bills such water rates will be allowed to stand?

The farmers of the Northwest are paying, in freight rates, three times as much as is paid by the wheat farmers for similar distances in the Mississippi Valley where there is water competition. The price demanded by the New York or Wall Street banker is too heavy for this Government to pay. It means the further impoverishment of the country for the benefit of the favored few; it means that one more link will be forged in the chain of slavery with which that group has bound us.

The bill regulating trucks has already passed the Senate, almost without any consideration. The Senate devotes hours and days to discussion of the most trivial subjects, but the regulation of the trucks and motor busses, which will affect not only the many employed in their operation, but also many millions of patrons, drew from that august body only the most casual consideration. The bill is now before the House.

You, whose pocketbooks would be affected if the Eastman bill were to be enacted, are in a position tonight to do something that will mean much to you. Your Representative in Congress is being flooded by telegrams and letters inspired by the bankers and the railroads, calling upon him to help put the Eastman bill on the law books of the Nation.

Your Representative knows there is another side to this whole affair, and he would like to know what you think about it.

Help your Congressman to fight this battle by telegraphing or writing him, telling him you want him to use every means at his command to stop the Eastman bill from becoming the law of this land. With evidence of your support of his action, your Congressman will let members of the House Committee on Interstate and Foreign Commerce, before whom the bill is now pending, know

that the people do not want a law that will make it necessary for interstate truck operators to apply to Washington for a certificate of public convenience and necessity before they may operate. Farmers, truck operators, stockmen, business men, write your Congressman to oppose the Eastman bill, S. 1629. Act for your own sake and in the interests of 95 percent of the people before it is too late.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD at the conclusion of my remarks today on the auto-liability bill, a memorandum prepared by the corporation counsel of the District of Columbia.

The SPEAKER. Is there objection?

There was no objection.

TAKE HAND OF GREED FROM THROATS OF PEOPLE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a copy of speech I made on the public-ownership bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at the Public Ownership Conference at the Willard Hotel, Washington, D. C., Monday, February 25, 1935, at a meeting presided over by the Honorable Carl D. Thompson, 127 North Dearborn Street, Chicago, Ill., executive secretary of the Public Ownership League of America:

Congress should reassume the privilege of issuing and distributing currency and Government credit and use such privilege for the purpose of paying off entirely the national debt, thereby saving about $1,000,000,000 a year to the taxpayers; refinance all debts of States, counties, road and school districts, and municipalities, and all districts institutions, and projects that are used wholly in the interest of the general welfare, representing public improvements or educational facilities in a way that no interest will have to be paid by these different divisions and organizations for the use of the Government credit for such purposes, thereby reducing the tax burden on farmers, home owners, and others approximately 50 percent.

BLANKET MORTGAGES

The people who own the real estate of this Nation pay taxes on what they owe and not necessarily upon what they own. Banks issue blanket mortgages on all this property in the form of currency and pay no interest for the privilege. These blanket mortgages should be issued in the interest of the people who own the wealth that is used to secure such blanket mortgages.

HOW TO GET PEOPLE INTERESTED IN MONETARY REFORM

You will accomplish absolutely nothing by merely talking about money and monetary reform. People will not pay any attention to you. But if you will show the people how they can get some of this money or benefit by reason of such reform, directly, purely a pocket-book and barrel-head proposition, you can get them interested, and accomplish something.

SUDSIDIZED PRESS

We cannot overlook the power of that part of the press that is controlled by selfish, greedy interests. Many newspapers are at the mercy of the powerful few who control the finances of this Nation. They print what they are told to print. If they do not, they will find themselves in the position of one large newspaper in a great city not so long ago. It failed to get the eight pages of advertising on a certain day in the week that it had always gotten. The advertiser had told the newspaper store to change his policy in which he opposed a certain candidate for office, and he refused. Later this policy was changed, and the advertising was resumed.

Less than 10 days ago in this country, the land of the free and the home of the brave, a newspaper chain that reaches forty or fifty million people every day, was compelled to change its policy in regard to monetary reform, and one of the greatest and most popular columnists, whose views are sound from the standpoint of the people, was put in the dog house so far as this monetary issue is concerned.

I am wondering what the outcome will be. The power of the great means of communication is unlimited, and with this power against you it takes a long time to sell a good cause to the American people.

MORE MONEY NEEDED

A sufficient medium of exchange is very much needed. In 1929, bank clearings in New York City aggregated $500,000,000,000; in 1933, only $157,000,000,000.

Chicago reduced from $36,000,000,000 in 1929 to nine billion in 1933. San Francisco, from eleven billion in 1929 to four billion in 1933. In Detroit, a reduction of from eleven and one-half billion in 1929, to two billion in 1933.

From 1926 to 1929, the demand deposits in banks subject to check averaged $21,000,000,000. In 1933 and 1934 the average was $14,000,000,000. The banks deliberately canceled and destroyed $7,000,000,000 of our circulating medium.

Now, many of us are called radicals and fools because we want to restore $2,000,000,000 of that circulating medium that the banks have destroyed. The same people who criticize us say it is all right for the banks to put credit into circulation, but they don't want the Government to put money into circulation instead.

PROTECT THE FINE JERSEY COW

In other words, they are like the farmer who was purchasing medicine at the drug store. The pharmacist was wrapping up the two bottles, which had been filled in accordance with two prescriptions. The farmer said, "Mark plain them bottles, which is for the wife and which is for the cow. I sure don't want anything to happen to that fine Jersey cow."

Our critics say, "Be careful about who puts the money into circulation. We don't want anything to happen to the great and powerful privilege that a few banks now have to use the credit of the Nation freely."

Although the money that people have to pay with has considerably decreased, and the purchasing power of the dollar has gone up considerably, property values have been destroyed. Interest payments that amounted to $4,000,000,000 in 1929 increased to four and one-half billion dollars in 1933.

PER CAPITA DEBT

Our per capita public debt in 1916 amounted to $11.96. In 1934 it amounted to $213.75. This includes the national debt at $27,000,000,000. It is now $28,000,000,000, and the interest on this debt will amount to over $6 per capita annually. If we pay 3 percent interest on the $28,000,000,000 the Government now owes, in 30 years the American people will have paid $38,000,000,000 in interest alone and will still owe the principal; and in 60 years we will have paid $130,000,000,000 in interest and still owe the principal of $28,000,000,000.

TAKE HAND OF GREED FROM THROATS OF PEOPLE

There is only one way to take this impossible and unfair burden off the American people, ourselves and our children, and that is to take from the throats of the American people the hand of privilege and greed.

There is only one reason why the American people tolerate for one moment the existing idiotic and imbecilic system of issuing and distributing currency and Government credit, and that is because they are not informed and have been misled by the press and newspaper writers, many of whom are bought and paid for.

BROADCASTING COMPANIES COMMENDED

With the proper use of the radio, this stranglehold can be broken and the people given the truth. I commend the broadcasting systems of this Nation for their liberal and generous use of time to speakers who are presenting the other side of questions that are not presented in many of the powerful newspapers of our country.

The people are entitled to the truth, and when they get the truth the country will be safe.

WORLD'S GREATEST RACKET

The world's greatest racket is the abuse of Government credit in the interest of a few.

Four tons of paper money a day is printed at the Bureau of Engraving and Printing.

Corporations pay no tax on Government bonds and the banks hold $16,000,000,000 of these bonds.

LOST OR DESTROYED MONEY

Today we have about five and a half billion dollars, theoretically, in circulation. That is, presuming that all the money that has ever been issued is still outstanding. That is not taking into consideration the fact that over a period of 75 years or longer much of this money has been lost or destroyed. We know that some of it was destroyed in the Chicago fire. We know that much of it has been lost in shipwrecks. We know that much of it has been burned and lost in other ways, and buried in the ground. Much of it has been hoarded by criminals, even. Often it is discovered that criminals years ago buried money which is just now being discovered. When the old bills, the large ones, were called in several years ago they were being replaced with new ones. About a year ago it was made known that $500,000,000 of that money had never been brought in for redemption. I do not know what the figures are now but there is a very large sum outstanding.

Other countries use our money. Poland and Cuba use our money almost exclusively. Many foreign governments and possessions use our money. Consequently, much of our money is not here at all but is in foreign countries. But theoretically and presumably we have five and one-half billion dollars in circulation.

BANKS HAD $1.75 TO PAY EVERY $100

When all the banks of the country closed in March 1933, the banks had in their vaults about $1.75 to every $100 that they owed their depositors. One dollar and seventy-five cents to every $100. That does not mean that was all the money they had access to, because in the Federal Reserve banks and other banks they had an additional sum, which, however, would not aggregate more than $2 to every $100 that they owed their depositors. Therefore, taking the two, they did not have, or have available, more than $3.75 in money to every $100 that they owed their depositors. You will wonder how they could do business. The reason is that the people do not all call for their money at the same time, no more than all people who are insured by life-insurance companies die at the same time. They were able to do business. But they, with that small amount of money, were doing a business aggregating hundreds of billions of dollars a year. Individual depositors were owed about forty-some-odd billion dollars when all the banks closed, almost $50,000,000,000.

PAY OFF NATIONAL DEBT WITH NEW MONEY

My theory is that you can pay off the National debt of this Government with United States notes—new money—and not disrupt our financial system if you will do it gradually, and at the same time increase the reserve requirements of banks. As it is today, those banks can extend loans amounting to $10, on the average, to every $1 that the bank has in its vault. We can change that. As we put additional money into circulation, we can say that hereafter a bank cannot loan more than $8 to every $1 or $5 to every $1 or $3 to every $1, and finally we can reach that stage, which I hope we will reach some day, where we will have 100 cents in money for every dollar that the banks owe their depositors. In other words, the banks would not be permitted to extend loans when they did not have the money with which to make the loans. They would only be permitted to extend loans when they had actual money to make them.

Under our system, money only represents about 5 to 10 percent of our circulating medium. The remainder is represented by bank credit, which we should control.

CHANGE RESERVE REQUIREMENTS OF BANKS

If you were to issue $20,000,000,000 in money and did not change the reserve requirements for banks, the banks could issue $200,000,000,000 in credit on that. But as you increase the volume of money, if you want a safety valve to prevent undue expansion of the currency, you should change the reserve requirements of the banks at the same time, and, if necessary, take actual money out of circulation. Then, if you need expansion, you can liberalize the reserve requirements and make it easier for credit to be put into circulation. I understand that if you inflate to the extent that there is fear in the minds of the people there will be flight from the dollar to commodities, but none of us hopes to go that far. We expect to have these safety valves along with all these measures so as to protect the people against undue expansion or inflation. There is much said about protecting the people from inflation but too little said about protecting them from deflation.

FAMOUS GOLD RESERVE

We have in the Treasury today $8,000,000,000 in gold. We could pay off our entire national debt and have a safe gold reserve and go back on the gold standard having more gold per dollar than the foreign countries of Europe have ever had to back up their currencies. And we could do this with our present gold supply of $8,000,000,000. We have $2,800,000,000 of gold in the Treasury, which is the Government's profit on revaluation of gold. It is included in the $8,000,000,000 mentioned.

England stayed on the gold standard 100 years with a 10-percent and less gold reserve. On a 40-percent gold standard, we can issue $20,000,000,000. Since we have only $5,500,000,000 in circulation, $14,500,000,000 more may be issued on gold and have a 40-percent reserve. In addition, we have a billion ounces of silver that may be used as a reserve for the issuance of a larger amount.

GOVERNMENT SHOULD TAKE OVER FEDERAL RESERVE BANKS

There are 12 Federal Reserve banks in this Nation. As originally framed, the Federal Reserve law was a good one, and the Federal Reserve banks were intended to serve a useful purpose; but the law has been changed by these so-called "perfecting amendments" until the Federal Reserve Banking System no longer serves the very useful function it was organized to serve. It has failed to extend credit at a time when credit was needed. The Federal Reserve Banking System has almost gone out of business except in the bond-brokerage business and the use of Government credit to buy Government bonds. It has today very few millions of dollars in bills it has purchased or rediscounted for member banks. They do, however, hold $3,500,000,000 in United States Government bonds. I say that it is an idiotic system that we have permitted to grow up. In other words, for the Government to let any banking institution or system on earth use the Government's credit to purchase United States Government bonds and then the Government continue to pay interest on those bonds is not sound business. It is nothing more than if I, having a $3,000 mortgage against my home, give you $3,000 to pay the mortgage, you pay the mortgage and have it transferred to yourself and still expect me to continue paying interest on this liquidated mortgage. This is the situation we are in with regard to the Federal Reserve banks holding United States Government bonds. These bonds were purchased with Government credit and the Government should not continue to pay $40,000,000 a year interest on these bonds while they are being held in this way.

GOVERNMENT CAN ISSUE A SOUND DOLLAR BILL IF IT CAN ISSUE A SOUND DOLLAR BOND

Furthermore, the private banks of the country hold about $13,000,000,000 of Government bonds (not including the $3,500,000,000 held by Federal Reserve banks), and when they collect interest on those bonds they are collecting nothing but a Government subsidy or bonus, and they should never be permitted to collect it. The Government should not issue such bonds. Thomas A. Edison was right when he said that any government that can issue a dollar bond that is good can issue a dollar bill that is good. The only difference is the bond draws interest and the bill does not draw interest. The bill is easier to pay because it does not draw interest, and usually the people who are objecting to paying the debts with this money, under a safe, sound system, are those who are drawing interest on Government bonds which are unnecessary for this Government to issue. We are paying this year nearly $800,000,000 interest on bonds, on which we should not pay one dime. It is useless; it is unnecessary. The Government debt can be paid off and at the same time not have undue expansion of the currency.

FEDERAL RESERVE SYSTEM PRIVATELY OWNED

Remember that the Federal Reserve Banking System we are talking about is not a Government-owned institution. It is true that the Government has a limited and restricted supervision over those banks through an indirect board that exists here in Washington, but they have 12 banks and 12 boards of directors. These banks are owned by private banks that are member banks. The Government does not own one penny of stock in them. Last year a group of Members of this House made a trip to New York City, and one of the objects of the trip was to go through the Federal Reserve bank.

While we were down in the bank vault, 50 feet below sea level, Governor Harrison was showing us where the gold used to be until, as he said, we took it away from him, and one of the gentlemen from the West said, "You took it away from us first." I asked him where the directors' room was. He stated that it was up on the tenth floor. I told him that was the room I wanted to see. He said, "There is nothing up there to see; but if you want to go up and see, all right." I told him I desired to see that room. We went up there and we found that the directors' room was on the north end of the building. Of course, "directors' room" does not mean anything. So I asked him, "Where is the Federal Reserve agent's room?" He showed us a suite of rooms on the east side and told us that "these are the Federal Reserve agent's rooms. This is his private office." The Federal Reserve agent used these rooms when acting as Federal Reserve agent.

I next asked him, "Where is the office of the chairman of the Board?" We then walked across the hall to the west side, and he told us, "Here is the office of the chairman of the Board and his suite of rooms where all of his stenographers and assistants are employed." It was just like on the other side. I next said, "I want you to explain to me and to these people assembled here why you have two offices for one official." And he is the same person. He is the Federal Reserve agent on the east side and chairman of the Board on the west side. The only difference is when he is Federal Reserve agent he is supposed to represent this great Government of ours. In that capacity he has the privilege of calling up the Bureau of Engraving and Printing here in Washington and have money printed and sent to him. The money will be printed and sent to him in New York City.

REPRESENTS BOTH BANKS AND GOVERNMENT

When that money is sent up there, he does not send the securities down here to deposit for that money; he deposits them up in New York City. When the money comes back, he goes across the hall and becomes chairman of the board. He then represents the member banks of that Federal Reserve district. It is his business to listen to those banks in reference to putting out that money. May I say further that two-thirds of the directors are elected by the banks and only one-third are appointed by the Federal Reserve Board; therefore, they have a balance of power. These Federal Reserve agents acting in their dual capacity I do not think are in position to properly represent the interests and the general welfare of the people of this Nation.

FOUR TONS OF PAPER MONEY DAILY

The Bureau of Engraving and Printing is running every day. They turn out about 4 tons of paper money a day. Each pound contains 500 bills, whether they be dollar bills or $10,000 bills. This money goes out every day to the banks of the country.

The money I propose to issue is no more fiat money or bologna dollars than the money issued every day by the banks of the country. The bankers hold to that "fiat money" view, but they do not stop and explain that the money they handle every day is fiat money, according to their own definition, and that the credit they handle is also fiat credit.

I respectfully submit for your consideration the following:

First. The Federal Reserve banks should be taken over by the Government and operated in the interest of all the people, banks, industry, agriculture, and commerce.

Second. No private corporation, or corporation owned by private corporations, should have the right to issue money.

Third. The Government should issue currency when in need of money instead of tax-exempt, interest-bearing bonds.

Fourth. No additional taxes should be levied as long as we need additional money.

Fifth. Very few of the bankers of the country, even the real good ones, have ever studied or thought anything about this monetary problem.

Sixth. A billion dollars a year can be used by the Government to a better advantage than paying it as interest on Government bonds that may be used as a basis for the issuance of currency.

Seventh. Direct credits should receive the thoughtful consideration of the people.

Eighth. Opposition to any progressive proposal may be expected from those who will be deprived of special privileges, the die-hard, orthodox, hard-money advocates, and the poll-parrot satellites of Wall Street who only repeat what others say and never think for themselves.

Ninth. We need and must have more money as a circulating medium, but we should not issue more Government bonds in order to get it. Money itself is of no value; it is a simple tool desired for the one purpose of making exchanges. Money is no mysterious thing; no mystic principles veil or obscure it; it is a tool for making exchanges, just as a hammer is a tool for driving nails.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to speak for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. The Members of the House may have already noticed that the United States exported to Japan 134,280 bales of cotton less last month. I should like to insert in the RECORD at this point as a part of my remarks a statement showing the amount of cloth that we have imported from Japan, which shows a great deal of increase in that also.

The SPEAKER. Is there objection?

There was no objection.

The statement referred to is as follows:

Imports of piece goods from Japan

MONTH OF MARCH 1935

	Square yards	Value
Unbleached	114,000	$4,000
Bleached	6,219,000	308,000
Printed, dyed, or colored	958,000	67,000
Total for March 1935	7,291,000	379,000

January to March, inclusive

	1935		1934	
	Square yards	Value	Square yards	Value
Unbleached	124,000	$5,000	None	None.
Bleached	13,806,000	663,000	342,704	$14,961
Printed, dyed, etc	2,791,000	186,000	107,667	9,936
Total	16,721,000	854,000	450,371	24,897

Above figures from Textile Division, Bureau of Foreign and Domestic Commerce.

Exports of raw cotton from United States to Japan

	Bales	
	1935	1934
January	149,232	166,800
February	98,026	137,089
March	51,632	129,281
Total	298,890	433,170

Decrease, 134,280 bales.

Mrs. ROGERS of Massachusetts. These figures show the immediate need for the President and his Cabinet board to take action to increase our raw cotton market and also to prevent the importing of cheap Japanese cotton goods. You will note it is a concentrated competition against a certain type of American-made cotton cloth.

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent to insert in the RECORD in connection with my remarks on the rule today certain statements concerning central banks in other countries, which statements have been prepared from official sources; and also a summary of the relations of the Federal Government with banking in the United States.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE PATMAN BONUS BILL

Mr. STACK. Mr. Speaker, I ask unanimous consent to extend my own remarks and insert therein a speech delivered by Hon. WRIGHT PATMAN at Philadelphia at the Three Hundred and Twelfth Field Artillery banquet.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker, under leave to extend my remarks, I insert herewith a speech delivered by the Honorable WRIGHT PATMAN, at the Broadwood Hotel, Philadelphia, Saturday, April 27, 1935, at 8 p. m., at the ninth annual banquet of the Three Hundred and Twelfth Field Artillery, composed chiefly of Philadelphia citizens. Commander James A. Russell, commander of the association, presided as toastmaster. The speech was delivered over a national radio hook-up.

From the comments I have received since the speech was delivered, the people of Philadelphia and Pennsylvania have a fuller understanding of what the Patman bill really is, and I personally am satisfied that the reaction in Philadelphia, quondam home of Republicanism and Toryism, was very favorable.

Mr. PATMAN's speech was as follows:

Mr. Toastmaster, members of the Three Hundred and Twelfth Field Artillery Association, distinguished guests, ladies and gentlemen of the radio audience: I am very glad of the opportunity to address an audience in the great city of Philadelphia, Pa., the cradle of American liberty and the city of brotherly love, and in the congressional district of my good friend and colleague MICHAEL J. STACK.

STACK PRAISED

This is one of the busiest times of my life, and ordinarily I would not have accepted your very kind invitation to be here, but remembering the strong, able, and effective support Congressman STACK has given to the cause that is so near and dear to my heart, I could not conscientiously decline. Congressman STACK served in the Ninetieth Division of the American Expeditionary Forces in France. He was wounded in battle, and his blood was spilled in time of war for the cause of his country. By reason of his great services upon the field of battle, and the heroic sacrifices made, he has received the distinguished honor of being decorated with the Order of the Purple Heart. Congressman STACK is making a good record in Congress. He is working hard and is admired by his colleagues for his courage and ability.

SENATOR GUFFEY

The Nation and the Democratic Party that I belong to—naturally I know more about the Democratic Party—have reasons to be grateful to Pennsylvania for sending us such an able and fearless delegation of Congressmen to the House of Representatives and such an able Senator, the Honorable JOE GUFFEY. I know all of these gentlemen, and know that they are sympathetic to the cause of the veterans of the World War and their dependents. The Democratic Members from the House unanimously, and a substantial number of the Republican Members, stood 100 percent for the Patman bill to pay the veterans in United States money, the best money on earth.

OUR PROBLEM—UNDERCONSUMPTION

Our national problem is not overproduction, it is underconsumption. If every person in the United States could buy all the needed comforts, necessities, and conveniences of life for himself and family, there would be a shortage of practically all commodities instead of a surplus. People in the South, who are producing cotton, are not financially able to buy the cotton goods that they need. The wage earners in the factories of the North do not have the purchasing power to buy what their factories produce. The first step toward lasting prosperity in this country must be made by the consumers. The consumers cannot make this necessary step unless they have purchasing power. Therefore, our first major problem is to distribute purchasing power among the masses of the people. Any plan that will distribute this purchasing power quickly, uniformly, and evenly into every nook and corner in the Nation with the least delay and with the least possibility of graft or favoritism should be given early consideration by the Congress of the United States.

ADJUSTED-SERVICE CERTIFICATES

I am here to discuss the payment of the adjusted-service certificates to 3½ million World War veterans. If these certificates are paid in cash now, the veterans will receive approximately $2,000,000,000. The 259,931 certificate holders in the great State of Pennsylvania will receive $155,000,000. The certificate holders in Philadelphia County alone will receive $31,500,000. A similar distribution will be made in all the 3,072 counties of the United States.

HOUSE FAVORED H. R. 1

When this subject is mentioned, it is not unusual for an uninformed person to say these certificates are not due until 1945 and the Patman bill—H. R. 1—provides for their payment in printing-press money. The Committee on Ways and Means in the House of Representatives considered this bill for several days. A majority of the members of that committee, who favored any bill providing for full payment favored H. R. 1, the Patman bill. This bill was discussed for several days before the House of Representatives, composed of 435 Members. Two-thirds of the Members of that body who favored any bill favored H. R. 1—the Patman bill—and it was passed in the House of Representatives and sent to the Senate.

SOLDIERS' ARMY PAY

The Senate Committee on Finance has reported our bill to the Senate, with a recommendation that the Harrison bill be substituted. I am opposed to the Harrison bill or any other bill that does not provide for full and immediate cash payment of these

certificates. It is true that the certificates are legally not due until 1945. They were given to the veterans as adjusted pay, not as a bonus. The word "bonus" is a misnomer and should never be used. Congress realized that the soldier who received $30 a month during the war was required to pay practically all of it on allotments to dependents, insurance, and necessary expenses not borne by the Government. The average soldier allotted from $5 to $20 a month of his $30 pay to dependents. He was compelled to pay $6.60 a month to the Government for insurance. (The veterans gave Uncle Sam $400,000,000 in this way.) In addition, he paid his bills for laundry, barber, tailor, mending and altering clothing and shoes, and other incidental expenses, after which, if any part of his monthly pay remained, he was required to buy a Liberty bond on the installment plan or be called a slacker. These Liberty bonds went down in price after the war, but the veterans realized $80 and $85 on the $100 for them.

COMPOUND INTEREST

Congress passed a law confessing a debt of another dollar a day to every veteran who served in the United States and $1.25 extra for every day served overseas. The question of pay was not seriously discussed before the men entered the service. This credit, together with a 25-percent increase for deferred payment and 4-percent interest for 20 years—1925 to 1945—was given to the veteran in the form of an adjusted-service certificate that he now holds. The average certificate is for $1,000 and 6 out of 7 veterans have borrowed the limit allowed by law—50 percent—on their certificates. They are required to pay compound interest on these loans, and if the law remains as it is now, this compound interest will practically consume the remainder of each certificate by 1945, when they are legally due.

CERTIFICATE REALLY PAST DUE

It is my contention that unless we can show that these certificates, which are payable in 1945, are as a matter of justice and right past due, we are not entitled to succeed in our efforts to get them paid now. In computing interest on what Congress confessed was due, the Government absolutely ignored nearly 7 years' interest. This has been acknowledged and confessed by high Government officials and no one questions it.

We are merely asking that these certificates be changed so as to give each veteran the amount of money that Congress confessed was due him, the $1 a day for domestic service and $1.25 a day for service overseas, as of the time he rendered the services with a fair and reasonable rate of interest from that time. If that is done, each veteran was entitled to receive an amount equivalent to the face or maturity value of his certificate on October 1, 1931. Therefore, since each veteran was entitled to an amount equal to the face value of his certificate October 1, 1931, he should not be required to pay interest on loans since that time. H. R. 1, the Patman bill, provides that each veteran shall be paid the full amount of his certificate now in cash after deducting all loans and interest on loans before October 1, 1931.

NO TAXES OR BONDS NECESSARY

This debt can be paid now without a bond issue, without creating a new debt, and without increasing taxes by merely converting the adjusted-service certificates, which represent one form of Government obligation, into United States notes—currency—another form of Government obligation. The uninformed and the puppets and hirelings of Wall Street interests immediately brand a proposition of this sort as unsound, claiming we propose to issue fiat or printing-press money.

It is in the interest of Wall Street to prevent the issuance of this money, if it is possible for them to do so. It is stepping on the toes of the big bankers and is a step in the direction of Congress doing what they have succeeded in preventing Congress doing, that is, coining money and regulating the value thereof as required by the Constitution of the United States. This great privilege of issuing money has been farmed out to them by our Government, and they do not want anything done that will be in the direction of denying them this great privilege that is worth billions of dollars and is probably the greatest racket on earth.

BONUS TO BIG BANKERS

Our Government is paying almost a billion dollars a year interest on its own credit to holders of Government securities. It is not right for the people to be compelled to pay a penny of this amount. If our Government were to borrow money from a foreign country or a foreign bank, it would be right for our Government to pay interest on the amount borrowed, or if our Government should borrow gold from our own citizens to use in international trade to promote the interest of our country, our Government should pay our citizens interest for the use of that gold.

Today, however, our Government does not borrow money from a foreign country or a foreign bank, neither is it borrowing gold from its own citizens; therefore, it should not be compelled to pay tribute, interest, bonus, or gratuity to a few big bankers for the privilege of using its own credit. That is exactly what our Government is doing. It is an imbecilic and idiotic system that has grown up over a period of years that cannot be charged directly to any one political party or any one individual. The people have discovered this idiotic system. They have finally gotten the truth. The ones who enjoy these special privileges are making every effort to becloud the issue, deceive and mislead the people with red herrings, and all kinds of propaganda and downright falsehoods disseminated by their hired hands, puppets, and easily misled citizens.

THE MONEY WE PROPOSE TO ISSUE

Let us see what kind of money we propose to issue to pay these certificates with. We have in circulation today $346,000,000 in United States notes—the kind of money often referred to as "greenbacks"—that is in circulation every day. We propose to issue $2,000,000,000 more of these United States notes to pay the veterans.

January 30, 1934, our great Chief Executive approved a law which places all right, title, and interest in and to all gold in the United States Government. I have before me a recent statement from the United States Treasury, which discloses that it has the enormous gold reserve of $8,700,000,000. The act of March 14, 1900, requires the Secretary of the Treasury to keep this money—United States notes—on a parity or equality with all other money coined or printed by the United States Government. Existing laws, therefore, require the Secretary of the Treasury to use all the gold available for the purpose of maintaining this parity.

MONEY WILL HAVE 100-PERCENT GOLD BACKING

There is outstanding today in general circulation, issued by the Government, $5,500,000,000 in currency and coin. If we issue $2,000,000,000 additional, we will have outstanding $7,700,000,000 in currency and coin. Therefore, after this additional money is issued, the Government will have in the Treasury sufficient gold to pay 100 cents on the dollar all outstanding money, and it will be the duty of the Government to use this gold for that purpose if necessary. If this money should be so redeemed, 100 cents on the dollar, the Government will have remaining in the Treasury idle and unused more than $1,000,000,000 in gold in addition to $1,000,000,000 in silver. Can anyone say that money that has a 111-percent gold reserve to back it is fiat money or printing-press money? It is certainly the best money that our Government can issue?

NO INFLATION

Another charge that is made by the poll parrot satellites of special privilege is that the payment of this money will cause an inflation of the currency. This argument was anticipated. Proper safeguards have been inserted in the bill, H. R. 1, that will absolutely prohibit even a possible inflation of the currency. The bill provides that the Secretary of the Treasury may cause Federal Reserve notes, another form of currency, to be retired. The bill, H. R. 1, provides that if the price level exceeds the 1926 price level or if the Secretary of the Treasury believes—it is left entirely to his judgment—that there is danger of an undue expansion of the currency, he can cause Federal Reserve notes to be withdrawn that will prevent it. There is outstanding today $3,500,000,000 in currency in the form of Federal Reserve notes. Our total circulating medium of coin and currency aggregates $5,500,000,000. According to the terms of our bill, H. R. 1, the Patman bill, this payment of $2,000,000,000 can be made to the veterans and the circulating medium not increased by one dollar if the Secretary of the Treasury withdraws Federal Reserve notes from circulation as he pays United States notes to the veterans in payment of the remainder due on their certificates. Any person who says that this bill is an inflationary bill or that the money we propose to issue is fiat money is either uninformed or is willfully misrepresenting the facts.

IF FAIR FOR BANKS, FAIR FOR VETERANS

In actual practice, we propose in H. R. 1—the Patman bill—that a veteran who holds a Government security—an adjusted-service certificate—payable in 1945, shall have a right to deposit that certificate with the Government and get another form of Government obligation in return for it. In asking this, we are not seeking to invoke a new principle or policy for the issuance of money. Under existing laws, a Federal Reserve bank, which is owned by private corporations—not one dollar of the stock is owned by the Government or any individual—can deposit a Government obligation that is payable January 1, 1945, and receive new money in return for it. The only charge is the cost of printing, which is about 27 cents a thousand dollars. The Government's credit is used absolutely free, and such banks continue to draw interest on the Government security that it deposited to secure the money. The money secured is Federal Reserve notes, printed at the Bureau of Engraving and Printing at Washington, at the same place the United States notes are printed. The same Government that guarantees the payment of the Reserve notes will guarantee the payment of United States notes.

If it is fair and right for the banks to receive money in return for a deposit of Government obligations that are payable in 1945 and continue to get interest on the deposited obligations, is it not equally fair and right for the veterans to be permitted to do identically the same thing in the same way, except they will not be permitted to draw interest on the obligations deposited? If it is fair for the banks, it is certainly fair for the veterans. Can anyone say that these money-creating corporations should have privileges that good citizens of this country should not have?

ONE-FOURTH CIRCULATING MEDIUM DESTROYED

Our circulating medium consists of outstanding money in the form of greenbacks and coins and demand deposits in banks subject to check. Over a period of years, the amount of outstanding money has remained practically the same, about five and one-half billion dollars. Demand deposits subject to check, however, have increased and decreased greatly over the same period. From 1926 to 1929, these demand deposits aggregated $21,000,000,000. Times were good then. The banks have called loans, however, and canceled these deposits and they have decreased to $14,000,000,000 at

the end of 1934. Therefore, the banks have destroyed $7,000,000,000 of our circulating medium. Are we committing an economic crime in trying to restore $2,000,000,000 of this circulating medium that the banks have destroyed $7,000,000,000 of through their deflationary policies?

The circulation of money and credit from 1926 to 1930 averaged $200 per capita. It is now down to $150 per capita. Therefore, one-quarter of our medium of exchange has been absolutely destroyed. You can no more do business with an insufficient amount of money than you can handle the commerce of this country with insufficient transportation facilities.

If we pay the veterans $2,000,000,000, no one will be paying interest on this money while it is outstanding, and $2,000,000,000 of the $7,000,000,000 destroyed will be restored.

WILL SUPPORT ANY BILL FOR FULL PAYMENT

My first objective is the payment in full in cash now of the adjusted-service certificates. We were never able to get much attention or support from nonveterans until we were able to show that the payment could be made without cost to the Government and in the same kind of money that the Government now issues to the banks in return for Government securities. I expect to support any bill that provides for full and immediate cash payment whether the method of payment is satisfactory to me or not, but I do believe and insist that the method we propose is in the interest of the country as well as the veterans and should be adopted because it will save the Government money instead of costing the Government money, thereby eliminating the necessity for considering new tax bills or bond issues.

HARRISON BILL UNSATISFACTORY

Next Monday the United States Senate is expected to take up for consideration our bill that passed the House of Representatives March 22, 1935. Senator PAT HARRISON, of Mississippi, will doubtless offer the Senate committee amendment to the bill, which provides that all of our bill be stricken out after the enacting clause, and the Harrison bill inserted. The Harrison bill will not cause the veterans to get much money. The average veteran who holds a $1,000 certificate has borrowed $500. He owes accumulated interest of $100. Under the Harrison bill he will have his note and interest canceled and will receive from $150 to $175 in cash in full settlement and satisfaction of his $1,000 adjusted-service certificate. During the war civilians were paid from $8 to $20 a day. After this adjustment to the veterans they will be paid on the basis of $2 or $3 a day. Evidently Congress considered this amount small and increased the deferred payments 25 percent. The Harrison bill eliminates this 25-percent increase for waiting that Congress has heretofore confessed was reasonable. It is claimed for this bill that it will save the taxpayers a billion dollars. That is probably true and it will cause the veterans to lose the billion that will be saved by the taxpayers. It is unthinkable that this proposal can possibly be a satisfactory settlement or solution of this problem. If the Harrison bill passes the Senate I predict that the House will not accept it; that a free conference committee will be appointed from each House to iron out the differences between the Harrison bill and the Patman bill, and this conference committee will make an effort to agree upon a bill that will be satisfactory to both Houses of Congress and the President. All of this should be done and this problem settled one way or another within the next 15 or 20 days.

IF OUR BILL FAILS, WILL SUPPORT VINSON BILL

Another bill that is insisted upon is the Belgrano-Vinson bill, which provides for full cash payment. If this bill should pass, bonds will have to be sold by the Government to obtain the money to pay the veterans. Interest will have to be paid on these tax-exempt bonds. By the time the bonds are paid, a few large bankers will get as much money in interest as the veterans have received in cash. I prefer our method of making the payment, but if our method cannot be adopted I will vote for the Belgrano-Vinson bill, because the debt to the veterans is long past due and should be settled like all other Government obligations are settled, in cash.

BENJAMIN FRANKLIN—PHILADELPHIA—CONSTITUTION

It is inspiring to me to be in the great city of Philadelphia, where the Declaration of Independence and the Constitution of the United States were framed and agreed to. Every school child in America knows about Philadelphia being the home of Benjamin Franklin and that Benjamin Franklin not only helped to write these great documents, but he was also one of the signers of each of them. It was here 146 years ago that the Constitution of the United States was framed. Benjamin Franklin, doubtless, helped to write into this great document a mandate that Congress shall coin money, regulate its value, and fix the standard of weights and measures.

Congress has carried out its duty to fix the standard of weights and measures, but instead of performing its duty in regard to coining money it has farmed out that great privilege to a few large bankers, who have enjoyed it for the benefit of themselves and caused the American people to pay tribute to them in return for the issuance of blanket mortgages upon their own property.

I think it is fitting to remind this audience of what Benjamin Franklin said in his autobiography in regard to the issuance of money. Benjamin Franklin's statement was as follows:

"About this time there was a cry among the people for more paper money, only £15,000 being extant in the province, and that soon to be sunk. The wealthy inhabitants oppos'd any addition, being against all paper currency, from an apprehension that it would depreciate, as it had done in New England, to the prejudice of all creditors. We had discussed this point in our Junto, where I was on the side of an addition, being persuaded that the first small sum struck in 1723 had done much good by increasing the trade, employment, and number of inhabitants in the province, since I now saw all the old houses inhabited and many new ones building, whereas I remembered well that when I first walk's about the streets of Philadelphia, eating my roll, I saw most of the Houses in Walnut-street, between Second and Front-streets, with bills on their doors, 'To be let'; and many likewise in Chestnut-street and other streets, which made me then think the inhabitants of the city were deserting it one after another.

"Our debates possess's me so fully of the subject, that I wrote and printed an anonymous pamphlet on it, entitled The Nature and Necessity of a Paper Currency. It was well receiv'd by the common people in general; but the rich men dislik'd it, for it increas'd and strengthen'd the clamor for more money and they happening to have no writers among them that were able to answer it, their opposition slacken'd, and the point was carried by a majority in the House. My friends there who conceiv'd I had been of some service, thought fit to reward me by employing me in printing the money; a very profitable job and a great help to me. This was another advantage gain'd by my being able to write.

"The utility of this currency became by time and experience so evident as never afterwards to be much disputed; so that it grew soon to fifty-five thousand pounds, and in 1739 to eighty thousand pounds, since which it arose during the war to upwards of three hundred and fifty thousanad pounds, trade, building, and inhabitants all the while increasing, tho' I now think there are limits beyond which the quantity may be hurtful."

If Benjamin Franklin were here today, he probably would not see so many signs on the doors of the buildings "To be let", but he would certainly find upon the streets of Philadelphia and all other American cities good, able-bodied men, who are able, willing, and anxious to work but cannot find jobs. The benefits which the people of Philadelphia received by the issuance of money in Franklin's time will be repeated now if we invoke the same principle for the paying of the adjusted-service certificates as provided in the Patman bill as Benjamin Franklin advocated in the city of Philadelphia 200 years ago. Times have changed, conditions have changed, but this one economic principle that the Government and not the bankers should issue currency has remained just as sound as it was when Benjamin Franklin advocated it and when it was written into the Constitution of the United States.

CONCLUSION

In conclusion, may I remind you that under the Patman bill the veterans of this Nation can be paid the remainder due in cash now—$2,000,000,000—without creating a new debt and without causing a bond issue or an increase in taxes. It will actually save the Government more than a billion dollars. If you desire this plan adopted you should communicate your wishes to your United States Senators. If the Harrison plan is adopted, the 3,000,000 veterans who have borrowed on their certificates will not get a satisfactory settlement and the question will still be before Congress and the country.

If this debt is not paid to the veterans now, compound interest will consume the remaining half of every certificate borrowed on within the next few years and the veterans will have practically nothing coming to them in 1945.

The distribution of this $2,000,000,000 will be a godsend to the people of this Nation. It will be used to buy comforts and necessities of life, to pay debts, purchase homes and farms, and for other good purposes. The substantial payment will help the veterans greatly at a time in life when their children are young and when the money is needed the most. It will be paid to them at a time when they should exercise the very best judgment in its distribution. Such payment will not only help the veterans and their families, but it will increase purchasing power in every section of our country and will help everybody.

AMERICAN RETAIL FEDERATION

The SPEAKER. Pursuant to the provisions of House Resolution 203, the Chair appoints as members of the Special Committee to Investigate the American Retail Federation the following Members of the House: Mr. COCHRAN (Missouri), chairman; Mr. WARREN (North Carolina); Mr. DOCKWEILER (California); Mr. LUCAS (Illinois); Mr. MCLEAN (New Jersey); Mr. COLE (New York); Mr. BOILEAU (Wisconsin).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COCHRAN, for 1 week, on account of illness;

To Mr. STARNES, indefinitely, on account of pressing business affairs; and

To Mr. DEROUEN, at the request of Mr. MONTET, indefinitely, on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5914. An act to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2035. An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5914. An act to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 30, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DARDEN: Committee on Naval Affairs. H. R. 6512. A bill to authorize the crediting of service rendered by personnel (active or retired) subsequent to June 30, 1932, in the computation of their active or retired pay after June 30, 1935; without amendment (Rept. No. 807). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIES: A bill (H. R. 7774) to provide for the Federal incorporation of the Veterans Club of America; to the Committee on the Judiciary.

By Mr. SWEENEY: A bill (H. R. 7775) to amend title 40, section 276 A, of the United States Code, supplement VII; to the Committee on Labor.

By Mr. RAMSPECK: A bill (H. R. 7776) authorizing the Secretary of War to appoint cadets to the United States Military Academy from the honor graduates of "honor schools" designated by the Secretary of War, in which Junior Reserve Officers' Training Corps units are conducted; to the Committee on Military Affairs.

By Mr. BEITER: A bill (H. R. 7777) creating the World War Memorial Commission and providing for the erection, in Washington, of a memorial to the soldiers, sailors, and marines of the United States who lost their lives in the World War; to the Committee on the Library.

By Mr. DOCKWEILER: A bill (H. R. 7778) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MOTT: A bill (H. R. 7779) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

By Mr. THOMPSON: A bill (H. R. 7780) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near New Boston, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Oklahoma: A bill (H. R. 7781) to define the election procedure under the act of June 18, 1934, and for other purposes; to the Committee on Indian Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 7782) to provide for retirement of Justices of the Supreme Court; to the Committee on the Judiciary.

By Mr. ROGERS of Oklahoma: A bill (H. R. 7783) relating to Osage Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. VINSON of Georgia: Resolution (H. Res. 207) for the consideration of H. R. 7220; to the Committee on Rules.

Also, resolution (H. Res. 208) for the consideration of H. R. 4767; to the Committee on Rules.

Also, resolution (H. Res. 209) for the consideration of H. R. 5731; to the Committee on Rules.

By Mr. FISH: Joint resolution (H. J. Res. 266) to prohibit the exportation of arms, munitions, or implements of war to belligerent nations; to the Committee on Foreign Affairs.

Also, joint resolution (H. J. Res. 267) to propose a multilateral agreement renouncing the sale or export of arms, munitions, or implements of war to any foreign nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 7784) granting a pension to Max Durrenfeld; to the Committee on Pensions.

By Mr. BELL: A bill (H. R. 7785) for the relief of the Franklin Ice Cream Co.; to the Committee on War Claims.

By Mr. CASEY: A bill (H. R. 7786) for the relief of William Gionet; to the Committee on Claims.

By Mr. DIETRICH: A bill (H. R. 7787) authorizing the President to present in the name of Congress a medal of honor to Wilson C. Price; to the Committee on Military Affairs.

By Mr. DISNEY: A bill (H. R. 7788) for the relief of Mrs. Earl H. Smith; to the Committee on Indian Affairs.

Also, a bill (H. R. 7789) to provide a right-of-way; to the Committee on Military Affairs.

By Mr. EDMISTON: A bill (H. R. 7790) for the relief of S. A. White; to the Committee on Claims.

By Mr. FORD of California: A bill (H. R. 7791) for the relief of Bernard Gallagher; to the Committee on Military Affairs.

By Mr. HALLECK: A bill (H. R. 7792) granting a pension to Mira W. Miller; to the Committee on Invalid Pensions.

By Mr. HARTLEY: A bill (H. R. 7793) for the relief of G. Goldberg & Sons; to the Committee on Claims.

Also, a bill (H. R. 7794) for the relief of the Newark Concrete Pipe Co.; to the Committee on Claims.

By Mr. LEWIS of Maryland: A bill (H. R. 7795) for the relief of Robert Delauder; to the Committee on Military Affairs.

By Mr. ROGERS of Oklahoma: A bill (H. R. 7796) for the relief of Skelton Mack McCray; to the Committee on Indian Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7797) granting a pension to Lillie Sharp; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 7798) granting an increase of pension to Kate M. Farrell; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 7799) for the relief of George O. Claypool; to the Committee on Claims.

Also, a bill (H. R. 7800) granting an increase of pension to Margaret R. F. Newell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7801) granting a pension to Charles C. Cloud, Sr.; to the Committee on Pensions.

By Mr. WILCOX: A bill (H. R. 7802) for the relief of Shirley D. Wells; to the Committee on Military Affairs.

Also, a bill (H. R. 7803) for the relief of the Florida National Bank & Trust Co., a national banking corporation, as successor trustee for the estate of Phillip Ullendorff, deceased; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7837. By Mr. ROGERS of Oklahoma: Petition headed by L. V. Dunn, of Breedsville, Mich., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct

Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7838. Also, petition headed by J. L. Burgess, of Loretto, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7839. Also, petition headed by F. M. Harris, of Kiamichi, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7840. Also, petition headed by A. Dixon, of Stroud, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7841. Also, petition headed by R. E. Hill, of Tamo, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7842. Also, petition headed by A. Scott, of Wallace, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7843. Also, petition headed by George Patterson, of Rochelle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to 50 a month; to the Committee on Ways and Means.

7844. Also, petition headed by H. W. Huggins, of Dossville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7845. Also, petition headed by Ernest W. Grinney, of Logansport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7846. Also, petition headed by N. Taylor, of Madison, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7847. Also, petition headed by J. B. Wilks, of Henagar, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7848. Also, petition headed by Isaac Ray, of Bastrop, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7849. Also, petition headed by S. Lemley, of Grant, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7850. Also, petition headed by A. L. Smith, of Flat Rock, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7851. Also, petition headed by O. E. Parsons, of Bessemer, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7852. Also, petition headed by J. H. Sullivan, of Corridon, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7853. Also, petition headed by R. Lee, of Alexandria, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7854. Also, petition headed by J. E. Cooper, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7855. Also, petition headed by J. C. Mock, of Cowarts, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7856. Also, petition headed by James Linsey, of Wrightsville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7857. Also, petition headed by L. Welch, of Harrisville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7858. Also, petition headed by E. J. Green, of Chalybeate, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for a direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7859. Also, petition headed by Jessie Self, of Decatur, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7860. Also, petition headed by L. S. Arndt, of Christopher, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7861. Also, petition headed by J. Frye, of Burnwell, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7862. Also, petition headed by Louis C. Waitz, of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7863. Also, petition headed by James Dixon, of Logansport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7864. Also, petition headed by Edward Fernell, of Keatchie, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7865. Also, petition of A. Bankester, of Robertsdale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7866. Also, petition headed by M. L. Rowell, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7867. Also, petition headed by Carl Chambers, of Beaumont, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7868. Also, petition headed by C. Stewart, of Mount Vernon, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7869. Also, petition headed by G. W. Chatman, of Monroe, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7870. Also, petition headed by T. Lowery, of Owensboro, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7871. Also, petition headed by M. Smith, of Moulton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7872. Also, petition headed by G. Montgomery, of Greenburg, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7873. Also, petition headed by R. I. Cunningham, of Siluria, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7874. Also, petition headed by Saul Wills, of Tunica, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7875. Also, petition headed by Charley Jackson, of Robinsonville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7876. Also, petition headed by T. N. Kendrick, of Starke, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7877. Also, petition headed by J. D. Cargile, of Beaverton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7878. Also, petition headed by R. M. Merritt, of Winnsboro, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7879. Also, petition headed by Nat Norwood, of Tallulah, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7880. Also, petition headed by I. Bryant, of Olmstead, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7881. Also, petition headed by Newton Strange, of Campbellsburg, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7882. Also, petition headed by Joseph Ball, of Bedford, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7883. Also, petition headed by A. H. Mann, of Mansfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7884. Also, petition headed by Henry David, of Monticello, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7885. Also, petition headed by Thomas Griffin, of East Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7886. Also, petition headed by M. Presley, of Luling, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7887. Also, petition headed by C. Huffman, of Christopher, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7888. Also, petition headed by James A. Ciarlo, of Steger, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7889. Also, petition headed by R. D. Layne, of Cullen, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7890. Also, petition headed by D. L. Robinson, of Dunn, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7891. Also, petition headed by Arthur Lee Cook, of Selma, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7892. Also, petition headed by H. C. Hoover, of Ponchatoula, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7893. Also, petition headed by V. Carter, of Orrville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7894. Also, petition headed by A. D. White, of Ardmore, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7895. Also, petition headed by Will Nelson, of Boliver, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7896. Also, petition headed by L. N. Turner, of Strawberry, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7897. Also, petition headed by Frank Fields, of Powell, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7898. Also, petition headed by Joseph McHenry, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7899. Also, petition headed by L. H. Andrus, of Houston, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7900. Also, petition headed by Nick Hester, of Pontotoc, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7901. Also, petition headed by L. C. Millican, of Greenwood Springs, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7902. Also, petition headed by O. C. Newell, of Pontotoc, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7903. Also, petition headed by John F. Silas, of Greenwood Springs, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7904. Also, petition headed by Joseph H. Lusk, of Manchester, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7905. Also, petition headed by T. Battle, of Athens, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7906. Also, petition headed by Edgar Sides, of Athens, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7907. Also, petition headed by R. Taylor, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7908. Also, petition headed by Allen Stephens, of Wellington, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7909. Also, petition headed by R. H. Junkin, of Gordo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7910. Also, petition headed by G. W. Tapp, of Hardin, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7911. Also, petition headed by C. Griffin, of Altha, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7912. Also, petition headed by M. Graham, of Picayune, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7913. Also, petition headed by C. M. Miles, of Pleasant Hill, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7914. Also, petition headed by Lon Smith, of Oxford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7915. Also, petition headed by W. A. Pearson, of Samson, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7916. Also, petition headed by C. Newell, of Kenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7917. Also, petition headed by S. D. Lowery, of Danville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7918. Also, petition headed by J. C. Brackin, of Town Creek, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7919. Also, petition headed by W. I. Ramsey, of Ashville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7920. Also, petition headed by Earl C. Jett, of Trinity, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7921. Also, petition headed by V. Authement, of Houma, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7922. Also, petition headed by W. S. Smith, of West Point, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7923. Also, petition headed by G. B. Mims, of Maringouin, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7924. Also, petition headed by J. L. Crim, of Renfroe, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7925. Also, petition headed by A. Cemp, of Maringouin, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7926. Also, petition headed by J. E. Stewart, of Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7927. Also, petition headed by A. Porter, of Lucy, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7928. Also, petition headed by Jasper Thompson, of Lambert, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7929. Also, petition headed by Bryant Southworth, of Sadieville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7930. Also, petition headed by W. L. Spivey, of Oxford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7931. Also, petition headed by C. Kelley, of Greenville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7932. Also, petition headed by Lee Arnold, of Jackson, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7933. Also, petition headed by W. L. Thompson, of Waxahachie, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7934. Also, petition headed by D. Eggenberg, of Gasconade, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7935. Also, petition headed by George Johnson, of Montgomery, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7936. Also, petition headed by Edward McCluny of Tuscumbia, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7937. Also, petition headed by Fred Ronnebeck, of West Helena, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7938. Also, petition headed by Hardy Johnson, of Rohmer, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7939. Also, petition headed by H. H. Bader, of McGehee, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7940. Also, petition headed by J. B. Fields, of Saltillo, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7941. Also, petition headed by R. Cook, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7942. Also, petition headed by Grover C. Rich, of Celina, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7943. Also, petition headed by E. McDonald, of Borger, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7944. Also, petition headed by Andrew J. Holzworth, of Grafton, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7945. Also, petition headed by Grady Aldridge, of Kennedy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7946. Also, petition headed by P. Slatt, of Sipsey, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7947. Also, petition headed by C. L. Rhodes, of Cullman, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7948. Also, petition headed by J. N. Oswalt, of Fayette, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7949. Also, petition headed by Will Montgomery, of Grenada, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7950. Also, petition headed by M. Scolaro, of Tampa, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7951. Also, petition headed by Clifford White, of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7952. Also, petition headed by H. H. Hudson, of Manila, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7953. Also, petition headed by Leland A. Hatten, of Truman, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7954. Also, petition headed by E. Beasly, of Lawrenceburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7955. Also, petition headed by G. A. Palmer, of Guntown, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7956. Also, petition headed by A. E. Williams, of Oil Trough, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7957. Also, petition headed by G. D. Laird, of Newport, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7958. Also, petition headed by N. Jones, of Somerville, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7959. Also, petition headed by A. C. Coffman, of Russellville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7960. Also, petition headed by M. L. Borker, of Guthrie, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7961. Also, petition headed by James W. Davis, of Locust Hill, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7962. Also, petition headed by J. H. Sullivan, of Corridon, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7963. Also, petition headed by S. Wiley, of Chamberlin, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7964. Also, petition headed by Vernon Shaw, of Caruthersville, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7965. Also, petition headed by Sam Nays, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7966. Also, petition headed by Teodore Eubansk, of Boaz, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7967. Also, petition headed by N. Potter, of Steele, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7968. Also, petition headed by G. W. Humphrey, of Shamrock, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

7969. By Mr. BUCK: Memorial of the California State Legislature, memorializing the President and the Congress of the United States to include the Central Valley project in the national program of work relief; to the Committee on Flood Control.

7970. By Mr. FORD of California: Resolution of the Senate and the Assembly of the State of California, recommending the Central Valley project to the President and to the Congress of the United States as of first and prime importance to the State of California and requesting that adequate funds be made available from the work-relief appropriation for immediate construction of the project, thus conferring lasting benefits upon the people of California; to the Committee on Flood Control.

7971. By Mr. HIGGINS of Connecticut: Resolutions of the General Assembly of the State of Connecticut, favoring additional hospital facilities for the veterans' hospital at Newington, Conn.; to the Committee on World War Veterans' Legislation.

7972. By Mr. JOHNSON of Texas: Petition of A. R. Erskine, chairman of postal affairs committee, Memphis Chamber of Commerce, Memphis, Tenn., favoring House bill 2798; to the Committee on Ways and Means.

7973. Also, memorial of A. T. Baggett, Jr., president Chamber of Commerce of Midlothian, Tex., favoring House bill 7201; to the Committee on Military Affairs.

7974. By Mr. KIMBALL: Resolution of Arizona State Chamber of Commerce, endorsed by the Marshall (Mich.) Chamber of Commerce, urging continuation of the tax on foreign copper; to the Committee on Ways and Means.

7975. By Mr. LAMNECK: Resolution of Columbus Aerie No. 297, of the Fraternal Order of Eagles, favoring that part of the social-security bill (S. 1130 and H. R. 4142) providing for Federal monetary assistance to the States paying old-age pensions; to the Committee on Ways and Means.

7976. By Mr. LUNDEEN: Petition of Minnesota State Legislature, urging Congress to pass legislation providing for an adequate tariff on the pulpwood and newsprint paper to protect American labor and industry; to the Committee on Ways and Means.

7977. Also, petition of the Central Regional Conference of the Minnesota District of the Evangelical Synod of North America, urging Congress to pass legislation to nationalize the munition industry; to the Committee on Military Affairs.

7978. Also, petition of the Minnesota State Legislature, memorializing Congress to amend section 5219, Revised Statutes of the United States, so as to permit the States to tax national banks upon a fair and equitable basis; to the Committee on the Judiciary.

7979. Also, petition of the Wyanett Township Farmer-Labor Club, Minnesota, urging the enactment of legislation to provide that the Federal Government take over all private banks, and urging the enactment of House bill 3008 to provide for a Bank of the United States; to the Committee on Banking and Currency.

7980. Also, petition of the City Council of St. Paul, Minn., urging the enactment of the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

7981. Also, petition of the Lutheran Minnesota Conference of the Augustana Synod, of Minneapolis, Minn., urging the enactment of the Pettengill bill (H. R. 6472) to outlaw

the practice of block-booking in the moving-picture industry; to the Committee on Interstate and Foreign Commerce.

7982. Also, petition of the Lutheran Minnesota Conference of the Augustana Synod, Minneapolis, Minn., urging the enactment of various measures to prevent the participation of the United States in a future war; to the Committee on Military Affairs.

7983. Also, petition of the Northwestern Lumbermen's Association, of Minneapolis, Minn., expressing opposition to the appointment of officers of a nationally known mail-order company to positions of trust and responsibility in Federal departments; to the Committee on Ways and Means.

7984. Also, petition of the Northwestern Lumbermen's Association, of Minneapolis, Minn., urging the discontinuance of the Retail Lumber and Building Material Code after June 16, 1935; to the Committee on Ways and Means.

7985. Also, petition of Hennepin County Veterans Farmer-Labor Club, urging that the committee investigating un-American activities give full publicity as to prior hearings and continue its investigation at public hearings; to the Committee on Immigration and Naturalization.

7986. Also, petition of the Minnesota Junior Association of Commerce, urging that there be a closed season on migratory waterfowl throughout the United States and Alaska; to the Committee on Agriculture.

7987. Also, petition of the executive council of the Minnesota Historical Society, urging Congress to appropriate sufficient funds for the publication of three volumes of Territorial Papers by the Department of State; to the Committee on Appropriations.

7988. By Mr. MAPES: Petition of 236 residents of Grand Rapids, Kent County, Mich., recommending the repeal of the Wheeler-Howard Act and protesting against the continuance in office of the present Commissioner of Indian Affairs; to the Committee on Indian Affairs.

7989. By Mr. MERRITT of Connecticut: Resolution of the General Assembly of the State of Connecticut, urging the Congress to appropriate the necessary funds for the completion of the United States veterans' hospital at Newington, Conn.; to the Committee on World War Veterans' Legislation.

7990. By Mr. PFEIFER: Petition of New York Typographical Union, No. 6, New York City, concerning the national labor-relations bill; to the Committee on Labor.

7991. Also, petition of the New York branch, National Association for the Advancement of Colored People, New York City, concerning the Wagner-Costigan antilynching bill; to the Committee on the Judiciary.

7992. Also, petition of the Merchants' Association of New York, concerning the Federal banking bill for 1935; to the Committee on Banking and Currency.

7993. By Mr. SCHAEFER: Petition of the Senate, Illinois General Assembly, importuning Congress to reduce Federal tax on beer from $5 per barrel to $2.50 per barrel; to the Committee on Ways and Means.

7994. Also, petition of citizens of East St. Louis, Ill., urging Congress to enact into law House bills 2010, 2885, and 3048, House Resolution 2733, and House Joint Resolutions 69 and 4, all providing for the extermination of communism in the United States; to the Committee on Immigration and Naturalization.

7995. Also, petition of members of Progressive Miners of America, Belleville, Ill., protesting enactment of the Guffey bill; to the Committee on Interstate and Foreign Commerce.

7996. Also, petition of members of labor organizations, Belleville, Ill., urging enactment of the Wagner labor-disputes bill; to the Committee on Labor.

7997. Also, petition of citizens of East St. Louis, Ill., urging the House of Representatives to pass Senate bill 1629, providing for Federal regulation of interstate highway transportation; to the Committee on Interstate and Foreign Commerce.

7998. By Mr. STUBBS: Joint resolution adopted April 24, 1935, by the California State Assembly, by a vote of 68–0, condemning the Thomas oil bill; to the Committee on Interstate and Foreign Commerce.

7999. By Mr. TRUAX: Petition of Milk Drivers and Dairy Employees Union, Local 361, Toledo, Ohio, by their business representative, E. J. Haumesser, favoring the passage of House bill 7172, known as the "Mead substitute bill" providing for sick leave and annual leave for all postal substitutes, ratio of 1 substitute to 7 regulars, graduated pay from the present rate of 65 cents per hour to the rate of the third grade, or $1,900 per year, and prohibition against furloughs or dismissals, also favoring the passage of House bill 6990 providing for a 40-hour week for all postal employees; to the Committee on the Post Office and Post Roads.

8000. Also, petition of Milk Drivers and Dairy Employees, Local 361, Toledo, Ohio, by their business representative, E. J. Haumesser, urging passage of the Wagner-Connery labor-disputes bills, the Guffey bill on mining codes, and S. 87, by Senator BLACK, providing for a 30-hour work week in industry, also favoring the continuation of the National Industrial Recovery Act which expires June 15, as it is necessary to retain the code provisions for hours and wages because they represent a definite move in the right direction and believing that it seems certain that unless the gains already effected through the National Recovery Administration codes can be made permanent through the continuation of the National Industrial Recovery Act that labor will receive a serious set-back; to the Committee on Labor.

8001. Also, petition of United Brotherhood of Carpenters and Joiners of America, Ladies Auxiliary, Toledo, Ohio, by their secretary, Mrs. Ida M. Gilger, urging support of House bills 7172 and 6990, the Wagner bill, the Connery bill, and the continuation of the National Recovery Act; to the Committee on Labor.

8002. Also, petition of International Hod Carriers' Building and Common Laborers' Union of America, Local 498, Massillon, Ohio, by their secretary, Claude R. Kramer, urging support of the Wagner-Connery labor-disputes bills, the Guffey bill on mining codes, the amended National Recovery Act, and S. 87 providing for the 30-hour week in industry; to the Committee on Labor.

8003. Also, petition of students of Miami University, Oxford, Ohio, by their chairman, James Phillips, urging their official Representatives in Washington to work to bring the United States unreservedly into a collective security system which will provide legislative, executive, and judicial agencies adequate for world government; to the Committee on the Judiciary.

8004. Also, petition of Ella T. Smith and numerous others of Kennedy Heights, Ohio, urging support of House bill 6995 relative to Spanish War veteran legislation; to the Committee on Pensions.

8005. By Mr. WELCH: California Senate Joint Resolution No. 16, relating to Federal legislation granting subsidy or assistance to the American merchant marine; to the Committee on Merchant Marine and Fisheries.

8006. Also, Senate Joint Resolution No. 14, memorializing and petitioning the President and the Congress of the United States to include the Central Valley project in the national program of work relief; to the Committee on Appropriations.

8007. By the SPEAKER: Petition of the commissioners' court, of Carson County, Tex.; to the Committee on Interstate and Foreign Commerce.

8008. Also, petition of the Common Council of Delaware, Ohio; to the Committee on the Judiciary.

8009. Also, petition of the Association of Commerce, Lake Charles, La.; to the Committee on Interstate and Foreign Commerce.

8010. By Mr. DRISCOLL: Petition signed by Hon. J. Fred Thomas, mayor, and attested by Hon. Fred H. Williams, city clerk, of Sharon, Pa., urging the construction of a dam for flood control, and other purposes, above the borough of Sharpsville, Pa., on the Shenango River; to the Committee on Military Affairs.

8011. Also, petition signed by Hon. John E. Cleary, president of council, and Hon. H. R. Parsons, burgess of Sharpsville, and the secretary of council, Mame K. Robins, attested to it, urging the construction of a dam for flood control, and other purposes, above the borough of Sharpsville, Pa., on the Shenango River; to the Committee on Military Affairs.

SENATE

TUESDAY, APRIL 30, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Mr. ROBINSON. I ask unanimous consent that the Journal of the proceedings of the Senate of the calendar day Monday, April 29, be approved without reading.

Mr. BLACK. I object.

The VICE PRESIDENT. Objection is made.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 258) to provide for certain State allotments under the Cotton Control Act, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

Mr. LEWIS. I announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from New York [Mr. COPELAND], the Senator from Georgia [Mr. GEORGE], and the Senator from North Carolina [Mr. REYNOLDS] are necessarily detained from the Senate. I request that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is absent from the city with a committee of the Senate, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Senate of the State of Illinois, which was referred to the Committee on Finance:

Senate Resolution 13

Whereas one of the important reasons for the repeal of the eighteenth amendment of the United States Constitution was to eliminate the unsatisfactory conditions created by persons engaged in the illegal manufacture and sale of alcoholic beverages; and

Whereas this important purpose is being defeated due to the present high Federal tax of $5 per barrel on beer, which unduly encourages and tempts those engaged in the manufacture and sale of beer to evade this high tax; and

Whereas the amount of revenue which will be lost to the Government on account of a reduction in the amount of the said tax will be partly if not totally offset by the increased volume of beer which will be reported for taxation purposes under a lower tax: Now, therefore, be it

Resolved by the Senate of the Fifty-ninth General Assembly of the State of Illinois, That in view of existing conditions Congress is respectfully importuned to reduce the Federal tax on beer from $5 per barrel to $2.50 per barrel; and be it further

Resolved, That copies of this preamble and resolution be forwarded to the President of the United States, the President of the Senate and Speaker of the House of Representatives of the Seventy-fourth Congress, and to each Congressman and Senator from Illinois.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Connecticut, which was referred to the Committee on Finance:

Resolution concerning the United States Veterans' Hospital at Newington

Resolved by this assembly—

Whereas there exists a veterans' hospital at Newington, Conn., of 266-bed capacity; and

Whereas the need that existed 10 years ago clearly indicated the necessity for the construction of a 500-bed hospital; and

Whereas the hospital actually constructed was so planned as to make feasible its expansion to a 500-bed institution; and

Whereas this hospital serves and is so situated as to serve a wide area in southern New England; and

Whereas the demands for hospitalization in this area are constantly increasing, and the time has now arrived where hospital facilities are taxed to their utmost, which indicates a situation in the near future where they will be altogether inadequate; and

Whereas the construction of additional facilities at Newington can be had at a minimum cost per bed: Therefore be it

Resolved, That the Senate and House of Representatives of the State of Connecticut, in general assembly convened this 24th day of April 1935, do hereby respectfully urge the Congress of the United States to appropriate the necessary funds for the completion of this hospital; and be it further

Resolved, That copies of this resolution, properly attested by the secretary of state of the State of Connecticut, be sent to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, the Chairman of the House Committee on World War Veterans' Legislation, the Chairman of the Subcommittee on Hospital Construction, the Chairman of the Senate Finance Committee; to the Honorable AUGUSTINE LONERGAN and the Honorable FRANCIS T. MALONEY, United States Senators from the State of Connecticut; and to the honorable Representatives of the State of Connecticut in the Congress, the Honorable WILLIAM M. CITRON, the Honorable HERMAN P. KOPPLEMANN, the Honorable WILLIAM L. HIGGINS, the Honorable JAMES A. SHANLEY, the Honorable SCHUYLER MERRITT, and the Honorable J. JOSEPH SMITH.

The VICE PRESIDENT also laid before the Senate the following concurrent resolutions of the Legislature of the Territory of Hawaii, which were referred to the Committee on Territories and Insular Affairs:

Concurrent resolution declaring that the Territory of Hawaii shall be made a State, and requesting and urging the Congress of the United States of America to pass an enabling act authorizing the people of the Territory of Hawaii to form a constitution and State government to be admitted into the Union on an equal footing with the original States

Whereas the Territory of Hawaii is an integral part of the United States of America and for a long period of years has demonstrated its ability to govern itself; and

Whereas the population and wealth of the Territory exceeds that of several of the States of the Union; and

Whereas the people of the Territory of Hawaii contribute in income taxes to the Federal Government a larger amount than many of the States of the Union; and

Whereas the people of the Territory desire to participate in the Government of the United States freely, fully, and loyally as a sovereign State: Now, therefore, be it

Resolved by the House of Representatives of the Territory of Hawaii (the senate concurring), That the people of the Territory of Hawaii desire that said Territory shall become a State and be admitted into the Union on an equal footing with the original States:

That the Congress of the United States of America be and it is hereby requested and urged to pass an act enabling the people of the Territory of Hawaii to form a constitution and State government to be admitted into the Union on an equal footing with the original States;

That the proposed enabling act hereinafter set forth being an act entitled "An act to enable the people of Hawaii to form a constitution and State government to be admitted into the Union on an equal footing with the original States", and reading as follows:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:*

"SECTION 1. That the inhabitants of all that part of the area of the United States now constituting the Territory of Hawaii, as at present described, may become the State of Hawaii, as hereinafter provided.

"SEC. 2. That all citizens of the United States who have qualifications for voters for representatives to the Territorial legislature are hereby authorized to vote for and choose delegates to form a convention in said Territory. Such delegates shall possess the qualifications of such electors; and the aforesaid convention shall

consist of 30 delegates, apportioned among the several counties within the limits of the proposed State in the same proportion as the proportion in the house of representatives of said Territory, as follows: Hawaii County, first representative district, 4 delegates; Hawaii County, second representative district, 4 delegates; Mau County, third representative district, 6 delegates; city and county of Honolulu, fourth representative district, 6 delegates; city and county of Honolulu, fifth representative district, 6 delegates; Kauai County, sixth representative district, 4 delegates; and the Governor of said Territory shall within 30 days after the approval of this act issue a proclamation ordering an election of the delegates aforesaid in said Territory to be held at a time to be designated in the proclamation within 6 months after the approval of this act, which proclamation shall be issued at least 30 days prior to the time of holding said election of delegates. The election for delegates shall be conducted, the returns made, the result ascertained, and the certificate of persons elected to such convention issued in the same manner as is prescribed by the laws of said Territory regulating elections therein of members of the legislature. Persons possessing the qualifications entitling them to vote for delegates under this act shall be entitled to vote on the ratification or rejection of the constitution, under such rules or regulations, as said convention may prescribe, not in conflict with this act.

"SEC. 3. That the delegates to the convention thus elected shall meet at the seat of government of said Territory on the second Tuesday after their election, excluding the day of election in case such day shall be Tuesday, but they shall not receive compensation for more than 60 days of service; and, after organization, shall declare on behalf of the people of said proposed State that they adopt the Constitution of the United States, whereupon the said convention shall be, and is hereby, authorized to form a constitution and State government for said proposed State.

"The constitution shall be republican in form, and make no distinction in civil or political rights on account of race or color, and not to be repugnant to the Constitution of the United States and the principles of the Declaration of Independence. And said convention shall provide, by ordinance irrevocable without the consent of the United States and the people of said State:

"First. That perfect toleration of religious sentiment shall be secured, and that no inhabitant of said State shall ever be molested in person or property on account of his or her mode of religious worship.

"Second. The State of Hawaii shall retain all the public property, vacant and unappropriated lands lying within its limits, now ceded, transferred, and in possession of the United States, except such as are in the possession of and used by a department of the United States, and may dispose of the same as the said State may direct.

"Third. That the debts and liabilities of said Territory of Hawaii shall be assumed and paid by said State.

"Fourth. That provision shall be made for the establishment and maintenance of a system of public schools, which shall be open to all the children of said State and free from sectarian control.

"SEC. 4. That in case a constitution and State government shall be formed in compliance with the provisions of this act, the convention forming the same shall provide by ordinance for submitting said constitution to the people of said State for its ratification or rejection at an election to be held at a date to be fixed by said convention, which shall be not more than 60 days from the date of its adjournment, at which election the qualified voters of said proposed State shall vote directly for or against the proposed constitution and for or against any provisions separately submitted. The return of said election shall be made to the secretary of Hawaii, who shall cause the same to be canvassed, and if a majority of the votes cast on that question shall be for the constitution, the Governor of the Territory of Hawaii shall certify the result to the President of the United States, together with a statement of the votes cast thereon and upon separate articles or propositions, and a copy of said constitution, articles, propositions, and ordinances. And if the constitution and government of said proposed State are republican in form, and if all the provisions of this act have been complied with in the formation thereof, it shall be the duty of the President of the United States to issue his proclamation announcing the result of said election, and thereupon the proposed State of Hawaii shall be deemed admitted by Congress into the Union, under and by virtue of this act, on an equal footing with the original States, from and after the date of said proclamation.

"SEC. 5. That the sum of $———, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the treasury not otherwise appropriated, for the defraying of the expenses of the elections provided for in this act, and said convention, and for the payment of the members thereof, under the same rules and regulations and at the same rates as are now provided by law for the payment of the Territorial Legislature of the Territory of Hawaii, and the disbursements of the money appropriated by this section shall be made by the secretary of the Territory of Hawaii.

"SEC. 6. That until the next general census, or until otherwise provided by law, said State shall be entitled to one Representative in the House of Representatives of the United States, which Representative, and two Senators of the United States, together with the Governor and other officers provided for in said constitution, shall be elected on the same day of the election for the adoption of the constitution; and until said State officers are elected and qualified under the provisions of the constitution, and the State is admitted into the Union, the territorial officers shall continue to discharge the duties of the respective offices in said Territory.

"SEC. 7. The said State when admitted as aforesaid shall constitute one judicial circuit, to be known as the "District of Hawaii." The district courts for the District of Hawaii shall be held one term at Honolulu and one term at Hilo, each year. And the said district shall, for judicial purposes, until otherwise provided, be attached to the ninth judicial circuit. There shall be appointed for said district 2 district judges, 1 United States attorney, and 1 United States marshal. There shall be appointed a clerk for said district, who shall keep his office at Honolulu. The regular term of said courts shall be held at the places designated in this act, at Honolulu on the first Monday in January and at Hilo on the first Monday in March in each year, and one grand jury shall be summoned in each year in each of said district courts. The district courts for said district, and the judges thereof, respectively, shall possess the same powers and jurisdiction and perform the same duties required to be performed by the other district courts and judges of the United States, and shall be governed by the same laws and regulations. The marshal, district attorney, and clerk of the district courts of said district, and all other officers and persons performing duties in the administration of justice therein shall severally possess the powers and perform the duties lawfully required to be performed by similar officers in other districts of the United States, and shall, for the services they may perform, receive the fees and compensation now allowed by law to officers performing similar services for the United States in other districts of the United States; and that the laws in force in the Territory of Hawaii, as far as applicable, shall extend over and apply to said State until changed by the legislature thereof.

"SEC. 8. That all appeals or writs of error taken from the Supreme Court of the Territory of Hawaii, to the Supreme Court of the United States, or the United States Circuit Court of Appeals for the Ninth Circuit, previous to the final admission of such State shall be prosecuted to final determination as though this act had not been passed. And all cases in which final judgment has been rendered in such territorial appellate court in which appeals or writs of error might be had except for the admission of such State may still be sued out, taken, and prosecuted to the Supreme Court of the United States or the United States Circuit Court of Appeals under the provisions of existing laws, and there held and determined in like manner, and in either case the Supreme Court of the United States, or the United States Circuit Court of Appeals, in the event of reversal shall remand the said causes to either the State supreme court or other final appellate court of said State, or the United States Circuit and district courts of said State, as the case may require; provided, that the time allowed by existing law for appeals and writs of error from appellate courts of said Territory shall not be enlarged hereby, and all appeals and writs of error not sued out from the final judgments of said courts at the time of the admission of such State shall be taken within 6 months from such time.

"SEC. 9. That all causes pending in the supreme and circuit courts of the Territory of Hawaii and in the United States courts arising under the Constitution, laws or treaties of the United States, or affecting ambassadors, ministers, or consuls of the United States, or of any other country or State, or of admiralty or of maritime jurisdiction, or in which the United States may be a party, or between citizens of the same State claiming lands under grants from different States; and in all cases where there is a controversy between citizens of said Territory prior to admission and citizens of different States, or between a citizen of any State and citizens or subjects of any foreign state or country, and in which cases of diversity of citizenship there shall be more than $2,000 in controversy, exclusive of interest and costs, shall be transferred to the proper United States district court for final disposition: *Provided*, That said transfer shall not be made in any case where the United States is not a party except on application of one of the parties in the court in which the cause is pending, at or before the second term of such court, after the admission of said State, supported by oath, showing that the case is one which may be so transferred, the proceedings to affect such transfer, except as to time and parties, to be the same as are now provided by law for the removal of causes from a State court to a circuit court of the United States; and in causes transferred from the appellate courts of said Territory the district court of the United States in such State shall first determine such appellate matters as the successor of and with all the power of said Territorial appellate courts, and shall thereafter proceed under its original jurisdiction of such causes. All final judgments and decrees rendered in such district courts in such transferred cases may be reviewed by the Supreme Court of the United States or by the United States Circuit Court of Appeals in the same manner as is now provided by law with reference to existing United States district courts.

"SEC. 10. That all cases pending in the Supreme Court of said Territory of Hawaii not transferred to the United States district courts in said State of Hawaii shall be proceeded with, held, and determined by the supreme or other final appellate court of such State as the successor of said Territorial supreme court and appellate court, subject to the same right to review upon appeal or error to the Supreme Court of the United States now allowed from the supreme or appellate courts of a State under existing laws. Jurisdiction of all cases pending in the courts of original jurisdiction in said Territory not transferred to the United States district courts shall devolve upon and be exercised by the courts of original jurisdiction created by said State.

"SEC. 11. That the supreme court or other court of last resort of said State shall be deemed to be the successor of said Territorial appellate courts and shall take and possess any and all jurisdic-

tion as such, not herein otherwise specifically provided for, and shall receive and retain the custody of all books, dockets, records, and files not transferred to other courts, as herein provided, subject to the duty to furnish transcripts of all book entries in any specific case transferred to complete the record thereof.

"SEC. 12. That the courts of original jurisdiction of such State shall be deemed to be the successor of all courts of original jurisdiction of said Territory and as such shall take and retain custody of all records, dockets, journals, and files of such courts except in causes transferred therefrom, as herein provided; the files and papers in such transferred cases shall be transferred to the proper United States district court, together with a transcript of all book entries to complete the record in such particular case so transferred.

"SEC. 13. That all cases pending in the circuit courts of the Territory of Hawaii at the time said Territory becomes a State not transferred to the United States district courts in the State of Hawaii shall be proceeded with, held, and determined by the courts of said State, the successors of said circuit courts of the Territory of Hawaii with the right to prosecute appeals or writs of error to the supreme court of said State, and also with the same right to prosecute appeals or writs of error from the final determination in said causes made by the Supreme Court of said State of Hawaii to the Supreme Court of the United States, as now provided by law for appeals and writs of error from the supreme court of a State to the Supreme Court of the United States.

"SEC. 14. That the constitutional convention shall by ordinance provide for the election of officers for a full State government, including members of the legislature, 2 United States Senators, and 1 Representative to Congress. Such State government shall remain in abeyance until the State shall be admitted into the Union and the election for State officers held as provided for in this act. The Governor and secretary of said State shall certify the election of the Senators and Representative in the manner required by law; and said Senators and Representative shall be entitled to be admitted to seats in Congress and to all the rights and privileges of Senators and Representatives of other States in Congress of the United States. And the officers of the State government formed in pursuance of said constitution, as provided by said constitutional convention, shall proceed to exercise all the functions of such State officers; and all laws in force in the Territory of Hawaii at the time of the admission of said State into the Union shall be in force throughout said State, except as modified or changed by this act or by the constitution of the State, and the laws of the United States not locally inapplicable shall have the same force and effect within said State as elsewhere within the United States.

"SEC. 15. That all acts or parts of acts in conflict with the provisions of this act, whether passed by the legislature of said Territory or by Congress, are hereby repealed."

be and the same is hereby approved in form and substance as the act that the Congress of the United States of America is requested to pass: And be it further

Resolved, That certified copies of this resolution be forwarded to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States, and to the Delegate to Congress from Hawaii.

Concurrent resolution memorializing the Congress of the United States of America to provide funds for making a survey to determine the feasibility of bringing water from the north coast valleys of Molokai to the southerly side of the island for use on Hawaiian Homes Commission lands

Whereas the lands set aside for the use of the Hawaiian Homes Commission are dry areas that cannot be served with any irrigation water at the present time; and

Whereas the success of homesteading on these areas is believed to be dependent upon the delivery of a sufficient amount of irrigating water to said areas; and

Whereas it is believed that a sufficient amount of irrigating water at high level is available in the valleys on the north coast of the island of Molokai: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States of America is hereby formally requested, through the Delegate to Congress from the Territory of Hawaii, to provide funds for the purpose of having a survey made to determine the feasibility of bringing said north coast waters of the island of Molokai to the lands of the Hawaiian Homes Commission; and be it further

Resolved, That the Congress of the United States of America is hereby further requested, through the Delegate to Congress from the Territory of Hawaii, to provide funds for fully completing the project of bringing said waters from the north coast to the south side of the island of Molokai, providing the said survey shows the project to be feasible; and be it further

Resolved, That certified copies of this concurrent resolution be forwarded to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to the Secretary of the Interior of the United States, and to the Delegate to Congress from Hawaii.

The VICE PRESIDENT laid before the Senate a memorial of the Legislature of the State of Florida, favoring the prompt enactment of the so-called "Frazier-Lemke farm-refinance bill", which was referred to the Committee on Agriculture and Forestry.

(See memorial printed in full when presented today by Mr. FLETCHER, p. 6603.)

The VICE PRESIDENT also laid before the Senate a memorial of the Legislature of the State of Florida, favoring the prompt enactment of Senate bill 1220, known as the "Thomas cost-of-production bill", which was referred to the Committee on Agriculture and Forestry.

(See memorial printed in full when presented today by Mr. FLETCHER, p. 6604.)

The VICE PRESIDENT also laid before the Senate a memorial of the Legislature of the State of Florida, favoring the making of an appropriation to reimburse the county of Okaloosa, Fla., in the sum of $355,241.74, expended for construction of roads and bridges within the boundary of the Choctawhatchee National Forest, which was referred to the Committee on Claims.

(See memorial printed in full when presented today by Mr. FLETCHER, p. 6604.)

The VICE PRESIDENT also laid before the Senate a memorial of the Legislature of the State of Florida, favoring the appropriation of funds to make the Ocklawaha River navigable from its outlet in the St. Johns River to its source in Lake Apopka, which was referred to the Committee on Commerce.

(See memorial printed in full when presented today by Mr. FLETCHER, p. 6604.)

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from the Spokane Valley (Wash.) Poultry Local praying for the enactment of House bill 5802, imposing an excise tax of 5 cents a dozen on eggs imported in the shell, 10 cents a pound on frozen eggs, and 31 cents a pound on dried eggs, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Business Men's Club, of Brinsmade, N. Dak., favoring the repeal of the long-and-short-haul clause of the fourth section of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a letter from Hon. Vicente Sotto, a delegate to the Constitutional Convention of the Philippines, enclosing a protest, signed by himself and various members of the bar and citizens of the Philippine Islands, against the appointment of Hon. C. M. Recto to the Supreme Court of the Philippines, which, with the accompanying papers, was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by Columbia Lodge No. 85, of the Improved Benevolent Protective Order of Elks of the World, of Washington, D. C., favoring the prompt enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

Mr. BARBOUR presented a letter in the nature of a petition from the Newark (N. J.) Branch of the National Association for the Advancement of Colored People, praying for the prompt enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

Mr. FLETCHER presented the following memorials of the Legislature of the State of Florida, which were referred to the Committee on Agriculture and Forestry:

Memorial to Congress requesting that the Congress of the United States, without further delay, pass the Frazier-Lemke farm-refinance bill, S. 212 and H. R. 2066

Whereas unless immediate relief is given, hundreds and thousands of additional farmers will lose their farms and their homes and millions more will be forced into our cities and villages and the army of the unemployed will necessarily increase to alarming proportions; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas the Frazier-Lemke refinance bill, being S. 212 and H. R. 2066, in the Congress of the United States, provides for the liquidating and refinancing of agricultural indebtedness at a reduced rate of interest through the Farm Credit Administration and the Federal land banks; and

Whereas the Frazier-Lemke bill has the endorsement of 22 State legislatures, and in addition the lower houses of the States of New York and Delaware, and of many commercial clubs, chambers of commerce, bank organizations, and of business and professional

men and women, as well as the great majority of the farmers of this Nation; and

Whereas the enactment of this bill will have a vital effect, not only upon agriculture but upon all classes of industry; and

Whereas agriculture is the basic industry of this country, and there can be no recovery until agriculture is put upon a sound basis: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Florida Legislative Assembly of the State of Florida, the senate and the house concurring, that the Congress of the United States should enact the Frazier-Lemke bill without further delay; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator LYNN J. FRAZIER and Congressman WILLIAM LEMKE.

Memorial to Congress requesting that the Congress of the United States, without further delay, pass the Thomas cost-of-production bill, S. 1220

Whereas, unless immediate cost of production is guaranteed, hundreds and thousands of additional farmers will be financially unable to produce crops and millions more will be forced into our cities and villages, and the army of the unemployed will necessarily increase to alarming proportions; and

Whereas there is no adequate way of guaranteeing cost of production, the farmers are at the mercy of the markets throughout this State and Nation; and

Whereas many farm producers are selling below the cost of production with no immediate relief in sight; and

Whereas the Thomas cost-of-production bill has the endorsement of several State legislatures, commercial clubs, chambers of commerce, business organizations, and business and professional men and women, as well as the great majority of the farmers of this Nation; and

Whereas the enactment of this bill will have a vital effect upon not only agriculture but upon all classes of industry; and

Whereas agriculture is the basic industry in this country, and there can be no recovery until agriculture is put on a sound basis: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the 1935 Legislative Assembly of the State of Florida (the senate and the house concurring) that the Congress of the United States should enact the Thomas bill without further delay; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator THOMAS, of Oklahoma.

Mr. FLETCHER also presented the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Claims:

House Memorial 3

A memorial to the Congress of the United States of America requesting an appropriation reimbursing the County of Okaloosa, State of Florida, the sum of $355,241.74 expended for construction of roads and bridges within the boundary of the Choctawhatchee National Forest, reservation of the United States Government.

Whereas the county of Okaloosa was created by an act of the Legislature of Florida, 1915 session, and that the territory embraced ranges 22, 23, 24, and 25 west of Tallahassee meridian; and

Whereas it appears that at the time of the creation of said county a portion of said territory was within the boundary of the Choctawhatchee National Forest, a reservation of the United States Government, and at this time is still a portion of said reservation; and

Whereas at the time of the creation of said county there were no improved public roads traversing said forest and in order that such highways be constructed for the accommodation of the citizens and residents in said territory, the said citizens from time to time voted the issuance of bonds in the sum of $105,000, which said moneys were expended by the county of Okaloosa, in the cooperation with the Forestry Department in the construction of roads in said territory, the principal and interest of said bonds to be paid from ad valorem taxation on the real estate in said territory; and

Whereas, during the years 1926 and 1927, it was found that said roads were inadequate for the accommodation of the territory, the board of county commissioners by petition and resolution requested the Legislature of Florida to authorize the said board to issue and sell bonds in the sum of $600,000, the proceeds to be used in the construction of certain permanent roads in the county, a portion of said roads being within the said forest reservation; and

Whereas the Legislature of the State of Florida authorized the said board of county commissioners to issue and sell said bonds, and the said board did sell same for the sum of $585,000, and a portion of said sum was spent for the construction of the following designated State roads in said forest, the following amounts:

$357,277.79, State Road No. 10, from Walton County line to Santa Rosa County line;

$71,680.89, State Road No. 54, from Crestview to Niceville;

$26,283.06, State Road No. 105, from Yellow River to Wright, and that the principal and interest of said bonds to be paid from ad valorem taxes and other sources; and

Whereas it appears that since the issuance and sale of the bonds aforesaid that the timber on lands owned by individuals and corporations in said forest has been cut and removed from said lands thereby reducing the value of said lands to the extent the said county at this time receives practically no tax on said lands and that the said Forest Service has purchased several thousands acres of land in said territory and has bargained to purchase several thousand acres more with apparent intention to consolidate forest area, thereby causing the county of Okaloosa to be deprived of any revenue from said lands; and

Whereas it appears that due to the inability of the said county of Okaloosa to receive taxes from its said lands to meet the interest and principal payments on said bonds, and other obligations of the county, that the credit of said county has been crippled, causing embarrassment to the county and its creditors to the amount of approximately $500,000: Therefore

Whereas in view of the fact that the sum of $355,241.74 was expended in good faith by said county in the construction of permanent roads and bridges; and

Whereas said sum was expended for the permanent improvement of, and did improve, the said forest reservation: Therefore, be it

Enacted by the Legislature of the State of Florida, That the Senators and Representatives from the State of Florida, in the Congress of the United States of America, be, and they are hereby, respectfully requested and urged to introduce and have passed by the Congress of the United States an appropriation reimbursing the county of Okaloosa the sum of $355,241.74 expended for construction of roads and bridges as aforesaid in said county; be it further

Resolved, That the secretary of state of the State of Florida be requested to send each of the Senators and Representatives of Florida a copy of this memorial, and that he also send a copy of this memorial, under the great seal of the State, to the President of the United States and to the United States Congress.

Mr. FLETCHER also presented the following memorials of the Legislature of the State of Florida, which were referred to the Committee on Commerce:

A memorial to the Congress of the United States of America, now convened in session as the Seventy-fourth Congress of the United States of America

Whereas the navigable waters known and designated by the United States Government as the Ocklawaha River, with its outlet in the navigable water of the St. Johns River, is in fact navigable only to small craft; and

Whereas the Federal Government has expended large sums of money on said Ocklawaha River in the construction of a lock and dam and dikes, which are utterly useless without other and further work and development of said river for the purpose of making it navigable; and

Whereas the beauties of the Ocklawaha River and the inland waters of Florida connected with said Ocklawaha River are unexcelled in any part of the United States; and

Whereas said Ocklawaha River and its tributaries lie within the most productive and highly developed agricultural sections of the State of Florida; and

Whereas the expenditure of a comparatively small amount of money would make this wonderful land of lakes, rivers, tropical growth, sunshine, and wealth accessible to pleasure and commercial watercraft: Be it therefore

Resolved by the Florida Legislature, That the Senators and Representatives from the State of Florida in the Congress of the United States of America be, and they are hereby, respectfully requested and urged to make every effort to obtain the necessary appropriation of moneys to be used for the purpose of making the said Ocklawaha River navigable from its outlet in the St. Johns River to its source in Lake Apopka; and be it further

Resolved, That copies of this memorial be immediately forwarded, under the great seal of the State of Florida, by the secretary of the State of Florida, to the President of the United States Senate, to the Speaker of the House of Representatives, and to each Senator and Congressman of the State of Florida.

Senate Memorial 9

Whereas the construction of the canal between the Choctawhatchee Bay and West Bay, Fla., and the improvement of the canal between the Apalachicola River and St. Andrews Bay, Fla., are the last remaining uncompleted projects in that part of the Gulf Coastal Canal System between the Apalachicola River and Corpus Christi, Tex.; and

Whereas full and complete approval of these two projects has been given by the Rivers and Harbors Committee of Congress and the United States Army Engineers as set forth in House Documents No. 259 and No. 52 of the Seventy-second Congress; and

Whereas every Federal agency has proven the economic necessity and justification for the expenditure of the cost of these projects which has been estimated by the United States Army Engineers; and

Whereas the only present means by which Federal funds can be appropriated for the construction of these projects is from the proceeds of the recently enacted Federal security fund; and

Whereas it will be incumbent upon our Senators and Congressmen in Washington to take active and immediate steps to secure the appropriation from the Public Works Administrator and such other agency as may be set up for the distribution of the recently enacted security fund; and

Whereas the Gulf Coastal Canal System on which the Federal Government has already expended some $80,000,000 cannot be completed or brought into full fruition until these two Florida projects are completed; and

Whereas when the same are completed they will provide a means of continuous water transportation between the upper regions of the Apalachicola River and the St. Marks River on the east, the entire Gulf coast to Corpus Christi, Tex., on the west, and through the Mississippi River to Chicago and the Great Lakes; and

Whereas this continuous water-transportation facility is of tremendous economic importance particularly to the Gulf coast and interior sections of Florida, Georgia, and Alabama; and

Whereas the expenditure at this time of the funds in this area of Florida will be of great assistance in helping to relieve the unemployment burden of the area: Therefore be it

Resolved, That the Legislature of the State of Florida hereby requests the Senators and Congressmen of Florida, Georgia, and Alabama to use all possible means to secure the appropriation for the immediate construction of these projects; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to the Public Works Administrator in Washington, and to any other Federal agency which the President may appoint for the purpose of allocating funds to such Federal projects and to our Senators and Congressmen in Washington and to the Senators and Congressmen of Georgia and Alabama and to the press of the several respective States.

REPORT OF MILITARY AFFAIRS COMMITTEE

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 166) for the relief of Jack Doyle, reported it without amendment and submitted a report (No. 560) thereon.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 29th instant that committee presented to the President of the United States the enrolled bill (S. 2035) to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McGILL:

A bill (S. 2714) for the relief of Fred R. Cuddy; to the Committee on Military Affairs.

By Mr. CONNALLY:

A bill (S. 2715) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi; to the Committee on Indian Affairs.

By Mr. SMITH:

A bill (S. 2716) to provide for the establishment of a national monument and cemetery in Greenwood County, S. C., to be known as the "Star Fort National Monument and Cemetery"; to the Committee on Public Lands and Surveys.

By Mr. BYRNES:

A bill (S. 2717) to authorize the Secretary of Agriculture to make surveys of representative farm areas each year in each State for the purpose of obtaining and publishing information upon the economic condition of agriculture throughout the United States, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BAILEY:

A bill (S. 2718) for the relief of Walter D. Foster; to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 2719) for the relief of Capt. Guy L. Hartman; to the Committee on Claims.

By Mr. GUFFEY:

A joint resolution (S. J. Res. 110) authorizing Brig. Gen. C. E. Nathorst, Philippine Constabulary, retired, to accept such decorations, orders, medals, or presents as have been tendered him by foreign governments; to the Committee on Military Affairs.

By Mr. SCHALL:

A joint resolution (S. J. Res. 111) directing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 258) to provide for certain State allotments under the Cotton Control Act, was read twice by its title and referred to the Committee on Agriculture and Forestry.

INCLUSION OF PUERTO RICO AND VIRGIN ISLANDS IN SOCIAL-SECURITY PROGRAM

Mr. TYDINGS. Mr. President, I have received from the Secretary of the Interior a letter enclosing a proposed amendment to the social-security bill. The letter goes on to say that Puerto Rico and the Virgin Islands are not included in the social-security bill, and, because of the argument made by the Secretary, I ask that his letter be printed in the RECORD and that the amendment which he has enclosed be referred to the Committee on Finance.

There being no objection, the amendment intended to be proposed by Mr. TYDINGS (by request) to the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a social security board, to raise revenue; and for other purposes, was referred to the Committee on Finance, and the letter, together with the proposed amendment, was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE INTERIOR,
Washington, April 24, 1935.

Hon. MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs,
United States Senate.

MY DEAR SENATOR TYDINGS: Enclosed is a draft of a proposed amendment to H. R. 7260, the social-security bill.

The amendment relates to titles I, IV, V, and VI, dealing with grants for old-age assistance, aid to dependent children, maternal and child welfare, and public-health work. The bill in its present form provides for grants for these purposes to the States, the District of Columbia, Alaska, and Hawaii, but not to the insular possessions. The proposed amendment would extend the definition of the term "State", where used in these titles, to include Puerto Rico and the Virgin Islands.

The need for aid of this sort in those possessions is at least as great as in the States and Territories. It is demonstrable by figures that in the case of Puerto Rico the actual need per capita is very much greater than in any State of the Union. Puerto Rico has suffered particularly from legislation designed to benefit the American people as a whole, to the cost of which Puerto Rico has contributed, but the benefits of which were not applicable to its citizens. There seems to be no just reason for discriminating against these possessions. Indeed, because of their lack of representation in Congress, it seems to me that we should be particularly solicitous that they do not suffer economically through their lesser political status.

In the original economic-security bill, H. R. 4120, Puerto Rico was included among the "States" entitled to grants under the titles corresponding to titles I, IV, and V. In the present bill, H. R. 7260, Puerto Rico has been excluded and the amounts authorized to be appropriated have been somewhat reduced. The proposed amendment would restore the amounts authorized to be appropriated in those titles in the original bill, in order to make some provision for the needs of the island possessions.

I am advised by Mr. A. J. Altmeyer, Second Assistant Secretary of Labor, on behalf of Miss Perkins, the chairman of the President's Committee on Economic Security, that "the Committee on Economic Security has never given specific consideration to the question of whether the security legislation should cover the Territories and possessions of the United States", and that he believes, therefore, that I am free to make such recommendations on this subject as I deem proper.

In view of the urgent need for aid of this sort, so essential to social security in these possessions, I strongly recommend that this amendment be given favorable consideration.

I have transmitted to Senator HARRISON, as Chairman of the Committee on Finance, a similar letter advising him of the facts

and recommending that this amendment be adopted. For your convenience, I am enclosing a copy of my letter to Senator HARRISON.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

Amendments intended to be proposed by Mr. TYDINGS (by request) to House bill no. 7260, the social-security bill.

On page 2, line 5, to strike out "$49,750,000" and insert in lieu thereof "$50,000,000."

On page 19, line 23, to strike out "$24,750,000" and insert in lieu thereof "$25,000,000."

On page 25, line 6, to strike out "$3,800,000" and insert in lieu thereof "$4,000,000."

On page 30, line 13, strike out "$2,850,000" and insert in lieu thereof "$3,000,000."

On page 59, line 13, after "Columbia", insert a semicolon and the following: "and when used in titles I, IV, V (except section 531) and VI, the term 'State' includes, in addition, Puerto Rico and the Virgin Islands."

AGRICULTURE—ADDRESS BY SENATOR M'GILL

Mr. POPE. Mr. President, I ask leave to have printed in the RECORD a very able address upon the condition of agriculture, and the work of the Agricultural Adjustment Administration, delivered by Hon. GEORGE MCGILL, of Kansas, April 29, 1935, over the National Broadcasting Co. network from the Capitol Building in Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I wish to take this opportunity to thank the National Broadcasting Co. for the privilege of discussing over the radio some of the questions affecting the agricultural industry of the country.

During the 4 years immediately preceding the Roosevelt administration we had witnessed inaction in the affairs of our Government looking toward any policy or program calculated to be beneficial to the masses of our people. During that entire period we had witnessed the loss of foreign markets, the building of huge agricultural surpluses, the falling of commodity prices, and the paralysis of business generally. During a period of peace no such calamitous conditions without cause or reason had at any time theretofore been foisted upon our people.

Time will not permit, nor would it seem necessary for the purposes of the subject I propose to discuss on this occasion, to review the perilous conditions in which our people were living at the time the present administration came into power.

It will, I am sure, be conceded that the basic industry of this country and the one from which our wealth is largely derived is the agricultural industry; and therefore, for the brief period allotted to me on this program, I shall devote the time to questions affecting that industry as embraced in the policies which have been in vogue during this administration as well as to the pending bill to correct the economic instability resulting from some forms of farm tenancy and especially as it pertains to rural rehabilitation and which has been introduced in the Senate by my friend, Senator BANKHEAD, of Alabama.

When President Roosevelt was inaugurated in March 1933, there was in storage in this country a surplus of approximately 13,000,000 bales of cotton, which is more than the normal production in this country in 1 year; there was also in storage in this country a surplus of approximately 400,000,000 bushels of wheat, as well as a surplus of virtually every other basic agricultural commodity. For these surpluses there existed no outlet or market, and the result was prices for the products of the farm had been driven down far below the cost of production and agriculture was in a state of ruin—all of which had a paralyzing effect on every other industry and vocation in this country. There could have been no degree of economic recovery without a program to rehabilitate agriculture—a program to not only restore value but a profit to the farmer in the products of the farm. Centered around this problem was one of the major issues of the campaign of 1932. It was then the contention of the supporters of the present administration that, instead of the policies of the then Federal Farm Board of buying and storing surpluses, thereby destroying market prices, there should be a voluntary cooperative allotment program, not to be engaged in wholly at the expense of the producers but at the expense of the public generally, whereby production would be caused to become in harmony with the consumptive demands. The result was the enactment by the Congress early in the history of this administration of what is known as the "Agricultural Adjustment Act."

The purpose of the Agricultural Adjustment Act largely is to raise funds by a processing tax, which is in effect the farmers' tariff, with which to pay farmers a rental for land the farmers will agree to and will take out of production, and thereby enhance the prices farmers will receive for what they produce and place agriculture on a profitable basis. I would not be so vain as to contend that the entire increase, which has since occurred in the market price of farm commodities, has been due to the administration of the Agricultural Adjustment Act, but do contend it is the one general act of Congress which has far surpassed all others as a direct and positive aid in tending toward the restoration of economic stability of the farmers of our country. Those who criticize the Agricultural Adjustment Act and the administration of it will find if they but inquire among them that the farmers of the Nation are strongly in favor of a continuation of the program.

My home State of Kansas normally produces annually approximately one-fifth of all of the wheat produced in the entire country. In 1930, 1931, and 1932 the farmers of that State were receiving at the local markets approximately 25 cents per bushel for that commodity, which meant that the market price at Chicago was approximately during that period 40 cents per bushel. The price those farmers were receiving during that period was less than the cost of production. Today the price of wheat on the Chicago market is approximately $1 per bushel and from 80 to 85 cents per bushel on the local markets of the principal wheat-producing States. In addition to the price increase the wheat farmers for stabilizing production to a point near the market demands have received substantial rental payments under the agricultural adjustment program for the land removed from production.

The history of other basic agricultural commodities under the agricultural-adjustment program is similar to that of wheat, and unless and until adequate foreign markets can be and are restored, this program is the only one thus far suggested whereby the farmer may expect to sustain his business on a profitable basis. As has been suggested in addition to the increase in the market price, rental or benefit payments made under the act to farmers should not fail to receive proper consideration. Examination of the Budget Division of the Agricultural Adjustment Administration will disclose that for the fiscal year ending June 30, 1934, cotton farmers were paid rental or benefit payments amounting to $139,525,359.58, and that for the period from July 1, 1934, to March 31, 1935, cotton farmers received additional payments of the same character amounting to $85,437,179.51, a total during the entire period of $224,962,539.09; that for the year ending June 30, 1934, the wheat farmers were paid rental or benefit payments amounting to $68,965,433.17, and for the period from July 1, 1934, to March 31, 1935, wheat farmers received payments of the same character amounting to the sum of $93,479,422.95, a total for the entire period of $162,444,856.12. The corn-hog farmers were paid to March 31, 1935, the sum of $253,536,280.21 in rental and benefit payments. For the year ending June 30, 1934, to and including March 31, 1935, tobacco farmers had received payments of the same character amounting to the sum of $31,216,317.34, and sugar farmers had received payments of like type for the same period amounting to the sum of $6,256,933.69. During the period to which I have referred the various classes of farmers described have received in rental or benefit payments in addition to the substantial increase in market prices for the commodities mentioned the total sum of $678,416,926.45. During the same period the processing tax collected has amounted to the total sum of $772,963,077. It will be observed the program has been and will be practically self-sustaining.

I strongly favor the efforts which have been made and are now being made toward creating foreign markets for our surplus agricultural commodities; but until accomplishments in that direction are more fully realized, no agricultural program thus far advanced looking to the welfare of our farmers surpasses the Agricultural Adjustment program in bringing to pass economic recovery among the tillers of the soil.

I would be remiss in my obligations as a representative of a great agricultural State if I did not on this occasion pay tribute, which I freely do, to Mr. Secretary Wallace, whom I regard as one of the greatest Secretaries of Agriculture we have had in any administration, for the sympathetic and efficient manner in which the Agricultural Adjustment Act has been administered under his administration of that high and responsible office.

At the inception of my remarks I stated that I proposed also to discuss briefly the bill which has been introduced by Senator BANKHEAD, of Alabama, relating to rural rehabilitation and the farm-tenancy situation. As I view this measure, it is in no way in conflict with the agricultural-adjustment program, will not materially increase the production of the commodities of the farm, will tend to increase consumption of farm commodities and promote the welfare and independence of our people and make it possible for many families to live in peace and comfort who otherwise would be without homes and oftentimes in want.

To my mind ultimate economic stability in this country is dependent not only upon a reduction of farm tenantry but also on engaging upon a program which will induce many of those in the crowded population of our cities where there is not and probably never will be sufficient employment to maintain them to move upon and cultivate farms from which they can derive sufficient in production and income to maintain themselves in comfortable if not commodious homes. Our wealth is derived from the earth, and if a larger portion of our population were living in the rural districts, our problems as a nation would be much less difficult.

Approximately 43 percent of our farmers are tenants. This is a deplorable condition. This is not a race problem—the great percentage of our farm tenants the country over are white people. Neither is farm tenancy a sectional problem—it is Nation-wide. In my home State of Kansas 42.1 percent of our farmers are tenants. In the neighboring States bordering on Kansas the number of farm tenants in point of percentage to all farmers is: Colorado, 33.9 percent; Nebraska, 47 percent; Iowa, 47.3 percent; Missouri, 33 percent; and Oklahoma, 54.3 percent. These averages are as high as any in the United States and evidence the fact that the problem is national in scope. Naturally the better, more stable, and independent farmer is the one who lives on and farms land which he owns.

By the Bankhead bill it is proposed to engage on a program which I believe will enable many more people to own their own farms. It is not proposed to take a citizen's land from the owner except where the owner for fair market value may desire to part with his title, but the program would be broad and permanent and cause a larger percent of our population to become farmers and home owners. Of necessity such a program must and, if the bill is enacted into law will be one covering a long period.

The program of rural rehabilitation as contemplated by this bill would, if it becomes a law, be carried on by a corporate agency to be established under the provisions of the measure. This agency would have power to acquire, by purchase, gift, or otherwise, farm lands and dispose of the land on a long-time plan to farmers who would occupy such farms. Preference would be given to applicants, the bill provides, with farming experience and who have dependent families. The bill further provides that no purchaser, so long as the purchase price is not paid in full, shall sell, lease, transfer, convey, or mortgage the property purchased. There is a provision in the measure which provides that this agency shall not in any manner dispose of any land acquired by it to any corporation or enter into any contract or agreement with any corporation with respect to the acquisition by it of any real property or interest therein, and shall not dispose of farm property to a person owning a farm of sufficient size and earning capacity to support the owner and family. The sole purpose of the bill is to enable persons who otherwise would not be able to do so to acquire small farms for homes where they can maintain themselves. This is the heart of the measure. With the objects and aims of the bill I am in hearty accord. The proper use of our land will always sustain us, and there is in the final analysis no other way by which we can maintain ourselves as a happy and reasonably prosperous people.

The Bankhead bill was debated on the floor of the United States Senate recently for several days when it was recommitted to the Senate Committee on Agriculture and Forestry for the purpose of perfecting some of its provisions and with instructions that the committee again report the bill to the Senate not later than the 12th day of May. Doubtless, soon thereafter, the measure will again be before the Senate for consideration. It is a measure designed and intended to promote the welfare of persons with little or no means and its supporters in the Congress should receive the encouragement of our people in the efforts they are putting forth to enact it into law.

I am not discounting the value of other programs of the administration or of vocations in life other than farming, but in the brief period allotted to me for this broadcast it has been my purpose to emphasize the importance of rural rehabilitation and the basic industry of agriculture—the industry which is the sustaining bulwark of a stable democratic form of government.

I have purposely avoided on this occasion a discussion of the proposed amendments to the Agricultural Adjustment Act. They will receive due consideration by the legislative branch of the Government. Some of them should probably be adopted while others should, insofar as the study I have been able to give them would indicate, in my judgment should be rejected. One thing is certain; the basic program and the basic theories contained in the Agricultural Adjustment Act will not and should not at this time be abandoned or changed. Without that program I seriously question whether the farmers of the country could have survived during the past 2 years.

In closing I feel it my duty to say that those who howl regimentation, fascism, socialism, sovietism, or any similar fierce-sounding term are merely for selfish or political reasons endeavoring to becloud the issue. No program is being seriously considered, and no program is or has been in operation under the present administration, justifying anyone's fear. We have as President of the United States a true follower of Jefferson, a real friend of the average citizen of this country—regardless of what may be his or her pursuit in life. The welfare of the masses of our people is paramount in the Presidential mind. Under his leadership your rights and liberties as individual American citizens will be preserved to you and your descendants. In my judgment, under the policies of this administration we are moving toward ultimate recovery and normal times much more rapidly than we had a right to anticipate. Our President has a heart which beats in unison with the welfare and interests of the masses of our people, and his untiring efforts to save and economically rehabilitate a great Nation should not, must not, and shall not fail. Let us not be deterred in our loyalty by those who are undertaking to undermine and oppose his program. Their program is only one of criticisms and lamentations. More has been accomplished under the administration of President Roosevelt in behalf of the average citizen than has been accomplished for such citizens under any administration in recent times. It was given to him to take over the affairs of government when the financial structure of the Nation had collapsed and at the most trying period of any of our Presidents in a time of peace. The easiest role for one to assume is that of a critic. A constructive program of economic rehabilitation requires constructive statesmanship. The programs of rehabilitation of the Roosevelt administration have been outstanding in their accomplishments, and not even his critics would have them abolished.

REGULATION OF BANKS AND BANKING—ADDRESS BY SENATOR FLETCHER

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio colloquy between Hon. DUNCAN U. FLETCHER and Sherman Mittell in the broadcast, An American Fireside, April 28, 1935.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

OPENING ANNOUNCEMENT

An American fireside. Our guest at an American fireside tonight is the Honorable DUNCAN U. FLETCHER, United States Senator from Florida and Chairman of the Senate Committee on Banking and Currency, who will talk with Sherman Mittell, of the National Home Library Foundation. Mr. Hapgood is unable to be with us tonight but will be back again next Sunday.

Mr. Mittell has just greeted Senator FLETCHER and they are seated around the fireside.

Mr. Mittell is speaking.

Mr. MITTELL. A number of these half hours are given over to discussing the problems of democracy. Senator FLETCHER, more and more we begin to see that our national problems are tied up with correcting the errors of the past. While our frontier was open we could develop without worrying about consequences or the future. With a closed frontier and with a nation well knit, we begin to see more and more that our commercial and industrial activities affect the very foundations of our social well-being. The history of banking hasn't been any too fortunate for the American people and for some reason or other Americans have always felt, until recently, that it was a field beyond their common everyday knowledge and concern. Our last tragic experience, I believe, has opened the eyes of the people to the realization that without a sound banking system it cannot have a safe, economic, or secure social life.

Justice Brandeis has told us in that memorable book—Other People's Money and How the Bankers Use It—which was written 20 years ago and which today is a classic in democracy, how the control of the private bankers, particularly a handful of men, constituted a strangle hold on our industrial life. This book, as you know, was written immediately after the Pujo investigation in 1913. It is the opinion of many that had his advice been taken and his warnings heeded, we should not have been thrown into the tragic situation we experienced 20 years later, affecting disastrously millions of people.

For 2 years your committee, with you as its chairman, carried on an investigation of our banking practices that has already led to banking reform. Last year Senator CUTTING introduced an excellent bill that went a step farther, but, Senator FLETCHER, what is the most important piece of legislation on your committee's calendar at this time, and can you tell us something of that?

Senator FLETCHER. In my opinion, the proposed Banking Act of 1935 is, in all probability, the most important piece of banking and monetary policy legislation with which this or any other Congress has dealt. Hearings are now being held, and within a short time the committee will attempt to perfect this piece of legislation.

In connection with this bill, I think it is of interest to note that numbers of people misunderstand its purpose. Few of them have read the bill, due probably to the pressure of personal business.

Mr. MITTELL. Senator FLETCHER, I understand that the bill is, like all Gaul, divided into three parts; title I dealing with amendments to the deposit-insurance law, the main provision of which is that of establishing the maximum insurable deposit at $5,000.

Senator FLETCHER. That is correct.

Mr. MITTELL. And that title III carries a number of amendments to various banking provisions. I also understand that bankers, a number of bankers' associations, some economists, editors, and financial writers support these two titles. On the other hand, numbers of these people whom I have just mentioned are opposed to title II. If my statement is correct, Senator, I should think you would like to explain to us just why you think "the proposed Banking Act of 1935 is in all probability the most important piece of banking and monetary policy legislation with which this or any other Congress has dealt."

Senator FLETCHER. I base that statement upon the importance of title II alone; and it is title II of the bill which is bearing the brunt of almost all the opposition made to the entire piece of legislation.

The general public must not be misled. This legislation will serve a public purpose, and its enactment is essential to the establishment of the financial and economic security of this Nation's domestic enterprises.

Mr. MITTELL. Suppose you outline it more fully, Senator FLETCHER.

Senator FLETCHER. Title II deals almost wholly with the creation of machinery for the effective regulation of a definite monetary policy in accordance with the campaign promises of President Roosevelt. Those promises were based on the Democratic platform of 1932, which advocated "a sound currency to be preserved at all hazards" and proposed to put an end to "the indefensible expansion and contraction of credit for private profit at the expense of the public."

Moreover, it is a definite attempt to accomplish the ends which the President had in mind, when, on July 3, 1933, he stated to the American delegation to the London Economic Conference and again reaffirmed on October 22 in his address to the American people, in which he stated that:

"When we have restored the price level, we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation. I said that

in my message to the American delegation in July and I say it now once more."

May I point out that, with one or two exceptions, title II of the bill deals with the control over the monetary policy of this Nation. Such monetary-policy operations cannot and should not be merged with purely banking operations.

Mr. MITTELL. Pardon me, Senator, may I ask that you explain a little more fully your last statement to the effect that "monetary-policy operations cannot and should not be merged with purely banking operations"?

Senator FLETCHER. Certainly. The distinction must be kept clearly in mind.

The administration of a monetary policy has to do with the contraction and expansion of the credit and currency of the country and directly affects the purchasing power of money. This function transcends those of banking, farming, manufacturing, or that of any other business activity. It literally controls the economic and social welfare of the whole Nation. Traditionally, to be sure, this function has been turned over to banks and bankers who have operated it without direct responsibility to anyone. We propose to centralize the powers and responsibilities for the total expansion and contraction of currency and credit in the Federal Reserve Board.

Mr. MITTELL. Senator, what are those matters that have to do with purely banking operations?

Senator FLETCHER. Purely banking operations have to do with the direct lending of the bank's cash or credit to borrowers in which the major interests of the banker or bankers must always be concerned with the character of the borrower, security for the loan, and the uses to which the borrower is going to put the cash or credit he obtains from the bank.

A loan made by a bank is definitely an investment of the bank's cash or credit just as is the purchase of Government bonds, a mortgage, or any other type of paper representing either ownership in or obligations on a piece of property, are investments of a bank.

Such transactions as I have enumerated go to make up purely banking operations and to the extent that a banker engages in these transactions, he should be held strictly accountable for their soundness. And in order that we may be assured that bankers are conforming with the law and the rules and regulations made by the various examining agencies created by the Federal Government and the 48 State governments, bank examiners periodically examine the banks as to the soundness of their assets and the legality of their operations.

Mr. MITTELL. Senator FLETCHER, haven't we heretofore had bank examiners do the thing you are now asking should be done?

Senator FLETCHER. We have had bank examiners and expect to retain them. But bank examiners pass upon the soundness of an individual loan or investment of a bank, and finally upon the soundness of the bank as a whole. But the generative forces to which I refer are of such a nature as to affect the total volume of all loans, investments, and deposits of all banks at one and the same time, irrespective as to whether those loans, investments, and deposits are or are not sound. These forces are such as to increase that volume, or decrease that volume, irrespective of the soundness of the work done by bankers or by bank examiners.

May I stress the fact that even though bankers and bank examiners use the greatest amount of discretion in making and supervising the loans and the investment of the bank's funds, it is possible to undermine and even destroy all of their painstaking efforts by bringing about, through open-market operations, rediscount rates, and control over reserves, a contraction of the total volume of credit and currency outstanding.

Mr. MITTELL. Then you do not blame bankers as individuals for our difficulties?

Senator FLETCHER. No; of course not. There are literally thousands of bankers in this country whose heads are bowed in humiliation and shame. They are blamed for the vicious results, many of which they are not able to rationalize. They have had their lines of credit shut off, their reserves reduced, or have experienced the withdrawal of huge sums of money upon demand. In turn they have been forced to try to call in loans which they oftentimes have made with the greatest of caution and deserved confidence, to be peremptorily thrown without warning into the maelstrom of a financial panic, contraction, or depression.

Mr. MITTELL. Do you hold all bankers more or less blameless?

Senator FLETCHER. No. Among them there have been a few bankers "in the know" and also in a dominant position for laying down the rules for making money "tight" or "easy"—of literally determining the trend—yet the latter have not personally been singled out, nor can they, under our present system, be called to account for the disastrous results of their acts. It is my earnest desire that the fifteen or twenty thousand bewildered bankers, who have never known and cannot be expected to know why money is "tight" or "easy", demand that this great destabilizing and disturbing factor of monetary policy be separated from banking per se and placed in the hands of men who must and who shall be held responsible and accountable for their acts. Undoubtedly in this great Nation we can find at least five or eight men, depending upon the final provisions of the act, who know what it is all about and can be trusted to administer our monetary policy intelligently and with the greatest amount of integrity and respect for the people and to act for the public welfare.

Mr. MITTELL. Senator FLETCHER, I think I see your point, but I wonder if you can't explain to us somewhat more clearly the relative position of a banker or bankers to the expansion or contraction of the total volume of credit and currency?

Senator FLETCHER. Very well; I think that relationship should be explained very clearly.

In the first place, it should be explained that about 90 or 95 percent of our total money supply is in the form of bank credit. The remaining 5 or 10 percent is made up of legal-tender currency. For all normal business needs bank credit serves all of the functions of money. Hence, whenever bankers increase or decrease the total supply of bank credit, they are for all intents and purposes increasing or decreasing the supply of our money.

The total supply of bank credit outstanding at any particular time is expressed in terms of the total deposits of all banks. When bankers make loans they increase the total amount of bank credit outstanding by increasing the amount of their customers' deposits. Likewise, when loans are paid off or bankers call loans for payment, the total amount of bank credit is reduced.

Mr. MITTELL. Senator FLETCHER, are there any "rules of thumb", so to speak, which control the total expansion of contraction of bank credit during periods of normal business conditions?

Senator FLETCHER. In periods of normal business conditions bankers are permitted to have deposits outstanding in any amounts not to exceed the maximum permitted under either a banker's "rule of thumb" or a comparable statutory "rule of thumb." Either of these "rules of thumb", which I shall subsequently explain, afford us no ultimate protection against the overexpansion, even "inflation", of bank credit, as I shall point out. The first "rule of thumb" I wish to explain is that which the Comptroller of the Currency and bankers through long experience have been applying to the capital structure of a bank in comparison with its total outstanding deposits. It has received quite a bit of attention during the last 2 or 3 years on the part of the Comptroller in his attempt to bring the capital structure of a bank in line with its total deposits and has resulted in the sale of either the preferred stock or debentures of a bank to the Reconstruction Finance Corporation, where private subscription could not be had. Under this rule, bankers are permitted to have deposits outstanding not to exceed 10 times their capital, surplus and undivided profits.

Mr. MITTELL. Can you express that rule in terms of figures for us, Senator FLETCHER?

Senator FLETCHER. That means that if the total capital, surplus, and undivided profits of all banks in the country is $5,000,000,000, then the banks of the country cannot have deposits outstanding in excess of $50,000,000,000.

To make it more concrete, may I remind you that on June 30, 1934, the total amount of capital, surplus and undivided profits was approximately seven and a half billion dollars. That would mean that the banks would be permitted under normal business conditions to expand their deposits in an amount not to exceed $75,000,000,000. On that date, however, the total of deposits stood at forty-six and one-half billions. If we considered only the 10-to-1 "rule of thumb", bankers would in the course of time be permitted to increase their deposits some $30,000,000,000. However, before they reach that maximum of $75,000,000,000 they will, of course, have to give immediate consideration to the building up of what is known as their reserves.

Mr. MITTELL. What is the evident weakness of such a 10-to-1 "rule of thumb"?

Senator FLETCHER. The weakness of the above 10-to-1 "rule of thumb" is that the limitation on the expansion of the total amount of bank credit outstanding is a fleeting fantasy, for the reason that bankers may and will increase their capital, surplus, and undivided profits solely in the interest of private profits. That power absolutely must be exercised and controlled in the public interest and not for private profit.

Under such a rule, the total of bank credit outstanding may range between two extremes where the upper limit is 10 times the variable factor of capital, surplus, and undivided profits; and the lower limit of contraction, destruction, and deflation of bank credit is an absolute zero.

Mr. MITTELL. It does not seem the 10-to-1 "rule of thumb" of the bankers and the Comptroller affords us much security.

Senator FLETCHER. That leads us to the consideration of a statutory "rule of thumb" incorporated in the Federal Reserve Act and subject to a comparable limitation from the point of view of safety, security, or protection of the public interest if the instruments, the power, and the responsibility for the administration of our monetary policy are not placed in a competent and responsible administrative body.

Mr. MITTELL. You mentioned reserves, Senator FLETCHER, and I recall there was some statutory provision in that connection. What has been the result of our experience under the statutory rule?

Senator FLETCHER. As a result of bitter experience, a fixed statutory rule has proven to be unsatisfactory. Under it in times of normal business conditions the total supply of bank credit outstanding at any particular time is determined by the volume of bank reserves and the required reserve ratio which is, roughly for all deposits, another 10-to-1 ratio; and is almost as unsatisfactory from the point of view of the public's security when left to the control of banks and bankers as has been demonstrated with the first "rule of thumb." The public's safety, security, and welfare are not adequately protected in this "rule of thumb" which is expressed in terms of an arbitrary ratio, yet variable item of "required reserves."

Mr. MITTELL. Why do you say bank reserves are a variable item, Senator FLETCHER?

Senator FLETCHER. Bank reserves are variable for the reason that they can be increased through gold imports, inflow of currency from circulation, or receipt of Federal Reserve funds. Hence the banking system as a whole will be able to increase the total volume of bank credit outstanding by approximately 10 times the amount of increased reserves. Inversely a loss of reserves has a tendency to result in a tenfold contraction of bank credit.

To make this observation more concrete, may I recall certain years of depression, when banks were suffering severe losses of deposits and reserves. The banks, in order to meet reserve deficiencies, were forced to curtail loans and investments, with the result that fully one-third of our supply of bank money was destroyed. Thus, at the very time when the rate of spending was declining, the volume of money available for spending was also being destroyed with disastrous effects on business activity, employment, and national income.

Mr. MITTELL. Senator FLETCHER, may I interrupt your discussion for the moment and ask as to how banks are situated with respect to required reserves?

Senator FLETCHER. At the present time the member banks alone hold approximately two billions of excess reserves, which would permit them to expand their deposits by approximately $20,000,000. Nonmember banks possess additional powers for the expansion of bank credit. Even thirty billions of expansion is not the maximum, for the reason that reserves are in turn built up through the sale or rediscounting of banker-created credit obligations to the banker-owned and banker-controlled Federal Reserve banks. It is evident that this situation has the possibilities of an unsound expansion of bank credit for private profit.

Mr. MITTELL. If I understand you correctly, it is possible to have a $30,000,000 inflation of bank credit?

Senator FLETCHER. Yes. At some time in the future they will at least have built up their deposits to a maximum of, we might say, sixty-five, seventy, or even seventy-five billions of dollars. This they can do only by literally creating credit money. Such a process of building up deposits is commonly termed "expansion of credit", and consists of the extension of loans by commercial banks to their customers by giving them credit on the books of the banks.

During a period of contraction the reverse takes place. What we have is an actual wiping out of, or the destruction of, these credits through the calling of loans and the refusal of banks to extend further credit where obligations have matured.

Mr. MITTELL. Just at that point, Senator FLETCHER, permit me to ask to what extent has the contraction or destruction of bank credit taken place since the collapse of 1929?

Senator FLETCHER. The destruction of bank credit alone amounted to over $20,000,000,000 between October 1929 and December 1933. This paralyzed all business. The cumulative results upon our national income have been likewise disastrous. At the darkest hour of this depression we were losing in excess of $4,000,000,000 monthly in national income. The total loss of national income during the 6 years of this depression will amount to probably $150,000,000,000. Such an amount is in addition to the physical suffering and mental anguish of millions of our unemployed and other millions dependent upon them.

The aim is to end this sort of thing.

Mr. MITTELL. Thank you, Senator. That answers my question. Please proceed with your general discussion of the expansion and contraction of bank credit.

Senator FLETCHER. The general policy of expansion of bank credit by all banks arises during a period of what is known as "easy money", and takes place after a definite easy-money trend is established. A reversal of the trend is referred to as money being "tight" and is accompanied by a contraction of loans and a reduction in the total of bank credit outstanding. The process of establishing these trends is the very heart of what has become known as "monetary policy operations." Such operations vitally affect the economic life of the Nation. The results of these operations have had ascribed to them the colorful names of periods of prosperity, booms, crises, panics, and depressions. Much more inclusive terms have been used, however, such as "periods of expansion" and "periods of contraction."

Mr. MITTELL. What part does the individual banker play in these periods of expansion and contraction, or of creating them?

Senator FLETCHER. Individually they have almost nothing to do with the creation of the up or down trend. After the up trend is established, however, bankers may or may not follow the trend by increasing their loans and coincidentally increasing their deposits at the same time that all other banks are expanding. On the other hand, when a period of contraction sets in, every banker must, in self-defense, not only refuse to extend further loans, but more often is forced of necessity to call loans and refuse to permit the extension of the life of loans which are at the time outstanding.

Mr. MITTELL. Then, Senator, you are not condemning bankers individually, but, on the other hand, are offering a defense of them, are you not?

Senator FLETCHER. That is correct, except to the extent they have failed to recognize the facts which I am now pointing out. It would seem that the American Bankers' Association and their connections might have—as a result of a thorough analysis of the facts—ameliorated, if not prevented, the paralyzing contraction of bank credit so disastrous to this Nation.

Mr. MITTELL. Who, then, is responsible; and at what forces is this bill directed?

Senator FLETCHER. Title II of the bill does not deal with banks or bankers individually. It deals with banking operations as a whole only to the extent of centralizing the responsibility for the exercise of the powers which control the establishment of these trends. The individual operations—such as lending, investing, etc.—of commercial banks are not contained in the subject matter of title II. However, the power to create or destroy the reserves of commercial banks, to raise or lower the rediscount rate, and other operations incidental to the effective regulation and control over the monetary policy of this Nation, constitute the sole subject matter of this portion of the bill.

The power to determine the trend is at the present time committed without definite responsibility to the Federal open market committee, the 12 Federal Reserve banks, and the Federal Reserve Board. They are unwilling, however, to assume the responsibilities for the disastrous results which have prostrated the Nation. Moreover, no adequate penalties can be ascribed. It is futile to attempt to continue under the present set-up. In conformity with that provision of the Constitution which declares the "Congress shall have the power to coin money, regulate the value thereof, and of foreign coin", we propose to perform our legislative duty through the enactment of this bill.

Mr. MITTELL. Well said Senator. I am beginning to understand why you attach such vast importance to the bill.

Senator FLETCHER. The power to initiate open-market operations is now in the hands of the committee which consists of governors of the Federal Reserve banks. The Reserve banks individually, however, may or may not choose to cooperate. The choice depends upon the purely private interests and private profit motives of these banks. Public interest must not be compromised for private profits.

Mr. MITTELL. Well, what do you intend to do to protect the public's interest?

Senator FLETCHER. We propose to revert approximately to the original purpose of the Federal Reserve Act in which the executive head of the Reserve banks was designated as an agent of the Federal Reserve Board. Moreover, we shall both in spirit and in fact conform with the original provision of section 11 of that act, which states "The Federal Reserve Board shall be authorized and empowered. * * * (subsection j) to exercise general supervision over said Federal Reserve banks."

Mr. MITTELL. What effect will that have upon the regional operations of a Federal Reserve bank?

Senator FLETCHER. We are not destroying the purely regional banking operations of the 12 Federal Reserve banks. We are only restoring to the Federal Reserve Board powers which have been wrested from the Board by the governors of the Federal Reserve banks. Bankers, per se, will not be deprived of a single purely banking function. At the same time we expect to give to them that security which is absolutely essential to the protection of the economic and social life of this Nation.

Political control over the System is not our object, nor is it the issue. Again I say, "Do not be misled." The people of this Nation, through the Congress, are determined to "nail down" and fix the responsibility for the expansion and contraction of our credit and currency and concentrate those powers in the hands of men who must "do the job."

Mr. MITTELL. Thank you, Senator FLETCHER. I think your remarks tonight were of great educational importance to our people. It is my feeling that the public will support your efforts at banking reform if they receive adequate information.

Our problem today is to bring enlightenment on those social and economic questions that press for a solution and about which there are no adequate texts accessible to the millions. To meet this need we recently brought out inexpensive reprints of that great classic in democracy, Other People's Money, by Justice Brandeis, and have recently issued a new book, Money and Its Power, by Winslow and Brougham, which explains simply and comprehensively the questions and problems related to money, its uses, and power.

Senator FLETCHER. I have read both books. The first, of course, is a classic, and should be in every home. But Money and its Power I found particularly appropriate at this time. It is an excellent condensed discussion of the uses, characteristics, standards, inflation, foreign exchange, and related subjects. It contains much valuable information, well arranged, and expressed. I have recommended it to friends who are studying banking, currency, and monetary policy.

It is a very helpful and useful book.

Mr. MITTELL. Your comments make me very proud in view of the fact that we included a book entitled "Money and Its Power" in the National Home Library series. Hon. Robert L. Owen sent copies of the book to all Members of the Senate and Congress, and many of the replies he received would indicate that it has been of service.

Have you read the book Money and Its Power; and if so, what would you say about it?

Senator FLETCHER. Yes; I have read it carefully, most of it more than once. It is a very excellent, condensed discussion of money, its use and characteristics, standards, inflation, foreign exchange, and related subjects. It contains much valuable information, well arranged and expressed. I have recommended it to friends who are studying banking, currency, and monetary policy.

It is a very helpful and useful book.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina [Mr. BYRNES] had the floor when the Senate took a recess yesterday afternoon, and the Chair thinks he should recognize the Senator from South Carolina to continue his address. Does the Senator from South Carolina yield to the Senator from Colorado?

Mr. BYRNES. I do not desire to consume any further time of the Senate on the particular motion which is pending, and, therefore, I yield the floor.

Mr. COSTIGAN. Mr. President, an impressive telegram has reached me, which, unless there shall be objection, I should like to have read at the desk.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read as follows:

NEW YORK, N. Y., *April 29, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

The Writers League Against Lynching, composed of writers, editors, and publishers throughout the Nation, urges strongly your resistance to filibuster against Costigan-Wagner bill. Needless to say, we are for the passage of that bill 100 percent.

The Writers League Against Lynching; Lewis S. Gannett, president; Suzanne La Follette, secretary; members: Louis Adamic, Gertrude Atherton, Faith Baldwin, Mary R. Beard, Robert Benchley, Stephen Vincent Benet, Bruce Bliven, Herschel Brickell, Vanwyck Brooks, Struthers Burt, Erskine Caldwell, Henry S. Canby, Marc Connelly, Countee Cullen, Babette Deutsch, James H. Dillar, Edward Donahoe, Theodore Dreiser, Abraham Epstein, Edna Ferber, Arthur Davison Ficke, Dorothy Canfield Fisher, E. Franklin Frazier, C. Hartley Grattan, Harold K. Guinzburg, Louis M. Hacker, Harry Hansen, Jessie Fauset Harris, Robert Herrick, Sheila Hibben, B. W. Huebsch, Inez Haynes Irwin, Georgia Douglas Johnson, James Weldon Johnson, Freda Kirchwey, Alfred A. Knopf, Joseph Wood Krutch, William Ellery Leonard, Sinclair Lewis, Alain Locke, Leonore Marshall, Annie Nathan Meyer, George Milburn, Edna St. Vincent Millay, Ruth Comfort Mitchell, Lewis Mumford, George Jean Nathan, Robert Nathan, W. W. Norton, Mary White Ovington, William Pickens, Ruth Pickering, A. S. Platt, Lorine Pruette, Elmer Rice, Lola Ridge, Gerold Tanquary Robinson, John William Rogers, Charles Edward Russell, George S. Schuyler, Evelyn Scott, Upton Sinclair, George Soule, Benjamin Stolberg, Phil Strong, Ruth Suckow, Carl Vandoren, Dorothy Vandoren, Mark Vandoren, Carl Van Vechten.

Mr. BANKHEAD. Mr. President, for some time I have desired to make a statement on the subject of the authorship of the subsistence homestead law. I have not been willing, however, while the Senate had any serious business before it, to divert the attention of the Senate and take its time so long as we were moving along line of enacting legislation looking to the welfare of all the people of the country. I believe, therefore, before proceeding to discuss the pending motion, it would be appropriate to make the statement which I have heretofore desired to make.

It is possible that some of my colleagues in the Senate who have noticed my very great interest in agricultural legislation and my activities along that line may be laboring under the impression that I have not given serious attention to the unfortunate plight of many people in our industrial centers.

When I was elected to the Senate the depression had been under way for about a year. I had devoted my life to the practice of law, not to farming. I had been in large measure a corporation lawyer in the industrial section of my State and had been an industrialist, having opened and developed one of the very largest commercial mines in the State of Alabama. However, when many of us began to give serious consideration to the effort to diagnose the cause of the great depression and, if possible, to find a remedy for it, I made the best economic survey of which I was capable. It did not take me very long to arrive at the conclusion that it was necessary, in any fundamental program of recovery, to begin with agriculture. We found, day after day during that period, industries all over America either greatly reducing their operating time or closing down their plants. Why was that? They were not pursuing that course as a matter of convenience. They were forced to it because the consuming and buying power of their former customers had been so greatly decreased that operations in industry could not proceed on the former levels.

As industrial employees were removed from the pay rolls, in that same proportion the buying and consuming demand for industrial commodities was decreased. When we looked out across the vast expanse of this great country and viewed 30,000,000 people upon the farms of the United States, who had been applying their entire purchasing power to the continued operation of the industrial plants of the country, and found that their purchasing power had almost disappeared, when we took into consideration the fact that in addition to these 30,000,000 consumers upon the farms of America there was an equal if not larger number in the towns and cities of the country in the great agricultural areas who were dependent for their income and their support upon the purchasing power of the farmers in their trade areas, we quickly realized that approximately one-half, if not more, of the population of the entire country had lost their former purchasing power or that it had been so greatly reduced that the markets which industry had formerly enjoyed were disappearing or had in fact disappeared.

When we heard the complaint, the just complaint, about the loss of our foreign markets resulting from the nefarious tariff doctrine of the Republican Party, resulting from the Fordney-McCumber bill and the Smoot-Hawley bill, which precipitated a trade war with all the nations of the world and caused them to retaliate by raising their tariff rates, we regretted that some small proportion of the commodities of the industrial plants of this country had lost their markets.

But here at the very doors of the manufacturing institutions of the country was the farmer consuming public, consisting of approximately if not more than one-half of the American people who had lost their ability to buy the products of industry. Then it became perfectly clear that we could have no real substantial recovery in this country, that we could bring no relief to the millions of industrial employees, many of them concentrated upon the farms in industrial sections of America, unless we brought about some measure of rural rehabilitation.

Mr. President, my first thought upon the subject was to try to give relief to as large a number as practicable of those who had left the farms and gone into the industrial centers, lured there by the high tide of mass consumption, by the high wages being paid by industry, by the bright lights of the city, by the pleasures and comforts which the city people enjoy and of which the rural people are deprived. With that influx of people from the rural sections into the cities, we found an overbalanced population in the cities and the industrial sections.

When our financial troubles developed, when millions of employees were released from the pay rolls, something had to be done. We had an administration in power at that time which stubbornly resisted, as some of those who were here during that period stubbornly resisted, any direct Federal relief for the suffering and starving millions in the industrial sections who had lost their earning power and their employment. It is well known here that the doctrine was announced by the former President that he was willing to feed the cattle of the country but not to feed the human souls. So we had that distressing situation.

It seemed to me that the time and conditions required some effort in some way to aid many of the people who had no immediate prospect of reemployment in industry to get back to a little patch of ground somewhere in the country; so under Mr. Hoover's administration I began the program for the relief to that extent of the unemployed in the industrial sections of the country. In view of the way the subsistence homestead law was finally put upon the statute books, and the uncertainty regarding that measure and the unfamiliarity with it, I have decided to make a statement about its authorship and to give a brief history of the steps which were taken progressively to bring about that kind of relief to the distressed unemployed workmen in the industrial centers, and especially those who had previous farming experience.

In view of the fact that the subsistence homestead law was incorporated as an amendment to the National Industrial Recovery Act while that measure was pending before the Senate Finance Committee, there has been much uncertainty about the authorship of the amendment. For the benefit of those who are interested in the subject, I have decided that it would be well to let the RECORD show the facts.

I am the author of section 208 of the Industrial Recovery Act, the subsistence homestead law. In 1932 I made an effort in the Senate to secure the enactment of legislation having for its purpose Federal aid in the back-to-the-land movement. While the bill was pending enlarging the powers of the Reconstruction Finance Corporation and making additional sums available to it, I offered the following amendment:

All or any part of such grants may be disbursed in aid or furtherance of any program or programs of unemployment relief based on the location of those deemed entitled to relief on farm lands, either in such State or elsewhere, and either by direct expenditure or by loans to any approved agency or to groups or individuals.

On June 10, 1932, under Mr. Hoover's administration, I addressed the Senate in support of that amendment. My address will be found in the CONGRESSIONAL RECORD at page 12531. I beg to quote extracts from that speech:

The plan proposed involves a reappraisement of social and economic conditions, and also planning for permanent relief for a large number of families who are now in the destitute class. I pretend no originality in conception of the suggested program. It has had wide consideration by students whose minds have tried to rebuild an enduring social and economic structure and who entertain no satisfactory reassurance that temporary aid for the unemployed will permanently solve the most important of all the problems confronting our country.

Food and shelter for all who are willing to work and for all who cannot secure gainful employment is the paramount slogan in the heart of every true American. I have no formula for a full and complete solution of our ills. The back-to-the-soil plan is tendered as a partial solution only, but one under which the credit extended will pro tanto permanently solve the problem of present peril for many people.

It is evident that our social and economic life is now in the process of readjustment. The machinery and gasoline age and the World War brought about a general shift in the affairs of men.

In former days there existed a balance between the number engaged in agriculture and industry. The necessities of the World War, followed by a period of excessive inflation, brought the era of mass production. A great draft of farmers and their sons to industry followed.

Inventive genius produced new machinery to displace man power. Production was thereby increased and gross earnings of the working class correspondingly decreased. Then came the crash of 1929, since which time the wheels of industry have constantly slowed down. The number of workers unemployed has constantly increased. With millions now unemployed and their accumulations exhausted, everyone is asking: "What can be done?" "When will business improve so that the unemployed can have work?"

It is likely that it will be too long to wait for a sufficient revival of business to engage all the men drawn into industry during the last decade. For some years we have had a degree of production and business activity never before witnessed. Can we reasonably expect an early return of such conditions and the early reemployment by industry of the great army of the unemployed? It takes great optimism to generate much confidence in such a happy result. Some people seem to think that it is the duty of the Government to provide employment for all who want to work. Without entering into a discussion of the principles of government involved, the suggestion may be disposed of now with the statement that under prevailing conditions it is impossible to carry out the suggestion. While it may not be the duty of the American Government to furnish employment, it has a direct responsibility for legislation and actions which result directly or indirectly in unemployment. As I am considering remedies for our unhappy plight, I shall not give expression to my views on unwise legislation during recent years which may be responsible for prevailing conditions.

Everyone with a normal heart is grieved when he witnesses distress being suffered by his fellow men. Generosity in helping the needy by those who have a surplus beyond their actual requirements stirs us with emotions higher than mere admiration. Much of that sort of helpfulness is now necessary, but, in my opinion, such aid hereafter will be entirely inadequate to care for the destitute.

This speech was made in 1932.

A large public-works program will, of course, be helpful. It is doubtful if such a plan, however, can be financed on a scale commensurate with the requirements of the unemployed in all sections of the country. Such public works must of necessity be carried on in selected spots. Additional employment will be provided in the fortunate localities. That will be helpful; but when the work shall be finished, what then will be the situation? Those furnished employment will again find themselves unemployed, and the program may not be repeated indefinitely. It seems to me that it would be wiser to devote some part of the available credit of the Government to some plan which looks to permanent rather than temporary relief if such a recourse may be found.

How many years lie ahead of us before industry can again employ all the idle workers? What is to be done before that time comes if it arrives during the present generation? Can a more evenly balanced coordination between the number engaged in industry and agriculture be reestablished? Can society be readjusted to normal conditions which prevailed before the orgy of industrial production held out false hope of permanent employment to so many who were otherwise employed and to so many farmers and sons of farmers?

When America was establishing itself on the firm basis of growth which brought it to the forefront of nations there were few industrial workers. An overwhelming proportion of our population tilled the soil or engaged in business directly related to agriculture. It can be done again. It seems inevitable that many who were raised upon the farm must return to the soil. If employment cannot be found in the cities and towns, a living can be dug out of the earth. Unfortunately for many people, prevailing conditions do not present a free choice of occupations. Dire necessity decrees for many, for a time at least, that any honorable work, urban or rural, should be accepted that will keep the family together and the wolf from the door until something more suitable can be found.

A picture of the shift from rural to urban population may be had by reviewing the census reports on rural and urban population. The last four census reports showed the percentage of rural population as follows:

	Percent
1900	60.0
1910	54.2
1920	48.6
1930	43.8

Towns with less than 2,500 population are counted as rural. Using 123,000,000 as the total population for 1930, it appears that if the same ratio had been maintained between rural and urban population, there are now in the cities 6,000,000 people who, under the 1920 ratio, would be in the rural classification. Based on the ratio of 1910, there are 12,500,000 people who would now be in the rural classification. Based on the ratio of 1900, there are 19,700,000 people now in the cities who would have been in the country. These figures present a startling shift from rural to city life. The census reports for 1920 and 1930 separate the rural population into rural farm and rural nonfarm population, thereby separating the population in the small towns and in the country not engaged in farming. In 1920 the rural farm population was 29.7 percent of the total. In 1930 it was 24.6 percent. It is significant that lacking only one-tenth of 1 percent the entire shift to urban from rural population from 1920 to 1930 was from the rural farm population, numbering 6,000,000 people, according to the ratios, if they had been maintained.

Mr. President, it may be suggested that there is now an overproduction of farm commodities. With staple cash products, such as cotton and wheat, that may be true from the standpoint of the ability of consumers to buy. The farmers' trouble is not the absence of home necessities. He has food and feeds in abundance. His problem is keeping the sheriff from his door because of debts incurred when 1 bale of cotton would pay as much on his debt as 4 bales will now pay, or 1 bushel of wheat would buy as much as 4 bushels will now buy.

Fortunately, of course, since the date when this speech was delivered the condition of the farmers has been very greatly improved. Prices are much better than those which prevailed at that time.

I continue reading from the speech:

If the average farmer could forget his old debts, he would not be prosperous but he would not be destitute.

The question arises, How can the unemployed go to the farm when he has no farm, no work stock or implements, no food and no feed?

If 1,000,000 men now unemployed could be financed under a back-to-the-soil program, an improvement in business conditions would more quickly afford work for others unemployed, and would remove several million people from the ranks of the very large number who are anxiously thinking of food for tomorrow.

Farm leaders for years have urged the establishment of a large fund to buy surplus commodities out of the market. For more logical and stronger economic and humane reasons a large fund to lift the surplus of unemployed workers out of the industrial market and from the domain of benevolence can be sustained.

If a fund of $1,000,000,000 should be applied to aiding unemployed who desire to return to the farm or to a subsistence home, it could probably be so used as to place 1,000,000 or more men with their families on productive land. It should not be forgotten that there are millions of acres of improved farm lands which under present conditions can be rented at small costs. With the acreage-reduction program under full swing, there will be more millions of acres of improved lands which could be rented. Work stock, farming tools, and supplies are cheaper than they have been for years. Many farms can be bought for a very small initial payment. Land can be bought for little more than current taxes.

Would this addition to the 11,000,000 men now engaged in agriculture aggravate their present plight? It will not if farmers become convinced that their main business should be producing a living at home and some cash commodity as a side line. They were in much better condition when a larger proportion of our population was rural.

The money furnished should not be a gift; it should be a loan with installment payments over a reasonable time, and secured by continuing liens on crops and stock and land. The difficulties of private capital doing the financing are recognized. Profits would be limited to interest, and there would be losses of invested capital. The attractions of industry lured countless thousands from the farms. The lure not being sustained, industry should support a program to help get them back to the farm. A large movement from congested urban centers to the vast spaces of rural opportunity would to that extent aid in readjusting an economic unbalance between workers and jobs in industry. Under this plan, decentralization would be and should be accelerated.

It should not be forgotten that rural life has in recent years been vastly changed. With good roads, rural mail delivery, improved school facilities, consolidated schools with free bus service, free transportation to high schools, rural telephones, and many other advantages, country life from a social standpoint is in large measure comparable to suburban opportunities.

Mr. SMITH. Mr. President, I suggest the absence of a quorum. I am sure Senators ought to hear the address now being delivered by the able and eloquent Senator from Alabama.

The PRESIDING OFFICER (Mr. MINTON in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. President, I shall continue to read from the speech I made on June 10, 1932, on the subject of relief for the unemployed in the industrial centers:

A large back-to-the-farm revolving loan fund would be a source of relief to worthy, good citizens, farmers by training, who are anxious to engage in any honorable work that will preserve their home circle and provide a way for them to embark upon an enterprise which may be temporary or permanent according to the unfolding of the future for each individual.

If it may be a long time before all who have been engaged in industrial work can get work again in industry—white collars and overalls—why not bridge over the chasm, and help those who desire to do so to establish themselves in self-supporting work?

The immediate helpful effect of the expenditure of such a sum of money, distributed largely among farmers in the purchase of farming outfits, is a consideration not to be ignored.

To buy a million cows, a million mules and horses, a million sows and millions of pigs, a million broods of chickens, millions of bushels of corn and hay and potatoes, and all the other things necessary to establish a family on a farm, would put most of the money in circulation where it is sorely needed, and provide present farmers who sell to the new farmers additional debt-paying power. A new market would thus be provided where there is now no market. Farm prices would be stimulated, and land values made firmer. In the construction of many small homes the building trade would greatly benefit, and work would be afforded for many now unemployed.

The suggestion of aiding former ruralists to get back to the soil does not involve the idea of placing all of them in the business of farming, nor of the acquisition in all cases of large acreage. For those who now live in large industrial centers, and who prefer to remain in close proximity to openings for industrial employment, a few acres of land with a very modest home would serve the purpose. The principal object is to provide a place where with thrift, frugality, and industry they can work out from the soil a subsistence for themselves and their families, and as a side line find employment here and there, now and then, until a better day dawns.

Those who conceive that few would, in good faith, take advantage of a back-to-the-soil movement must not know the heartburns of millions now drifting without chart or compass and with hope fading away; they do not realize the ardent craving for some humble place to call home, where the family circle may be kept inviolate, and where there exists the assurance that nature, with the cooperation of the family, will furnish the necessities for actual subsistence.

Mr. President, there will be no paucity of applications if this Congress shall pass a bill providing financial aid for acquiring country homes by purchase or lease for those who formerly engaged in farming. The great problem will be taking care of the large number of jobless men, now walking the streets in despair and desperation, who want to return to nature's storehouse. With a cow and a sow, a hoe, a spade and a plow, and with food and feed supplies for a season, those who will can thereafter produce and preserve the food and feed necessities for the home, and be permanently removed from the large mass of the unemployed. Prospects for luxury? No; but removed from the bewildered and heart-bleeding mass of the unemployed, and with pride, confidence, and self-respect reasserted. Every one so removed from the ranks of the unemployed will not only lessen the requirements now resting so heavily upon State and city, and upon the charity of the public, but will also make room at the employment gate when industry can use more men.

On the same day I again spoke in support of the amendment. (See CONGRESSIONAL RECORD, p. 12540.) The amendment was defeated.

On June 23, 1932, I offered another amendment, which can be found in the CONGRESSIONAL RECORD on page 13782, and which is as follows:

The Reconstruction Finance Corporation is authorized to loan to limited-dividend corporations, authorized to make loans to unemployed persons who have heretofore worked on a farm and who desire to return to the farm. Said loans shall bear a rate of interest not to exceed 5 percent per annum, and to be secured by mortgages on the land and stock bought with the money borrowed.

Said loans may be made for a period of 20 years, and the first installment on the principal may be made due 3 years after the date of the loan.

The loan may include a sufficient amount necessary for food and feed until a crop can be harvested.

Loans shall be limited to $1,000 to individual borrowers.

The Reconstruction Finance Corporation is authorized to make rules and regulations for making said individual loans, and unless borrowing limited-dividend corporations comply with the same the Reconstruction Finance Corporation shall not grant loans to such applicants.

I again addressed the Senate on the subject. The amendment was defeated.

In a conference with Mr. Roosevelt, prior to his nomination, I found that he was very greatly interested in the back-to-the-soil movement, and was then experimenting with it on a small scale in the State of New York. After Mr. Roosevelt's election and before his inauguration, I again discussed the subject with him and was informed by him that he was favorable to an appropriation by the Government to aid people who were stranded in industry and who had had previous farm experience to acquire small farms so located as to enable the homesteaders to secure part-time employment in industry. It was then agreed between us that I should introduce a bill on the subject.

On the 9th day of March 1933 I introduced bill S. 69. I ask unanimous consent to have the bill printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. BANKHEAD. I also ask unanimous consent to have printed in the RECORD immediately following my remarks Senate bill 1503 introduced by me on April 17, 1933, the last bill being a revision of Senate bill 69.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit B.)

Mr. BANKHEAD. Before action could be secured on that bill the President sent for me and stated that, in view of the large appropriation being made for emergency relief, he believed that it would be best to reduce the proposed appropriation in my bill from $400,000,000 to $25,000,000, and with that sum we could experiment with the problem and demonstrate

its value. He further suggested that the plan be couched in an amendment to be offered to the national industrial recovery bill, which was then pending before the Senate. In line with that suggestion I prepared an amendment and offered it in the Senate on May 15, 1933. It was referred to the Committee on Finance and ordered to be printed. While the amendment was offered to S. 1712, the Finance Committee substituted H. R. 5755 for S. 1712, and that bill now is known as the "National Industrial Recovery Act." I ask unanimous consent to insert at this place in my remarks the amendment which I offered on May 15. After preparing the amendment I sent it to the President.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment referred to is as follows:

[S. 1712. In the Senate of the United States. May 15 (calendar day, May 24), 1933. Referred to the Committee on Finance and ordered to be printed]

Amendment intended to be proposed by Mr. BANKHEAD to the bill (S. 1712) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes, viz: At the proper place insert the following:

"To provide for aiding the redistribution of the overbalance of population in industrial centers, $25,000,000 is hereby made available to the President, to be used by him through such agencies as he may establish and under such regulations as he may make, for making loans and otherwise aiding in the purchase of subsistence homesteads.

"The moneys collected under said loans shall constitute a revolving fund to be administered as directed by the President."

Mr. BANKHEAD. Through Mr. Lewis W. Douglas, Director of the Budget, the amendment was submitted to the Senator from Mississippi [Mr. HARRISON], Chairman of the Finance Committee, with the statement—

Which the President has asked to be added to the above-numbered bill.

The amendment was incorporated in the bill in the exact language prepared by me, and without any change or alteration was passed by both Houses of Congress and approved by the President.

There is a very wide-spread demand for the establishment of subsistence homestead settlements under this law. Applications for the location of such settlements from a very large number of communities have been received. The total amount applied for aggregates more than $4,000,000,000. These applications are based upon a general recognition of the fact that it may be a long time, if ever, before all the people in the industrial centers who are now unemployed may again find work in normal lines. It holds out a form of permanent relief to those who are aided in securing subsistence homesteads.

Nearly all of the other relief measures afford only temporary relief and require recurring appropriations. It is my judgment that this measure points the way to a new type of rural life. The old homestead law, with its large acreage, led to the settlement and development of very large areas of our country. Public lands are no longer available, and for the present it is not desirable to bring about a substantial increase in commercial farming. A small acreage involved in the subsistence homestead plan provides means of earning from the soil the necessities for keeping body and soul together and for retaining inviolate the family circle and for development of family spirit. Such a life instills self-respect, and with proper diligence gives assurance that hunger will not molest the family.

I have noted with a great deal of satisfaction the program of the Emergency Relief Administrator, Mr. Harry L. Hopkins, who is now making plans for the relief of many unemployed by aiding them to become located on a few acres of land along the lines contemplated by the subsistence homestead law.

Mr. President, having made that statement, I desire to proceed with a discussion of the pending measure. The bill in its legal aspects, in its construction, and in its operation has been discussed for some days with very great learning and ability and thoroughness. As the discussion has proceeded I have marveled that so few Members of the Senate have taken any real interest in the contents of the measure, in the question of whether or not it is permissible under our Constitution, and in developing some understanding of what the bill really means.

During the last 3 weeks and at other times I have heard, with respect to other measures, discussions which have held the attention of the large majority of the Members of the Senate and kept them on the floor; but here comes a measure which involves a complete change in American jurisprudence, which involves the projection of the fourteenth amendment into many new fields and many ramifications, a bill which no one has been able to assert upon this floor is required under prevailing conditions in this country; yet, with all these important aspects, we find the Senator from Colorado, a good man, and about one Republican on the other side of the Chamber—I am not speaking of the present time—standing on guard to help the Senator from Colorado, and we find none of the other supporters of this bill here with an open mind and willing to get any grasp at all of what is involved in this program.

Mr. President, that is an unusual situation, a most unusual one; it is new to me, at least, in my limited experience in the Senate. I dare say that not one-half the Members of the Senate who have been voting on the test votes understand what is contained in this bill or the effect of it, and they do not seem to care whether they know or not. That is an unfortunate phase of it to those of us who believe that we understand the serious import of this attempted legislation. What does it all mean? There is some reason for a situation of that kind. It is not normal; it is not usual; it is not customary. Able men, with earnestness and with zeal, are standing here day after day pointing out to the Senate and to the country the unconstitutionality of the bill, with no effort on the part of its proponents up to this time to make any serious defense of its constitutionality, although, for some reason, back home, I presume, because of some conditions in their home States, for some reason regardless of what is in the bill, it may, perhaps, be assumed that a majority of the Senators are going to support it. That may be the assumption, and it may be well founded; I do not know.

Nevertheless, with the decisions of the Supreme Court of the United States which have been read, with men of great character, men of outstanding legal talent, men of resourcefulness, expressing themselves with fluency and force and logic upon the floor, the proponents of the measure sit quiet day after day, and undertake in no way to justify the legal monstrosity which is sought to be rammed down the throats of a minority of the Senate.

Senators who are supporting the authors of the bill seem to take the same attitude about it. They apparently rely upon the thought that it makes no difference what may be said, that no argument, however persuasive, no decision of the Supreme Court of the United States, however thoroughly in point, will divert a single supporter of the bill from casting his vote in favor of its passage.

I say that situation is not a normal one. I say it is founded upon conditions which ought not to exist in the Congress of the United States. It is my judgment, though others may think otherwise, that groups of voters back home, whose leaders conceive that this proposed legislation is for their interest, and who have other groups with them to go to the polls, ought not to call Senators to account because of their support of a measure of this kind, simply because it has the support of such groups of voters; but, at least, Members of the Senate ought to give careful and grave consideration to a bill which is charged by some of the ablest Members of the Senate with being a gross violation of the Constitution of the United States when this is asserted by those who know so much more about the conditions at which the bill is leveled and the section of the country at which it is leveled, at least those who want to go along with the program ought to remain in the Senate Chamber and hear the protests of serious, deadly earnest

men. I am afraid the absent Senators are controlled by a thought which I can best express by relating an incident which occurred in Alabama.

In the early days there was an old hard-shell preacher in my section of the State of Alabama. Soon after the war he went to Baltimore on a visit. While he was there it was arranged that he should preach a sermon in the church of the family he was visiting. In accordance with the practice of hard-shell preachers he talked for about 2 hours.

When he got back home he was telling of his experience in preaching in Baltimore. He was asked how he got along and what the congregation thought of his sermon. He said, "I dunno. I caint exactly tell. After I'd been preachin' about 40 or 50 minutes a few of 'em begun to slip out. When I had preached more than an hour quite a lot of 'em were gone. When I got through my sermon there wasn't nobody left there but my relatives." He was asked, "How do you account for that?" He replied, "There ain't but one way to account for it, and that is that they caint stand sound doctrine." [Laughter.]

I think that is the reason why some of the advocates of the bill have been absenting themselves from the Chamber during the discussion of the measure. They cannot stand sound doctrine. They do not want to hear it. They have already heard the whisperings back home. They do not want to hear any further argument upon the bill.

Is there any politics behind the bill? Frankly, I say there is no party politics. The majority of the Democrats from the Northern States are for it and all the Republicans are for it. The Republicans started this program away back in 1921 and 1922 with the Dyer antilynching bill. They played with it for a year or two. I do not know whether or not they found out they were playing with a hot wire, but from the records I know they lost interest in it. They have never sought to follow it any further during the past 10 years. I imagine they found that the colored voters to whom they thought they were appealing were not interested in the program as they had understood they would be.

Those of us in the South who are associated with the colored people know they have no interest in a measure of this kind. I assert that those in the North who are expressing interest are merely the leaders who live upon the rank and file of the colored people. They take collections, contributions, donations, fees, and then, in order to justify their position of leadership, they must demonstrate some activity.

However, the Republicans dropped the bill in 1922. No one need think politics is involved, or, if any politics is involved, that it is party politics.

Then, lo and behold, after 10 years, when lynching has almost ceased in the United States, along come two Democrats, two northern Democrats, both of them good men, as I have said, one from New York, where there are millions of colored men and hundreds of thousands of southern white people, the other from the mountains of Colorado, where a great many people from my State and from other Southern States go in the summer to enjoy the cool breezes and western hospitality.

After the Republicans dropped the subject 10 years ago, here come my two good friends, one of them my desk mate, the Senator from Colorado [Mr. COSTIGAN], as courteous a gentleman as I have ever been associated with, but as badly misled a man as I have ever met. [Laughter.]

Mr. President, this morning a labor delegation called to talk to me about the Wagner-Costigan labor-disputes bill. I will ask the Senator from Colorado if that is not the name of it?

Mr. COSTIGAN. My name is not on that bill.

Mr. BANKHEAD. Then I will say the "Wagner bill." I am sorry the Senator from New York [Mr. WAGNER] is not here. He runs in, the debate gets a little hot, and he runs out.

Mr. BLACK. Mr. President, will my colleague yield?

Mr. BANKHEAD. Yes.

Mr. BLACK. In view of the statement made by my colleague a few moments ago about partisanship, if any, in this question, I desire to call attention to the fact that even though certainly some of the Republican leaders have indicated a great and devoted championship of this cause, thinking to get some political advantage from it, at the present time there is only one Republican Senator in the Chamber, the Senator from New Hampshire [Mr. KEYES].

Mr. BANKHEAD. Mr. President, that is generally true. The Senator from New Hampshire is a good, faithful Senator. I like him. I will say that frankly about him; but, of course, he does not know anything about this problem. He lives too far away from it. He could not know anything about it. At any other time when a check is made, unless, perhaps, late in the afternoon, it will be found that there is about 1 Republican on guard, taking no interest in the subject, merely a follower of 2 Democrats, the Senator from New York [Mr. WAGNER] and the Senator from Colorado [Mr. COSTIGAN].

Mr. BLACK. Mr. President——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. I do.

Mr. BLACK. I desire to state that since my remark a moment ago another Republican Senator came through the Chamber—the junior Senator from Michigan [Mr. VANDENBERG], whom, some persons have said, the lightning may strike in the Presidential campaign.

Mr. BANKHEAD. I imagine he thinks it will.

Mr. President, it is my judgment that the rule as to the presence of a quorum ought to be enforced. It is presumed that a majority of this body is present.

Mr. GLASS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BANKHEAD. I yield.

Mr. GLASS. I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

Mr. LEWIS. I desire to announce the absence of my colleague the junior Senator from Illinois [Mr. DIETERICH], who is attending a meeting of a conference committee.

I ask that the announcement I made this morning as to the absence of certain Senators may be repeated and published in the RECORD and stand for the day.

The PRESIDING OFFICER (Mr. POPE in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

Mr. BANKHEAD. Mr. President, when the quorum call came I was directing attention to the lack of interest in the bill we are discussing as demonstrated by the absence of Senators supporting it, and especially those on the Republican side. We have just had a quorum called, and yet when the result is announced we find five Republican Senators left in the Chamber—the junior Senator from Maine [Mr. WHITE], the senior Senator from Idaho [Mr. BORAH], the senior Senator from New Hampshire [Mr. KEYES], the senior Senator from North Dakota [Mr. FRAZIER], and the junior

Senator from Vermont [Mr. GIBSON]. I do not know how long they will be here. Judging from the way the other Senators hastened into the Chamber, answered the roll call, and hurried out again for fear they might hear some good sound doctrine, I suspect that some of those now present may disappear before many minutes. It is, as I said before, a very remarkable commentary on the situation. Here we have a group claiming that as a party they are standing up for the colored brethren, and they will not stay here, while a number of Democrats who are standing up for the colored brethren are sitting over here. That is what confronts us.

Mr. GLASS. What is the Senator's definition of a Democrat?

Mr. BANKHEAD. I would not want to be offensive to some of my Democratic friends who affiliate with the Democratic Party, but my definition, for myself, is that a Democrat is one who votes in the Democratic primary and in the election for the Democratic nominees, from top to bottom.

Mr. GLASS. A man who does that is not always a Democrat. [Laughter.]

Mr. BANKHEAD. I would not associate with the Democratic Party if I did not have faith in its position, both in its platform and in the selection of its candidates.

Mr. GLASS rose.

Mr. BANKHEAD. I should be glad to have the Senator's definition.

Mr. GLASS. One definition of a Democrat I would give is that he is a man who believes in the rights of the States as guaranteed by the Constitution of the United States.

Mr. BANKHEAD. One reason why I affiliate with the Democratic Party is that it has always stood for the old fundamental doctrine of State sovereignty and State rights. When we destroy it, Mr. President, as this bill would tend to do, and is an entering wedge in doing, we will then come to an inglorious day in our great American Republic. When we come, under a permanent program, to centralization, with power in the Federal Government and the administration, and enforcement of all criminal laws in the Federal courts, I say again to those who, for some conceived appeal to a small group of voters in their States, who are really not interested, support such a bill as this, they will regret that they have gone to such an extreme in breaking down the old time-honored fundamental principle of the Democratic Party of State rights and decentralization.

To be frank, I do not know whether the Senator from Virginia asked me the question because he wanted to hear me answer, or whether he wanted to give me something to talk about. [Laughter.] Whichever way he intended it, it is always a pleasing question to me, because I have never made any concealment of the fact that personally I am a party man. I respect those who have different judgments and have reached different conclusions upon subjects, but, as for me, I have long since reached the conclusion that in this Government of 120,000,000 people, representing all the groups and classes of our citizenship, far-flung, from the Atlantic to the Pacific, from Canada to the Gulf, living under different climatic conditions, having different soil conditions, different doctrines and beliefs, and different interests based upon geographical location, such as industrial or agricultural, there is but one intelligent way to get an expression of the people of the country as to its Government, and that is through responsible political party organizations. Whether we have two or have three or more parties is not important. That is the matter of the people grouping themselves into organizations which come nearer expressing their own convictions than other party organizations may do.

I say further, with perfect frankness, that when a citizen of this country finds himself entirely out of line with the fundamental conception of the party with which he is affiliated, when he loses confidence in the leaders of that party, in their good faith, both in securing legislation and in administering it, then courage and honor and manhood require him to affiliate himself with another political party.

Mr. GLASS. Suppose the other political party is just as bad as the one he proposes to leave. What is he to do?

Mr. BANKHEAD. My own view, I will say to the Senator from Virginia, and largely quoting a wise statement I heard him make here, is that the Democratic Party at its worst is better than any other party at its best.

Mr. GLASS. Yet, at the same time, there are Republicans better than some people who call themselves Democrats.

Mr. SMITH. There is no doubt about that.

Mr. GLASS. If the Senator will permit me, the finest vindication of the sovereign rights of the States of this Union that ever I heard fall from mortal lips, not surpassed by the declarations of Thomas Jefferson himself, was uttered by Calvin Coolidge at William and Mary College when he delivered an anniversary address there. He warned the States of the American Union that if they did not more vigorously assert their rights, the Federal Government would invade them and take them away; and that is what is happening every day of our existence.

Mr. BANKHEAD. I thank the Senator for his contribution.

Mr. GLASS. That statement consumed some time, did it not? [Laughter.]

Mr. BANKHEAD. Yes; it did, and I hope the Senator will inject some more good wisdom. I rejoice when the Senator interrupts.

I am sure everyone understands that in my proclamation of party loyalty and allegiance I had no thought of drawing any invidious comparison with any person who belongs to another political party. I recognize fully the sincerity of the views of others. I recognize that most of us, to be frank about it, have our political party affiliations as a result of inheritance. I think few Senators upon this floor will dispute that statement.

There are some who have changed, probably because of their conviction that the crowd with which they were running were not the best kind, as my friend the Senator from Colorado [Mr. COSTIGAN] did. He got out of the Republican Party because their doctrines did not coincide with his, and I honor him for it, as I stated a while ago. It is fine. When a man's convictions incline him to dissociate himself with the party of his inherited views, I honor him for it.

Mr. SMITH. Mr. President, does the Senator think it is complimentary to the Democratic Party for the Senator from Colorado to quit the party to which he did belong and come and drag this miserable thing into our party?

Mr. BANKHEAD. Mr. President, I think the Senator from Colorado has made a bad mistake in judgment. I think his heart is all right, but he has made a bad mistake in judgment. I think that if he counted the colored voters in his State, to whom this bill is directed, he would find a majority of them opposed to raising a race issue, to stirring up strife between the white people and the colored race. Why does the Senator from Colorado, a State where there are only a few thousand colored people, and the Senator from New York, whose life has largely been spent upon the bench removed from contacts with the colored people, undertake to diagnose from long distance a race situation? It cannot be done, either in the case of physical illness or in a political situation.

I desire to say that I am a friend of the colored man. I know I am a better friend of the colored man than are either the Senator from Colorado, the Senator from New York, or the Senators on the other side of the Chamber who are insistent upon projecting this bill upon the statute books, thereby stirring up ill will, strife, and hatred among the races.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. BANKHEAD. I yield.

Mr. McCARRAN. I have listened with much attention to the splendid argument of the Senator from Alabama. I listened yesterday to one of the outstanding speeches made on this subject, the speech of the learned senior Senator from Alabama [Mr. BLACK]. I come from a State where all the Negro votes could be put in a man's hat, and he would

not have to wear a 10-gallon hat at that. I am supporting this bill, if I ever get a chance to support it, not because of any race controversy. The only time I have found the question of race raised has been when it was raised by the learned Senators from the South.

Mr. BANKHEAD. Will the Senator permit me to interrupt him right there?

Mr. McCARRAN. I shall be glad to have the Senator do so.

Mr. BANKHEAD. If the Senator will read the report on the pending bill submitted by the committee, of which I think he is a member——

Mr. McCARRAN. Yes; I was a member of the subcommittee.

Mr. BANKHEAD. If the Senator will examine the brief, which is the only brief filed by the committee in support of its report, I think he will change his idea. Permit me to read from the brief, because the matter I shall read relates directly to the statement which the Senator is making:

> This bill is especially limited by its own definitions to official action or nonaction resulting in the denial of due process or the equal protection of the laws. It applies only to persons injured or killed through mob violence on account of race, creed, or color.

What does the Senator have to say to that? The legal adviser of the committee makes that statement.

Mr. McCARRAN. I am glad to have the Senator propound that question, because, if the Senator will permit me to interrupt his speech—and I know he will be glad to have me do so——

Mr. BANKHEAD. Yes; I am delighted to have the Senator interrupt me. The Senator can speak an hour if he so desires.

Mr. McCARRAN. This is one time when I may have my way. I have in mind a case of mob violence which was even more outstanding than anything that ever occurred in the South, a case where there was no color involved, and where the Governor of a sovereign State, following that mob violence, said he would pardon those who might be arrested for the violence. The Governor of a sovereign State, speaking for a sovereign people, dared to utter that statement to a sovereign people 130,000,000 in number.

The Negroes have very little voting strength in the State I in part represent. The Negroes have no great voting strength, perhaps, in the other State from which that utterance of the Governor came. Yet it came from the Governor of that State, and the Nation was greatly shocked, and the President of the United States denounced the utterance.

Mr. President, I am using the time of the Senator, and I know he is impatient to continue. [Laughter.]

Mr. BANKHEAD. Let not the Senator worry himself about that.

Mr. McCARRAN. I am using the Senator's time because I say there is no color or race involved in this question, as I view it, unless the lines of color and race are brought in, just as the lines of creed might be brought in, which I know will not be done.

Mr. SMITH. Mr. President, will the Senator from Alabama permit me to ask the Senator from Nevada a question?

Mr. BANKHEAD. I gladly yield for that purpose.

Mr. SMITH. Does the Senator from Nevada think he is justified in voting for a bill which would destroy the foundation of our dual form of government simply because in a certain State the Governor unfortunately, under provocation, prostituted his high office? Would the Senator here support a bill which, in the light of all the opinions of the Supreme Court, and in the opinion of as patriotic and unselfish Senators as ever sat on the floor of the Senate, is unconstitutional? Will the Senator vote to destroy the dual form of government, and do away with local self-government, because, perchance, here and there in a few States, or in all of them, there has been mob violence? Does the Senator think a commission appointed by the Federal Government is better qualified to decide the question of equity and righteousness than is a sovereign State, than are those who live in that State, and must live there? The Senator has reached the point where he is willing to burn down the house to get rid of a rat.

Mr. McCARRAN. Mr. President, will the Senator from Alabama yield so that I may answer the Senator from South Carolina?

Mr. BANKHEAD. I yield.

Mr. McCARRAN. In my humble way I will say, in answer to the Senator from South Carolina, that I would build up the organic law, because I find from press reports and from official reports that the great sovereign States of the South regret these incidents of mob violence just as much as does any other State, and the great sovereign States of the South have been trying for years to find a solution for the problem. If the Federal Government can come in and offer a solution through a law passed by Congress to aid the South itself, I am for that law.

Mr. SMITH. The Senator is begging the question because he knows nothing about the Gethsemane through which the South has passed. I am not blaming the colored race. I am blaming the carpetbaggers, the scalawags, and camp followers who, after the surrender at Appomattox, took charge of the finest civilization America ever saw. At that time the legislature of my State was composed wholly of ex-slaves, guarded by the bayonets of the Federal Government. No such prostitution of government in all civilization has ever been witnessed as that orgy of corruption of which my State was the victim. The Senator recks not of the horrors which confronted what was without doubt one of the most cultured, refined, progressive States of the Union. It was a part of that section which gave to this Nation those who laid the foundations of our splendid Government. The Senator knows nothing of the struggle of that poor, intellectually helpless crowd, fired by all that characterizes "the lesser breeds without the law" to adjust itself to its new conditions, nor what it meant for us to be subjected to it.

I say here today, all honor to the Southern States which received the baptism of fire, not during the Civil War, when blood flowed on the devoted hills of Virginia, but when the homes and firesides and the intimate civilization of my country were jeopardized. Be it said to the everlasting honor and glory of the Negroes and the whites that they found a modus vivendi, and have been solving their problem with mutual racial respect each for the other.

I desire to say now on this floor that since the Civil War the national Democratic Party was our "pillar of a cloud" by day and our "pillar of fire" by night—not alone, perhaps, but the really civilized and civilization loving of those amongst the Republican Party saw to it that the civilization of the South should not pass away in spite of the emancipation declaration, which those on the other side viewed as a weapon of war to defeat the South.

I could quote from Mr. Lincoln when he said, "If the emancipation of the blacks will preserve the Union, I will emancipate them." My section of the country has stood solid for two reasons, one of which I shall mention, and that is the determination that we, as sovereign States, will settle our social questions for ourselves. We were supported by the liberty-loving Republicans and the stanch Democrats; and never since the Civil War, except once, has the solid South ever been broken. We expected, however, from the other side gestures to be made; but, with all due respect and honor to them, they never intended that there should be enforcement. Today, however, in the home and citadel of what we know as the national Democratic Party, we of the South, who know the conditions there, are betrayed by the introduction of this bill. When shall I or you, the Senator from North Carolina [Mr. BAILEY], or you, the Senator from Alabama [Mr. BLACK], stand on the hustings again and plead for State rights and our inherent and constitutional right to solve our problems as we are gloriously solving them? When shall you and I again, after the good year 1935, dare to raise our voices in behalf of the national Democratic Party when they have betrayed us in the midst of an overwhelming so-called "Democratic administration"?

I have heard it intimated that Members from certain States where the balance of power is held by the Negro race

dare not vote against this bill for fear that the balance will be turned to the Republican Party. In other words, it is being here argued that we should go to the extent of disrupting the Constitution, make State rights a thing of the past and local self-government forgotten in order that some gentlemen may warm the leather in these chairs. God help us to get back to where men would rather do right than to be Senators! I, for one, here today declare that if this proposal, involving the destruction of State rights and the usurpation of local self-government, becomes a part and parcel of Democratic doctrine, I shall pay no further allegiance to such a party.

I know the problems we face; and I want to say in concluding my remarks—and I am trying to help my friend from Alabama out in his time; he has been making a glorious speech, and I think I am making a darned good one, too. [Laughter.]

Mr. BAILEY. The Senator never made a better one; let him go ahead.

Mr. SMITH. I want to state to the Senator from Nevada that the thing which did more to precipitate the Civil War than anything else was just such unwarranted interference with our affairs as is now proposed.

Mr. McCARRAN. Mr. President, I wish to say——

Mr. SMITH. I do not want the Senator to break in as yet; I want to finish this sentence.

Mr. McCARRAN. I am not going to fight the Civil War all over again, anyway; there is no use talking about that.

Mr. SMITH. The Senator may have to do so, if he and his colleagues keep on with such measures as this. [Laughter.]

Mr. President, I can sympathize with the men who come from States which for years and years were Territories. They were so accustomed to looking to Washington for everything when they were territories that they cannot get over the habit. [Laughter.] They do not belong to that class of States which had their own sovereignty before ever the Federal Government was created. It always does my heart good to know that the powers delegated to the Federal Government are enumerated and defined and all the remaining powers are reserved to the States and the people. It was grudgingly that the States yielded even the grant of power that is contained in the different articles of the Constitution; but here we find members of the so-called "National Democratic Party", because, forsooth, the governor of a State, perhaps under a provocation that I know nothing of, issued an unfortunate statement about his treatment of those who participated in a mob killing, urging this iniquitous measure. The Federal Government is composed of whom? It is composed of the people of the United States; and yet some Senators would concentrate into the hands of a few philanthropists, God save the mark, the destiny of my State and every other State in the Union because some Governor made a mistake. Other Senators do not believe a word of that, and neither do I.

Mr. McCARRAN. Mr. President——

Mr. SMITH. I exonerate the Senator from Nevada, in view of what he stated about his purpose, but if this argument is continued much longer some of us are going to tell the truth. [Laughter.] I mean "the whole truth and nothing but the truth, so help us God."

Mr. McCARRAN. I would expect that to come from the Senator from South Carolina.

Mr. SMITH. I thank the Senator from Nevada; he knows that I always tell the truth without fear or favor.

Mr. McCARRAN. Absolutely.

Mr. SMITH. And God let the number grow greater. [Laughter.]

I know, as every other Senator knows, and as every decent citizen of America knows, why this bill is here. It is not any use for us to beat about the bush. I know why the Senator from New York [Mr. WAGNER] introduced it; I know why the Senator from Colorado [Mr. COSTIGAN] was a party to it; and at some time, unless this attempt is ended, as it ought to be by throwing this bill out the window, I am going to tell why.

Mr. President, I am much obliged to the Senator from Alabama for giving me the opportunity of getting this much out of my system.

Mr. BANKHEAD. I hope the Senator has some more like it in his system.

Mr. SMITH. Oh, enough for 2 or 3 hours. [Laughter.]

Mr. BANKHEAD. And then some more.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. BANKHEAD. I do.

Mr. McCARRAN. I thank the Senator from Alabama. I wonder where I should start in to answer the question which the learned Senator from South Carolina said he wished to propound to me?

Mr. SMITH. The Senator can start in right by voting against this infamous bill.

Mr. McCARRAN. I wish to say to the Senator from South Carolina, in answer to one suggestion he made which might be construed as an expression against the State which I in part represent, that my State never asked for anything from the Federal Government. We always gave; we gave billions of dollars for the Federal Government, and we gave a higher percentage per capita than did any other State in the Union to save the Government in the World War. We have never asked for anything from the Federal Government. So, if the learned Senator from South Carolina meant to reflect on my State because at one time it was a Territory, he has made a mistake in that regard.

Mr. SMITH. O Mr. President, the Senator is mistaken. I will state what was the gist of my remarks. I do not know how much Nevada has given, and I do not know how much the Federal Government has given Nevada; that is not the point I made. The point I made was that Nevada was so long a Territory, governed from Washington, that Nevada does not have the same feeling about Washington as have the original States. Nevada was protected by the Federal Government while a Territory, and her Governors were appointed, until she got into the habit of sucking the Federal pap, and it seems that it is necessary to break her neck in order to make her quit it. [Laughter.]

Mr. McCARRAN. We never sucked that pap, and we always stood with the Government. We had only one Governor appointed as a Territorial Governor; then we came into the Union as a State, and we have been a State ever since we came in, which was in October 1864. We never asked for anything from the Federal Government; we poured billions—not millions—but billions out of the bowels of the earth to save the Government, and to maintain it, and we pay, perchance, a higher rate of taxes per capita than does any other State in the Union for State maintenance and otherwise. However, that is aside from the question.

What I should like to impress on the Senator from South Carolina—and then I am going to conclude, because I will have rested my friend from Alabama—is that I believe in State rights; that no one more ardently advocates the rights of the States in their sovereign capacity than do I; but I believe that much ballyhoo—and I use that expression advisedly—is being used against this bill because, under the doctrine of State rights, the States can prosecute such crimes as we have in mind, and the States want to prosecute them, but, because of certain conditions arising it is necessary for legislation of this kind to be enacted in order that the States themselves may awaken to their own conditions and responsibilities and prosecute crime.

I wish to say that I have followed the history of one case as I caught it from the columns of the press. That case arose in Alabama, right in the heart of Dixie, right in the heart of the South. That case has gone now twice to the Supreme Court of the United States. Ordinarily we might expect, in keeping with the doctrine that I hear coming from the South with reference to this bill, that the defendants in that case would have been taken out and lynched, but, let it be said to the credit of the South, they were not, but that time after time they were tried by a jury, then the case was taken to the Supreme Court of the United States;

the defendants are going back again to be tried by a jury, and, whatever the justice of the case may be let them have it.

I only make mention of this incident with reference to Alabama with no idea of criticism, but rather with an idea of commendation, because the South can handle this situation, and the South is making too much out of this bill. It is bringing reflection on itself; that is all it is doing. If as a matter of fact the bill should come to a vote and should be passed and become a law, it would speak the voice of the South, for, first, it proposes to adhere to the principles of the organic law; second, it proposes to support and maintain individual human liberty; and third, it proposes to see that every man shall have his day in court.

Southern Senators are making too much of this measure, and I am sorry they are doing so. I would rather see the bill become a law and let the South support it, because the people of the South believe in the protection of individual life. I know they do.

The Senator from South Carolina [Mr. SMITH] during his interruption allowed by the courtesy of the Senator who has the floor, told me many things which I have read in the past. I would take nothing away from the chivalry of the South; I would take nothing away from her glorious history; I would take nothing away from her liberty-loving people and nothing from her views of State sovereignty; but they all come together into one idea that the South should support any measure which will lend a helping hand to the lowly and the humble and the unprotected. That is where Senators from the South seem to be making a mistake in this instance, and I am sorry.

Mr. BLACK. Mr. President, will my colleague yield?

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. I yield.

Mr. BLACK. I noted the statement that the South should help enact any law which would be of benefit to the lowly and the humble. I imagine there are none so lowly and humble usually as those who are arrested for crime.

I have here a copy of the Wickersham report relating to the brutality accorded prisoners in the United States. If there is any type of people the Government ought to try to protect it is its prisoners; and if we are going to depart from the idea of the States taking care of this matter, certainly the Government should protect its prisoners from the iniquitous third degree and from brutalities such as having their teeth knocked out, their bodies bruised and maimed by police officers and sheriffs. I think certainly we would all agree that is the type of people who should be helped.

I hold in my hand at the moment volume 1 of the Wickersham report on lawlessness in law enforcement. It should be very interesting to those who want to protect the weak and the humble to read this report.

I find, for instance, in appendix 4, that in the year 1930, out of a total of 1,235 cases, 289 defendants alleged they were beaten by police. For summary of these statistics see State of New York, chapter 2, section 3. This is the Wickersham report. Let us see what has been going on there. If we want to help the weak and the humble, let us help the people who need it most and in the greatest number.

Mr. McCARRAN. Let me say, if the Senator will pardon me, that I have read the report. I think I understand exactly the comment the Senator is going to make. I am very much in accord with the Senator's views regarding the report.

Mr. BLACK. The Senator, then, would believe it to be proper, if the bill were to be passed, to include an amendment to protect prisoners who are the victims of the third degree, who are kicked into insensibility, who are hit with blackjacks by the police, who are kicked and bruised and carried into police stations with their faces bleeding, their bodies maimed, their teeth knocked out, blackjacked and beaten with rubber hose, beaten, and kicked.

Mr. BANKHEAD. Where did that happen?

Mr. BLACK. In the city of New York in 1930. There were 289 such instances.

Mr. McCARRAN. If I may interrupt, I think it is not confined to the city of New York.

Mr. BLACK. No; it is not. This is simply an illustration. The Senator is correct. It is not limited to New York; certainly it is not. It is wide-spread over the country.

The point I make is that there were 8 lynchings year before last and 14 last year. I am referring to this report, which shows that 289 prisoners were bruised, maimed, kicked, and their teeth knocked out by officers of the law. Yet here we are talking about enacting a Federal statute to protect 8 to 14, the maximum in 2 years, when in one city 289 people have been beaten and bruised by the officers of the law.

Not only that, but the reason why we are asked to pass this bill is inconsistent, because it relates to a crime which has been decreasing in number. The Senator from Nevada [Mr. McCARRAN] has several times called attention to the fact that it is said there were 5,000 lynchings within the period referred to. I deny that. I do not deny the Senator has those figures given him from certain sources, but I deny the figures are correct. They are not in keeping with other figures which have been gathered.

However, even conceding his statement, in the year 1910 there were in the United States 26,000 prisoners convicted of crimes ranging through homicide, rape, robbery, assault, burglary, forgery, embezzlement, fraud, stolen property, sex offenses except rape, violating liquor laws, carrying concealed weapons, and so forth. By 1925 this number had grown from 26,000 to 35,000. In 1931 the number had increased to 68,000. These crimes were growing in number. Lynchings were decreasing in number. The people of the States were protecting themselves from the hideous crime of lynching. The people of the States found themselves unable to cope with this growing mountain of crime until the Chief Justice of the United States was impelled to make the statement that crime conditions in this country are a disgrace to any civilized nation.

Mr. SMITH. Mr. President, may I invite the Senator's attention to the fact that the city in which those 289 instances occurred is in the State from which comes one of the authors of this bill?

Mr. BLACK. Let me say to the Senator from South Carolina that, frankly, I do not think this situation is limited to New York City or to any other one city.

Mr. SMITH. No; but the point I make is that that situation existed right under the nose of one of the coauthors of the bill.

Mr. BLACK. I make the statement that if we have reached the stage in this country where the States cannot and will not enforce their laws with reference to one crime, the instances of which have been reduced in number to eight in 1 year, it would be nothing short of folly on the part of the Senate to ignore the fact that it is our duty to protect those who are in the hands of the custodians of the law from having the thumbscrews put on them, and otherwise given the third degree and tortured by those in whose charge they happen to be.

Mr. BANKHEAD. How many votes does that prisoner crowd have? Has the Senator thought about the difference in the number of votes?

Mr. BLACK. I do not know exactly how many votes they may have. I think it is probably true that this group, constituting probably the lowliest group in America, probably need help most, if anyone is going to have a helping hand extended. They are the unfortunates who are charged with crime, sometimes guilty, sometimes innocent; but what the Wickersham report shows is that before they were proven guilty, even when they were merely on the way to jail and frequently after they were in jail, they had their teeth knocked out, their bodies bruised, their mouths made to bleed by reason of injuries inflicted by the very officers and custodians of the law themselves.

Then, is it to be said that it is proper to enact a law dealing with the only crime in America which is being reduced and ignore these poor people who have the third degree inflicted on them in every city in the Nation?

If this bill ever shall reach a vote, I intend to see that those who claim they are for the weak and the lowly and the humble shall have a chance to prove it. I intend to let it be demonstrated whether or not they will vote at the same time to protect those to whom I have referred from the thuggery and the violence and the viciousness of the sworn officers of the law in the various cities of the country. If the Federal Government can stop one crime, let it stop the others. Certainly, in my judgment, there can be few crimes any more reprehensible than for a sworn officer of the law, sworn to obey it, to take advantage of the situation and maim and bruise people, as they sometimes have, according to these reports, until the victims carry the marks even to their graves.

At a later time I expect to ask the clerk to read into the RECORD a list of the indignities and assaults that were committed upon prisoners. I simply desired the Senator's permission at this time to say, if we wish to pass a Federal law to stop crime, let us pass a Federal law to stop the crimes being committed upon the poorest and weakest citizens of the Nation.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BANKHEAD. I do.

Mr. BYRNES. I make the point of no quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. BANKHEAD. I do.

Mr. SCHALL. I ask unanimous consent to have printed in the RECORD an editorial from the Washington Spectator entitled "Dust."

The PRESIDING OFFICER. Is there objection?

Mr. BLACK. Mr. President, I object to the editorial being printed in the RECORD without reading. I have no objection to its being read.

Mr. SCHALL. Very well; I ask to have it read.

The PRESIDING OFFICER. Is there objection?

Mr. COUZENS. As long as the Senator from Alabama holds the floor, I object to having the editorial read in his time.

Mr. BANKHEAD. Very well.

The PRESIDING OFFICER. Objection is heard.

Mr. SCHALL. Is there objection to printing the editorial in the RECORD?

The PRESIDING OFFICER. There is objection both to printing the editorial without reading and to having it read.

Mr. BLACK. I understood that the Senator from Michigan [Mr. COUZENS] objected to having it read.

The PRESIDING OFFICER. Objection has been made. The Senator from Alabama has the floor.

Mr. BANKHEAD. Mr. President, I regret that my congenial friend, the junior Senator from Nevada [Mr. MCCARRAN] has found it necessary to leave the Chamber. During his interruption he emphasized the fact that there were practically no colored votes in his State, and apparently the reasoning behind that statement was that he was not influenced in any way by a group vote. I desire to call attention in his presence to the fact that within the past few days the senior Senator from Louisiana [Mr. LONG] has placed in nomination for the Presidency the junior Senator from Nevada; so that gives him an outlook on a great deal more territory than merely the little handful of people in his own State.

I do not, of course, charge that the junior Senator from Nevada has any improper motive. I merely make the suggestion of his broader candidacy in answer to his own suggestion of a limitation upon the number of voters involved in this program.

The junior Senator from Nevada made reference to what are commonly known as the "Scottsboro cases" in Alabama, which twice came to the Supreme Court of the United States. I submit that no stronger argument can be made that the Southern States have the lynching situation in hand, and are making remarkable progress in dealing with it, than the very illustration brought to the attention of the Senate by the junior Senator from Nevada.

There was an alleged occurrence—I seek in no way to pass upon the facts—a common belief, at least, prevailed that nine colored boys had assaulted two white girls. The colored boys were promptly arrested. The very recital of what took place in itself would naturally stir the blood and the heart of every man and every woman; and if it were possible by any state of facts to justify violence, that situation would have justified it. But, Mr. President, it is doubtless well known to the Senator from Nevada that the law-abiding people of the great State of Alabama, resisting with all the resources in their power, mob violence and lynch law, having turned their backs many years ago upon that form of violence, came to the rescue of those colored boys, protected them, and carried them to the courts, where due process of law could be had.

As a result of the appeals to the Supreme Court of the United States the rule has been established that colored jurors shall serve upon juries in the South. The accused were given due process of law and the equal protection of the laws. As has been brought out here, promptly, in compliance with the mandate of our Supreme Court, which all good Americans recognize as the last word in legal jurisprudence, our Governor, a Democrat of years and years of tradition, his ancestors former Governors of Alabama, with all the southern background behind him, living in the heart of what is known as the "Black Belt", where the colored people predominate, promptly sent out a letter to officials all over Alabama saying, "We are bound by the decision of the Supreme Court of the United States. Take the names out of your jury boxes; rebuild your jury boxes, and comply in letter and in spirit with the declaration of the Supreme Court of the United States."

No dissent in that good old Democratic State has been raised anywhere, because our best people are opposed to lynch law. We have contended against it. We have preached against it. Wherever it was possible, we have given any defendant, with whatever offenses he may have been charged, the protection of law, where the officials could reach the scene in time. It is well known that in numerous cases of aggravated offenses our national guardsmen have been called to the rescue of defendants. So why now attempt to cast this imputation and reflection upon the section which, under great difficulties, is fighting, and winning, the battle? Why here attempt to enact a Federal law which would provide that certain sections of the country, without naming them, have broken down the effort to give to all citizens the protection guaranteed to them by the fourteenth amendment? Why cast that reflection, when we all know what is behind this program, and what it means?

Mr. President, I am a friend to the Negro, as I said before, and I do not use the word "Negro" in any opprobrious way. Most of our colored people call themselves Negroes, and are

proud of their race, as has been stated here. I am a better friend of the colored man, the Negro, than either of the coauthors of the proposed legislation.

When my beloved father went out, under the colors of his State, as a mere youth, 19 years of age, as an officer in a Confederate company, there went with him a colored boy, a slave of the family. He went with my father throughout all the trying days, at times days almost of starvation, of those 4 long, cruel, and bitter years, and when the war was over, when conditions settled down, when reconstruction was in progress, and on down to the days of that colored man's death, he was a devoted friend of my father, and stayed with him as long as he lived. He had shelter, he had clothes, he had food, without distress, without anxiety. He had security all his days. That is the sort of relations which exist in the South in countless cases.

I say this to Senators, to show them my attitude toward the colored people. I am here pleading for the colored people, as their friend, as their neighbor, with knowledge of conditions. When the Ku-Klux Klan was in the zenith of its power and membership, when many of them were making an assault upon the Catholics, and the Jews, and the Negroes, when they held firm to the faith that white, native-born Americans and Christians should be given preference, I went out before the public and preached against religious prejudice and against prejudice based upon any creed, race, or religion.

I dare say there are Senators now here supporting this measure who kept deadly silent when the great gatherings of Ku-Klux members in their States were engaged in their anti-Negro, anti-Catholic, and anti-Jew campaigns. I went to the newspapers. I made no concealment of my stand, and when I was a candidate for the Senate, although there are about 3,000 Negro voters in Alabama, it is my judgment that every one of them voted for me, although I was the Democratic nominee. They know that I have no prejudice against them. They know that I want to be fair to them. That matter was put to the test.

Doubtless there are some here who stood silent when great groups of voters were parading, running the Negroes, denouncing the Catholics and the Jews; they stood silent then, but are here today trying to cast a reflection upon certain sections of this country because, forsooth, they say the law has broken down; that we are failing to give to a race that protection which the Constitution guarantees.

It has been said here that this is not a race question. Of course, on its face, it is not; but let us be frank with each other. Why try to deceive one another? Why try to deceive the country? If that question were not involved, how many would be here seeking to stretch the Federal jurisdiction over the police jurisdiction of all the States in this country in the way the bill proposes to do? As I pointed out when some Senators were out enjoying a nap, or eating luncheon, and not listening to the debate, here is the report on the bill submitted by the committee; here is a brief presented by the committee in support of the bill, which they put forward as a brief that is unanswerable, at least one entitled to great respect and support. They base their report as to the constitutionality of the bill upon a brief prepared by Mr. Tuttle, a New York lawyer.

I do not know whether or not Mr. Tuttle is a politician. I am sorry the Senator from New York [Mr. WAGNER] is not here to inform me something about Mr. Tuttle. I am assuming, however, that in this matter Mr. Tuttle acted as a lawyer; that he spoke what was in his mind and in his heart, as is the duty of all lawyers when called upon to give a formal legal opinion.

I do not know whether or not Mr. Tuttle wrote the bill. Even the Senator from Colorado [Mr. COSTIGAN] is not here. We cannot keep either one of the proponents of this bill here. Six Republicans are now on the floor, one standing.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

Mr. COUZENS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COUZENS. Has any business been transacted since the last quorum call was made?

The PRESIDING OFFICER. The Chair will state that no business has been transacted.

Mr. THOMAS of Oklahoma. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. A distinguished Senator offered for the RECORD an editorial, and permission was granted to have it read, but later objection was made, and the editorial was not read. I submit that that was the transaction of business and entitles me to suggest the absence of a quorum.

Mr. COUZENS. I remind the Senator from Oklahoma that consent was not given to have the editorial read, because when the request was made I myself objected, and I now raise the point of order that no business having been transacted since the last quorum call, another quorum call is not now in order.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH. Request was made that an editorial be read, and objection was made. Was that not the transaction of business?

The PRESIDING OFFICER. The Chair is of the opinion that it was not.

Mr. SMITH. Mr. President, I appeal from the decision of the Chair.

The PRESIDING OFFICER. Appeal is taken from the decision of the Chair.

Mr. BANKHEAD. Mr. President, in view of the discussion which has taken place, and the ruling of the Chair, from which an appeal has been taken, I suggest that we had better have a quorum call.

Mr. SMITH. Mr. President, I wish to have the pending question decided, because if what was done was not the transaction of business I am unable to say what it was. Compared with other things which have been done, it certainly was the transaction of business.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. SMITH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

Mr. LEWIS. I announce the absence of Senators as announced by me on a previous roll call, and ask to have that announcement stand on this roll call.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. BLACK. Mr. President, I desire to ask the Chair a question. Is that question debatable?

The VICE PRESIDENT. It is debatable.

Mr. SMITH. I think the Senator from Alabama [Mr. BANKHEAD] desires to have something to say about the appeal.

Mr. BANKHEAD rose.

The VICE PRESIDENT. The Chair recognizes the Senator from Alabama [Mr. BANKHEAD]. The Chair is sure the Senate will be glad to hear from either of the Senators from Alabama.

Mr. BANKHEAD. Mr. President, I understand there is an appeal pending from the decision of the Chair.

The VICE PRESIDENT. The question before the Senate is, Shall the decision of the Chair stand as the judgment of the Senate? The Senator from Alabama is recognized to debate that question.

Mr. GLASS. Mr. President, what was the decision of the Chair?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BANKHEAD. Yes, Mr. President; I yield to the Senator from Virginia if he does not take me off the floor.

Mr. GLASS. The Senator must yield when a parliamentary inquiry is made. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Virginia will state it.

Mr. GLASS. I desire to know what was the decision of the Chair?

The VICE PRESIDENT. The decision of the Chair was that a roll call could not be had on the suggestion of the absence of a quorum because there had been no transaction of business by the Senate since the last quorum call was made.

Mr. BANKHEAD. Mr. President, I should like to make a parliamentary inquiry, because the question may become important. I make it in good faith, not for the purpose of taking up time, because I have all evening on the floor. My parliamentary inquiry is, What constitutes the transaction of business of a character which would permit the suggestion of the absence of a quorum and a roll call?

The VICE PRESIDENT. Is the Senator propounding a parliamentary inquiry?

Mr. BANKHEAD. Yes, Mr. President.

The VICE PRESIDENT. Action by the Senate on resolutions, the introduction of bills, and so forth, are transactions of business. There are perhaps a hundred or two hundred matters which constitute the transaction of business by the Senate. The point made by the Senator from Michigan [Mr. COUZENS] was that there had been no transaction of business by the Senate since the last quorum call. The Chair sustained the point of order against the quorum call; therefore, there was no quorum call. From the decision of the Chair an appeal was taken. The question now is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Texas?

Mr. CONNALLY. I should like to propound an inquiry to the Chair.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. Would the printing in the RECORD of any communication which requires the consent of the Senate that it be done be the transaction of business?

The VICE PRESIDENT. In the opinion of the Chair, that would be the transaction of business.

Mr. CONNALLY. Mr. President, that is what has happened.

The VICE PRESIDENT. The Chair is informed that objection was made to the printing in the RECORD and to having the communication read; so no business was transacted.

Mr. GLASS. Is not that the transaction of business?

Mr. CONNALLY. Was not that the transaction of business, I ask the Chair?

The VICE PRESIDENT. The Chair is informed that the request was made for the printing in the RECORD and objection was made, as objection was also made to reading of the communication; and, therefore, there was no transaction of business.

Mr. CONNALLY. But, Mr. President, if the request had been granted, it would have been the transaction of business. As it required consent or the nonconsent, why, if the Senate refused to consent, is not that the transaction of business?

The VICE PRESIDENT. The Chair is informed that the precedents of the Senate are as stated by the Chair.

SAFETY ON THE PUBLIC HIGHWAYS—CONFERENCE REPORT

Mr. KING. Mr. President, will the Senator from Alabama yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Utah?

Mr. BANKHEAD. For what purpose?

Mr. KING. For the purpose of presenting a conference report.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the report will be submitted.

Mr. KING. I submit the conference report on Senate bill 408.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the report, as follows:

The Committee of Conference on the disagreeing votes of the two Houses on the amendment of the House to the Bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

WILLIAM H. KING,
ROYAL S. COPELAND,
ARTHUR CAPPER,
Managers on the part of the Senate.

VINCENT L. PALMISANO,
WRIGHT PATMAN,
ERNEST M. DIRKSEN,
Managers on the part of the House.

Mr. KING. I ask unanimous consent for the immediate consideration of the conference report.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. KING. I move that the Senate agree to the conference report.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah that the Senate agree to the conference report.

The report was agreed to.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. BANKHEAD. Mr. President, action on the conference report was intervening business, was it not?

The VICE PRESIDENT. The adoption of the conference report constituted the transaction of business.

Mr. BANKHEAD. So that a quorum call would now be permissible?

The VICE PRESIDENT. It would.

Mr. BANKHEAD. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Glass	McCarran
Ashurst	Capper	Gore	McGill
Austin	Caraway	Guffey	McKellar
Bachman	Carey	Hale	McNary
Bailey	Clark	Harrison	Minton
Bankhead	Connally	Hastings	Moore
Barbour	Coolidge	Hatch	Murphy
Barkley	Costigan	Hayden	Murray
Bilbo	Couzens	Johnson	Neely
Black	Dickinson	Keyes	Norris
Bone	Dieterich	King	Nye
Borah	Donahey	La Follette	O'Mahoney
Brown	Duffy	Lewis	Overton
Bulkley	Fletcher	Logan	Pittman
Bulow	Frazier	Lonergan	Pope
Burke	Gerry	Long	Radcliffe
Byrd	Gibson	McAdoo	Robinson

Russell	Smith	Trammell	Wagner
Schall	Steiwer	Truman	Walsh
Schwellenbach	Thomas, Okla.	Tydings	Wheeler
Sheppard	Thomas, Utah	Vandenberg	White
Shipstead	Townsend	Van Nuys	

Mr. LEWIS. I reannounce the absence of certain Senators and the reasons given therefor, and ask that they apply to the present roll call.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. BANKHEAD. Mr. President, I express my regret that it seems impossible to discuss this bill with its authors. I had to make an argument here some time ago with both authors of the bill out for an hour or two, and I was unable to secure their attention. I really had been hopeful that they would be responsive to some of the suggestions and arguments I was submitting. Furthermore, I notice on the Republican side only seven or eight supporters of the bill are here immediately following a roll call. They just will not remain here. I have an idea that they are not greatly interested in this bill. That is the way they do, and it is regrettable that when some of us are deeply concerned about a proposal to change the whole jurisprudence of America, which a great majority of Senators over on the other side are supporting, they do not remain.

Mr. HASTINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Delaware?

Mr. BANKHEAD. It depends on what the Senator wants. I do not desire to lose the floor.

The VICE PRESIDENT. The Senator will not lose the floor if he yields for a question.

Mr. BANKHEAD. Very well.

Mr. HASTINGS. I wish to ask a question.

Mr. BANKHEAD. Very well, sir.

Mr. HASTINGS. I wish to inquire of the Senator what is the question before the Senate? Is it the merits of this bill or whether the Senate shall take it up?

Mr. BANKHEAD. If the Senator from Delaware would remain in the Chamber, he would know more about it.

Mr. HASTINGS. Not from the argument of the Senator from Alabama.

Mr. BANKHEAD. The Senator has absented himself practically throughout this whole debate and then comes here and wants me to give him information.

Mr. HASTINGS. Is it not true that the question before the Senate is whether we shall take up this bill?

Mr. BANKHEAD. If that is all the Senator knows about the status, there is no use in trying to inform him.

Mr. HASTINGS. Cannot the Senator answer the question?

Mr. BANKHEAD. I can say that it looks suspicious to me that certain members on the other side are either joining in a filibuster or trying to break a quorum; at any rate, we can not keep them here.

Mr. HASTINGS. The Senator does not accuse us over here of conducting a filibuster, does he?

Mr. BANKHEAD. I think I might do so when it is evident that we cannot keep Senators over there on the floor. It is in the nature of a filibuster when so many Senators are out all the time and we do not have a chance to discuss anything with them and have to keep calling the roll in order to try to get them back. It looks to me to be a very effective form of killing time.

Mr. HASTINGS. If the Senator will discuss the question before the Senate we will stay here and listen.

Mr. BANKHEAD. I do not believe a word of that, because Members of the Senate know that I have been discussing this measure for much of the day.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. Yes; I yield to the Senator from Texas.

Mr. CONNALLY. The Senator from Delaware said something about a filibuster.

Mr. COUZENS. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. May the Senator from Alabama hold the floor while the Senator from Texas makes a speech?

The VICE PRESIDENT. He cannot, but he may yield for a question.

Mr. COUZENS. The Senator from Texas was not asking a question but was quoting the Senator from Delaware.

Mr. CONNALLY. I did not know that it was an offense in the Senate to quote the Senator from Delaware. [Laughter.] I do not know of any rule that says that another Senator may not quote the Senator from Delaware. I was undertaking to ask the Senator from Alabama if it is not a fact that the filibuster on the other side of the aisle is against bringing up the soldiers' bonus bill?

Mr. BANKHEAD. Of course, it has that effect. I am going to argue that point a little later. [Laughter.] I am going to invite the attention of the authors of this bill, before I conclude, to the fact that there are quite a number of measures on which the only chance in the world the Senator from Delaware and the Senator from Michigan and others will get a chance to vote on their final passage is by making an omnibus bill out of this one and letting this bill pull through with it some really helpful, remedial legislation for which some of the Senators on the other side will not vote in any other way.

Mr. HASTINGS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Delaware?

Mr. BANKHEAD. I do.

Mr. HASTINGS. I should like to inquire if the reason for trying to prevent the bill coming before the Senate is because the Senator from Alabama feels that a majority of the Senate would be in favor of it?

Mr. BANKHEAD. I think if the Senator has any judgment at all he would know that.

Mr. HASTINGS. I thank the Senator.

Mr. BLACK. Mr. President, will my colleague yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. Certainly.

Mr. BLACK. My colleague referred to the fact that there is evidently a filibuster in progress against the soldiers' bonus bill. Everyone here knowns that the effort to bring the antilynching bill before the Senate is going to prove futile. Everyone knows that it cannot be done. Everyone knows that if this matter were out of the way the soldiers' adjusted compensation bill would be brought before the Senate. Not only that, but we could then proceed to consideration of the Wagner labor-disputes bill; we could then take up the social-security legislation. Members of the Finance Committee would have time to proceed with its consideration.

It is a little strange that Senators on the other side of the Chamber who are the most vigorously opposed, judging by their record in the past, including the Senator from Delaware [Mr. HASTINGS], to payment of the soldiers' adjusted compensation, those who are really opposed to the labor-disputes bill, those who are opposed to giving organized labor a decent chance, those who are opposed to the social-security measure, should be conducting a filibuster at this time in order to keep the Senate tied up on a measure which never will come to a vote in the Senate.

Mr. HASTINGS. Does either Senator from Alabama dispute that he is conducting a filibuster?

Mr. BLACK. I will state that the Senator from Delaware is doing that in joining with his colleagues to prevent the soldiers' bonus bill from being considered.

Mr. COUZENS. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. Who has the floor?

The VICE PRESIDENT. The Senator from Alabama [Mr. BANKHEAD] has the floor. The Chair is of the opinion that none of the Senators know what is before the Senate. The Chair will state for their information that the question is the appeal from the decision of the Chair, and whether

the decision of the Chair shall stand as the judgment of the Senate. [Laughter.]

Mr. BLACK. I stated that a few moments ago. Therefore it is very pertinent to call the attention of the Senate to the filibuster which is being conducted by the Senator from Delaware [Mr. HASTINGS] and others against the soldiers' adjusted-compensation bill.

Mr. BANKHEAD. With very great frankness, I realize that we have before the Senate an appeal from the decision of the former occupant of the chair. I assume that in due course we will reach a vote upon that question.

Mr. LEWIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LEWIS. May I ask the Chair to state what is the status of the appeal?

The VICE PRESIDENT. The former occupant of the chair sustained the point of order made by the Senator from Michigan [Mr. COUZENS] that no business had been transacted by the Senate and that therefore no quorum call could be had. The Senator from South Carolina [Mr. SMITH] appealed from the ruling of the Chair. That appeal is now pending before the Senate. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. LEWIS. Is it not true, sir, that a roll call has been had since and the presence of a quorum ascertained?

The VICE PRESIDENT. That does not change the status of the appeal from the decision of the Chair. That merely determined the presence of a quorum of the Senate.

Mr. LEWIS. I have no desire to question the view of the present occupant of the chair but am merely desirous of making clear the question which is now pending before the Senate.

Mr. GLASS. Mr. President, if I may interrupt, the question is merely academic now because there has been transacted certain business since the decision of the Chair and there has been a quorum called as well.

The VICE PRESIDENT. Nevertheless, the then occupant of the chair made the decision, and the Senator from South Carolina appealed from the decision. Therefore that appeal must be decided by the Senate as to whether the decision of the Chair shall stand as the judgment of the Senate.

Mr. GLASS. I insist the whole thing will be merely academic.

Mr. SMITH. Mr. President, if the Senator from Alabama will allow me——

Mr. BANKHEAD. I yield.

Mr. SMITH. It is not academic because it involves a principle. We must determine whether, when a Senator submits a request to have an article read into the RECORD and objection is made, that objection under the rule of the Senate does not constitute the transaction of business which is authorized by the rule, whereas if no objection is made and the article goes into the RECORD, it is the transaction of business. It seems to me either action would constitute the transaction of business on the part of the Senate. I desire to make the point that it is not merely academic. It is a point which may govern us hereafter.

Mr. GLASS. It is academic because, since then, business has been transacted and there has been a quorum call. If the Senator from South Carolina wants a practical vote on the question, since there has been no transaction of business since the last quorum call, let him call now for a quorum and let the Senator from Michigan make his point of order and let the decision be made.

Mr. SMITH. But the question is still here. The question is still whether or not the attempt to read into the RECORD an article and the submission of an objection to that request constituted the transaction of business. The objection was made as provided by a rule of the Senate, and the objection is invoked as contradistinguished from acceptance of the offer. One is negative; the other is affirmative. If one constitutes business, necessarily the other constitutes business. I insist we ought to settle the question as to whether the offering to read into the RECORD of an article an objection being made thereto constitutes the transaction of business.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Is it not a fact that there are at this time three proposals pending before the Senate: First, an appeal from the decision of the Chair; second, a motion to strike from the original motion certain figures which identify the original so-called "antilynching bill" and substituting in place thereof figures identifying the so-called "bonus bill"; third, a motion to proceed to the consideration of the antilynching bill?

There are three distinct proposals standing before the Senate. My parliamentary inquiry is, How many questions can be before the Senate at one time?

Mr. SMITH. Let us debate them all. [Laughter.]

The VICE PRESIDENT. The Chair will undertake to answer the Senator from Oklahoma. There can be but one proposal pending before the Senate at a time. The Senator is correct that the question before the Senate at the present time is whether the decision of the Chair shall stand as the judgment of the Senate. The second proposal mentioned by the Senator from Oklahoma was withdrawn by the Senator from Texas [Mr. CONNALLY]. The third proposal mentioned by the Senator from Oklahoma is the motion of the Senator from Colorado [Mr. COSTIGAN] to proceed to the consideration of the so-called "antilynching bill." That covers the situation.

The Senator from Alabama may proceed.

Mr. BANKHEAD. Mr. President, since apparently the Senator from Michigan [Mr. COUZENS] has started to police the rules of the Senate, I think the question has passed beyond the point of being academic and is now practical. I am now speaking on the appeal and not on the bill. I may by inference make some allusions or suggestions which might have some bearing on the bill. It is a very good idea to have time to think over and deliberate on the vote which may be taken on the appeal from the decision of the Chair.

Mr. BLACK. Mr. President, will my colleague yield?

Mr. BANKHEAD. I yield for a question.

Mr. BLACK. I notice the Senator from Delaware [Mr. HASTINGS] is leaving the Chamber.

Mr. BANKHEAD. We cannot keep him here.

Mr. BLACK. I desire to call the attention of my colleague to the fact that the Senator from Delaware asked a question as to what is pending before the Senate. I want to be courteous to the Senator from Delaware, and I should like to ascertain if he knows now what is before the Senate.

Mr. BANKHEAD. I think the Senator from Delaware is not concerned about what is before the Senate, so I am not going to follow up the matter with him.

Mr. President, as I said I think it is a good idea from the practical standpoint for us to have a little time to deliberate and find out where we stand and what we are after and how we are going to get it and what we are driving up to, and a number of other points, because they might have a bearing in the minds of some practical statesmen as to how they may vote on the appeal from the decision of the Chair, which seems to involve some dispute as to the facts.

Mr. President, I think it is pretty well understood, at least I have heard a good deal about it, though I do not charge it, but it is in the air, that there are certain Members of the Senate who are supporting the motion of the Senator from Colorado [Mr. COSTIGAN], who are bitterly opposed to legislation which is going to be brought before the Senate for consideration as soon as this matter shall be disposed of in some way. My colleague made a brief reference to some of those measures. We have had the bonus question before us for a long time. We have now for consideration, if we can ever get to it, that much debated question. The ex-service men are waiting for payment of the bonus and are hopeful that they may not have to go to the poorhouse before we get around to its payment. We have that problem before us, not only as to whether they shall be paid but when they shall be paid and how they shall be paid. While a great many of us desire to proceed to the consideration of that

subject, we know that the Senator from Delaware, the Senator from Michigan, the Senator from Vermont, and other Senators who apparently are willing to have this bill stay here until doomsday are not interested in the payment of the soldiers' bonus in the way it seems as if it may be paid, and that is through the route of the Patman bill.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BLACK. Since the Senator has mentioned the opposition of certain Senators to the soldiers' bonus, I desire to call attention to another fact. I may be mistaken, but I am reasonably sure that in 1932 the Senator from Delaware [Mr. HASTINGS] made a very vigorous attack, which is in the CONGRESSIONAL RECORD, against the payment of the soldiers' bonus, and, of course, those who are against the payment of the soldiers' bonus naturally will continue to filibuster to keep it from coming before this body.

Mr. BANKHEAD. Yes; and there are some other measures of vital importance which are threatening to come up, and will come up. If the friends of the soldiers wish to secure bonus legislation within a reasonable time, so as to provide relief for the soldiers, it strikes me they ought to offer the bonus bill as an amendment to this bill. There are numerous reasons why that should be done. In the first place, in that way we will get action on it as quickly as we will get action on anything else in the Senate if this bill stands as prior to everything else in the order of business.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Illinois?

Mr. BANKHEAD. I do.

Mr. LEWIS. Responding to the suggestion of the able Senator from Alabama that the bonus bill should be tendered as a substitute for, or amendment to, the present bill, I ask the Senator what is his judgment as to whether that proposal would receive the votes of those who are now supporting the present bill or of those who are opposing it?

Mr. BANKHEAD. My judgment is that if the bonus bill were put on this bill as an amendment, they would be afraid to vote against the bill. Of course they would go along and vote for it.

Mr. LEWIS. Whom does the Senator mean by "they"?

Mr. BANKHEAD. I mean some of the Senators on the other side to whom I have been referring, who apparently are so anxious to obstruct business here.

If they will bring up the bonus, and there is a majority of the Senate for it—we are the judges of its germaneness under the rules of the Senate—we can put the bonus on this bill, and we can put it on in the form which a majority of the Senate favor. We can put it on, if we have a majority of the votes, by the inflation route, paying the bonus through the issuance of additional currency.

I know there are many Members upon this floor who are in favor of the expansion of the currency. I know there are many who have no fear of the charge of fiat money so long as there is concealed in the vaults of the Treasury a sufficient quantity of gold to support, to the extent of 100 percent, all currency necessary to be issued in payment of the bonus. I should like to see the test made here. I should like to see what Senators will squirm and what Senators will turn their backs upon the pending program, if they come to the choice of voting for both this program and the payment of the bonus through an issuance of currency to cover the gold and silver in the Treasury.

We desire to deal with the bonus question after these long years of delay. I am sure a majority of the Senate does. Why do not the Senators on the other side who favor this bill, and who also favor the bonus, put the bonus bill on this program? It will make the present bill stronger to put it on. It will, as I have indicated, force Senators to vote for the passage of this bill who will not vote for the passage of a good bonus bill.

What about the 6-hour bill? Is not that measure being delayed by this insistence upon continuing before the Senate a bill which every sensible Member of the Senate knows can pass only when thirty-odd Senators have exhausted every possible resistance and exhausted physical endurance? I have been frank, as I said, from the beginning of this program. I am not going to submit, if I can help it, to the passage by Congress of a bill which bears an imputation and a reflection upon the people of my State, who are doing all in their power, everything they can do and everything that is being done in the other States, to prevent murder, to prevent lynching, to apprehend the guilty, to afford those accused of crime protection even through the use of the National Guard; who are using every resource available to them to give every citizen in their States, regardless of race, color, or previous condition of servitude, the equal protection of the laws, and due process of law under the fourteenth amendment.

Our people have been hounded for years on this question, beginning back with the soldiers at the polls following reconstruction, beginning back when the rights of States were challenged and denied and ignored, and elections were held with soldiers at the polls; a people who were threatened here with the passage of the force bill to control elections, a measure which tied up Congress for months and months and months as a direct assault upon the institutions of the South. Now we have as honest elections as are held anywhere in the world. We fought off, we fought down, we beat back this assault upon our section and upon our people and our institutions, and said, "Let us alone! We have a great problem, a complicated problem, a difficult problem, in dealing with a race of new freedmen, not prepared for the duties of intelligent citizenship, not fully prepared to understand their duty to obey all the laws of the country. We shall have to work along in the course of evolution and progress; but we in the South, with these people constituting almost half the population, have more interest, if possible, than people from a great distance in working out this problem, in adjusting it, in helping the new freedmen to develop as good citizens, and to take their place in the political and other organizations in accordance with the position they deserve."

Mr. BANKHEAD. Mr. President, I charged here some time ago—I did not, of course, intend to be in any way offensive about it; I thought I was stating the plain, unvarnished fact—that a certain group of Republicans on the other side of the Chamber—not the Progressives, but the old-line, stand-pat group of Republicans—were fighting off this bill so as to avoid coming to a vote on the cash payment of the bonus. Not a single voice was raised among that group of Senators then upon the floor to deny the charge. Not a single protest was made at the suggestion that they are filibustering, in a way, that they are purposely absenting themselves from the floor; and now only two Republicans are on the floor of the Senate—the senior Senator from Michigan [Mr. COUZENS] and the senior Senator from New Hampshire [Mr. KEYES]. We cannot keep the Republican Senators here. They are delaying the progress of the Senate through the necessity of having roll call after roll call while they quietly stay at their offices. Of course, the conclusion is almost inevitable that there is some motive, some reason somewhere for the protraction of this debate, for the delay in disposing of this bill.

While I think the Senators on the other side ought to stay here, while I think they ought to listen to sound doctrine, while I think they ought to take some interest in a measure with which they are willing to block the progress of the Senate, still they are unwilling to do it. That, of course, is their privilege.

Let me say to my Democratic friends who, with the others, are supporting this measure—and I say it to the two distinguished coauthors of the bill, who are at all times interested in remedial legislation, in humane legislation, in progressive legislation—they have fallen into a trap; other Senators, who are opposed to their views upon legislation which is yet to come before us, have, so to speak, put rings in their noses, and are leading them here day after day in the continuance of the debate on a measure which will never pass the Senate, at this session of Congress, at least.

Ah! it is pathetic to me to see a good many like my desk mate, the Senator from Colorado [Mr. COSTIGAN], who is friendly at all times——

The VICE PRESIDENT. Will the Senator yield so the Senate may receive a message from the House of Representatives?

Mr. BANKHEAD. I yield.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 1, 3, and 38 to the bill and concurred therein, and that the House had receded from its disagreement to the amendment of the Senate numbered 5 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

Mr. BANKHEAD. Mr. President, while this bill is confessedly a sectional bill, and so described in the report of the committee, the one disturbing thing is that it has passed out of the control and manipulation of the Republican Party, and now we find a majority of the Democrats in the Senate of the United States stepping up and taking out of the hands of the Republicans a sectional program dropped by the Republicans 10 years ago. We find two Democratic Senators, supported by a majority of the Democrats in this body, taking over control of an issue abandoned by the Republican Party.

Why is that, Mr. President? Ten years ago, when the Republican Party undertook the passage of the Dyer antilynching bill, I am sure, not from any statement made to me by any responsible Republican but from general knowledge of conditions and observation thereafter, they found there was no demand for such legislation among the responsible colored people of this country.

Why else did they drop it? They never sought to resurrect it. They did at last, upon the race question, obtain a ray of information and intelligence, and did succeed in submerging political party interests in order to help beat back the race issue. They found that the lynching problem was no longer a sectional problem, no longer a race problem. They found lynching occurring in New York and in other States. I do not know whether there was ever one in Colorado or not, but lynching has occurred in probably every other State. So the Republicans finally found, so far as they were concerned, that a race question was not involved, and so they abandoned such legislation. Now, they are trailing behind Democratic leadership, Democratic authors, a Democratic majority, in support of the measure; but it might as well be understood, in fairness to every Senator who has to go "on the spot" on this subject, that the effort to pass the bill is not a part of the Republican program. If it is anything, it is a part of the Democratic program, because it is sponsored by Democrats, and supported by a majority of the Democrats in the Senate.

Why do I say it is confessedly a race program regardless of the denial of the great Senator from Colorado? He says he does not see any race question in it. I assume it is also the view of the able Senator from New York that there is no race question in it.

I do not know who wrote the bill. I assume, of course, those Senators did. I know that the committee which reported it had the advice of an able lawyer, a constituent of the Senator from New York, a Republican, I assume, and a former Republican officeholder, but a man who I understand to be a good lawyer.

At any rate, the committee, after what they say was an exhaustive investigation of the briefs of the advocates of the bill, wrote the bill we are now discussing. There was no examination and report on the briefs of those who opposed it, no investigation of the great debates participated in by the eminent lawyers and statesmen upon the floor of the Senate and the House of Representatives 10 years ago on the constitutional phases of the bill. No; there was no investigation of that sort. The bill was reported by a committee which frankly says, "We looked into the authority to do this thing, but we ignored everything that was said against the authority to do it."

What does this lawyer say? Notwithstanding the expressed statement of the Senator from Colorado on the subject, I wish to talk plainly and without offense. I certainly do not want to offend anyone. I am doing my best to protect the Democrats who have gone astray on this matter. I do not want them to be hurt. I want them to come back to the Senate regardless of how they vote on this question, because, as I have said, the worst sort of a Democrat is better than the best sort of a Republican. [Laughter.]

I do not know whether or not Mr. Tuttle, the official lawyer, apparently, for the committee, was acting as amicus curiae; I do not know whether or not he got a fee; I do not know whether he was sent here by a group of sociologists of the type that has been in touch with the Senator from Colorado and the Senator from New York. They have not been in touch with the rank and file. They have been consulting sociologists, theorists, economists, highbrows among the colored race and the white race, not those who go down in the workshops and talk to the colored man, not those who have any knowledge of conditions in the section against which the bill is directed. No; they have no knowledge of those conditions. They are merely importuned by groups of sociologists and highbrow colored men who are living and holding their places out of the sweat and labor of the common colored man.

Oh, yes; they are the ones doing the agitating. We have not heard any word from men like those in the Tuskegee Institute, the Booker Washington type, and the Dr. Moton element in the South, that the South wants this bill or that the colored men want it.

Who knows what is best for the colored race? If you want to help the colored race, I shake hands with you, but for God's sake do not take your advice from those who know nothing about conditions. Do not do something which will stir up race feeling and race prejudice, as surely as we are living, and give to a low order of people the idea that the Government of the United States is going to protect them regardless of what sort of crime they may commit. Do not get that sort of idea into their heads. If you want to help the colored man, talk to the friends of the colored race, those who live among them and understand them. Talk with the men who have the confidence of the colored men in the South. Talk with the men who have so conducted themselves toward the colored race in every way as to command the confidence and respect of the great mass of colored people in the sections in which we live.

Oh, no; that is not the source of information which some people desire on this subject. In fact, from the attendance we now have in the Senate, I do not believe they desire any information at all.

Let us see what Mr. Tuttle had to say about the subject. He wrote a document for the committee. The committee thought so much of it, it appealed to them as so well and so truly expressing what is involved in this proposed legislation, that they picked out this opinion from all the legal documents available to them as giving true expression to the purpose and intent of the bill. Now, notwithstanding that has been done, we find a denial of what the opinion selected by them, and reported by them, says is the purpose of the bill.

Let me read to the Senate from this brief:

> This bill is expressly limited by its own definitions to official action or nonaction resulting in the denial of due process or the equal protection of the laws.

Now listen:

It applies only to persons injured or killed through mob violence on account of—

Listen—

race, creed, or color.

Did Senators hear that? A committee brings the bill to the Senate with the statement connected with it that the bill applies only to those injured on account of race, creed, or color, yet we hear the statement made, "Oh, this is not a sectional matter; this is not a race matter. Why, there was a mob and a lynching in California. That makes it national. Oh, yes; this question is national."

Let us see what else the committee said. I desire to call the attention of the Senate—it was briefly mentioned yesterday—to an argument made by the committee in its report. It says:

In the committee's opinion, it is more than a coincidence that the practice of lynching is practically stopped when Federal legislation designed to curb this practice is pending in Congress. A continuation of the practice of lynching, coupled with a complete failure of the government of those States involved to apprehend and punish the participators of these crimes supports the need for Federal legislation. * * *

During the first week in June 1934 word was generally circulated that hope for the enactment of the proposed measure had been abandoned. On June 8 there was a lynching in Mississippi, followed—

By other lynchings.

Word circulated that a bill, the Costigan-Wagner anti-lynching bill, had been abandoned. Who authorized the statement that it had been abandoned? Was any such declaration ever made on the floor of the Senate or in the newspapers? Who circulated word all over America that a bill had been abandoned in Congress? I ask any lawyer, I ask any man of common judgment, if the abandonment of a bill in Congress would, anywhere in the South, stir up a mob to commit murder?

In the first place, there is no means for general whispering campaigns. In the second place, everyone knows that no mob, stirred to insane frenzy, composed usually of totally irresponsible people, is going to pay any attention to the law on the subject. Such people do not stop to ask whether there is a Federal law on the subject. They know there is a State law against murder and that it is punishable by death in my State. They know the law is there. Senators, in the high tides of passion, any aggregation of men, governed by mob psychology, led by some dangerous and irresponsible agitator and leader, does not resort to judgment and reason. Such men do not investigate what particular section of the law, whether State or Federal, governs the case. That is totally an afterthought.

Let us see if the committee was consistent in its statement. It said the word was spread around. I do not know whether that means that it was spread in churches or in Sunday schools or in lodge meetings. The Senators must have a very exaggerated idea of the general knowledge about the details of handling the bill of which they are authors if they imagine that the mere whispering somewhere by somebody that a bill had been temporarily laid aside was responsible for mob lynchings thereafter during the year. That is a far-fetched conclusion.

I call the attention of the Senators who appear to be, and who, I assume, are seriously supporting this drastic bill—this revolutionary bill, this bill destructive of State rights, this bill which will destroy existing peaceable race relations, which, in my judgment, will increase rather than reduce the number of cases of violence taking place thereafter—to the figures put into the RECORD a few days ago by the very able Senator from North Carolina [Mr. BAILEY], figures furnished him by the outstanding Negro college in America, a colored institute with a research board, with a tremendous foundation fund, with all the financial backing it needs in order to operate in all reasonable lines of activity. With a research board, with a statistical board, with every available avenue and source of information, they have been collecting the statistics on this subject during the years. What do those statistics show? I am not bringing up this subject to repeat the figures.

Mr. BLACK. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. I yield.

Mr. BLACK. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present. The Senator from Alabama has the floor.

Mr. COSTIGAN. Mr. President, will the able Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. COSTIGAN. A moment ago the Senator from Alabama made a statement with reference to Dr. Moton, of Tuskegee Institute. It is my recollection that reference was also made to Dr. Moton a day or two ago by the senior Senator from Alabama [Mr. BLACK].

I am advised that Dr. Moton is a vice president of the Interracial Commission, from which a telegram, subsequently placed in the RECORD, was received last Friday, and that Dr. Moton was an organizer and has actively participated in the activities of the Interracial Commission throughout its history.

Mr. BANKHEAD. There is no doubt about Dr. Moton being opposed to lynching. Dr. Moton has never read the bill and endorsed it. If he had, the Senator from Colorado would have so stated. I do not believe he would endorse the bill. I am sure there is no evidence that he has done so. The Senator from Colorado has no such evidence, or he would submit it.

Mr. COSTIGAN. Mr. President, will the Senator yield further?

Mr. BANKHEAD. I yield.

Mr. COSTIGAN. I think it is already of record that the Interracial Commission has endorsed legislation of the type of the proposed legislation.

Mr. BLACK. Mr. President, will my colleague yield?

Mr. BANKHEAD. I yield.

Mr. BLACK. I am not familiar with exactly the resolution adopted by the interracial group, but I did note an article in the New York Times of last Sunday, which perhaps the Senator from Colorado may have seen, an article written by Mr. Julian Harris, of Georgia. It is my recollection, though I would not be absolutely sure of my recollection, that the article stated that the group on interracial relations, while opposed to lynching, did not intend to endorse any particular bill. The article can be easily obtained. It was in last Sunday's New York Times.

Mr. COSTIGAN. Mr. President, if the Senator from Alabama will yield further——

Mr. BANKHEAD. I yield.

Mr. COSTIGAN. It should be said that the senior Senator from Alabama [Mr. BLACK] accurately states the position of the Interracial Commission, so far as I now recall it. That commission, which for a number of years has declined

to endorse Federal legislation, recently endorsed antilynching legislation by the Congress, but did not, I believe, go so far as to endorse the particular measure now under discussion in the Senate.

Mr. BANKHEAD. Mr. President, I have just stated that, in my judgment, Dr. Moton, who is the head of the greatest colored institution in this country, who understands the rapidly improving race conditions in the South, and is in large measure responsible for their improvement, who understands the diligent efforts made by the people of all the States in that section, including their law officers, to enforce all laws, regardless of race, creed, or color—Dr. Moton would not give his approval to this bill, which so many of us earnestly and sincerely believe will promote strife and discord and racial disturbances.

Why does the Senator from Colorado think he knows more about the race situation in the South than do those of us who live there? Does he impugn our sincerity in saying that we are friendly to the colored race; that we are opposed to mobs and to lynchings; that we are handling the situation; that we are making wonderful progress? Does he impugn our motives? He must recognize that we know more about the problem than does any man who lives a thousand miles away. He must know that those in direct contact with this situation better understand how to diagnose it, how to treat it, and how to bring health and security out of it, than does any Denver doctor a thousand miles away who has never seen the patient.

That is the situation. We are up against an absentee diagnostician, encouraged by sociologists, encouraged by professional groups, not encouraged by the great mass of colored people, not approved by the leaders of the colored people in that section.

Senators talk about lynching as a national menace. It is absurd. Any lynching, of course, is unfortunate.

Mr. President, in my own home county, in the period of more than 125 years since it was organized there has occurred only one lynching; and the man lynched was not a negro, but a white man. In many counties in my State there has never been a lynching in their whole history; and still we hear theoretical doctors of race relations tell the Senate and tell the world through the CONGRESSIONAL RECORD and the news service, "Oh, we have a situation that is so horrible, so menacing, so distressing that we must strain the Constitution of the United States"—and they are bound to know they are straining it—"and extend it into fields it has never before sought to cover in order to deal with a terrible, disgraceful, menacing condition of lynching and mobbing."

Mr. President, I say there ought to be potent supporting facts of overwhelming force and convincing power to show that there is a menace to our institutions, to a group of our people, before we undertake to confer local police power upon the Federal courts of the country.

The Senator from Colorado seems to think that if participants in lynchings can be dragged into the Federal courts they will be punished. Why take them to the Federal courts? We have not the type of carpetbag judges we used to have. We have local men presiding over the Federal courts in our section. We have the same type of citizens serving upon the grand juries in the Federal courts that serve upon the grand juries in the local courts. We have the same type of trial jurors in the Federal courts that we have in our local courts. The Senator from Colorado, however, seems to have the idea that there is such a dread of a Federal judge, of a Federal court, constituted of our local people, that if Uncle Sam's name is put on it that is going to alarm and frighten everybody out of doing things that otherwise might be done.

So far as the actual effects of trials is concerned, I should have no serious objection to a Federal court trial; but I do denounce any effort to break down our dual system of government, our local courts. I do denounce any program to jerk citizens up and haul them away two or three or four hundred miles to the seat of some Federal court, as must be done in many States of the Union, with their broad areas, under the program sponsored here by the Senator from Colorado; and I do object, as a lawyer, as a practitioner, as an American citizen, to any program which seeks to place the Federal Government directly in control of the enforcement of the police laws within our States.

Some time ago we had pending before us a bill to extend the power of the Federal courts to the prosecution of one of the most heinous crimes in this country, namely, kidnaping. Shortly after the terrible tragedy in the Lindbergh home, which so deeply stirred the people of this country, which aroused such intense interest and sympathy, which evoked the indignation of every man and every woman in America, when the bill was pending here to give Federal control over the horrible crime of kidnaping, I note that neither the Senator from Colorado [Mr. COSTIGAN] nor the Senator from New York [Mr. WAGNER] proposed to extend the scope of the bill to kidnaping within a State. They stood here with the same sort of indignation that all Americans had, with the same desire to stamp out and destroy the terrible crime of kidnaping, which at that time and for some months before that time had spread all over the country, and had gotten to be almost a daily occurrence. Great amounts of money were extorted. Men and women were taken into hiding, into seclusion, with their families, their husbands, their wives, their children, in suspense, in desperation. My God! What greater suffering could be brought to a family than the realization that one of its members is in the secret possession of bandits and outlaws and kidnapers and robbers? During the period of kidnapings we had more kidnapings than we had lynchings. If these Senators were so anxious to give the Federal Government power to bear down on a serious crime, I ask, in the name of common sense and decency, if they thought it was constitutional to do so, why they did not when they had the opportunity include in the Lindbergh kidnaping law the power of the Federal court to prosecute, just as they are trying in this bill to take jurisdiction away from the State courts and give it to the Federal courts.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Alabama yield to the Senator from Colorado?

Mr. BANKHEAD. I yield.

Mr. COSTIGAN. Will the Senator from Alabama, in the course of his able discussion, be good enough to place in the RECORD a list of all the cases of kidnaping which were purely of an intrastate and not of an interstate character?

Mr. BANKHEAD. I think the Senator from Colorado is a better statistician than I am. He seems to be more concerned about great crimes than I have been. He seems to be the remedial agent here in Congress, and it certainly seems to me that if he is on the watch tower to detect epidemics of crime of these vile and vicious kinds, long ago he must have compiled the statistics upon this horrible subject of kidnaping.

We have before us the question of the power of Congress to deal with cases of murder, and lynching is nothing but murder. I do not care how able Senators may be in the preparation of a bill, how skillful in its drafting to undertake to evade the Constitution, I do not care how resourceful they are in the matter of defining in some technical way what constitutes a mob, I say to the Senator from Colorado as a lawyer that the same law which applies to three constituting a mob applies to an individual; and, as well pointed out by the Senator from Idaho, we cannot excuse one when we condemn three for the same offense.

It is nothing but a subterfuge to try to inject, by a definition of what constitutes a mob, a Federal power, or to bring a crime under the fourteenth amendment to the Constitution.

When we analyze it, murder is murder, whether it is committed by one or committed by a group. It is the same type of offense. Life is taken. The act is wrong, it is sinful, it is punishable. But in order to raise another Federal question, the Senator proceeds on the theory that three killing a man makes an offense different from one killing a man or two killing a man.

I should like to know why the authors of this bill decided to select the number three. All laws of conspiracy make a conspiracy as offensive, as punishable, whether participated in by two or a hundred. But in this effort to adopt some ingenious rule of construction, the Senators have taken the old Dyer antilynching bill, which originally in the House of Representatives specified five as constituting a mob. It is true that when that bill got to the Senate, in some way, for some reason, somehow, it was decided, "Well, there might not be as many as five in a mob", so the number was reduced in the Senate to three, and the Senators who are the authors of the bill we are discussing have followed on that subject the number contained in the Dyer measure.

I desire to have the Senator from New York [Mr. WAGNER] sent for. I am about to take up a matter, the discussion of which I want the Senator to hear.

I started awhile ago, but I have not had time to finish, being sort of pressed for time, to discuss a phase of the report. I do not know whether the Senator from Colorado [Mr. COSTIGAN] wrote the report or not. I will ask him whether he wrote it, or who did write it? I refer to the committee report.

Mr. COSTIGAN. Mr. President, I did not write it.

Mr. BANKHEAD. Does the Senator know who wrote it?

Mr. COSTIGAN. It was written no doubt at the request of the committee by its authorized representatives.

Mr. BANKHEAD. Does the Senator mean by members of the committee, or by somebody acting for the committee?

Mr. COSTIGAN. I prefer to have the chairman of the committee speak for the committee.

Mr. BANKHEAD. In other words, the Senator does not know or he is not willing to tell. Which is it?

Mr. COSTIGAN. I do not know exactly, and it is not my province to say who wrote the report in its entirety.

Mr. BANKHEAD. I would like to find out whether this is a report written by some professional, somebody not having a direct responsibility by a vote in the committee or in the Senate.

Mr. COSTIGAN. In response I will say to the able Senator that I am not a member of the Committee on the Judiciary, and the Senator must look elsewhere for an answer to his question.

May I state to the Senator from Alabama while I am on my feet that, according to Professor Chadbourn, the State statutes which deal with lynching have various numbers of persons specified as constituting a mob. In at least three States, including the State from which the Senator comes, also in Indiana and Arkansas, one person, it is reported, is sufficient legally for a lynching. In Kentucky the number constituting a mob for the purposes of the statute is three, and apparently in Illinois, New Jersey, and West Virginia the number chosen by the legislators is five.

Mr. BANKHEAD. In other words, it varies from one to five, as I get the point of the Senator.

Mr. COSTIGAN. That is my understanding of the statutory situation in the various States.

Mr. BANKHEAD. I am just wondering by what dogmatic process or arbitrary selection the authors of this bill select three as constituting a mob.

I requested that the Senator from New York [Mr. WAGNER] be sent for, and he is now in the Chamber. I wish to discuss at this time, while the Senator is here, what I did not wish to take up in his absence, not because it is personal, because there is nothing personal in it, but for another reason. I will return to the other subject directly, if my time does not expire.

I have been discussing a few different subjects which ought to be included in this program. I have just read in the committee report from the statement by one of the Senator's constituents that the program under the pending bill—

> Applies only to persons injured or killed through mob violence on account of race, creed, or color.

There is a fact which all of us knew, but which this man was frank enough to admit.

The point I make is that while we are dealing with the race question we ought to deal with a good many aspects of it in this bill. If Senators hope to pass this bill, there is no reason on earth why its provisions should be limited solely to the colored race.

Mr. WAGNER. Are they so limited?

Mr. BANKHEAD. That is what the Senator's lawyer says. He did not write the bill, of course; but the statement appears in the committee report, whether or not it is written on the face of the bill. The lawyer who wrote the brief and presented the brief in support of the bill was frank enough to write into his brief that this bill is confined to those who are killed on account of race, color, or creed. I will say to the Senator that I do not think that language is found in the bill.

Mr. WAGNER. Very well. I am not responsible for any statement by another.

Mr. BANKHEAD. Of course, the man who had been selected by some colored group to prepare a bill on this question submitted an opinion which would be used as the basis and foundation of the legal authorization for the bill. He does not appear as a politician, not as one dependent in any way upon the will and suffrage of the people but he appears as a lawyer. I assume the Senator recognizes that he is a high-type lawyer, standing before the committee as a lawyer, speaking as a lawyer and as an advocate of the bill, in close touch and contact with the sponsors of the bill. I do not mean the authors of the bill. I do not know whether he was in contact with them or not; but he was in contact with all who are promoting this fight, this campaign, this bill. Here is their legal representative, with sufficient manhood and frankness and courage to speak out and put into the written opinion which the committee has adopted and sent to the Senate the statement that the bill is solely one applying to those killed because of race, color, or creed.

I notice that there is not a Republican Senator sitting on the other side of the Chamber—not a single one!

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. I yield.

Mr. BLACK. I suggest the absence of a quorum.

Mr. BANKHEAD. I do not see why we cannot keep in the Chamber Senators who are interested in the bill.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. BANKHEAD. Mr. President, we have just completed a quorum call, and yet I note there are only two or three Republican Members present on the other side of the Chamber. It is difficult to get those Senators who are supporting the motion of the Senator from Colorado to remain in the Chamber and listen to the discussion. It shows great indifference on their part. I desire to discuss the matter at some length if I can have the time to present it fully.

Mr. ROBINSON. Mr. President, will the Senator from Alabama yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. Certainly.

Mr. ROBINSON. A number of Senators have represented to me that they have engagements which they find it necessary to fill. I therefore propose, with the permission of the Senator from Alabama, who has the floor, to ask for a short executive session and following that a recess.

Mr. BANKHEAD. Very well; I yield for that purpose.

EXHIBIT A

[S. 69, 73d Cong., 1st sess.]

A bill to provide for the redistribution of the overbalance of population in industrial centers by aiding in the purchase of subsistence farms, and for other purposes

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to establish in the Interior Department an agency for aiding as herein provided those who desire to acquire and live upon subsistence farms.

SEC. 2. Loans not to exceed $1,000 to any one person may be made under rules and regulations to be established by the Secretary of the Interior.

SEC. 3. Preference shall be given applicants for loans who are married or who have dependent families, and who have heretofore engaged in farming and who reside in cities or towns, or who have since January 1, 1931, moved back to a farm.

SEC. 4. The Secretary of the Interior is authorized to appoint local committees to serve without compensation, or to use any agencies, Federal, State, or county, that he may designate to aid in locating suitable farm lands for applicants, and to appraise the value of the lands, to supervise the purchase of building material and the construction of dwellings and other necessary structures, and to supervise the purchase of livestock, farm implements, household equipment, and sufficient supplies to support the applicant and his family until a crop can be produced.

SEC. 5. Title to the land purchased may be taken in the United States, and when so taken the Secretary of the Interior may execute in the name of the United States contracts to convey the land and improvements thereon to the purchaser, his assignee or heirs, upon full compliance by the purchaser with all the requirements of said contract. The Secretary of the Interior is authorized to make conveyance in the name of the United States when the contract has been fully performed as therein provided.

The Secretary of the Interior may, when the borrower so desires, take a mortgage on said land to secure the loan and interest thereon, and to satisfy the record thereof when the indebtedness secured by the mortgage has been paid in full.

SEC. 6. The Secretary of the Interior shall make rules and regulations for taking liens in favor of the United States upon livestock and farm implements acquired by the borrower and for releasing the same, and/or substituting other security for the loan.

SEC. 7. The interest rate upon said loans shall not exceed 4 percent per annum.

The principal shall be made payable in 20 annual installments beginning 3 years from the date the land is acquired.

SEC. 8. Loans may be made to cooperative associations or to nondividend corporations organized for the purpose of establishing colonies or groups, or individuals on farms, under regulations to be made by the Secretary of the Interior.

SEC. 9. Preference shall be given, in making loans, to the purchase of lands which have been in continuous actual cultivation and so as to avoid as far as practicable bringing additional lands into cultivation, or expanding agricultural marketable production.

SEC. 10. The Secretary of the Interior is authorized to make regulations for carrying out the provisions and purposes of this act.

SEC. 11. All the agencies of the Government are authorized and directed to cooperate in carrying out the purposes of this act when requested to do so by the Secretary of the Interior.

SEC. 12. The Reconstruction Finance Corporation is authorized and directed to make available to the Secretary of the Interior out of the funds of the corporation, not to exceed $400,000,000, for carrying out the purposes of this act.

SEC. 13. The Secretary of the Interior is charged with the duty, under regulations to be made by him, with the collection of the loans made under the authority of this act, and shall pay to the Treasurer of the United States all moneys so collected by him.

(EXHIBIT B)

[S. 1503, 73d Cong., 1st sess.]

A bill to provide for the redistribution of the overbalance of population in industrial centers by aiding in the purchase of subsistence homesteads, and for other purposes

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to establish in the Interior Department an agency for aiding as herein provided those who desire to acquire and live upon subsistence farms.

SEC. 2. Loans not to exceed $1,500 to any one person may be made under rules and regulations to be established by the Secretary of the Interior.

SEC. 3. Preference shall be given applicants for loans who are married or who have dependent families, and who have heretofore engaged in farming and who reside in cities or towns, or who have since January 1, 1932, moved back to a farm, or who have lost their farms through mortgage foreclosure or inability to renew or continue their tenancy.

SEC. 4. The Secretary of the Interior is authorized to appoint local committees to serve without compensation, or to use any agencies, Federal, State, or county, that he may designate to aid in locating suitable lands for applicants, and to appraise the value of the lands, to supervise the purchase of building material and the construction of dwellings and other necessary structures, and to supervise the purchase of livestock, farm implements, household equipment, and sufficient supplies to support the applicant and his family until a crop can be produced, and he is further authorized to employ competent and experienced persons to act as superintendents of colonies for the performance of such functions and duties as may be necessary to the establishment and successful operation of the said colonies.

SEC. 5. Land, other property, and any and all rights required in connection with the purposes authorized in this act, may be acquired by the United States through purchase, gift, assignment, or in any other manner, and when so acquired the Secretary of the Interior may execute in the name of the United States contracts to convey the land and improvements thereon to the purchaser, his assignee or heirs, upon full compliance by the purchaser with all the requirements of said contract. The Secretary of the Interior is authorized to make conveyance in the name of the United States when the contract has been fully performed as therein provided, and he is authorized to provide in each of the said contracts for a conveyance of the land and improvements prior to the full payment of the amount due with respect thereto, on the execution of a mortgage thereon to secure the balance due the United States.

The Secretary of the Interior may, when the purchaser or borrower so desires, convey or cause to be conveyed the land to the borrower and take a mortgage on said land to secure the loan and interest thereon, and to satisfy the record thereof when the indebtedness secured by the mortgage has been paid in full.

SEC. 6. The Secretary of the Interior shall make rules and regulations for taking liens in favor of the United States upon livestock and farm implements acquired by the borrower and for releasing the same, and/or substituting other security for the loan.

SEC. 7. The interest rate upon said loans shall not exceed 4½ percent per annum.

The principal shall be made payable in 28 annual installments beginning 3 years from the date the land is acquired.

SEC. 8. Loans may be made to cooperative associations or to nondividend corporations organized for the purpose of establishing colonies or groups, or individuals on farms, under regulations to be made by the Secretary of the Interior.

SEC. 9. Special effort shall be made to avoid as far as practicable the expansion of agricultural marketability production of crops as to which there is an existing sufficient supply.

SEC. 10. The Secretary of the Interior is authorized to make regulations for carrying out the provisions and purposes of this act.

SEC. 11. All the agencies of the Government are authorized and directed to cooperate in carrying out the purposes of this act when requested to do so by the Secretary of the Interior.

SEC. 12. The Reconstruction Finance Corporation is authorized and directed to make available to the Secretary of the Interior out of the funds of the Corporation, not to exceed $25,000,000 for carrying out the purposes of this act.

SEC. 13. The Secretary of the Interior is charged with the duty, under regulations to be made by him, with the collection of the loans made under the authority of this act, and shall pay to the Treasurer of the United States all moneys so collected by him.

SEC. 14. The President may transfer the administration of this act to any other department or agency of the Government.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of John D. Martin, Sr., to be United States district judge, western district of Tennessee.

The VICE PRESIDENT. Without objection, the nomination is confirmed. That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, May 1, 1935, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate April 30 (legislative day of Apr. 15), 1935

UNITED STATES DISTRICT JUDGE

John D. Martin, Sr., to be United States district judge for the western district of Tennessee.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 30, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Nature is speaking today with an insistence that cannot be neglected, and we thank Thee for its promise and beauty that touch us to deeper thoughts and higher feelings. The Lord God is our salvation; we will trust and not be afraid. Blessed Master, enrich us with Thy redeeming and transforming power and direct our pride, our temper, and our ambition. Do Thou take any blindness out of our understanding, any hardness out of our hearts, and any paralysis out of our wills. Fostered by Thy succoring influence and teaching, may we give full proof of our devotion to the cause of good government, plainly manifested by our daily conduct and by our public acts. Thou art the God of our joys, of our sorrows, of our hopes, and a Father of infinite forgiveness that streams from Thy throne of mercy. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

THREE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF CONNECTICUT

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 94, establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the gentleman should explain the bill before we let it be passed.

Mr. KOPPLEMANN. Mr. Speaker, the State of Connecticut is now celebrating the three hundredth anniversary of the founding of the Colony of Connecticut. A commission of the State of Connecticut has been working on the matter. It is of national scope, yet we did not ask financial aid from the Government.

This resolution calls only for the appointment of a Federal commission composed of 5 Senators and 6 Representatives who are to serve without pay.

Mr. SNELL. It is expected, of course, that there will be more or less Federal expense connected with the Government's participation.

Mr. KOPPLEMANN. To the extent of $10,000.

Mr. SNELL. Has this resolution been considered by any committee of the House?

Mr. KOPPLEMANN. It has been considered by the Senate, and passed that body unanimously.

Mr. SNELL. But has it been considered by any committee of the House?

Mr. KOPPLEMANN. No.

Mr. SNELL. I do not think it is proper practice to seek to pass under unanimous-consent requests resolutions that have not been referred to some committee. On the other hand, I think it is not only the opportunity of the majority but the responsibility of the majority if they let these resolutions go through in this way.

Mr. KOPPLEMANN. There is an abundance of precedent for this.

Mr. SNELL. I do not know of any precedent for it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KOPPLEMANN. Certainly.

Mr. RICH. The resolution authorizes the expenditure of Federal money. How much is that going to be?

Mr. KOPPLEMANN. Ten thousand dollars.

Mr. RICH. Why is not the amount specified in the resolution?

Mr. KOPPLEMANN. It is.

Mr. SNELL. Mr. Speaker, if there is no one on the majority side to take the responsibility, I take the responsibility. Mr. Speaker, I object.

CALENDAR WEDNESDAY BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, will the gentleman inform us on what subject he wishes to address the House?

Mr. TREADWAY. I am seeking information on the reciprocal tariff.

Mr. KENNEY. Mr. Speaker, reserving the right to object, does the gentleman intend to give us some information?

Mr. TREADWAY. My endeavor will be to secure some.

Mr. KENNEY. The gentleman does not intend to give us some?

Mr. TREADWAY. I think perhaps I can give Members on that side some information, including even the gentleman from New Jersey, but it will not be about a lottery.

Mr. KENNEY. We have the lottery information.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BLANTON. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. In the RECORD this morning appear three and a half pages of petitions regarding a certain Member's bill for old-age pensions. For weeks the RECORD has been cluttered with these petitions, all mentioning the name of our good friend from Oklahoma [Mr. ROGERS], whom we all like, and against whom I cast no reflection in mentioning this matter. But printing these petitions in the RECORD is costing quite a large sum of money.

The administration's social-security bill has been passed by the House and is now before the Senate. It is a bill which embraces the administration's plan for old-age pensions and is the only kind of old-age-pension bill that will pass this Congress at this session. Hence wasting money printing these petitions incited by a propagandist calling himself "Dr. Pope" should now stop.

Why should the RECORD continue to be encumbered with such costly petitions when they can serve no useful purpose? No member of any committee ever will look at one of them. No one ever reads the notation of them in the RECORD. It is just a useless expense to the Government, and I was wondering whether or not the Committee on Printing could not control the situation and stop such petitions from being printed in the RECORD after a bill covering the subject matter has already been passed by the House when they can serve no useful purpose whatsoever, and are costing the people quite a lot of money.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield to my friend from Pennsylvania, who is a member of the Committee on Printing, and who usually watches such matters.

Mr. RICH. I took this matter up with the Chairman of the Committee on Printing [Mr. LAMBETH]. We have taken the matter of entering these petitions up with the Member to whom the gentleman refers, requesting they be kept out of the RECORD.

Mr. BLANTON. The gentleman from Oklahoma [Mr. ROGERS], whose bill these petitions are espousing, is a good friend of mine, and I would like to do anything I could to help him. I feel sure he has not realized just how much this is costing. I thought perhaps the Committee on Printing could advise him what they are costing and persuade him not to continue putting these petitions in the RECORD.

Mr. RICH. I may say to the gentleman from Texas that I took this matter up with the Committee on Printing, and it is my recollection that an understanding was reached that as soon as the security bill passed the gentleman would not then continue to insert these petitions in the RECORD. He has continued the practice, however. I do hope the gentleman from Oklahoma will discontinue the practice.

Mr. KNUTE HILL. Mr. Speaker, may I ask what it has cost the Government already to print these petitions?

Mr. RICH. I think it is in the neighborhood of $10,000; it is too great an amount. It should be stopped.

Mr. BLANTON. Mr. Speaker, the inquiry I wish to direct to the Chair is whether the Committee on Printing cannot control the matter of inserting such petitions in the RECORD, after a measure passes, when it is clearly apparent the petitions can accomplish no useful purpose?

The SPEAKER. The gentleman understands that the Chair has no right to judge of the sufficiency or propriety of petitions Members may insert in the RECORD; nor, in the opinion of the Chair, does the Committee on Printing have any jurisdiction in the matter. Appeal must be made to the individual Member concerned.

Mr. BLANTON. And control is not within the jurisdiction of the Committee on Printing.

The SPEAKER. No; the Chair just stated that the Committee on Printing does not have jurisdiction.

Paragraph 1, rule XXII, provides as follows:

> Members having petitions or memorials or bills of a private nature to present may deliver them to the Clerk, endorsing their names and the reference or disposition to be made thereof; and said petitions and memorials and bills of a private nature, except such as, in the judgment of the Speaker, are of an obscene or insulting character, shall be entered on the Journal, with the names of the Members presenting them, and the Clerk shall furnish a transcript of such entry to the official reporters of debates for publication in the RECORD.

Mr. BLANTON. If such printing would help our friend from Oklahoma [Mr. ROGERS] or any of his constituents, or the people of the United States, I would not raise my voice against it, but printing them now is so futile and purposeless and costs so much it should stop. It cannot possibly produce any good.

The SPEAKER. The Chair may say to the gentleman from Texas that as a matter of practice there is not the slightest objection to a Member lumping all of the petitions together. Then they would be in the RECORD. But that is up to the Member.

Mr. O'CONNOR. Mr. Speaker, the situation, as I understand it, is this, and I have talked to the members of the Printing Committee: A member files petitions at the desk. On the same day he may file 100 or 200 of them, reading, "The petitioner, John Jones, and others." Each one of those petitions is referred to in the Index. I think the desk itself at the close of the day might lump together the petitions of each Member as to the same subject. There would then be only one reference in the Index or in the RECORD, instead of sometimes 10 pages. I do not see why it cannot be done mechanically by the Clerk.

The SPEAKER. Under the rules no one at the desk has authority to lump the petitions together. It is a matter either for the House, under the rule which has just been read, or else an appeal must be made to the individual Member. No one at the desk has authority to combine them without the consent of the Member who introduces them. The House, of course, could control the matter.

Mr. PATMAN. Mr. Speaker, like the gentleman from Texas [Mr. BLANTON], I do not want to reflect on our colleague from Oklahoma. He is my friend, as well as the gentleman's friend, and I do not want to say anything against the cause he is advocating, but this man Pope who is securing these petitions is an unpardoned ex-convict. He has spent practically his whole adult life conducting rackets and in jail, and he is about 55 years of age. We had an investigation at one time in this House, which disclosed that this man started out when he was a very young man doing things he should not. He robbed the unemployed and the distressed home owners, and also widows and orphans, on fraudulent oil stocks and in other ways.

The Department of Justice has his picture down here with his convict number across his chest. He has been convicted on 15 or 20 charges of violating criminal laws and is not a stranger in a Federal prison.

Mr. BLANTON. And in some of them down in Texas.

Mr. PATMAN. He is not pardoned now. He is an unpardoned ex-convict. He is not a citizen and does not have the rights of a citizen. If he really wants an old-age-pension law enacted, why did he not appear before the Ways and Means Committee and testify in favor of such a law? He did not ever request an opportunity to testify before this committee.

Mr. BLANTON. Most of these petitions are incited by him on a printed form. I am getting lots of them on these printed forms gotten up by this so-called "Dr. Pope."

Mr. PATMAN. Further, may I say that I filed a complaint against him and went to the Post Office Department and prosecuted the complaint. He came in and admitted the charge and the Post Office Department did not take any further action against the man, because he promised to be good. He said he would not continue to violate the postal laws and regulations, that he would stop; but he turned right around and changed it into another system which is almost as bad, if not as bad, as the one he formerly had.

I say this not in disrespect to our colleague from Oklahoma, WILL ROGERS, or the cause he represents, because I am sure he is honest and sincere. I know he is a capable man. But this Dr. Pope is not a doctor at all and never was a doctor.

Mr. BLANTON. He is a chiropodist.

Mr. PATMAN. He is just one of these self-confessed doctors existing under the laws of Oklahoma where there are no laws in regard to chiropodists. It is just like being an admiral in the Nebraska navy.

The Committee on Labor conducted the Pope investigation. The hearings are printed. These hearings include copies of indictments against Pope, his conviction, and a full exposé of his criminal record.

Mr. BLANTON. I have raised the question, Mr. Speaker, hoping that the Committee on Printing will confer with our colleague from Oklahoma and maybe it will stop.

Mr. RICH. The only way that the Committee on Printing could eliminate this matter that has been criticized here this morning would be to have it considered bulk printing. May I say for the chairman, the gentleman from North Carolina [Mr. LAMBETH], that he is doing everything possible to keep the printing in the RECORD to the minimum. It is a question of changing the law unless the Chair, or someone else, could rule that this is bulk printing. Then we could eliminate it.

Mr. BLANTON. I believe our friend from Oklahoma will himself cause it to be stopped.

The SPEAKER. The Chair has no authority in the premise; neither has anyone at the desk. The House can amend the rules if it so desires.

The gentleman from Massachusetts [Mr. TREADWAY] is recognized for 10 minutes.

DEMOCRATIC STEAM ROLLER PREVENTS PUBLICATION OF ARTICLES TO BE AFFECTED BY TRADE TREATIES

Mr. TREADWAY. Mr. Speaker, yesterday the Democratic steam roller worked overtime, giving the most remarkable exhibition of inconsistent action I have ever seen in the House.

Mr. Speaker, about 2 months ago I introduced three privileged resolutions of inquiry to bring information to this body. Under the rules of the House if a committee sees fit to report adversely on any subject matter it can move to lay such a report on the table. The majority members on the Ways and Means Committee showed that they did not want the information themselves and did not want the House to have any information.

The resolutions which I introduced asked for information as follows: What articles are being considered by three departments of the Government in connection with reciprocal trade treaties? The gentleman representing the Ways and Means Committee moved to lay my resolutions on the table, thus cutting off all debate.

The fact that the Democrats as a body voted in favor of the motion to table these resolutions means that they not only are willing to have our domestic industries destroyed through reductions in our tariff rates but they are willing to do this without even giving the producers and workers affected a fair chance to defend their interests.

LETTER FROM SECRETARY HULL SUPPRESSED

During the meeting in executive session I asked the gentleman whether or not the report from Mr. Hull, Secretary of State, would be read. He said it would. It does not appear in the RECORD this morning and was not read in the House yesterday. That is the only basis on which they turned down the three resolutions which I introduced, and the letter was so weak that they did not even wish to have it read in the House. It did not say a blooming thing or give the least reason whatsoever why the information I asked for in the resolution should not be given to the Members of the House. Now, that is working your steam roller overtime.

The day is not far off when the American people will object to this sort of procedure on the part of their elected and chosen Representatives. It would have been a courtesy to a fellow committee member to have granted me an opportunity to say a few words on these resolutions. I knew perfectly well what the action of the majority would be, but I object most seriously to the manner which was followed.

Now, what explanation did this great Secretary of State make? He said that all the information was submitted in press releases. That is not true. They only give export and import figures. Look at the one that came to your attention this morning saying that the administration intends to negotiate a trade treaty with France. Those interested must submit statements in writing a week beforehand to a committee which has nothing to do with the actual negotiations. It is called the "reciprocal information committee." The actual negotiations are carried on by the committee on trade agreements, and the Secretary himself acknowledged that it was composed of different people at different times, none of whom was ever known to the public.

Is this any way for the representatives of business and industry in this country to have to submit to one committee, which then transmits such parts of this information as they may have a mind to submit to a hidden committee that nobody ever sees or reaches or has any access to whatsoever?

SECRET PROCEEDINGS

They say that I called this a star-chamber procedure. It is worse than that. Not only is it star chamber, absolutely secret, and held behind closed doors, but you do not know who your judges are. The only thing you know is what the verdict is going to be, and that it is going to be in favor of foreign countries. Why should these foreigners have more right to sit around a counsel table and make laws than our own people?

Why should these foreign countries say, "The findings must be submitted to our legislative body before they become operative", while here in this country we are downtrodden by Democratic dictation and have no say as to the rate or anything else that are to be written into a law under which we are to be governed?

FOREIGNERS HELP WRITE OUR TARIFF LAWS

What would our forefathers have said? Your great Secretary of Agriculture, this man from Iowa, who cannot run his own business successfully, although he inherited a profitable publication, went down to New England and called our people fledglings and weaklings. What would our ancestors who wrote the Declaration of Independence say if today they knew that we simply act here as rubber stamps and have given authority to foreigners to write our laws for us. To throw off the yoke of foreign oppression was the cause of the Declaration of Independence and the writing of the Constitution. We set up a free and independent government here, but 150 years afterward we pass up our rights and privileges to enact our own laws and allow these foreign representatives the right to sit around the table and do this for us.

Mr. Speaker, I commend to the gentlemen on the Democratic side who do not want information to continue this procedure as long as they wish and the American people will resent it in the very near future. "Truth crushed to earth shall rise again", and I will keep repeating these references to star-chamber procedure until it gets home to the people and they realize what mistakes they have made in electing Representatives who do not know their own minds.

Let the Members of this House read the temperate and very argumentative letters submitted by the Senator from Oregon last Friday, describing the methods that these committees pursue. I cannot speak as temperately as he did. I am too impetuous. I want to drive home to the people the mistakes this Congress is making and particularly the mistake it made in enacting this reciprocal-tariff bill, and the need of taking this law off the statute books by repealing it at the very first opportunity.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Minnesota.

NO OPEN AGREEMENTS OPENLY ARRIVED AT

Mr. KNUTSON. Is the gentleman referring to open agreements openly arrived at?

Mr. TREADWAY. In contrast, that is as far from this method of procedure as black is from white or light from darkness.

Mr. KNUTSON. I thought that was one of the principles of the Democratic Party, laid down by that great Democrat, Woodrow Wilson.

Mr. TREADWAY. Oh, that was many years ago, and this is an entirely new type of democracy.

Mr. KNUTSON. How about Tom Jefferson?

Mr. TREADWAY. I did not vote for Woodrow Wilson, but his policies and methods were far superior to those of the present Democratic administration. Today the Democrats are only a little cog in a great big wheel.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. RICH. Does not the gentleman believe that the industry of this country and the labor of this country, who are employed in industry, should know what merchandise we are going to permit to come into this country that will put them out of business?

Mr. TREADWAY. Of course we should, and all we can do is to hear about it afterward. How many thousand articles do you suppose are imported from France? Any man making an article in this country in competition with a similar article that is made in France today must be prepared to submit the whole program to this set-up which is meeting in a dark, secret committee room.

PURPOSE OF RESOLUTIONS

My purpose in introducing these resolutions of inquiry was to enable the Congress, and the industries and workers concerned in the negotiation of these foreign-trade agreements, to know just what tariff items were going to be dealt with. Thus far trade agreements have been entered into with Cuba, Belgium, Brazil, and Haiti, under which our tariff

rates have been reduced on many items without definite prior notice to the domestic industries engaged in their production.

DUTIES ALREADY REDUCED ON MANY IMPORTANT ARTICLES

Under the Cuban agreement this country granted rate reductions of up to 50 percent on Cuban sugar, potatoes, lima beans, tomatoes, tobacco, honey, corn, grapefruit, and many other agricultural and industrial commodities. These reductions, under the treaty with Cuba entered into in 1903, were not extended to any other country.

Under the Belgian, Brazilian, and Haitian agreements we have reduced our rates on other commodities, and these reductions have been extended to all other countries without the receipt of any concessions in return. In other words, the reductions made under these latter agreements, and those to be made under future agreements, are in effect general tariff reductions.

In the long list of items on which tariff duties have been reduced are such commodities as cement, plate glass, iron and steel products, canned peas, flax, cordage, linen fabrics, photographic paper, asbestos shingles, laces, manganese, and rum. Many other important products could be mentioned.

Negotiations are now being carried on with some 14 additional countries with a view to making further reciprocal reductions. Included among these 14 countries are such large competing nations as Canada, Italy, France, Switzerland, Finland, the Netherlands, and Spain.

PRODUCERS CONCERNED OVER TREATIES NOW BEING NEGOTIATED

The American farmer, the industrialist, and the worker, all are wondering to what extent their livelihood will be jeopardized as a result of these pending negotiations. They would like to know whether the duties on the products which they are engaged in producing will likely be reduced and the domestic market flooded with competing foreign products.

They would like to know whether, in accordance with the suggestion of Secretary Wallace to the New England textile producers, they will have to take up some other line of endeavor. This anxiety is not confined to any one area or section of the country, or to any one group. The dairy farmer, the wheat farmer, the fisherman, and the lumber producer, among others are concerned about the pending Canadian agreement. The watch manufacturers, the textile manufacturers, and others are concerned about the Swiss agreement, and so on down the line.

PEOPLE HAVE RIGHT TO KNOW WHAT ITEMS ARE UNDER CONSIDERATION

Mr. Speaker, our citizens certainly are entitled to this information, and my resolutions proposed to give it to them. At the present time, they are unable to obtain any inkling as to what is going to happen, until a trade agreement has been signed and put into effect. Then it is too late to do anything about it. The time may come when some item will be covered in a trade agreement which a large majority of the Members of Congress would oppose if they had an opportunity, but if the information is not available until a treaty has been signed and put into effect, even the Congress would be powerless to take any steps to prevent such action.

INDUSTRIES MUST EXIST IN CONSTANT FEAR

Every domestic industry which is dependent upon tariff protection—agricultural as well as manufacturing—must exist in constant fear that it will be annihilated as a result of one of these trade agreements. As long as the present program is continued, this fear will necessarily continue to exist. Perhaps in many cases it is unjustified, but as long as it exists industries are not going to make any future commitments.

If they could know definitely that they were not going to be affected by negotiations with a given country, it would be very helpful to them and to business in general. On the other hand, if an industry knew definitely that it was threatened with extinction, it could take steps to protect its interests.

STAR-CHAMBER METHODS OF NEGOTIATION

When I characterized the negotiation of these trade agreements as star-chamber proceedings, I thought I was using a pretty strong term, but it now develops that it was a little too mild, the views of the gentleman from North Carolina notwithstanding. A gentleman who has had some experience with the Committee on Reciprocity Information, which was set up by the President to hear the complaints of American producers, wrote me the other day that the methods used are actually "worse than star-chamber proceedings." Here is what he had to say:

> The Committee on Reciprocity Information is only a buffer. It merely hears the testimony of interested parties and turns it over to the Interdepartmental Committee on Trade Agreements without recommendation and without making any findings of fact.
>
> The Committee on Trade Agreements actually decides the amount and extent of the concessions made to foreign countries, but the industry under fire never has the opportunity to directly face these persons who sit as judges in the matter.
>
> In this respect the proceedings are worse than star-chamber proceedings, for in the latter case the accused at least has an opportunity to face his accusers, even though they be prosecutor, judge, and jury combined.

That is a pretty strong indictment, especially coming from a private citizen.

PERSONNEL OF TRADE AGREEMENTS COMMITTEE SECRET

Not only is it impossible for domestic producers to make any direct contact with the body which actually carries on the negotiations but they cannot even find out who make up the Committee on Trade Agreements. Their personnel is absolutely secret.

Under date of April 8, 1935, the junior Senator from Oregon [Mr. STEIWER] wrote to the Secretary of State to find out the names of the members of this committee, but he was informed by the Secretary that the "personnel of the group participating in the actual negotiations varies for each agreement." The Senator's letter and the Secretary's reply may be found on page 6466 of the RECORD for April 26.

POWERS OF CONGRESS ABDICATED

When this Government was formed, the people gave to Congress the power to impose tariff duties and to regulate commerce with foreign countries. They have never rescinded that authority, nor have they given permission for it to be delegated to any other body or person. In spite of this fact, this secret and everchanging committee in the State Department, composed of anonymous individuals who are not responsible in any way to the people, has almost complete authority in determining which industries in this country shall continue to exist and which shall be sacrificed to foreign competition in order to obtain some illusory benefit for some domestic export industry. Such a concentration of power is not at all in keeping with the principles upon which this Government was founded. Rather, it is suggestive of certain foreign countries which I could name.

It is hard to believe that constitutional government has so far degenerated in this country that such a secret and irresponsible group should have more power than the Congress of the United States over a matter which is within the sole and exclusive jurisdiction of Congress.

By virtue of the terms of the Reciprocal Tariff Act, Congress does not even have the right to ratify or reject these treaties negotiated by this secret group. No matter how adversely the reductions in duty may affect the interests of our people, neither the House of Representatives nor the Senate has any veto power over them.

While at the President's request the Democratic majority surrendered the power of Congress over the tariff, it is humiliating to note that although the Brazilian and Haitian trade treaties are already effective so far as this country is concerned, they do not become operative until they are ratified by the respective legislative bodies of these countries. As the Representative of one segment of the American people, I am not content to take a back seat in favor of the Brazilian, Haitian, or any other foreign legislative body.

MORE OPPORTUNITY FOR GRAFT AND INFLUENCE UNDER PRESENT SYSTEM

It has been alleged by Democratic speakers, including the gentleman from North Carolina [Mr. DOUGHTON] that the

old method of writing tariff laws which has prevailed since the beginning of this Government is conducive to graft and influence. That I most strongly deny. In any event, it occurs to me that so far as these factors are concerned, there is far more opportunity for them under the present system, where tariff making is left in the hands of the secret committee in the State Department to which I have referred, whose work is carried on behind closed doors in company with the representatives of foreign countries anxious to gain a larger foothold in the rich domestic market.

PEOPLE CAN TRUST THEIR ELECTED REPRESENTATIVES

I am sure that the people of this country can safely trust their welfare to their elected Representatives, who are directly responsible to them. We here in Congress have the interests of our people more at heart than the economists, professors, and so-called "experts" who probably make up the Committee on Trade Agreements. Their only interest is to seize every opportunity to put into effect their impractical and idealistic theories, and they regard the people in general in much the same light that a scientist regards a guinea pig.

PRESIDENT DOES NOT EXERCISE HIS AUTHORITY HIMSELF

The answer is always made that the power nominally is in the hands of the President, and that he can be trusted to act for the benefit of the people as a whole. If the President conducted the actual negotiations, that might be a good argument, but he has delegated his authority to the Secretary of State, and the Secretary of State has delegated it to this ever-changing secret committee. The committee, as I have pointed out, exercises the real authority, and the President and the Secretary of State can only give their proposals a very cursory examination. However well-intentioned and theoretically expedient the committee's proposals may appear to be, they may have very serious and far-reaching consequences to American agriculture and industry.

PROPOSED MODIFICATIONS IN PROCEDURE

I have already referred to the fact that on April 26 the Senator from Oregon [Mr. STEIWER] made a very interesting and able address to the other body with reference to the manner in which the trade agreements with foreign countries are negotiated. His remarks are worthy of the careful consideration of every Member of this body. Included therein is a letter which the Senator addressed to the President making certain recommendations respecting proposed changes in the method of negotiating the trade agreements. Among other things the Senator pointed out that the foreign governments have a distinct advantage, in that their representatives are able to deal directly with the group conducting the actual negotiations, whereas domestic producers must deal with a buffer agency.

In substance the Senator proposed the following changes:

First. That interested producers be given access to the agencies which negotiate the foreign-trade agreements in order that they may be on a parity with foreign competitors.

Second. That domestic groups be fully informed concerning the commodities which may be affected.

Third. That they be advised concerning the theories of economic reasoning entertained in the committee on foreign-trade agreements so that they may have an opportunity to show that such theories do not justify a reduction in duties.

Fourth. That domestic producers be given reasonable opportunity to comment upon the evidence in the hands of the committee on foreign-trade agreements on the score of its sufficiency to justify a reduction in duty.

Fifth. That the commodities upon which duties are reduced shall be confined to those included in the lists submitted to American producers.

These suggestions, to my mind, are very commendable. The second, of course, is in harmony with the spirit of the resolutions which I introduced, on which the House voted yesterday. All were flatly rejected by the President in his reply to the Senator from Oregon. The President seemed content to carry on with the present star-chamber methods.

FOUGHT ENACTMENT OF RECIPROCAL-TARIFF LAW

I fought the enactment of the reciprocal-tariff law, under which these trade agreements are being negotiated, even before the original bill was introduced in Congress. I opposed it in the Ways and Means Committee and I opposed it on the floor. Knowing that the overwhelming Democratic majority in the House would grant the President the authority which he asked, I sought to so amend the bill as to protect the interests of our people. I endeavored, without success, to provide that no rate should be reduced below the difference in foreign and domestic costs of production. I endeavored, without success, to provide that full and complete hearings should be held on all proposed agreements. I endeavored, without success, to require that the trade agreements, when negotiated, should not become operative until approved by the Senate and House of Representatives. The Democratic majority mowed down all these amendments, and completely surrendered the power of Congress over the tariff to the President, who has, in turn, surrendered it to others.

DEMOCRATS MUST TAKE THE RESPONSIBILITY FOR REFUSING INFORMATION

If I could have my way—and in this respect I am sure I speak the sentiments of virtually every Republican, and possibly many Democrats—I would repeal the reciprocal-tariff law altogether. I have introduced a bill for that purpose, but with a Democratic President in the White House it could never be enacted into law. Failing in that, I would like to see the present star-chamber method of negotiating these agreements radically changed. However, as even this seems impossible to obtain, in view of the expressed satisfaction of the President and the Secretary of State with the present system, it seemed to me that the next best thing to do was to try and get as much information as possible with respect to items being dealt with. Now that even this proposal has been turned down, the only recourse for the people is through the polls.

In view of the fact that all power under the Constitution in relation to the tariff and foreign commerce resides in the Congress, the House certainly should have felt itself entitled to know how these trade agreements are being negotiated and what items are being dealt with. Moreover, since these trade agreements in the very nature of things affect the livelihood of large groups of our people and the economic welfare of the whole country, the House should have felt duty bound to seek this information and make it public.

The home market is the birthright of our own people. They are entitled to the first chance to produce the goods consumed in that market. Their birthright should not be bargained away by secret, star-chamber negotiations with foreign countries. The Democratic Party is going to have to shoulder the full responsibility not only for the enactment of this nefarious law but for the way it is being administered and for refusing to make the details of the negotiations a matter of public record.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to proceed for not to exceed 10 minutes to reply to the gentleman from Massachusetts?

Mr. RICH. Mr. Speaker, reserving the right to object, I think it would be a good thing if the gentleman would wait until tomorrow to make his reply.

Mr. TREADWAY. Oh, I hope my friend will not object.

The SPEAKER. The gentleman has the right to submit his request now. It is a matter that is up to the gentleman from Arkansas. Is there objection to the request of the gentleman from Arkansas?

Mr. RICH. I shall not object.

There was no objection.

Mr. FULLER. Mr. Speaker and Members of the House, the procedure yesterday on the resolution offered by my colleague the distinguished gentleman from Tennessee [Mr. COOPER] was in the regular ordinary course. It was contemplated that the report of the Secretary of State, Cordell Hull, would be printed in the RECORD, but inasmuch as it was inadvertently omitted by the Clerk, I am sure unanimous consent will be obtained to include it in today's RECORD.

My distinguished friend and colleague on the Ways and Means Committee the gentleman from Massachusetts [Mr.

TREADWAY] sought to gain political advantage and have an opportunity to make a tariff speech. For many years the tariff has been the dividing line between the Democrats and Republicans, but we hear very little of it today and will hear less in the future. Although we Democrats have had an overwhelming majority in Congress for the last 2 years we have not attempted to change this tariff law for the reason it would do no good under existing conditions.

In 1929 we witnessed the most prosperous year America has ever known. In the spring of that same year, at a special session of Congress, an overwhelmingly Republican majority passed the most damnable, outrageous, and high protective tariff the world has ever known. [Applause.]

During the consideration of that measure 48 of the greatest nations of the world protested against the passage of such a law, and declared if it were enacted they would retaliate, and after its enactment and in retaliation every one of those nations passed a high protective tariff against American products, even higher than we had ever considered in this country. In addition thereto, they allowed American products a quota and placed an embargo against our agricultural products. In other language, they passed tariff and other laws which had the force and effect of barring our goods in foreign ports.

The farmers of America produce a great surplus and it is necessary that this surplus must be sold on foreign soil in order to obtain a decent livable price for the products consumed in America. Being unable to sell in foreign markets, the surplus products accumulated in this country and sold for less than cost of production. The farmer had no money to pay taxes or interest or to buy the necessities of life. They could not buy from the retail merchants, the retail merchants could not buy from the wholesalers, the wholesalers could not buy from the manufacturers, and the manufacturers were forced to close their doors. As a result, bankruptcy stared the Nation in the face, industry closed its doors and turned its men out of employment, banks failed, stocks and bonds were reduced to practically no value, wiping out the fortunes and savings of millions of Americans, thus bread and soup lines were formed in all the great cities of this Nation. All of this occurred in less than a year, due to the enactment of the Smoot-Grundy high protective-tariff law, and brought starvation, suffering, and distress to the American people and bankruptcy to industry. This Republican high protective tariff which was sought for the protection of the few big moneyed interests, as against the welfare of the American citizens, was the moving cause, and did more to bring about the panic through which we are passing than all the other causes combined. [Applause.]

I am surprised that any Republican would have the affront in the American Congress to defend or advocate this tariff law.

Since its enactment the Tariff Commission has been given authority to raise or lower the tariff on any article 50 percent, but that has done us no good because the nations of the world still have their hands raised against us and are still seeking to punish us as a retaliation for the way we sought to treat them by this high tariff.

Since the Democrats have been in control of Congress we passed a law, which the gentleman from Massachusetts is now complaining about, which gave to the Secretary of State the right to negotiate reciprocal-tariff treaties with foreign nations with a view that the foreign nation would reduce its tariff, eliminate its embargo and quota and allow great quantities of American farm products to be sold in the markets of that nation. We have no foreign ports where we can sell our surplus farm products, and we are simply endeavoring to deal, in a friendly way, with these foreign nations who are commercially our enemies. We do not dare to pass a reduced-tariff law because the foreign nations would dump their goods in this country and at the same time refuse our products and goods in their ports. All that we can possibly do is to work through a Federal agency, such as we are doing through the Secretary of State, with a view of entering into friendly agreements with the various nations by treaties, more or less in a secret way, whereby they will permit us to sell our goods and products in their country.

Two years ago when American wheat was selling from 19 to 30 cents per bushel in this country, wheat was selling in France for $1.54 per bushel. We could have shipped our wheat to France, paid their high tariff, disposed of our surplus wheat crop, and received a high price, but we were stopped because of a quota applied to our American farm products, because of an embargo against our goods, and because France, like other nations of the world, had made up their minds that they would teach the American people that they could not bar all the products of other nations in this country and at the same time sell their products and goods in an open port in foreign countries. Prior to the passage of this tariff law in 1929 England was a free-trade country, and we shipped our goods to English ports without paying a tariff, but England, like France and other nations, in retaliation, has practically barred our products from that country. America is the greatest creditor nation in the world, and it is a well-known fact that we cannot live unto ourselves. At the same time it is generally conceded by all Americans that we should have a reasonable tariff on foreign goods to equalize the difference in labor.

It appears to me it comes with poor grace for the distinguished ranking Republican on the Ways and Means Committee to chastize the Democrats or to even raise his voice in approval of this unreasonable tariff which has been the prime factor in bringing about this financial panic and depression. [Applause.] For the first time in the history of the country, due to Republican misrule and high tariff laws, thousands upon thousands of men, women, and children have been fed from the Public Treasury, and when we seek a cause of what brought about this debaucle, this destruction of American industry, this prostration of agriculture, and the sufferings and hunger of the American people, we find the prime cause to be this Republican tariff, of which my Massachusetts friend is so fond. [Applause on the Democratic side.]

DISTINGUISHED SOUTHERNERS

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by Mr. John E. Edgerton, at the Southern States Industrial Council, yesterday evening, in the city of Washington.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. If the Democratic Members of the House feel that all these speeches should go into the RECORD, I do not feel that we should continue to object to them.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following opening address of President John E. Edgerton at dinner to distinguished southerners by Southern States Industrial Council, New Willard Hotel, Washington, D. C., Monday evening, April 29, 1935:

Distinguished guests and fellow southerners, if there be detected in this rather stereotyped salutation, or in my subsequent words of welcome, any lack of the usual southern warmth, I beg you to attribute it to my cautious avoidance of an indiscretion like that for which a stern judge once rebuked a clever lawyer. Arising to make his plea, and observing that the jury was composed of both sexes and were predominantly of his own religious faith, the lawyer fervently addressed them as, "My dearly beloved brothers and sisters of the righteous and mighty jury." Whereupon, of course, the presiding jurist warned him not to try so obviously to tamper with the jury's affections.

In one of his proverbs, as recorded in the book of all the ages and the "best seller" of the entire Christian era, King Solomon beautifully says that "words fitly spoken are like apples of gold in pictures of silver." Having in his own household 700 major and 300 minor competitors in the use of words, that kingly gentleman of wide experience ought to have known what he was talking about. Never, I think, have I presided over a gathering of any sort which so much as this inspired my aspirations to the perfection of speech indicated in the quoted proverb. Yet I realize that should I speak with such eloquence as to even suggest the

shining qualities of gold and silver, I would probably be criticized by some radically conservative liberal reactionary for the injudicious raising of the monetary issue on a social occasion. These are cynical times, indeed. He is heedless of all portents and indifferent to all hazards who now pronounces a eulogy except over the dead, or passes a compliment except upon the generous hand that feeds him. On the other hand, criticism and counsel, particularly from the best qualified sources, are only the illegitimate offspring of unenlightened selfishness, and all men are hypocrites except the judge and those who share his views. It is now largely a battle of epithets, and he who can call the other fellow the most charmingly ugly names without reference to the soundness, sense, or sequence of his arguments emerges the hero of the conflict. Let him who courts the applause of the rabble learn only how to impart with his voice or pen the highest degree of repulsiveness to such terms as "propagandist", "special interest", "radical", or "conservative" and he will not go unrewarded. It is not difficult, therefore, to understand the fears of the timid, who shrink from the suggested temptations of unaccustomed association and flee from contacts and information which might embarrass their predetermined courses.

But my proudly cordial nature compels me to risk the bold assurance to you, our esteemed guests of honor, that the Southern States Industrial Council feels genuinely grateful to the genius of your understanding for the high privilege of voluntarily and cheerfully sharing with you the wealth of our undisguised but innocuous hospitality and good fellowship. Recognizing this to be a wealth-sharing age, from the exactions of which none can escape, we are to the extent at least of the cost of this philanthropic gesture reducing the burden of legislative responsibility. Lest, however, our very unselfishness be misunderstood, or mistaken for a sort of uncanny prescience, I want now, with all the constitutional authority of my position, strictly interpreted, to exempt our guests from every unholy obligation that may seem to be suggested by our self-sacrificing exercise of the human right to a few hours of harmless association with a distinguished group of our own public employees. I solemnly promise that no sense of mastership which may have been left to us shall be permitted to disturb the fraternal spirit of this coming together of Jeffersonian equals. If our congressional employees who are present should wish to take advantage of this occasion and of section 7 (a) to bargain with us collectively for higher wages and shorter hours, they may feel perfectly free to do so without reference to either their or our understanding of the section by which such right is vouchsafed. Our only condition is that if you thus approach us collectively, you must be looking for a bargain and not for the opportunity or privilege of doing more for what you are getting or of getting less for what you are doing; for such radical departure from custom would probably get both you and us "fired" for heresy from the lodge of the Mystic Knights of the Sea.

In other words, fellow Americans from south of that line which Bob Taylor called "the imaginary line between cold light bread and hot biscuits", we want every male guest present to feel like he is a king. I know, of course, all about the democratic aversion to titles of nobility. But that was when we had no great emergency to justify such idiosyncrasies. Furthermore, we might as well begin now practicing the feeling of kingship which promises soon to be a permanent actuality. Certainly our distinguished lady guests, already queens, require no wand of graciousness to induce the regal sense. But let me admonish you kings that even a queen may not have for her companion in sovereignty more than one king.

Perhaps it has already become apparent to you that by these preliminary remarks I am trying primarily to clear the way for others more able than I to satisfy your intellectual appetites. It seems to me, therefore, that because of the rather unusual character of this occasion some additional assurances are required for your complete understanding and ease. However strong suspicions to the contrary may be, this dinner to our southern compatriots is an enterprise of good will. It was conceived in the spirit of the largest helpfulness and born of an unpretentious desire to further the ends of constructive endeavor. It is meant to promote a broader and clearer mutual understanding of the problems which belong to our entire citizenship, and even more particularly to reenergize the genius of enlightened cooperation among those who have the largest responsibility for the proper solution of these problems. It happens that in this period of national emergency the South again occupies a peculiar position of responsibility. To those of us in whom religious instincts and the pride of ancestry cooperate with the faculties of understanding it appears providential that during every great period of national emergency throughout American history a man or a few men born of the womb of the South and steeped in its traditions have been in the positions of leadership which dominated our common destiny.

The initial emergency linked with our national history was that of wresting our liberties from the tyrannical hand of a German King occupying an English throne. The genius and patriot who led in that bloody but successful enterprise was a southerner, George Washington. The next great emergency was that of building out of the wreckage of a revolutionary war the American Union and of trying to make forever secure against the aggressions of tyranny the blood-bought liberties for which our fathers had laid down their lives. Over the extraordinary assemblage of master minds which came together in the City of Brotherly Love for the purpose of writing an instrument of government that would stand through all the ages against the recurring tides of economic change and popular passion the same peerless southerner, George Washington, presided. That was the first, and undoubtedly the greatest, "brain trust" that ever came together on this continent for any purpose. That occasion also witnessed the silencing of, perhaps, the only unalloyed politician in the Constitutional Convention, who, by the way, appears also to have been the only Socialist present. When he suggested at a point in the proceedings that something be put in the Constitution that would particularly appeal to popular sentiment, the statesman, Washington, answered quite extemporaneously from the chair, "If to please the people we offer what we ourselves disapprove, how can we afterward defend our work? Let us raise standards to which the wise and honest can repair; the event is in the hand of God."

Obedient to the guiding spirit of the God upon whom those matchless nation builders daily called, those standards were raised, and to them the wise and honest ever since have been repairing for their inspiration and political guidance. It is a matter of common knowledge that although Thomas Jefferson was not present on that historical occasion it was largely his political genius working through the sympathetic, capable hand of Madison that dominated its incomparable outcome. Thus, to the leadership of the three most revered of southerners—Washington, Jefferson, Madison—does the Nation owe not only its life but the principles of government which have so far been sufficient for all of the emergencies to which its erring citizens have fallen unhappy heir.

Then, I need only to remind you that through the emergency of 1812 to 1815 it was the same southerner—James Madison—who was at the helm of state; and who, supported by that dauntless other southerner—Andrew Jackson—saved again our threatened liberties; and through those emergency periods of 1829 to 1837 and from 1849 to 1853 we came triumphantly over all military and economic difficulties under the leadership of Jackson and Polk. But the most serious of the emergencies since the birth of the Nation came in the early sixties when the Union itself was standing its severest tests, brought on chiefly by agitators of the type now observed in ominous numbers throughout the country, including the District of Columbia. I have always thought that God Almighty particularly saw to it that a man of southern birth, breeding, and habits of mind and soul was in the White House during those dreadful years of fratricidal strife to so overbalance the forces of conflict as to save to Christian civilization its greatest asset—the American Union. Following this devastating emergency was that of the reconstruction period, from which the Nation would have recovered more quickly, perhaps, if that other great southerner—Andrew Johnson—could have been supplemented in his efforts by other southerners, and if less energy and money could have been expended on reform and more on recovery.

As a result of this misguided policy of trying, through political castigations, to anticipate the natural laws of reform and progress, the prostrate South required the rest of the century to scramble to its feet. How much wiser it would seem to have been to restore the patient first so that he could help in reforming himself! But there were academicians and agitators in those days which made such employment of common sense and practical experience apparently impossible.

The next national emergency was world-wide in its scope. Before it had run its bloody course, it had removed from the productive processes of society approximately 50,000,000 of human lives and had destroyed something like $400,000,000,000 of property. During that period of 5 years the steady hand and courageous heart of another great southerner of treasured memory, Woodrow Wilson, guided our ship of state successfully through the turbulent waters of an unprecedented deluge of trouble. As a matter of fact, our Nation was born in an emergency, and through these 140 years of its youthful indiscretions, it has been largely nurtured by emergencies. So, there is little that is either new or strange in the one with which we are now at grips. But this is the only one of appreciable proportions for which the South did not supply the redeemer. However, it should be noted that when our present dynamic leader became fully conscious of his impending responsibilities, being a well-informed student of history, he immediately established residence in a Southern State, and has often admitted himself that he always feels stronger for his tasks when he returns from even a short visit to his home among the Georgia pines and "crackers." But even if Providence, in our latest emergency, turned elsewhere than to the South for the chief burden-bearer of executive leadership, He appears to have recognized that the task of lifting our Nation out of the present slough of economic despond and restoring it to what Harding called "normalcy" was going to require on Capitol Hill a legislative leadership equally as capable, courageous, and strong as that which characterizes the executive end of Pennsylvania Avenue.

Not only was such leadership provided out of southern materials in the persons of Garner, Byrns, Robinson, Bankhead, and others too numerous to mention in a crowded program, but to further fortify our Government, our liberties, and our Christian civilization against the incursions of hostile forces not indigenous to our soil, the South was called upon to send to the battle front its Hull, its Roper, and its Swanson; a couple of its stalwart Davises, its Jones, its Tate, its Webb, its Clay Williams, its own Mrs. McMillin, and a host of others of its great. Then by sheer force of good habit Virginia sent along from its own famous cupboard its very finest Glass. And what a debt the Nation in general, and the South in particular, owe to Virginia for its superlative contributions of dependable statesmanship throughout our history, and particularly during the great emergencies.

So, my friends, we of the home guard have come all the way to Washington to tell you that the South is proud of you, her own. We do not come as "pink tea lobbyists" or as propagandists of "special interests." It is true that we have a special interest, and

at this time that special interest is to help you in every reasonable, practical, patriotic way to do your full duty to our common country, and we conceive that you can do that in no better way than by upholding the traditions of our section for its unswerving devotion to American principles and institutions. We do not come in any arrogant, sectional spirit, to boast of our virtues, or to embarrass you with any requests for special favors.

We do not come to instruct you how you shall vote on any measure, nor as to the position you shall take on any question. We have no threats of reprisal to make. We come as friends, as joint heirs of common traditions and responsibilities, and as fellow citizens seeking the best welfare of our country. If there be criticism, advice, suggestion, or disappointing references during our contact with you on this occasion, none of it will be invidious or intended as other than constructive. God forbid that the time shall ever come when decent Americans of whatever class or group may not sit down together, in public or in private, and discuss any matter they wish without being held up to public scorn by demagogs, charlatans, or marplots. We feel that it is not only our right but our duty to give our representatives in government any information or opinion which we think will be helpful to them in the discharge of their obligations. These are the reasons, and the only reasons, why we are here, and we are glad to believe that we are understood by you.

Among your hosts of the Southern States Industrial Council, there are perhaps as many different shades of political thought and opinion as to what our country's present plight calls for as there are in Congress itself outside any in that body who are more devoted to the philosophies and doctrines of Karl Marx, Lenin, and their apostles, than they are to those of Washington, Jefferson, Madison, Jackson, and others of similar mind and character whose names adorn American history. But it is the question of fundamentals about which we have a common concern—and at this point there should not be any irreconcilable differences among good Americans.

We of the rank and file in the South do not believe that there is anything of such unusual character in this latest emergency as to justify or call for deliberate contraventions or circumventions of the American Constitution or other radical departures from established customs in treating extraordinary conditions. We cannot reconcile so-called "planned economies" to our peculiar system of government. In the first place, we don't know what a "planned economy" is, and nobody has explained it. We recognize it to be an academic term that seems to imply a mysterious program, entrancing in its suggestions, but which is to reveal its full meaning as it unfolds in execution. It has a sort of foreign suggestion that does not appeal naturally to most Anglo-Saxon minds. It seems to suggest that citizens cannot safely or wisely plan for themselves, and that their Government must lift the burden from their shoulders. It appears to connote more bureaus, more dipping into private affairs by Government, and more regulation of the individual lives of citizens by experts even after all emergencies have passed. No one has more convincingly pointed out the dangers in a so-called "planned economy" than did Mr. Roosevelt when he was Governor of New York.

In a very remarkable address delivered on March 2, 1930, on the subject of States Rights, Governor Roosevelt used this striking language: "The doctrine of regulation and legislation by 'master minds' in whose judgment and will all the people may gladly and quietly acquiesce, has been too glaringly apparent at Washington during these last 10 years. Were it possible to find 'master minds' so unselfish, so willing to decide unhesitatingly against their own personal interests or private prejudices, men almost godlike in their ability to hold the scales of justice with an even hand—such a government might be to the interests of the country. But there are none such on our political horizon, and we cannot expect a complete reversal of all the teachings of history."

Wise words, indeed, and are undoubtedly as true now as they were just 5 years ago after our economic tailspin had started. In fact, I have never read a more excellent enunciation and defense of the fundamental principles of our Government, particularly those touching self-government for States, minority rights, home rule, and Federal power, than are contained in this notable address. If I were a Member of Congress, I believe I should want to saturate myself with its superb thought and use it as a guide in the determination of my attitude on the questions presented.

But there are one or two other vital questions about which the South is particularly concerned in these troublous times. Our section constitutes the largest area within the borders of the United States in which practically all of the people are of one blood, of one language, of one God, and of one basic philosophy of life. Whether ours is the best blood, the best language, the only God, and the soundest basic philosophy is a matter which others have a granted right to and may dispute. We think they are, and so strongly do we think it that we are not willing to trade any of them. That does not mean that we will not at all times welcome into our midst any others of whatever race or creed who come with peace in their hearts and high purpose in their souls to help us with the self-compensating tasks that belong to a free and progressive people. We are not willing, however, to trade moral and spiritual values for mere economics. If relatively lower economic standards, with which we are now so often twitted, are ever to be made higher at the price of lower moral and spiritual standards or ideals of loyalty to distinctly American institutions, then we spurn the trade. Actually we have been reminded so often that we are a sort of wayward, uncultivated, and undernourished child who needs a guardian and ought to be adopted as a ward by the Government, that many of us have gotten to believing it and are joining in the chorus. Missionaries of communistic and socialistic philosophy have been sent to us from Russia and even from the most alien parts of our own country to tell us how unprogressive we are. In the lexicon of these emissaries of class hatred, whom we are asked to recognize as the authoritative medium of contact with our own employees, all employees are bourbons, slave drivers, and exploiters; while the only friends of the workingman are those who would teach him the methods of the mob. Social experts have swarmed in upon us to tell us how backward we are and how old-fashioned and out-of-date it is to be drinking water, going to church, working, praying, and actually liking anybody who has more than we have.

Stories of starving millions, of ignorance, penury, and squalor have been brought to Washington and published abroad as justification for the application of new and strange remedies. Flying squadrons of discord bearing torches of hate and distrust have come among us while some of our own executive authorities have sat spineless and acquiescent in planned procedures of lawlessness wherein the right of free men to work for their living has been effectively challenged. These are some of the things to which the best intelligence and the heart of the South do not and will never assent. The overwhelming masses of both the employing and employed elements of our people are of one mind and spirit on these vital questions. They are friends and want to remain friends. They recoil from suggestions of any sort of so-called "standardization or regimentation" which does or would substitute hate for love, animosity for amity, distrust for trust, war for peace. If I know, as I believe I do, the blood, the spirit, and the temper of these homogeneous, peace-loving Americans, they will never consciously sell their birthright for a mess of any kind of pottage.

And we don't want to be anybody's ward or pet. We don't want an advantage of any sort to which our natural conditions and endowments do not entitle us. If we are to be reformed, we want the reformers to be first informed. We also suggest conformity with the sound Jeffersonian principle of "equal and exact justice to all and special privileges to none." At another place in that admirable address of Mr. Roosevelt, to which I have previously referred, he said: "Let us remember that from the very beginning, differences in climate, soil, conditions, habits, and modes of living in States separated by thousands of miles rendered it necessary to give the fullest individual latitude to the individual States." We insist now that when any program of standardization or system of codification be undertaken through any sort of legislation or Executive action, this fact be not only remembered but that it be intelligently and fairly observed. In peculiar ways, as I have tried to suggest, the young industrial South is patently "on the spot."

The most vital of all the questions with which the leadership of our section is confronted today are: Shall it abandon its dreams of an industrial development commensurate with its extraordinary possibilities and resign itself to a relapse into a predominantly agricultural status? If so, then what are the crops suitable to our soil which are to quickly take the place of its present major production, premiership in the cultivation and manufacture or which appears to be passing so rapidly to other nations? If not, then is the leadership in our industrial development to be political in character and under the control of the Government or under private leadership and with private capital appropriately encouraged and supervised by Government? Regardless of all statistical indications of a refreshing revival in business now apparent, and of all optimistic forecasts based upon these reports, charts, and tables, these and corollary questions of a fundamental character will have to be answered quite definitely, in our opinion, before industrial production in the South or elsewhere can confidently and profitably proceed. And if it doesn't proceed profitably, it will not proceed long. We would say, if we were asked, that such questions cannot be correctly or wisely answered in hasty obedience to threats from any source. They cannot be answered at all by political profiteers in social discontent. Strongly organized minorities seeking through processes of intimidation and bluster to further their own diabolical ends cannot even contribute appreciably to rational answers. Such questions are only for cool-headed, clear-headed, patient, courageous statesmen who know the difference between facts and fancies, between sound and substance; who are ever willing to stake their political fortunes upon the conscientious performance of their constitutional functions; and who think always in terms of the greatest good to the largest number of all the people.

Clearly the legislative end of this gigantic responsibility rests largely upon the sturdy shoulders of our southern representation in the Congress. Certainly no shoulders ever carried a heavier burden, and it is one that obviously cannot be honorably transferred to other shoulders. The South looks particularly to you, our distinguished servants in Government, not only to uphold the traditions of your section for wise and courageous leadership on occasions of emergency and to protect it from forces that would destroy its peaceful relationships, but to supply the Nation with new and more stimulating evidences of constructive thought and action. We are a people of much faith—in God, in the church, in our American Constitution, and in you, our own flesh and blood. We have come here to tell you so. We have good reason to believe that in all that we have said or will say we speak the thought and the feelings of the overwhelming masses of our people in the South. And in praying the blessings of Almighty God upon you in the faithful, happy performance of your respective duties, we are asking Him to help you not to let the American taxpayer become the most forgotten of men.

EXTENSION OF REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech delivered this morning before the United States Chamber of Commerce by Mr. Forney Johnston, one of the greatest Democrats of the South.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD and to include therein a speech delivered by Mr. Forney Johnston. Is there objection?

Mr. BULWINKLE. Mr. Speaker, I reserve the right to object. An agreement was entered into at the beginning of this session that these things should not go into the RECORD and cumber it up. For the present I object.

Mr. KNUTSON. Why did not the gentleman object to the request made by the gentleman from Kentucky [Mr. MAY]?

Mr. BULWINKLE. It was up to the gentlemen on the Republican side to do that.

Mr. KNUTSON. We thank the gentleman for his unbiased attitude and his nonpartisanship.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. BULWINKLE. Mr. Speaker, I object.

CONFERENCE REPORT—INTERIOR DEPARTMENT APPROPRIATION BILL, 1936

Mr. TAYLOR of Colorado. Mr. Speaker, I call up the conference report upon the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

Mr. KNUTSON. Mr. Speaker, I make the point of order that there is no quorum present. Evidently there is not a quorum present.

The SPEAKER. The gentleman from Minnesota makes the point of order that there is no quorum present. The Chair will count.

Mr. KNUTSON. You are not going to do much business today.

The SPEAKER (after counting). One hundred and sixty-five Members are present. Not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 63]

Bankhead	Doutrich	Lesinski	Schulte
Beam	Ellenbogen	Lewis, Md.	Shannon
Berlin	Fernandez	McLeod	Sisson
Bland	Fulmer	McReynolds	Smith, Wash.
Bolton	Gambrill	McSwain	Snyder
Brown, Mich.	Gasque	Marcantonio	Somers, N. Y.
Caldwell	Gehrmann	Martin, Mass.	Starnes
Cannon, Wis.	Gingery	Meeks	Sumners, Tex.
Carden	Goodwin	Montague	Sweeney
Cartwright	Granfield	O'Malley	Thomas
Casey	Griswold	Palmisano	Thurston
Chapman	Guyer	Parks	Tobey
Christianson	Hartley	Patton	Tolan
Clark, Idaho	Higgins, Conn.	Peyser	Underwood
Cochran	Higgins, Mass.	Quinn	Wadsworth
Cole, Md.	Imhoff	Rogers, N. H.	Weaver
Connery	Kennedy, Md.	Ryan	Wilson, La.
Cooley	Kennedy, N. Y.	Sabath	Wilson, Pa.
Cravens	Kerr	Sanders, Tex.	Withrow
Culkin	Lamneck	Sandlin	Wolfenden
DeRouen	Lee, Okla.	Schuetz	Woodruff

The SPEAKER. Three hundred and forty-seven Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

Mr. KNUTSON. Mr. Speaker, I do not think there is a quorum present. There is important business before the House, and I make the point of no quorum.

The SPEAKER. There has just been a roll call.

Mr. KNUTSON. But there is no quorum present, and I want the RECORD to show it.

The SPEAKER. The roll call developed 347 Members present. A quorum is present.

CONFERENCE REPORT—INTERIOR DEPARTMENT APPROPRIATION BILL, 1936

Mr. TAYLOR of Colorado. Mr. Speaker, I call up a conference report on the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 18, 23, 43, 46, 48, 51, 53, 58, 60, 62, and 63.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 8, 9, 10, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 52, 54, 55, 56, 57, 59, 61, 64, 66, 67, 68, 69, 70, and 71, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "219,000, of which $50,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$65,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$471,910"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$144,200"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$70,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$650,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$458,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,285,560"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$632,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$185,400"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,970,311"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 3, 5, and 38.

EDWARD T. TAYLOR,
B. M. JACOBSEN,
JED JOHNSON,
M. A. ZIONCHECK,
J. G. SCRUGHAM,
W. P. LAMBERTSON,
R. B. WIGGLESWORTH,
Managers on the part of the House.

CARL HAYDEN,
KENNETH MCKELLAR,
ELMER THOMAS,
FREDERICK STEIWER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6223) "making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference as to each of such amendments, namely:

OFFICE OF THE SECRETARY

On amendments nos. 2 and 4: Provides for a First Assistant Secretary and an Assistant Secretary, as proposed by the Senate, instead of two Assistant Secretaries, as proposed by the House.

On amendments nos. 6 and 7, relating to printing and binding: Appropriates $50,000 for the National Park Service, as proposed by the Senate, instead of $35,000, as proposed by the House, and appropriates $65,000 for the Bureau of Mines instead of $45,000, as proposed by the House, and $85,000, as proposed by the Senate.

On amendment no. 8: Makes immediately available $20,000 of the appropriation for the Mount Rushmore National Memorial Commission, as proposed by the Senate.

GENERAL LAND OFFICE

On amendment no. 9: Appropriates $700,000 for surveying public lands, as proposed by the Senate, instead of $470,000, as proposed by the House.

On amendment no. 10: Appropriates $80,000 for salaries and commissions of registers of land offices, as proposed by the Senate, instead of $73,000, as proposed by the House.

BUREAU OF INDIAN AFFAIRS

On amendment no. 11: Appropriates $471,910 for salaries in the office of the Commissioner of Indian Affairs, instead of $474,790, as proposed by the Senate, and $470,290, as proposed by the House, the increase over the House figure being for one additional stenographer at $1,620.

On amendment no. 12: Appropriates $144,200 for agency buildings, instead of $140,400, as proposed by the House, and $145,000, as proposed by the Senate, in providing a new position of mechanical engineer at $3,800.

On amendment no. 13: Appropriates $150,000, as proposed by the Senate, instead of $100,000, as proposed by the House, for the expenses of organizing Indian-chartered corporations.

On amendments nos. 14 and 15: Authorizes the expenditure of $290,000 of applicable appropriations, as proposed by the Senate, instead of $275,000, as proposed by the House, for the maintenance and operation of motor- and horse-drawn vehicles; and authorizes the expenditure of $160,000 of applicable appropriations, as proposed by the Senate, instead of $150,000, as proposed by the House, for the purchase of motor-propelled passenger-carrying vehicles.

On amendment no. 16: Provides, as proposed by the Senate, that the unexpended balances of tribal funds being continued available for various purposes for the Tesuque Pueblo shall be available also for the purchase of equipment.

On amendments nos. 17, 18, and 19, relating to the purchase of land for Indians under the Wheeler-Howard Act: Appropriates $1,000,000, as proposed by the Senate, instead of $500,000, as proposed by the House; makes $15,000 of this sum available for personal services in the District of Columbia, as proposed by the House, in lieu of $22,500, as proposed by the Senate; and prohibits the expenditure of any part of the appropriation for the acquisition of lands outside the boundaries of existing Indian reservations in the States of Arizona and Wyoming, as proposed by the Senate.

On amendment no. 20: Appropriates from tribal funds $9,153.20 for payment to the Sac and Fox Tribe of Indians of Missouri, as proposed by the Senate.

On amendments nos. 21 and 22: Appropriates $170,000, as proposed by the Senate, instead of $150,000, as proposed by the House, for expenses incidental to the sale of timber, and makes $20,000 available for such purpose during the fiscal year 1935, as proposed by the Senate.

On amendment no. 23: Appropriates $15,000, as proposed by the House, in lieu of $20,000, as proposed by the Senate, for the suppression or emergency prevention of forest fires.

On amendment no. 24: Appropriates $116,000 from the funds of several tribes of Indians, as proposed by the Senate, for the construction of homes, purchase of seed, etc., for such Indians.

On amendment no. 25: Appropriates $311,452, as proposed by the Senate, for final payment of the Indians' share of the cost of the Middle Rio Grande Conservancy District's irrigation, drainage, and flood-control project.

On amendments nos. 26 and 27: Appropriates $24,000, as proposed by the Senate, for enlarging the hospital (including the purchase of equipment) at the Sequoyah Orphan Training School near Tahlequah, Okla.

On amendment no. 28, relating to the Chemawa School, Salem, Oreg.: Consolidates the item for general repairs and improvements into one sum ($60,000) and makes such sum available for improvements to the heating system and shop facilities, as proposed by the Senate, instead of requiring that $40,000 of such sum be available only for improvements to the heating system, as proposed by the House.

On amendment no. 29: Corrects a total.

On amendments nos. 30, 31, and 32, relating to appropriations from tribal funds for the support of Indians in the State of Arizona: Appropriates $50,000, as proposed by the Senate, instead of $24,000, as proposed by the House, for the Fort Apache Indians; appropriates $55,800 for the San Carlos Indians, as proposed by the Senate, in lieu of $65,800, as proposed by the House; and corrects the total of the sum which is appropriated for such Indians.

On amendment no. 33: Appropriates from tribal funds $61,500 for the Keshena Indians, of Wisconsin, as proposed by the Senate, instead of $60,000, as proposed by the House.

On amendment no. 34: Corrects a total.

On amendment no. 35: Provides for salaries of the governor and mining trustee as heretofore paid, in connection with expenses of tribal officers of the Five Civilized Tribes, as proposed by the Senate.

On amendments nos. 36 and 37, relating to traveling and other expenses of tribal councils: Appropriates from tribal funds $50,000, of which amount $10,000 is made immediately available, as proposed by the Senate, instead of $25,000, as proposed by the House; and limits the per diem to a maximum of $6 and for a period not longer than 30 days unless otherwise approved by the Secretary of the Interior, as proposed by the Senate.

On amendment no. 39: Corrects a date.

BUREAU OF RECLAMATION

On amendment no. 40: Inserts the word "and", as proposed by the Senate, in lieu of the phrase "and/or", as proposed by the House.

GEOLOGICAL SURVEY

On amendment no. 41: Appropriates $450,000, as proposed by the Senate, instead of $335,000, as proposed by the House, for geologic surveys.

On amendments nos. 42 and 43: Appropriates $70,000 for continuation of the investigation of the mineral resources of Alaska, in lieu of $100,000, as proposed by the Senate, and $40,000, as proposed by the House; and limits the sum available for personal services in the District of Columbia to $20,000, as proposed by the House, instead of $40,000, as proposed by the Senate.

On amendments nos. 44 and 45: Appropriates $650,000 for gaging streams, in lieu of $617,000, as proposed by the House, and $767,000, as proposed by the Senate; and makes available for cooperative work with the States or municipalities $458,000, in lieu of $425,000, as proposed by the House, and $575,000, as proposed by the Senate.

On amendment no. 46: Appropriates $200,000, as proposed by the House, instead of $225,000, as proposed by the Senate, for the enforcement of the provisions of certain mineral leasing acts.

On amendment no. 47: Corrects a total.

BUREAU OF MINES

On amendments nos. 48 and 49: Appropriates $632,000 for operating mine rescue cars and stations and investigation of mine accidents, in lieu of $499,000, as proposed by the House, and $669,000, as proposed by the Senate, the reduction of $37,000 in the Senate figure being accounted for by the elimination of $27,000 for repair and operation of two mine-rescue cars and $10,000 for mine accident statistics. Eighty thousand dollars is made available for personal services in the District of Columbia, in lieu of $100,000, as proposed by the Senate.

On amendments nos. 50 and 51: Appropriates $185,400 for testing fuel, instead of $210,400, as proposed by the Senate, and $110,400, as proposed by the House, the reduction of $25,000 in the Senate figure being applied to a proposed increase of $50,000 for research in connection with the composition and properties of American coals. For personal services in the District of Columbia, $27,600 is made available, as proposed by the House, instead of $32,600, as proposed by the Senate.

On amendments nos. 52, 53, and 54: Appropriates $288,860 for mineral mining investigations, as proposed by the Senate, instead of $128,860, as proposed by the House; makes $18,800 available for personal services in the District of Columbia, as proposed by the House, in lieu of $23,800, as proposed by the Senate; and not to exceed $12,000 is made available for the purchase, operation, and repair of passenger-carrying automobiles, as proposed by the Senate, in lieu of $2,500, as proposed by the House.

On amendments nos. 55, 56, 57, and 58, relating to oil and gas investigations: Appropriates $237,866, as proposed by the Senate, in lieu of $122,866, as proposed by the House; provides $6,000 for the purchase, repair, and operation of automobiles, as proposed by the Senate, instead of $3,000, as proposed by the House; makes $40,000 of the appropriation immediately available, as proposed by the Senate; and provides that not to exceed $17,500 may be expended for personal services in the District of Columbia, as proposed by the House, instead of $22,500, as proposed by the Senate.

On amendments nos. 59 and 60, relating to mining experiment stations: Appropriates $195,450, as proposed by the Senate, in lieu of $145,450, as proposed by the House; and provides that not to exceed $13,140 may be available for personal services in the District of Columbia, in lieu of $16,500, as proposed by the Senate.

On amendment no. 61: Appropriates $87,690, as proposed by the Senate, for care and maintenance of buildings and grounds at Pittsburgh and Bruceton, Pa., in lieu of $67,690, as proposed by the House.

On amendments nos. 62 and 63, relating to the economics of mineral industries: Appropriates $262,855, as proposed by the House, instead of $275,855, as proposed by the Senate; and provides that not to exceed $210,000 may be expended for personal services in the District of Columbia, instead of $233,000, as proposed by the Senate.

On amendment no. 64: Inserts the word "and", as proposed by the Senate, in lieu of the phrase "and/or", as proposed by the House.

On amendment no. 65: Corrects a total.

NATIONAL PARK SERVICE

On amendment no. 66: Appropriates $62,600, of which $5,000 shall be immediately available, as proposed by the Senate, instead of $57,600, as proposed by the House, for the Crater Lake National Park.

On amendment no. 67: Appropriates $500 for the erection of a marker to commemorate the battle at Big Dry Wash, Ariz., during the Indian wars, as proposed by the Senate.

On amendment no. 68: Appropriates $432,900, as proposed by the Senate, for salaries and general expenses, public buildings and grounds in the District of Columbia, for the fiscal year 1935.

On amendment no. 69: Appropriates $47,000, as proposed by the Senate, for salaries and expenses, public buildings outside the District of Columbia, for the fiscal year 1935.

TERRITORY OF ALASKA

On amendments nos. 70 and 71: Appropriates $50,000, as proposed by the Senate, for the establishment and maintenance of public schools, instead of $4,000, as proposed by the House.

The committee of conference report in disagreement the following amendments of the Senate:

Amendments nos. 1 and 3: Providing for the establishment of the position of Under Secretary of the Interior at $10,000 per annum.

Amendment no. 5: Relating to the appropriations for the Division of Grazing Control.

Amendment no. 38: Relating to an audit of the tribal funds of the Menominee Indians.

EDWARD T. TAYLOR,
B. M. JACOBSEN,
JED JOHNSON,
M. A. ZIONCHECK,
J. G. SCRUGHAM,
W. P. LAMBERTSON,
R. B. WIGGLESWORTH,
Managers on the part of the House.

Mr. TAYLOR of Colorado. Mr. Speaker, I move the adoption of the report.

The question was taken; and there were on a division (demanded by Mr. KNUTSON)—ayes 145, noes 26.

Mr. KNUTSON. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

The SPEAKER. The Chair will count.

Mr. O'CONNOR. Mr. Speaker, I call attention to the fact that some Members did not rise at all on the last vote, and the Chair is entitled to count.

The SPEAKER. The Chair is counting. [After counting.] One hundred and ninety-seven Members are present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 273, nays 67, answered "present" 1, not voting 90, as follows:

[Roll No. 64]

YEAS—273

Adair	Clark, Idaho	Duffy, N. Y.	Greever
Arnold	Coffee	Duncan	Gregory
Ashbrook	Colden	Dunn, Miss.	Hamlin
Ayers	Colmer	Dunn, Pa.	Hancock, N. C.
Bacharach	Cooper, Tenn.	Eagle	Harlan
Barden	Corning	Eckert	Hart
Beiter	Costello	Edmiston	Harter
Bell	Cox	Eicher	Healey
Biermann	Crosby	Evans	Hennings
Binderup	Cross, Tex.	Faddis	Hildebrandt
Bland	Crosser, Ohio	Farley	Hill, Ala.
Blanton	Crowe	Ferguson	Hill, Knute
Boehne	Cullen	Fiesinger	Hill, Samuel B.
Boileau	Cummings	Fitzpatrick	Hobbs
Boland	Daly	Flannagan	Hoeppel
Boylan	Darden	Fletcher	Hope
Brennan	Dear	Ford, Calif.	Houston
Brewster	Deen	Ford, Miss.	Huddleston
Brown, Ga.	Delaney	Fuller	Igoe
Brunner	Dempsey	Fulmer	Jacobsen
Buchanan	Dickstein	Gasque	Jenckes, Ind.
Buck	Dies	Gassaway	Johnson, Okla.
Buckler, Minn.	Dietrich	Gavagan	Johnson, Tex.
Burnham	Dingell	Gehrmann	Johnson, W. Va.
Caldwell	Disney	Gifford	Jones
Carpenter	Ditter	Gilchrist	Kee
Carter	Dobbins	Gildea	Keller
Cary	Dockweiler	Gillette	Kelly
Castellow	Dorsey	Goldsborough	Kenney
Celler	Doughton	Gray, Ind.	Kerr
Chandler	Doxey	Gray, Pa.	Kleberg
Chapman	Driscoll	Green	Kloeb
Citron	Driver	Greenway	Kniffin
Claiborne	Duffey, Ohio	Greenwood	Knutson
Kocialkowski	Merritt, N. Y.	Rayburn	Sumners, Tex.
Kopplemann	Mitchell, Ill.	Reece	Sutphin
Kramer	Mitchell, Tenn.	Richards	Sweeney
Kvale	Monaghan	Richardson	Tarver
Lambertson	Montet	Robertson	Taylor, Colo.
Lambeth	Moran	Robinson, Utah	Taylor, S. C.
Lanham	Moritz	Romjue	Taylor, Tenn.
Larrabee	Mott	Rudd	Terry
Lea, Calif.	Murdock	Russell	Thom
Lemke	Nelson	Sadowski	Thompson
Lewis, Colo.	Nichols	Sanders, La.	Tonry
Lloyd	Norton	Sanders, Tex.	Truax
Luckey	O'Brien	Sandlin	Turner
Ludlow	O'Connell	Sauthoff	Umstead
Lundeen	O'Connor	Schaefer	Utterback
McAndrews	O'Day	Schulte	Vinson, Ga.
McClellan	O'Leary	Scott	Vinson, Ky.
McCormack	Oliver	Scrugham	Wallgren
McFarlane	O'Neal	Sears	Walter
McGehee	Owen	Secrest	Warren
McGrath	Parks	Shanley	Wearin
McGroarty	Parsons	Sirovich	Welch
McKeough	Patman	Smith, Conn.	Werner
McLaughlin	Patterson	Smith, Va.	Whelchel
McMillan	Pearson	Smith, Wash.	White
Mahon	Peterson, Fla.	Smith, W. Va.	Whittington
Maloney	Peterson, Ga.	Snyder	Wigglesworth
Mansfield	Pettengill	South	Wilcox
Martin, Colo.	Pfeifer	Spence	Williams
Mason	Pierce	Stack	Wolverton
Massingale	Rabaut	Steagall	Wood
Maverick	Ramsay	Stefan	Woodrum
May	Ramspeck	Stubbs	Young
Mead	Randolph	Sullivan	Zioncheck
Meeks			

NAYS—67

Allen	Dirksen	Kahn	Reed, Ill.
Andresen	Dondero	Kimball	Reed, N. Y.
Andrew, Mass.	Eaton	Kinzer	Rich
Andrews, N. Y.	Ekwall	Lehlbach	Robsion, Ky.
Arends	Engel	Lord	Rogers, Mass.
Bacon	Fenerty	McLean	Seger
Blackney	Focht	McLeod	Short
Bolton	Gearhart	Maas	Snell
Buckbee	Gwynne	Mapes	Stewart
Cavicchia	Halleck	Marshall	Taber
Church	Hancock, N. Y.	Merritt, Conn.	Tinkham
Cole, N. Y.	Hess	Michener	Treadway
Collins	Hoffman	Millard	Turpin
Cooper, Ohio	Hollister	Pittenger	Wilson, Pa.
Cravens	Holmes	Plumley	Wolcott
Crowther	Hull	Powers	Wolfenden
Darrow	Jenkins, Ohio	Ransley	

ANSWERED "PRESENT"—1

Amlie

NOT VOTING—90

Bankhead	Crawford	Kennedy, N. Y.	Ryan
Beam	Culkin	Lamneck	Sabath
Berlin	DeRouen	Lee, Okla.	Schneider
Bloom	Doutrich	Lesinski	Schuetz
Brooks	Drewry	Lewis, Md.	Shannon
Brown, Mich.	Ellenbogen	Lucas	Sisson
Buckley, N. Y.	Englebright	McReynolds	Somers, N. Y.
Bulwinkle	Fernandez	McSwain	Starnes
Burch	Fish	Marcantonio	Thomas
Burdick	Frey	Martin, Mass.	Thomason
Cannon, Mo.	Gambrill	Miller	Thurston
Cannon, Wis.	Gingery	Montague	Tobey
Carden	Goodwin	O'Malley	Tolan
Carlson	Granfield	Palmisano	Underwood
Carmichael	Griswold	Patton	Wadsworth
Cartwright	Guyer	Perkins	Weaver
Casey	Haines	Peyser	West
Christianson	Hartley	Polk	Wilson, La.
Clark, N. C.	Higgins, Conn.	Quinn	Withrow
Cochran	Higgins, Mass.	Rankin	Woodruff
Cole, Md.	Hook	Reilly	Zimmerman
Connery	Imhoff	Rogers, N. H.	
Cooley	Kennedy, Md.	Rogers, Okla.	

The Clerk announced the following pairs:

Until further notice:

Mr. Cartwright with Mr. Martin of Massachusetts.
Mr. Granfield with Mr. Wadsworth.
Mr. Rankin with Mr. Guyer.
Mr. Bankhead with Mr. Culkin.
Mr. Lamneck with Mr. Doutrich.
Mr. Bloom with Mr. Goodwin.
Mr. Bulwinkle with Mr. Perkins.
Mr. McReynolds with Mr. Thomas.
Mr. Cannon of Missouri with Mr. Christianson.
Mr. McSwain with Mr. Burdick.
Mr. Cochran with Mr. Fish.
Mr. Montague with Mr. Hartley.
Mr. Connery with Mr. Englebright.
Mr. Palmisano with Mr. Carlson.
Mr. Miller with Mr. Higgins of Connecticut.
Mr. Drewry with Mr. Thurston.
Mr. Griswold with Mr. Woodruff.
Mr. Kennedy of New York with Mr. Tobey.
Mr. Hancock of North Carolina with Mr. Withrow.
Mr. Wilson of Louisiana with Mr. Crawford.

Mr. Sabath with Mr. Church.
Mr. Cole of Maryland with Mr. Schneider.
Mr. Somers of New York with Mr. Marcantonio.
Mr. Beam with Mr. Carden.
Mr. Clark of North Carolina with Mr. O'Malley.
Mr. Patton with Mr. Frey.
Mr. Berlin with Mr. Reilly.
Mr. Quinn with Mr. DeRouen.
Mr. Brooks with Mr. Gambrill.
Mr. Buckley of New York with Mr. Brown of Michigan.
Mr. Lesinski with Mr. Ellenbogen.
Mr. Burch with Mr. Schuetz.
Mr. Fernandez with Mr. Sisson.
Mr. Starnes with Mr. Gingery.
Mr. Imhoff with Mr. Hook.
Mr. Thomason with Mr. Tolan.
Mr. Weaver with Mr. Kennedy of Maryland.
Mr. Rogers of New Hampshire with Mr. Underwood.
Mr. West with Mr. Polk.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Under Secretary (which position is hereby established in the Department of the Interior, with compensation at the rate of $10,000 per annum and with appointment thereto by the President, by and with the advice and consent of the Senate).

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that amendments no. 1 and no. 3 may be considered together, as they relate to the same matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER. The Clerk will report Senate amendment no. 3.

The Clerk read as follows:

Senate amendment no. 3: Strike out "$421,590" and insert in lieu thereof "$431,590."

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House recede from its disagreement to Senate amendments no. 1 and no. 3 and concur in the same.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, is this the amendment creating the office of Under Secretary of the Interior?

Mr. TAYLOR of Colorado. Yes.

Mr. KNUTSON. Can we afford it at this time?

Mr. SNELL. Mr. Speaker, I think we should have an explanation of these amendments before we act on them.

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH], a member of the subcommittee.

Mr. SNELL. Mr. Speaker, is not the majority leader going to make a statement in support of his motion?

Mr. TAYLOR of Colorado. I can do that, Mr. Speaker, but I extended the courtesy first of yielding time to the gentleman from Massachusetts.

Mr. SNELL. I think it would be better if the gentleman from Colorado first gave us an explanation of the item.

Mr. TAYLOR of Colorado. Mr. Speaker, Senate amendments nos. 1 and 3 provide for the creation of the office of Under Secretary of the Interior Department, at a salary of $10,000 a year. It is legislation on an appropriation bill and for this reason requires a vote of the House. We have four Under Secretaryships in other departments at the present time—in the Department of Agriculture, created last year; in the Department of State, created in 1920; in the Department of the Treasury, created in 1921; and in the Department of War, created in 1920. In the latter case the office is under another name, but it carries the same salary and the duties of an Under Secretary. The first three of those Under Secretaryships were created in exactly the same method we are pursuing in the present instance, by amendments on appropriation bills. In the War Department the office was established by the act of June 4, 1920 (U. S. C., tile 5, sec. 182). So there is nothing out of the ordinary procedure of the House, or of Congress in creating this office in this way. This provision was recommended by the Budget, it was approved by the President, it was regularly sent to Congress and was included in this appropriation bill by this subcommittee and approved by the main committee, and reported to the House.

When the item was reached for consideration on the floor of the House, the gentleman from Massachusetts [Mr. WIGGLESWORTH] made a point of order against the amendment on the ground that it was legislation on an appropriation bill. I conceded the point of order, and it necessarily went out of the bill. When the bill went to the Senate, that body inserted and adopted this provision by a vote showing a substantial majority, and it now comes back to us in this form.

Under the question raised by the gentleman from Virginia [Mr. WOODRUM], I stated to the House that the House would be given an opportunity to vote upon this amendment when the conference report was brought up, and that is what is before us at the present time.

The reason the President, the Bureau of the Budget, the Interior Department, the Appropriations Committees of both the Senate and the House, and the Senate itself, have all approved of the creation of this Under Secretaryship is because of the enormous amount of work that has been heaped upon the Secretary of the Interior, especially during the past 2 years. Within that time something like 30 major activities have been added to the Interior Department. If you will pardon a personal reference, I have for many years before and ever since I came to Congress had personal knowledge of the activities of the Department of the Interior, and during the past 15 years that I have been a member of the Appropriations Committee I have been quite familiar with the work of all the various departments of the Government. I say to you deliberately that I believe no department of our Government needs an Under Secretaryship as much as the Interior Department. This has been true for many years, but within the past 2 years so many new activities have been added to that Department that it has become imperatively necessary that the Secretary of the Interior have an additional assistant. I will mention some of them.

The Bureau of Mines was taken away from the Department of Commerce and put under the Department of the Interior. The Federal Board for Vocational Education has recently been added to the Interior Department.

The administration of the grazing upon the public domain, designated the "Taylor Grazing Act", is put under the control of this Department. That law will have a far-reaching effect upon the conservation and orderly use ultimately of about 175,000,000 acres of land. The President has added to the Interior Department the administration of practically nearly all of the public buildings and grounds in the District of Columbia, which in itself entails an enormous amount of work, as you all know. The Executive has added to this Department the administration of a very large number of public buildings and grounds throughout the entire country, other than the District of Columbia. The Division of Territories and Insular Possessions, including Puerto Rico, the Virgin Islands, and the other insular possessions of our country; 11 national military parks; 2 new national parks; also 10 battlefield sites of the United States and transferred for administration from the War Department to the Interior Department. As I say, all these activities have been taken from other departments and transferred to the Interior Department during the past 2 years. Ten national monuments have been added, 11 miscellaneous memorials, and 11 national cemeteries, including Gettysburg, and many others transferred from the War Department or other departments and their administration put upon the Secretary of the Interior.

The national monuments have been taken from the Agricultural Department.

Mr. Speaker, this marvelously large number of very important activities has been recently transferred from the control of the War Department, the Navy Department, the Department of Commerce, the Department of Agriculture, and other departments, and put under the supervision of the Interior Department. We Members from the West believe they have been transferred to this Department for more coordinated and better administration than they had under

the other departments. I may mention many others, such as the George Rogers Clark Sesquicentennial Commission, the Commission of Fine Arts, the Mount Rushmore Memorial Commission, the United States Geographic Board, the Subsistence Homesteads, and various other things.

Mr. Speaker, aside from the President of the United States, the Secretary of the Interior is today the hardest worked public official under the American flag. The present Secretary of the Interior works nights, holidays, and Sundays. He has had no vacation since he took office. He goes to his office at 8 o'clock in the morning and stays there until 6 or half after in the evening; goes home to dinner and goes back to his office at 8 o'clock and works until 11 o'clock at night. Aside from the President, there is no other official under our flag who has as great responsibilities heaped upon him as the Secretary of the Interior. This tremendous amount of imperative work of the highest importance makes it absolutely necessary to give him this additional assistant. It is necessary in fairness to him and in the interest of efficient work. It is physically impossible for him and his present assistants to carry on all that work as fully and carefully as it should be. The Secretary is also the Administrator of Public Works and also Petroleum Administrator.

My colleagues, why is it President Roosevelt assigns all of these gigantic responsibilities to Harold L. Ickes? It is because he knows and the American people know that this Secretary of the Interior is honest. They know he has the ability, the courage, and the energy to splendidly manage all these monumental tasks.

Secretary Ickes has spent $2,000,000,000 during the past 2 years, and not a single dollar of it was ever misapplied by him, and he will expend $4,000,000,000 during the next 2 years, and not a dollar of it will ever be misapplied by him.

In the CONGRESSIONAL RECORD of January 23 of this year I referred to the work of Secretary Ickes at some length. He has a record that every American ought to be proud of. Every loyal son and daughter of Uncle Sam feels that our country is the greatest nation on this planet. We all believe that the entire world is every day looking toward our country to see what we are doing. Considering the tragically unsettled and ominous conditions of nearly all the other countries, we firmly believe that our country is not only the leading nation, but that our country is the hope of the human race on this planet. If our ship of state weathers the present financial storm, the others may survive. Our country has the greatest task before it that we have had since the Civil War. The destiny of the United States depends very largely upon the work of this Congress and the way the laws we pass are administered and the way the money we appropriate is expended, and, aside from the President, Harold L. Ickes will probably have more to do with the success or failure of that historic and monumental task than any other human being.

For that reason I feel that Congress, the board of directors of this Government, should, as I know you will, gladly uphold his hands. I have not the slightest idea who will be appointed Under Secretary. But, whoever he is, he will have to be the caliber of individual to be approved by the Senate. He has to be affirmed by the United States Senate. I feel we can trust the Senate to see that there is a suitable person appointed to fill this position.

Mr. Speaker, I reserve the balance of my time and now yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I realize in view of the thousands, if not hundreds of thousands, of new Federal positions that have been created in the past 26 months, that from one point of view the addition of one more office may not appear to be a very important matter. It does seem to me, however, that when it comes to a question of providing for a new Under Secretary in one of the great departments of this Government, with higher standing and greater remuneration than any Assistant Secretary in the Government, the matter is of sufficient importance to warrant a thorough investigation into the facts, preferably by a legislative committee of this House, before we are called upon to approve such a request as is before us at this time.

What are the facts? There has been practically no evidence at all submitted, either to the House committee or the Senate committee, to justify the creation of this office. You will find the testimony before the House committee comprised in a single page of the hearings. At the time we endeavored to get more information with reference to the assignment of duties under the present set-up, as well as those contemplated under the new set-up. We were advised by letter from the Department that it was not in a position to give us this information. The testimony before the Senate committee is about two pages in length. I believe there was not a single word of discussion on the floor of the Senate when the amendment providing for the new office was adopted.

The sum and substance of the justification submitted is embodied in two short paragraphs in the statement of Secretary Ickes to the Senate committee. In those paragraphs he states two things: First, as the chairman of the subcommittee, Mr. TAYLOR of Colorado, has just pointed out, that certain new activities have been turned over to the Department of the Interior; and second, that he has been a very busy man lately, that he has given up Saturday afternoons and holidays and that he would be glad to have additional help.

What are the additional activities referred to? The chairman of the subcommittee has mentioned a few of them. The Bureau of Mines has been returned to the Department where it used to be. Puerto Rico has been added to the Territories supervised by the Department. A small administrative organization has been set up under the Taylor grazing-control bill. Most of the so-called "additional activities", however, seem to be represented in the maintenance and upkeep of Federal buildings in the District and elsewhere, of national monuments, cemeteries, and parks which have been grouped together and placed in the Department of the Interior. You will find the list in the Senate hearings. No mention is made of those activities which have been taken away from this Department and placed elsewhere, such as the Pension Bureau, formerly a tremendously important activity in the Interior Department, now under the jurisdiction of the Veterans' Administration.

Secretary Ickes has been, of course, an extremely busy man. We all appreciate this fact. He has had his work as P. W. A. Administrator; he has had his work as Oil Administrator. A recent newspaper states that he has had no less than 12 separate titles under the present administration. Much of his time has necessarily been devoted to duties outside the Interior Department. This statement goes also, I am told, for one of the Assistant Secretaries in the Interior Department. Perhaps additional help is needed in his emergency activities. I should suppose the new organization under the work-relief bill would be helpful. I find nothing, however, in the evidence submitted to the House or Senate which establishes, to my mind, in and of itself the need of an Under Secretary in the Interior Department.

I realize fully the importance of the work of this Department. I should be the last to wish to handicap that work in any way. The Interior Department, however, is not one of the larger departments in this Government. If you measure it in terms of annual appropriation, if you measure it in terms of the number of workers on the rolls of the several departments, you will find that in each case the Department of the Interior stands no. 6 in the list of the 10 departments of this Government.

As compared with the Interior Department, with a personnel of less than 33,000 and an appropriation of some $61,000,000, the Navy Department, second on the list of departments, to take one example, has a personnel of over 150,000 and an appropriation of over $450,000,000. Instead of an Under Secretary, a First Assistant Secretary, and an Assistant Secretary, the Navy Department operates with a single Assistant Secretary.

Until about a year ago, Mr. Speaker, we have never had an Under Secretary in any department of the Government ex-

cept two. We have had one for years in the State Department, the work of which touches every important center on the face of the globe.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. WIGGLESWORTH. We have had one for years in the Treasury Department, the work of which vitally affects everyone in the Nation. We have never had any other Under Secretary in any department until about a year ago when a third Under Secretary was provided for in the Department of Agriculture after considerable controversy at the other end of the Capitol, the position being created in order to give increased recognition and increased remuneration to the present Under Secretary of Agriculture, Professor Tugwell.

It seems to me that before we go ahead and create another position of this importance, the matter ought to be gone into thoroughly. It ought to be gone into not only from the point of view of the needs of the Interior Department, but from the point of view of the precedent it will create with respect to other departments, from the point of view of fairness to those departments and to other assistant secretaries in the departments.

For these reasons, in the light of the existing evidence or lack of it, I shall vote in opposition to the motion of the gentleman from Colorado to recede and concur in the Senate amendment.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. KNUTSON. The gentleman should call the attention of the House to the fact that the Pension Bureau, which is probably as large as all of these other bureaus that have been placed in the Interior Department in the last 2 years, has been taken away from that Department and transferred to the Veterans' Administration.

Mr. WIGGLESWORTH. I have endeavored to emphasize that fact. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 4 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Speaker, I desire to address myself for a few minutes to the work of the Department of the Interior and the record that it is making under the capable direction of Secretary Harold L. Ickes.

In the 2 years since he has been a member of the Cabinet, Secretary Ickes, through hard work, boundless energy, and courageous and intelligent leadership has wrought a miracle in this once too easy-going Department of the Government. By industry and perseverance, two of his outstanding qualities, Secretary Ickes has reorganized and revitalized the Department of the Interior so that today it really has come into its own.

It is true that Secretary Ickes has been subjected to criticism. Name me a man in public life who is worth his salt who has not been unjustly arraigned for doing his plain duty. Name me a man who in the past 2 years could have carried the heavy burdens and who could have tackled the multitudinous and complex problems with more ability, distinction, and devotion to public service than Secretary Ickes. If he exists, I do not know him.

With the many regular and emergency duties that have devolved upon the present Secretary of the Interior, he is, without doubt, the busiest and hardest-working official in Washington. He is up with the sun and toils far into the night. He loves work and seems to thrive on it, and yet there is a limit to human endurance. The Secretary himself does not complain, but in all fairness we should provide him with an Under Secretary to afford him some small measure of relief from the arduous labors that now encompass him.

The Department of the Interior has grown with the country. Its various bureaus and divisions are among the most important in the Federal structure. Not content to operate his Department in mere routine fashion, the present Secretary has taken on more and more work—work which he knows, and we know, should have been done in the past.

Secretary Ickes stands as a giant at the head of the conservation movement in this country. He hates extravagance and waste. His every act since assuming office has been in the interest of protecting the vast natural resources of our Nation. He believes that the real wealth of America is something more than dollars. He knows that the real wealth of this country is its soil, its water, forests, and minerals. He has devoted his Department to the furtherance of that program.

Let me recount a few of the accomplishments of Secretary Ickes in this direction. Appalled by the ever-recurring loss of good topsoil in the western country, he organized and put into operation the Soil Erosion Service. He also has set up within the Department of the Interior a Division of Grazing as a first step toward saving the rapidly disappearing public range. As Oil Administrator he has fought with vigor and, I might add, some success against the shameful waste of an irreplaceable commodity. As Chairman of the National Resources Board, he has formulated a long-range plan for the orderly development of all natural resources for the benefit of the many rather than for the few.

Secretary Ickes' record as Public Works Administrator has been no less notable. Without an organization and without precedent to guide him, he tackled the biggest peace-time spending job in the history of the world. This, gentlemen, was a thankless task and one bound to bring him grief. But to his everlasting credit let it be said that he has not deviated one whit from the course upon which he set out. Sometime early in his life he learned the meaning of the word "no." That he has not forgotten, and I, for one, hope he never forgets.

Secretary Ickes' loyalty to the administration cannot be questioned. No matter what others may say, he enjoys the full confidence of the President of the United States. Only last week President Roosevelt again demonstrated his good sense by selecting the Secretary as chairman of the works-allotment committee to advise with the President as to allocation of funds under the works-relief resolution we passed.

Mr. Ickes is a strong man. He is a real asset to this administration. Let us give him this Under Secretary. I know of no Cabinet officer more in need of one. [Applause.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, when I came to Washington the major activity of the Interior Department was the Pension Bureau. The Pension Bureau involved an expenditure at that time of something like $330,000,000 or $340,000,000, if I remember correctly. If my recollection is correct, at that time there was one Assistant Secretary. Subsequently, and before the advent of the Veterans' Administration, an additional Assistant Secretary was provided. When the activities of the Department were cut down more than one-half, the additional Assistant Secretary was not taken away.

Two Assistant Secretaries should easily be able to take care of all the activities that are crowded into this Department. Every single one of the activities that has been turned over to this Department is headed by an experienced manager who has had charge of such activities for years or who has been trained in such matters for years. They were more or less minor activities in the departments or bureaus in which they were stationed.

It is true that these other matters have been put under the Secretary. It is true that, perhaps, there are more activities there than when he took it over, but not more than the burden which a Secretary and two assistants should carry. There is not half the burden there was when the Pension Bureau was in the Department, with a tremendous number of appeals going to the Assistant Secretaries and to the Secretary, just as they go now to the head of the Veterans' Administration. Of course, there were more pensions at that time, because we had a tremendous number of Civil War veterans living.

There is nothing in the hearings in connection with this item that would justify it. Secretary Ickes did say that he

loved his work and that he got there early and worked late. I believe he told the truth, but he does not tell us out and out that in order to do his work and do it right he must have this Under Secretary. Why should we give a man something that he does not justify? Why should we go ahead and establish more jobs at this time when no real reason is presented to us why we should do it? If the work of the Interior Department is to be turned over to an Assistant Secretary and Mr. Ickes is going to deal himself entirely with out-Department activities, this is not a reason why we should have an Under Secretary, but a reason why we should have a different Secretary. Mr. Ickes should be put at the head of these out-Department activities. It does not go well at all to come here and create another new and permanent position, from which we will never get away, in order to provide just one more great, big job.

I hope the Congress will consider this matter on its merits and will vote against the establishment of the office of Under Secretary of the Interior.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, no doubt most of my colleagues know that I do not favor the creation of new positions and I never favor them unless I think they are absolutely essential in the efficient administration of the public service.

This is one instance where I think an Under Secretary is essential for the efficient administration of the Interior Department and the allied duties conferred upon the Secretary of the Interior.

Mr. SWEENEY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. SWEENEY. Why does the American Congress persist in calling this position Under Secretary, a distinctly British term?

Mr. BUCHANAN. The office of Under Secretary has been created and is supposed to have a little greater authority than an Assistant Secretary and to compensate for this authority a greater salary is provided. The salary is $10,000, whereas the Assistant Secretaries receive from $8,000 to $9,000.

Let me go into the merits of this case. I endorse what the gentleman from Colorado [Mr. TAYLOR] has said, and I endorse what the gentleman from New Mexico [Mr. DEMPSEY] has said, but I want to make this further statement. At this time it is absolutely essential to create this position if we are to have an efficient administration. Listen to me a minute. The Secretary of the Interior is charged with the duty, under this $4,000,000,000 measure, of making loans of every character, as well as the investigation of such loans, to States, municipalities, and public bodies. He is now charged with this duty and you may say it is outside of the Secretary's office. Maybe so, but he is charged with the duty and he has got to give it most scrupulous attention and investigation. In addition to this he has been made the Chairman of the Board of Allotment, upon whose shoulders fall the allotment of every cent of the $4,000,000,000 appropriation for works relief.

Can you expect him, can you expect any man, no matter how great or how strong he may be, to stand up under all these duties and perform them efficiently? Therefore I think it is absolutely essential that he should have an Under Secretary.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. JOHNSON of Texas. Do we have Under Secretaries in other departments?

Mr. BUCHANAN. We have an Under Secretary in the Department of Agriculture, created by Congress just as this is created. We have an Under Secretary in the State Department, created by Congress just as this is being created.

The State Department is far smaller than the Department of the Interior and has a smaller appropriation. The State Department has an appropriation of $14,000,000, and this Department has an appropriation of sixty-one or sixty-two million.

The Treasury Department has an Under Secretary, the War Department has an Under Secretary.

Mr. TRUAX. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. TRUAX. Did not the gentleman from Texas assure us at one time that Mr. Ickes would have nothing to do with the $4,000,000,000 that we have lately appropriated?

Mr. BUCHANAN. I did not; I assured the Congress, and I still assure it, that Mr. Ickes would not act on the final allotment of the $4,000,000,000 appropriation, that in every instance the President of the United States would do it. [Applause.]

Mr. TRUAX. That may be, but does not the gentleman think that Mr. Ickes should devote all of his time to his duties and not so much to ascertaining men who favor the share-the-wealth proposition?

Mr. BUCHANAN. That is for the gentleman himself to answer in his own time; I am on the other side of the fence.

Mr. WIGGLESWORTH. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. WIGGLESWORTH. The statement has been made that the War Department has an Under Secretary. In the interest of accuracy, is it not a fact that while he has a salary of $10,000 he is an Assistant Secretary, and that we have no Under Secretary in the War Department?

Mr. BUCHANAN. It is just a difference in name. The Assistant Secretary of War performs the same duties as an Under Secretary and gets the salary of an Under Secretary. What is in the name?

Now, in conclusion, let me say this. You may not agree with me, but some time ago I did not think so much of Mr. Ickes, but since then I have made a careful investigation of his duties and the amount of work that he is doing. I now say that I have every confidence in his sincerity and integrity. He has administered the appropriation of $3,000,000,000, and no man that I have ever heard has ever charged one word against his integrity or his honesty or his sincerity in doing everything for the best interest of the people of the United States. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker and gentlemen of the House, the Commission of Fine Arts has been placed under the jurisdiction of the Interior Department. I do not know whether any of you Members have noticed what is going on in the beautiful park, the historic park west of the Capitol.

If you will take the time to go out on the plaza of the Capitol and look toward the Washington Monument you will see that a beautiful park has been converted into almost a barren waste. That park contained trees that have stood there for three-quarters of a century, some of them for a century. Many of the trees destroyed were the rarest specimens to be found in any capital city in the world. Trees stood there under which Lincoln and other notable statesmen have walked. That park has been the joy and inspiration of literally countless millions of people who have come here, and yet the Fine Arts Commission, I understand, has been responsible for cutting down these beautiful trees, rooting them out, and sawing them into cordwood. I feel it is an indefensible act, and that Congress ought to have prevented it. Most of the damage has been done. How many more trees the Commission plans to take out of the Botanic Garden or to take out even of the Capitol Park no one knows. I think this House should take an interest in the situation and not allow the Commission to run riot and destroy what it has taken nature a century or more to produce.

That is all I want to say on the subject. I rose to bring the matter to the attention of the House, because it is a piece of vandalism that is absolutely inexcusable. As I say, they have made a beautiful spot into almost a barren waste. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, I rise in support of the conference report presented by the distinguished gentleman from Colorado [Mr. TAYLOR]. I believe my colleagues who have served with me for a number of years cannot find anything in my record to justify the conclusion that I am in favor of extravagance or waste of public money. I am sure that this proposition should not be settled along partisan lines, although it sometimes appears that nothing can be offered by this administration which will suit some gentlemen on the opposite side of the Chamber. Of course, however, they are entitled to their opinion.

So far as the Secretary of the Interior is concerned, he is a man of outstanding ability, and is capable of holding the very responsible position the duties of which have been intrusted to him. No man in the Government today has greater responsibility, save and except only the President of the United States, than has Secretary Ickes. In addition to all his vast, multitudinous duties which he had prior to the time Congress authorized the expenditure of $4,880,000,000 for relief, he has had additional duties assigned to him and is to a large extent responsible for the expenditure of this large amount of money. No one knows better, in fact no one knows as well, what he needs in the way of assistants to help him carry these tremendous burdens than does the Secretary himself. I feel that after we have authorized the expenditure of this colossal sum of money it would be a very narrow policy, very unwise for us to cripple the man responsible for the expenditure of that money and not give him the assistance he needs for the efficient discharge of his public duties. I trust, my friends, especially on the majority side of the House, have enough confidence in this administration and in the Secretary of the Interior to take his word for his needs with respect to the discharge of his public responsibilities, and I think nothing could be more short-sighted, nothing could be more unjustified than to say that Secretary Ickes is not capable of and cannot be trusted to say what assistance he needs in carrying these tremendous burdens. When this amendment comes to a vote, I hope those on the majority side, and also on the minority side, will show their confidence in the man at the head of this great Department and give him the facilities that he says are essential to faithfully and efficiently discharge his duties in a way that will be satisfactory to all. [Applause.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, in the short time allotted to me I shall endeavor to answer my good friend from New York [Mr. REED]. He complains about the trees being destroyed and about the condition of the land at the foot of Capitol Park, about its being all torn up, and so forth. To those Members who have just come to Congress I would call attention to the fact that for many years we had the choicest collection of dumps on the north side of Pennsylvania Avenue that the world has ever known. We had fortune tellers, gypsy headquarters, crystal-gazers, one-arm lunch rooms, and various other decorative and artistic establishments. When a visitor came to the city of Washington, if he had any esthetic sense at all, he was humiliated to think that in the Nation's Capital we should have such an aggregation of eyesores.

What has been done? A broad, comprehensive plan to rearrange the entire lay-out of streets and roads at the foot of the Capitol has been adopted. An extension of the park so that it will be practically coterminous with what were the boundaries of the old Botanic Garden is provided for. No one loves trees more than I do, or regretted to see their passing more than I did, yet I know that in order to make a more beautiful Washington we must make some temporary sacrifices.

Let me say again to the House that when all this plan is complete we will have there an improvement that will far outshadow the old conditions that existed prior to this rearrangement.

Now, about this question of the appointment of an Under Secretary to the Secretary of the Interior: We all know that it is not a question of the $10,000 involved in the creation of a new place. That is not the issue. None of us can be camouflaged by that. In fact, the time consumed in discussing this conference report and the printing of the RECORD may cost as much as the salary we are going to allot to this new officer. That is not the question. The question is whether or not you are going to stand behind your President. You have just voted him an appropriation of approximately $5,000,000,000 to break the distress jam in which we find ourselves. Now you are told to tie his hands so that he cannot carry out and distribute that vast appropriation that is going to result in the uptrend of affairs in our country and to bring us back again from out of the depths of despair to the bright land of hope and prosperity.

The SPEAKER. The time of the gentleman from New York [Mr. BOYLAN] has expired.

Mr. TAYLOR of Colorado. Mr. Speaker, I yield the gentleman from New York 2 additional minutes.

Mr. BOYLAN. Now, if you engage a carpenter to do a job, you are going to give him the tools with which to do the work. You are not going to tie his hands and say, "Go ahead and do it without tools." If the President is going to do a good job he needs the right kind of tools. He needs the right kind of help and assistance. This is one of the things he wants. As has been explained here today, he alone will have the final say in the allotment of this vast fund, but he must have intelligent and understanding help and cooperation or he will fail. Our dear friends on the Republican side would like to tie the hands of the President. They are peering cautiously out of their cyclone cellars to see if the storm has passed. Many of you perhaps did not get approval of all the projects that you favored. I did not myself, but I yield any personal animus I might have for the good of the country, for the good of all. You took an oath to support the Constitution and not to work for your own State alone but for the entire country. The President wants this help and this assistance this appointment will give him. He needs it. You have given him the money. Now give him the tools to satisfactorily discharge the heavy responsibility and obligation that you have placed upon his shoulders. [Applause.]

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I recall very well when I first came to Washington each side of Pennsylvania Avenue was filled with crystal-gazers, but there are no more crystal-gazers down there now. They have all been taken over by the new deal. [Laughter.]

Mr. McLEAN. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. McLEAN. Does the gentleman recall the time when there was a sign extended out in front of one of those buildings on one side of which it read, "First chance" and on the other side, "Last chance"?

Mr. KNUTSON. Yes. That is now the slogan of the new deal.

Now, the gentleman has dwelt eloquently upon the need for this new position. When I first came here we only had one Assistant Secretary of the Interior. Now there are two, and you want to create a third one. You call him "Under Secretary", I suppose, so that it will not hurt the feelings of the taxpayers so much; but whether you call him "Under Secretary" or "Assistant Secretary", he is a superfluity. I can assure you there are no more crystal-gazers available for this position if you create it, because you now have them all on the Government pay roll. [Laughter.]

The money that is carried in this bill does not become available until July 1, 1936, and we have been assured by "grand headquarters" that the $5,000,000,000 we recently appropriated will be spent before that time. Of course, we naturally expect it will be spent before the next election.

Mr. OLIVER. Will the gentleman yield?

Mr. KNUTSON. Yes; I yield.

Mr. OLIVER. This money becomes available the 1st of July 1935.

The SPEAKER. The time of the gentleman from Minnesota [Mr. KNUTSON] has expired.

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Speaker, I am not at all concerned about this Assistant Secretary of the Interior from the viewpoint of the crystal-gazers or the parks in Washington. I am concerned about the necessary help from the Secretary of the Interior for the good that he may do for the United States as a whole. I am concerned about the internal affairs of this Nation and the welfare of our citizens.

The distinguished gentleman from Massachusetts [Mr. WIGGLESWORTH] dwelt at length on the lack of testimony showing the necessity of a position of this kind. I would like to call the attention of the gentleman and his colleagues to the fact that it is almost impossible to pick up a newspaper today which does not testify to the necessity for help in the Department of the Interior. Nature has taken a hand in this game and has brought to us a serious internal problem which we must not ignore. I have a picture here handed to me by my colleague from Kansas [Mr. HOUSTON] which shows a dust storm in the Southwest. This picture bears witness to the necessity for more help in the Department of the Interior. A large area of our Nation is being devastated, and to prevent the destruction is a problem of the Department of the Interior. Crops are being ruined, homes are being lost, farms are being blown away and means of livelihood are being taken from farmers.

Mr. TABER. Will the gentleman yield?

Mr. FADDIS. No. I do not have time just now.

We are soon to be faced with the proposition of protecting our territory in the Southwest from becoming a barren desert. You Members who live in that section of the country should take that matter into consideration when you cast your vote upon this question. Soon the functions of the Department of the Interior will touch your constituents more closely than ever.

In this Nation we have the bituminous-coal-mining industry. The deplorable and chaotic condition of that industry all over the United States for the past 30 years bears witness to the necessity for more help in the Department of the Interior. Here we have an industry that is overmanned 50 percent, and we are face to face with the necessity of regulating that industry in order that the people who are employed in it may be able to have a living wage and live under decent living conditions, as other people throughout the United States live. It is one of the basic industries of this Nation, one in which 65 percent of the cost of production goes to labor. It has been productive of more industrial strife than has any other industry. We cannot permit it to continue unregulated. The Guffey coal bill is designed to stabilize this industry, and I hope will soon be passed, in order that it can extend relief to the most shamefully exploited class of workers in this Nation. Its administration will be under the Department of the Interior. The problems of the Department of the Interior will multiply with every year of our national existence.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. JOHNSON of Oklahoma. I call the gentleman's attention to the fact that this report is exactly $1,663,489 under the Budget estimate.

Mr. FADDIS. I thank the gentleman for his contribution, and I think we can afford this additional $10,000 position for the services we will receive.

Mr. TABER. If the gentleman will yield, it is about $15,000,000 above the appropriations for this Department last year.

Mr. SNELL. They did not tell us that.

Mr. FADDIS. You should also state that there has recently been 15 or more agencies added to the Department of the Interior, making the appropriation necessary.

Mr. HOUSTON. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. HOUSTON. The distinguished gentleman from New York [Mr. TABER] said a while ago that no evidence has been presented to show the necessity for creating this office, that Mr. Ickes himself had not appeared before the committee, broken down, and confessed he needed it. If there were no necessity for creating this office, Mr. Ickes himself would have come down and told us that he did not want it.

Mr. FADDIS. Mr. Ickes is too busy attending to his duties to come begging for help. Why work a willing horse to death? Mr. Ickes and the Nation needs this assistant. I think the best piece of evidence in support of this proposition is the picture handed me a short time ago by the gentleman from Kansas showing this dust storm. We must bear in mind these dust storms in the southwestern portion of the United States and the conditions they have brought upon that section of the country. They make this position a necessity, because they affect the welfare of the entire Nation.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Speaker, I have known Harold L. Ickes for 25 years. He has always been known as a progressive. He is an honest man, an able man, a man of excellent judgment and sense, a man of the highest courage. Every man who has known him for any length of time knows that what I am saying is literally true; and those who have studied his work here, or elsewhere, will come to exactly the same conclusion reached by the Chairman of the great Committee on Appropriations, and that is that whatever might have been his opinion of him heretofore, it now is that Harold L. Ickes is the best man we could get for this place and is doing his job as no other man could do it.

I want to close by saying that his character is such that if he did not need this assistant he would be the last man under the sun to ask for the creation of the position of Under Secretary. When he asks for it, it ought to be granted to him, because of his numerous activities, and because of new work that is being piled on him all the time. It seems to me that we ought to awake to the fact that criticism, unless justified, ought not to be accepted; and in not a single instance has criticism of Harold L. Ickes been justified. I am glad of the opportunity of saying this word about a fellow Illinoisan, Harold L. Ickes, our great Secretary of the Interior. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Speaker, I move the previous question on the motion to recede and concur in Senate amendments nos. 1 and 3.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Colorado.

Mr. SNELL. Mr. Speaker, on that I ask for the yeas and nays.

Mr. TAYLOR of Colorado. Mr. Speaker, I join in this request.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 92, answered "present" 1, not voting 95, as follows:

[Roll No. 65]

YEAS—243

Adair	Buck	Colmer	Dickstein
Andrew, Mass.	Buckler, Minn.	Connery	Dies
Arnold	Bulwinkle	Cooper, Tenn.	Dietrich
Ayers	Burch	Costello	Dingell
Barden	Caldwell	Cox	Dobbins
Beiter	Cannon, Mo.	Cravens	Dockweiler
Bell	Carmichael	Crosby	Dorsey
Biermann	Cary	Cross, Tex.	Doughton
Binderup	Castellow	Crosser, Ohio	Doxey
Blanton	Celler	Crowe	Drewry
Boileau	Chandler	Cullen	Driscoll
Boylan	Chapman	Cummings	Driver
Brennan	Church	Daly	Duffey, Ohio
Brewster	Citron	Darden	Duffy, N. Y.
Brooks	Claiborne	Dear	Duncan
Brown, Ga.	Clark, N. C.	Deen	Dunn, Pa.
Brunner	Coffee	Delaney	Eagle
Buchanan	Colden	Dempsey	Eckert

Edmiston	Jones	Montet	Scott
Eicher	Kee	Moran	Scrugham
Evans	Keller	Moritz	Sears
Faddis	Kelly	Murdock	Secrest
Farley	Kenney	Nelson	Shanley
Ferguson	Kerr	Nichols	Sirovich
Fiesinger	Kleberg	Norton	Smith, Conn.
Fitzpatrick	Kloeb	O'Brien	Smith, Va.
Flannagan	Kniffin	O'Connell	Smith, W. Va.
Fletcher	Kocialkowski	O'Connor	Snyder
Fuller	Kramer	O'Day	South
Fulmer	Kvale	O'Leary	Spence
Gassaway	Lambertson	Oliver	Stack
Gearhart	Lambeth	O'Neal	Steagall
Gildea	Larrabee	Parks	Stubbs
Gillette	Lea, Calif.	Parsons	Sutphin
Gingery	Lesinski	Patman	Taylor, Colo.
Goldsborough	Lewis, Colo.	Patton	Taylor, Tenn.
Gray, Pa.	Lloyd	Pearson	Terry
Green	Lucas	Peterson, Fla.	Thom
Greenwood	Luckey	Peterson, Ga.	Thomason
Greever	Lundeen	Pettengill	Thompson
Gregory	McAndrews	Pierce	Tonry
Hamlin	McClellan	Polk	Umstead
Hancock, N. C.	McCormack	Rabaut	Utterback
Hart	McGehee	Ramsay	Wallgren
Harter	McGrath	Randolph	Walter
Healey	McGroarty	Rankin	Warren
Hennings	McKeough	Reece	Weaver
Hildebrandt	McLaughlin	Richards	Welch
Hill, Ala.	Mahon	Richardson	Werner
Hill, Knute	Maloney	Robertson	West
Hill, Samuel B.	Mansfield	Robinson, Utah	Whelchel
Hobbs	Martin, Colo.	Rogers, Okla.	White
Hoeppel	Mason	Romjue	Whittington
Houston	Massingale	Russell	Wilcox
Huddleston	Maverick	Sadowski	Williams
Igoe	May	Sanders, La.	Wilson, La.
Jacobsen	Mead	Sanders, Tex.	Wolverton
Jenckes, Ind.	Meeks	Sandlin	Wood
Johnson, Okla.	Merritt, N. Y.	Sauthoff	Young
Johnson, Tex.	Mitchell, Ill.	Schaefer	Zioncheck
Johnson, W. Va.	Monaghan	Schulte	

NAYS—92

Allen	Eaton	Knutson	Reed, N. Y.
Amlie	Ekwall	Lehlbach	Rich
Andresen	Engel	Lemke	Robsion, Ky.
Andrews, N. Y.	Fenerty	Lord	Rogers, Mass.
Arends	Fish	Ludlow	Seger
Bacharach	Focht	McLean	Short
Bacon	Ford, Miss.	McLeod	Snell
Blackney	Gifford	Maas	Stefan
Bolton	Gilchrist	Mapes	Stewart
Buckbee	Goodwin	Marshall	Sweeney
Burdick	Gray, Ind.	Merritt, Conn.	Taber
Carlson	Gwynne	Michener	Tarver
Cavicchia	Halleck	Millard	Taylor, S. C.
Cole, N. Y.	Hancock, N. Y.	Mitchell, Tenn.	Thurston
Collins	Hess	Mott	Tinkham
Cooper, Ohio	Hoffman	Owen	Treadway
Crawford	Hollister	Patterson	Truax
Crowther	Holmes	Pittenger	Turner
Darrow	Hope	Plumley	Turpin
Dirksen	Hull	Powers	Wearin
Dondero	Jenkins, Ohio	Ramspeck	Wigglesworth
Doutrich	Kimball	Ransley	Wolcott
Dunn, Miss.	Kinzer	Reed, Ill.	Wolfenden

ANSWERED "PRESENT"—1

Woodrum

NOT VOTING—95

Ashbrook	DeRouen	Kennedy, Md.	Rudd
Bankhead	Disney	Kennedy, N. Y.	Ryan
Beam	Ditter	Kopplemann	Sabath
Berlin	Ellenbogen	Lamneck	Schneider
Bland	Englebright	Lanham	Schuetz
Bloom	Fernandez	Lee, Okla.	Shannon
Boehne	Ford, Calif.	Lewis, Md.	Sisson
Boland	Frey	McFarlane	Smith, Wash.
Brown, Mich.	Gambrill	McMillan	Somers, N. Y.
Buckley, N. Y.	Gasque	McReynolds	Starnes
Burnham	Gavagan	McSwain	Sullivan
Cannon, Wis.	Gehrmann	Marcantonio	Sumners, Tex.
Carden	Granfield	Martin, Mass.	Thomas
Carpenter	Greenway	Miller	Tobey
Carter	Griswold	Montague	Tolan
Cartwright	Guyer	O'Malley	Underwood
Casey	Haines	Palmisano	Vinson, Ga.
Christianson	Harlan	Perkins	Vinson, Ky.
Clark, Idaho	Hartley	Peyser	Wadsworth
Cochran	Higgins, Conn.	Pfeifer	Wilson, Pa.
Cole, Md.	Higgins, Mass.	Quinn	Withrow
Cooley	Hook	Rayburn	Woodruff
Corning	Imhoff	Reilly	Zimmerman
Culkin	Kahn	Rogers, N. H.	

So the motion was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Harlan (for) with Mr. Martin of Massachusetts (against).
Mr. Gehrmann (for) with Mr. Higgins of Connecticut (against).
Mr. Cartwright (for) with Mr. Tobey (against).
Mr. Bland (for) with Mr. Thomas (against).
Mr. Withrow (for) with Mr. Ditter (against).
Mr. McMillan (for) with Mr. Culkin (against).
Mr. Ashbrook (for) with Mr. Wadsworth (against).
Mr. Granfield (for) with Mr. Perkins (against).
Mr. Schuetz (for) with Mr. Wilson of Pennsylvania (against).
Mr. Bloom (for) with Mr. Woodruff (against).
Mr. Haines (for) with Mr. Hartley (against).

Until further notice:

Mr. McReynolds with Mr. Christianson.
Mr. Bankhead with Mr. Guyer.
Mr. McSwain with Mrs. Kahn.
Mr. Cochran with Mr. Englebright.
Mr. Boehne with Mr. Marcantonio.
Mr. Disney with Mr. Schneider.
Mr. Vinson of Kentucky with Mr. Carter.
Mr. Vinson of Georgia with Mr. Burnham.
Mr. Corning with Mr. Berlin.
Mr. Miller with Mr. Cooley.
Mr. Rudd with Mr. Lamneck.
Mr. McFarlane with Mr. Clark of Idaho.
Mr. Boland with Mr. Pfeifer.
Mr. Rayburn with Mr. Frey.
Mr. Somers of New York with Mrs. Greenway.
Mr. Fernandez with Mr. Tolan.
Mr. Kennedy of Maryland with Mr. Ryan.
Mr. Underwood with Mr. Zimmerman.
Mr. Kennedy of New York with Mr. Hook.
Mr. Ford of California with Mr. Casey.
Mr. Sabath with Mr. DeRouen.
Mr. Carden with Mr. Sullivan.
Mr. Griswold with Mr. Imhoff.
Mr. Sisson with Mr. Higgins of Massachusetts.
Mr. Smith of Washington with Mr. Gavagan.
Mr. Rogers of New Hampshire with Mr. Ellenbogen.
Mr. Reilly with Mr. Montague.
Mr. Carpenter with Mr. Quinn.
Mr. Palmisano with Mr. Buckley of New York.
Mr. Kopplemann with Mr. Cole of Maryland.
Mr. Brown of Michigan with Mr. Beam.
Mr. Cannon of Wisconsin with Mr. Lanham.
Mr. Gambrill with Mr. Peyser.

Mr. ANDREWS of New York changed his vote from "yea" to "nay."

Mr. MEAD changed his vote from "nay" to "yea."

Mr. McCORMACK. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. HIGGINS, is absent on account of important business. If present, he would vote "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 5: Strike out "$250,000" and insert in lieu thereof "$150,000."

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 5 and agree to the same with an amendment.

The Clerk read as follows:

Mr. TAYLOR of Colorado moves that the House recede from its disagreement to Senate amendment no. 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert the following: "$150,000 for payment of subsistence and expenses of advisory committee of local stockmen, $100,000; in all, $250,000."

The SPEAKER. The question is on the motion of the gentleman from Colorado.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 38:

"Audit of the tribal funds of the Menominee Indians: For the purpose of making an audit of the tribal funds of the Menominee Indians, including, without limitation, an engineering audit of the timber operations on the Menominee Reservation in Wisconsin, to be immediately available, $20,000, payable from funds on deposit to the credit of said Menominee Indians: *Provided*, That to accomplish said audit the tribal council or business committee of said Menominee Indians may enter into a contract or contracts, to be approved by the Secretary of the Interior, with a firm of certified public accountants, and, with a timber engineer: *Provided further*, That this appropriation shall be available for related investigations, for services, travel, and other expenses necessary to a complete engineering and general audit, expenditures for such purposes to be paid upon presentation by attorneys acting for said Menominee Indians of itemized vouchers approved by the Commissioner of Indian Affairs."

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 38 and concur in the same.

The motion was agreed to.

On motion of Mr. TAYLOR of Colorado, a motion to reconsider the various votes on the Senate amendments in disagreement was laid on the table.

THE SOUTH AND THE NEW DEAL KISS OF DEATH

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an address delivered by the gentleman from New York [Mr. FISH].

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Representative HAMILTON FISH, Jr., at a Republican banquet at Woodstock, Va., Thursday evening, April 25, 1935:

I am as eager for the welfare and prosperity of the South as I am for my own State of New York. The "new dealers", in order to save their faces, persist in driving the Southern textile and cotton States into a crisis more serious than the Civil War. Already cotton States have lost over 50 percent of their export trade to foreign nations, and another 2 years of the fantastic destruction of crops and the pegging of cotton at 12 cents, far above the world price, will bring desolation to the South and great financial losses to the entire Nation. Governor Talmadge, of Georgia, and Senators Byrd and Glass, of Virginia, see the handwriting on the wall that spells the word "ruin" in unmistakable letters. The loss of the world markets for the surplus cotton crops of the South means inevitable economic disaster and financial ruin. For the sake of temporary profit to the cotton growers and in order to pursue nebulous mirages under an Alice in Wonderland theory of reduction of crops—the more reduction the more wealth—the whole economic future of the South is being sacrificed on an altar of new-deal expedients and experiments.

The situation is far too serious to ignore any longer, and is attributable to the socialistic new-deal policies which have increased unemployment in the South and brought ruin and misery to the tenant farmers and share-croppers. There is less cotton being exported than at any time since the Civil War, due to the kiss of death from the Wallaces, Tugwells, and Ezekiels, and, as a result of the loss of our cotton exports, hundreds of thousands of southerners engaged in planting, harvesting, ginning, compressing, transporting, shipping, and in warehouses and mills have lost their jobs. The A. A. A. program of reduction of cotton crops by 25 percent may have benefited temporarily some producers, but there are millions of people in the South who are being adversely affected, as are all consumers. The southern shipping ports of Norfolk, Charleston, and Savannah are suffering from the rapidly vanishing cotton export trade.

The wand wavers and magic performers at Washington, in addition to condemning the principles of Jeffersonian democracy, will, by their costly blunders and crazy-quilt experiments, wreck the economic stability of the South. Even the Democrats of the South do not propose to commit economic suicide for the benefit of the "new dealers" and Secretary of State Cordell Hull, a free trader and internationalist. It must be self-evident that the American mill workers in the South cannot compete with skilled Japanese textile labor paid 20 cents a day. However, Secretary Hull, true to his free-trade principles and long-distance economic policies which will take effect after the southern mills have been destroyed and their employees ruined, is deaf, dumb, and blind to the interests of the American textile industry, our second largest industry, which employs 400,000 industrious and loyal American citizens. I charge the visionary free-trade policies of Secretary Hull with wrecking the textile industry of the South, one of its greatest sources of wealth and employment.

Just as sure as fate, if President Roosevelt is renominated by the Democrats, a constitutional and Jeffersonian Democratic Party will spring up in the Southern States, and I predict that in 1936 Virginia, North Carolina, Tennessee, and Florida will be found in the Republican column.

Let me point out that it is not the Republicans who are criticizing the administration in the severest manner and in the bitterest terms. What about the two United States Senators from the State of Virginia, who have repeatedly denounced the A. A. A. and the N. R. A.? They have attacked them more vigorously and far more bitterly than any Republican has ever dared to denounce them. I refer to the radio speech a few nights ago by Senator BYRD against the A. A. A. and the recent speech of Senator GLASS against the N. R. A. The distinguished Senator from Maryland, Senator TYDINGS, has the courage of his convictions as to the N. R. A. and the A. A. A., and stated within the last week that they were the greatest monstrosities ever imposed upon the American people.

Governor Talmadge, of the great State of Georgia, almost the adopted State of the President, issued a statement only a day or two ago that it would be the greatest calamity to the country if the President is renominated by the Democratic Party. I will not refer to Senator LONG, for he has a habit of speaking for himself. Add to these prominent Democrats Alfred E. Smith and John W. Davis, both candidates of their party for President, and Bainbridge Colby and Newton D. Baker, both former Democratic Cabinet officers, who have swelled the chorus of criticism and denunication of the unsound, unworkable new-deal measures. Every argument advanced by the defenders of the new deal in its destruction of Jeffersonian principles and of our American system for a regimented form of State socialism can be answered by the bitter outbursts of leading Democrats.

Let me say as one Republican, and I think speaking for all, that we have no apology to offer for opposing the administration's new-deal policies where they have failed, for exposing them, for criticizing them, and for condemning them. We believe it is not only our right but our duty to show to the American people the failure and break-down of these unsound, unworkable, and socialistic policies.

For 2 years we have been in the midst of Government by propaganda and ballyhoo, with hundreds of paid publicity agents, paid out of the Treasury of the United States, getting out news every hour of the day, making up news in defense of the new-deal administration, and getting it over the radio to the people back home, swamping them with misinformation and propaganda and trying to make them believe that Roosevelt and recovery are synonymous. And what do we find? We find a million and a half more unemployed today than there were a year ago, we find the breakdown of both the A. A. A. and the N. R. A., we find the people are impoverished, we find destruction of business confidence, and no consistent economic policy except to pile debt upon debt and borrow billions, more billions, and still more billions without regard to the day of reckoning and of the inevitable inflation, chaos, ruin, and bankruptcy.

The "new dealers" admit that they do not know where we are going. That is apparent, of course, by this time to the American people. No Democrat knows where we are going, but they say, "We are not going back." We are not going back to what? To 1926? The main policy of the Democratic Party, as enunciated by the "new dealers", time after time, has been to get back to the price levels of 1926, under the Calvin Coolidge administration. Between 1921 and 1929 what happened? Under the sound policies of the Republican Party business confidence was restored, American labor was employed, employed at the highest standard of wages and living ever known in this country, or in any country in the history of the world. Why? Because of the sound policies of the Republican Party. Because the Budget was balanced, the national debt reduced, national economy practiced, because business men knew what money was worth, and as a result confidence pervaded the land from one end of the country to the other, which put American labor to work, and the Lord knows there is not a thinking man or woman in America today who would not like to go back to the prosperous times of 1926 when American labor was employed and received wages such as were paid at no other time or in no other nation in history. What is lacking today is confidence, without which there can be no employment of labor or business profits or return to prosperous times. The main issue before the American people is the reemployment of 11,000,000 loyal American citizens who are now walking the streets and looking for jobs. It is beginning to be more and more apparent that there will be no permanent jobs and no real prosperity until the sound policies of the Republican Party and a Republican administration is restored to power to uphold our American system, and the imported state socialism of the "new dealers" is repudiated and discarded.

Mr. KNUTSON. Mr. Speaker, in order to expedite the business of the House, I renew my request for unanimous consent to revise and extend my remarks in the RECORD and to include therein remarks made to the Chamber of Commerce of the United States this morning by Mr. Johnston.

Mr. WOODRUM. Mr. Speaker, reserving the right to object, the speech introduced in the RECORD by the gentleman from Kentucky should have been objected to. It was not a proper document to put in the RECORD. It has been repeatedly stated here by both the majority and minority that it is not good practice and certainly not economical government for Members to insert other speeches than their own in the RECORD. However, may I say, with all deference to my distinguished and beloved colleague from Kentucky, who I see is on his feet ready to get into an argument——

Mr. MAY. I do not wish to engage in any argument with the distinguished gentleman from Virginia; but the principal reason why I inserted that speech in the RECORD this morning was that it paid a great tribute to George Washington, Thomas Jefferson, James Madison, and the State of Virginia. I am just wondering if the gentleman from Virginia objects to such a speech?

Mr. WOODRUM. I do not object to the part of the speech that pays tribute to George Washington, Thomas Jefferson, James Madison, or the State of Virginia; but I do object to the part of the speech which I heard, and it was very cynical, very caustic, and generally critical of the efforts of our Chief Executive who is at this time trying to save the Nation.

Mr. O'CONNOR. Mr. Speaker, if I had known that criticism was in the speech I would have objected. I slipped up by not objecting to an outsider's speech being put in the RECORD; however, if I had known that it criticised the President of the United States I would have objected. I am surprised a Democrat would put it in the RECORD.

Mr. MAY. May I say to the gentleman from Virginia that I listened intently to the speech and heard every word of it. If I understand anything about the meaning of the English language, the speech read as a whole does not contain a single sentence, word, or intimation anywhere in the way of criticism of the President of the United States. On the other hand, it pays tribute to him and compares him with Jefferson, Washington, Madison, and Monroe, and even says he is such a great Democrat he went as far south as Georgia to select a new home in order that he may be another great southerner.

Mr. WOODRUM. Mr. Speaker, I have no criticism to make of the speech which the gentleman had inserted in the RECORD as a speech, and it was not my purpose to bring that matter up at this time. But to the gentleman from Minnesota [Mr. KNUTSON] who is now asking unanimous consent to insert a speech in the RECORD may I say that the gentleman has consumed 2 hours of the Nation's time today in forcing two unnecessary roll calls because a Member objected to his introduction of the speech in the RECORD. Now, the gentleman prefaces his request by saying, "In order to expedite business", and proceeds to ask unanimous consent, thereby inferring if he does not get the consent he will demand a roll call.

Mr. KNUTSON. The gentleman must be a mind reader.

Mr. WOODRUM. I did not yield to the gentleman.

Mr. Speaker, that is not the right attitude to take. Important business is before the Congress. The people of this country want the Congress to do business and not fritter away time. If the gentleman and his side want to take the responsibility, they can do so, because I object.

Mr. O'CONNOR. Mr. Speaker, I object too.

A POLICY OF REGULATION OR A POLICY OF RUIN?

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by the gentleman from West Virginia [Mr. RANDOLPH] last Thursday over the radio.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. EDMISTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Representative JENNINGS RANDOLPH, of West Virginia, over the blue network of the National Broadcasting Co. on Thursday night, April 25, at 9:45 o'clock, from Washington, D. C.:

When you turned the radio on tonight, you summoned to your command the services of the light and power industry. You do the same thing every time you switch on the lights, or use a washing machine, or a curling iron, or an electric refrigerator, or a toaster, or a vacuum cleaner. It is, perhaps, the industry that enters into our day's work and play most intimately and most frequently.

I feel, therefore, that I am under a special obligation to call to your attention the fact that this industry faces a very serious danger. There is before Congress a measure, known as the "public-utilities bill", which calls for the destruction of the utility holding company, and which puts the operating company under a kind of Government management.

You may be one of the 10,000,000 individuals who have put their savings in a few shares of public-utility securities. It is my duty to tell you that this bill will impair the value of your investment. Whether you are an investor or not, you are, I know, a member of the 21,000,000 families who use electric current, and I feel that it is equally my duty to say to you that this bill will impair the service which you are receiving.

I am telling you this tonight because I want to give you my frank and honest opinion before any vote is taken on this measure in the House of Representatives. No one knows what will happen in the tomorrow. But tonight I am anxious to make clear to the American people the issues which are involved in this extraordinary legislative proposal.

Now, in the mad days of 1929 there was wild speculation in the securities of public utilities, as in other industries, and in certain companies unsound financial structures developed. In the crash that followed many innocent people suffered, and there has been a tendency ever since to blame the entire public-utility industry for the errors of a few companies that sinned. It was because we wanted to prevent that situation from recurring that we in Congress passed the Securities Act of 1933 and the Securities and Exchange Act of 1934, designed to protect the investor in the flotation and sale of securities.

If these acts do not effectively achieve that purpose—if they are not adequate to prevent a return of the inflationary and highly speculative stock-market situation of 1929—then they should be strengthened. If there are other abuses which have crept into the relationship between utility holding companies and operating companies, these should be corrected by regulation.

I am impressed by the fact that the utility companies themselves are in favor of reasonable regulation. They have said so publicly, and they have made specific proposals to the House committee which has been holding hearings on this bill.

But the trouble is that this bill does not regulate—it destroys! Under the terms of this bill the holding company must be abolished within 5 years.

In recent months an impression has been circulated that the holding company is some kind of a newly developed and complicated device with a rather bad reputation. The impression is entirely wrong. A holding company is simply a company that owns stock in other companies. It has existed for over a hundred years. It has two principal purposes:

First. To offer centralized, skilled management to small, isolated companies so that each can draw upon the experience and skill of the system as a whole; and

Second. To provide adequate financial support so that the local unit, which would not be able to borrow money or sell securities itself, need not lack funds for its extensions and improvements.

You will remember that more than a century and a half ago, when Benjamin Franklin was urging the Thirteen Independent Colonies to join together if they wanted to present a strong front against the demands of George III of England, he took a stick in his hands, for illustration, and broke it; then he tied 13 sticks together, and although each one could have been broken separately, together they were strong.

That is the principle behind the holding company. It exists in every major industry, in automobiles, foods, oil and gas, merchandise of all kinds, newspapers, meats, cigarettes, and so on. Most of the companies which stand highest in American industry today are holding companies. More than that—and this is a very strange thing in the light of this present bill—the United States Government itself apparently has given its approval to the holding company. By Executive order of the President of the United States issued December 19, 1933, the Tennessee Valley Authority has formed a holding company, under the laws of the State of Delaware. One of the directors of the Tennessee Valley Authority, and formerly a member of the Wisconsin Public Service Commission, is Mr. David E. Lilienthal. In 1929 he made this statement, which is a significant tribute to the contribution which the holding company has made to electrical America:

"Since the pioneer public-utility acts of New York and Wisconsin were enacted 2 decades ago, a new figure, the holding and management company, has come upon the field, demonstrated its prowess, and in a relatively few years changed the entire economic nature of the public-utility industry. Isolated plants have given way to great systems, whose lines span several States and serve hundreds of communities, all operated under unified managerial and financial supervision. The spread of rural electrification, the amazing advances in telephony, the rise of superpower systems—these and many other technological developments so intimately related to the public welfare are directly attributable to the efforts of the holding company. Perhaps most important of all, to the holding company must go the credit for the unprecedented flow of capital into the public-utility industry making possible extensions and improvements of service."

What does all this mean to you as an individual?

Well, first of all, it means stable and certain service. Many of you will remember the days when electric service was frequently interrupted or cut off or when there was a flicker in the light. Those days are past. By making it possible for the small plant to finance continued improvements and expansions, the holding company has assured us of an uninterrupted supply of electricity. More than that, it has made it possible to provide that service at a lower cost. Rates for electricity have, of course, steadily declined in the last 50 years. The cost of living, for example, is 39 percent higher now than in the period 1910–14. The cost of residence electricity is 41 percent lower.

But the important thing, from the standpoint of this holding-company question, is that rates are lower under holding-company control than where the companies are independent. I have a list of 140 independent companies located in small towns in all sections of the United States. I also have a list of 140 companies under holding-company control located in the same geographical areas and in towns of comparable size. The cost of electricity was less in the towns supplied by the holding-company affiliates in every case except two.

I was also interested to discover what happened to the rates of an operating company immediately before and after it was acquired by a holding company. In a study of 417 cities and towns the cost to the domestic consumer ranged from 28 percent less to 43 percent less shortly after acquisition.

On the basis of these facts, does it seem wise to ruin the holding company? And when this destruction takes place, what is going to happen to the investor?

There are, I repeat, more than 10,000,000 individual holders of public-utility securities in the United States. About 5,000,000 of

them own the securities of holding companies. If you are one of these people, your investment is in grave danger.

This is what would happen if the holding company is dissolved: The assets of a holding company are the common stocks of the operating companies which it owns. The holding company has issued, let us say, bonds, preferred stocks, and common stocks. It must first pay off its bonds and preferred stock in cash. To raise the money for this it must sell its assets—its operating-company stocks—in a market in which all the other holding companies are dumping their operating-company securities. It would be a forced sale. Nobody wants to buy something that everybody is selling. Maybe there would be enough buyers of the holding-company assets to pay off the holding-company bonds. It might even be able to pay something on its preferred stock, if it was lucky. Certainly its common-stock holders would have their investment entirely destroyed.

Some of the Government proponents of this bill have suggested various elaborate methods, like trusteeships, or certificates of interest, and so on, whereby they have tried to minimize the losses which would result from dissolution. I do not have time to discuss these methods in detail. I can only say to you that there is no possible way whereby the holding-company investment can be protected if the holding company itself is destroyed.

I submit that to you as a reasonable proposition. The assets of a holding company, I say again, are the common stocks of its operating companies. If all over the country these operating-company common stocks must be sold in order that the holding company can retire its own securities and dissolve, who is going to buy, and what kind of a price can the seller obtain?

At the hearings before the House committee, in addition to the public-utility executives themselves, business men, bankers, economists, and investors testified as to the ruinous effects which the bill would have upon investments. The President of a life-insurance company pointed out that it would "destroy the investments made in good faith by this company." The president of the American Federation of Utility Investors cried out in protest that this bill would destroy the hard-earned savings of millions of American people.

That is why the enormous amount of mail arriving in Washington when Congress is in session has become larger than ever in recent weeks. Hundreds of thousands of letters have been received by Congressmen and Senators protesting against the enactment of this bill. These letters are a product of fear. They come, in many instances, from lonely and despairing people who see their last dollar being taken away from them by Government fiat.

I realize very well that some of the Government proponents of this bill have criticized these letters as "propaganda" stirred up by the utility interests. I do not believe that. No industrial group could possibly organize a personal, spontaneous, and sometimes heart-breaking protest of this kind. And I want to say to you that this expression of your opinion is your unquestioned right. I want to say to you that I believe it is the duty of the Members of Congress in a democracy such as ours to listen to what the people have to say. I for one will oppose to the last breath the effort on the part of anyone to curtail the right of the citizen of the United States to send letters to his Government representatives in regard to legislation which affects the way he lives.

Now, I think it must have occurred to you, as it has occurred to me, that there is another way—a more American way—whereby we can handle the utilities problem; and that is the way of regulation rather than the way of ruin. Let us consider these abuses carefully and find out which ones still exist. Let us then propose the necessary legislation to make sure that these abuses cannot reoccur. Then, under a system of fair regulation, the public utilities, with their large potential purchasing power and their vital contribution to industrial life, can continue to function. Let us give them a chance to lead the way to economic recovery, which is just as important to you and to me as economic reform.

POST OFFICE APPROPRIATION BILL OF 1936

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks on the Treasury and Post Office Departments appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, I would like to call attention to several amendments to the Post Office appropriation bill for the next fiscal year which will benefit the postal employees and result in improved mail service throughout the country.

CLERKS AND CARRIERS

Before the bill passed the House the appropriations for clerical hire in first- and second-class post offices and for city delivery service were increased by a million dollars each. These additional allotments, approved by the Senate and written into the permanent bill, will permit the Department to fill existing vacancies by the promotion of approximately 1,300 substitutes to the position of regular clerks and carriers, will provide additional funds for the hiring of substitutes to augment the regular force, and will result in speeding up delivery of the mail.

RAILWAY MAIL SERVICE

The House also approved an increase of $900,000 in the appropriation for travel allowance to railway postal clerks. The amount provided in the bill was insufficient to pay the basic travel allowance of $3 per day, which becomes effective on July 1, 1935, when present provisions of the economy legislation automatically expire. The amendment merely corrects an obvious injustice to a most efficient and deserving class of Government employees by restoring the basic rate of travel allowance for railway postal clerks and substitute railway postal clerks, as provided in the act of February 28, 1925.

This allowance, which was cut to $2 per day under the Economy Act, is to cover actual expenses of railway postal clerks while on duty away from home and does not commence until after the clerk has been on duty 10 hours.

The allowance is divided into four items—one lodging and three meals. Only such items as are necessary and are actually used are allowed, and only after the first 10 hours have been disregarded. It is perfectly obvious to anyone that it is impossible to obtain suitable lodging in any city for 50 cents, nor is 50 cents a very large sum with which to buy a meal in the average restaurant such as will sustain a man at manual labor through the night on a moving train.

The Senate approved the increase of $900,000 for travel allowance, and added $100,000 to the salary appropriation for the Railway Mail Service, to which the House agreed.

SALARY RESTORATION

The Congress previously voted for restoration of the basic rate of pay for Federal employees, and the salary appropriations contained in the Post Office appropriation bill provide for full restoration of pay to all postal employees.

POST-OFFICE INSPECTORS

The force of post-office inspectors will be increased from 525 to 540, in addition to the 15 inspectors in charge. The post-office inspection force is the oldest investigative force of the Government, dating back to colonial days. Although but 25 percent of the work of this branch of the Department is in apprehending criminals and bringing them to trial, its work compares favorably with that of any other Government organization, and it holds the unusual record of having brought about convictions in 98 percent of its criminal cases.

Inspectors are select men, selected from within the Postal Service for their experience and outstanding ability. Some of the prominent men in our Nation's history have been post-office inspectors at some time in their career.

This division saves the Government millions of dollars and has brought to justice criminals whose acts have emblazoned the front pages of our newspapers and terrified the country. Our post-office inspectors work quietly, but efficiently; they track down the train robbers, mail-truck bandits, safe crackers, post-office burglars, kidnapers, and all sorts of dangerous criminals who prey upon the Postal Service; and they have a record of which they can be justly proud.

IMPROVED MAIL SERVICE

In addition to the increased allowances for clerk and carrier hire, which will assist materially in improving the handling of the mails and their speedy transportation, the appropriation for unusual conditions at post offices was increased from $65,000 to $75,000 by the Senate and concurred in by the House.

This appropriation will take care of unusual conditions which cannot be met by the existing postal facilities. For instance, an oil or a land boom in any community will quickly affect the population and give the post office more work than can be handled satisfactorily without additional help. The holiday seasons also impose added burdens upon the Postal Service and make it necessary to put on more help to meet the emergency.

The additional allowance for this cause is to meet the estimated demands upon the Service and to place the De-

partment in a position to meet these demands as they occur and to satisfy the postal patrons.

The Department is also planning to extend and improve the Rural Route Service.

RURAL DELIVERY SERVICE

A committee amendment on the floor of the House added $300,000 to the $94,000,000 appropriation for Rural Route Service, in order to permit the Post Office Department to put into effect its entire program, covering approximately 200 new routes and nearly 5,500 extensions. This will mean improved mail service throughout the entire Rural Delivery Service and the extension of the benefits of this Service to more than 42,000 families who are now without such service.

FOREIGN AIR MAIL

In the Senate an amendment was inserted in the bill providing an additional $2,000,000 for air mail service across the Pacific. The successful flight of the Pan American Airways within the last 10 days has aroused keen interest in spanning the Pacific and bringing us in quicker communication with China and the islands in between. Although this amendment was defeated in the House, it was only with the understanding that it would be favorably considered in connection with the next deficiency appropriation bill.

In 1928 Congress enacted legislation to permit the Post Office Department to enter into contracts for the transportation of mail by air to foreign countries and insular possessions of the United States, and in 1929 Congress enlarged the provisions of that act to meet further demands for this rapid means of transportation.

From a small ferry service in 1927, between Key West and Cuba, our foreign air mail service has spread out to Central and South America, and now it is trying its wings all the way to China. The flight just the other day of one of the master clipper ships of Pan American Air Lines from Alameda, Calif., to Honolulu, a distance of approximately 2,400 miles, in less than 18 hours, was the inaugural flight in our effort to establish an air trade route to the Orient. All the nations of the world are competing with each other in the race for trade, and all countries are spreading out and seeking new fields. If we are not prompt in acquiring rights in foreign countries, we will find our competitors there ahead of us and the market closed to us. Our aviators have the genius, the skill, and the daring to fly the Pacific; it is up to us to match their courage by our willingness and zeal in backing their exploits and cooperating with them in carrying America's good will to foreign ports.

THE BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Alabama [Mr. STEAGALL].

The question was taken; and on a division (demanded by Mr. KNUTSON) there were—ayes 172, noes 6.

The SPEAKER (while the House was dividing). The Chair will take cognizance of the fact that five Republicans left the Hall when the Chair began to count.

Mr. KNUTSON. Mr. Speaker, I object to the vote on the ground that there is no quorum.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-five Members are present, a quorum.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7617, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 40 additional minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object, will the gentleman yield for questions if he is given this additional time?

Mr. STEAGALL. Mr. Chairman, I have never refused to yield to a Member of this House at any time since I have been a Member of this body when I obtained time to speak, either by unanimous consent or in my own right. I hope the gentleman will not undertake to require me to make a promise in order to obtain consent at this time.

Mr. PATMAN. Mr. Chairman, since I am interested in section 2, and that is the part of the bill which the gentleman proposes to discuss, I would like to have assurance he will answer some questions which I desire to propound in this 40 minutes' time.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. PATMAN. Mr. Chairman, reserving the right to object, may I ask the gentleman from Alabama [Mr. STEAGALL] if he is going to allow those of us who have requested time, not members of the committee, to have an opportunity to speak in the general discussion of this bill?

Mr. STEAGALL. I may say to the gentleman that I am endeavoring to obtain an extension of the time for general debate on this bill. I hope the matter may be arranged. However, it does not rest upon any decision of my own. If additional time is granted, there will be no difficulty in affording reasonable opportunity to every Member of the House who has up to this hour submitted a request for time. Unless the time of the general debate is extended, I shall be obliged to consider first applications for time on the part of members of the Committee on the majority side of the House, and I have not had an opportunity up to this time to estimate the time that will be required to accommodate members of the Committee.

Mr. PATMAN. Mr. Chairman, I highly regard the gentleman from Alabama. I dislike very much to object, but unless I can at least get assurance from the gentleman that he will answer two or three or four questions that I would like to ask him, or that I can get at least a few minutes' time, I think I should object.

Mr. STEAGALL. I will repeat that I have never declined to yield.

Mr. DIRKSEN. Mr. Chairman, I demand the regular order.

Mr. McFARLANE. I object.

Mr. COX. Mr. Chairman, do we understand that objection was made to the request of the gentleman from Alabama?

Mr. McFARLANE. Yes; I objected. The gentleman would not give me any time.

Mr. COX. Then I renew the request, Mr. Chairman, that the gentleman from Alabama have unanimous consent to yield to himself 40 additional minutes, and I hope the gentleman from Texas will not object.

Mr. McFARLANE. I object.

Mr. STEAGALL. Mr. Chairman, I yield 1 hour to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Chairman, in this discussion it will be necessary to refer to bankers and to refer to banks, and at times it may seem that there is a degree of personal hostility to banks and bankers. The speaker wants to emphasize the fact that he has no personal hostility to bankers or to banks. As a matter of fact, I have been a director in two banks for over 30 years and the attorney for several banks for fully that length of time. I understand thoroughly the tremendous problems they have to solve, the difficulties in which they find themselves in serving their communities, and the very high standard of energy and intelligence most of them use. Any criticism offered is of our banking system and not of the individual bankers or of the individual banks.

There has been a great deal of discussion in the newspapers of title II of this bill. In my opinion, it is not worth while to take the time of the Committee to discuss title I or title III. The material that goes to make up both of these titles is almost entirely of a perfecting nature, and the controversy here is over title II insofar as there is a legitimate controversy.

The changes made by title II in the original philosophy of the Federal Reserve Act are very, very slight. The Federal Reserve Act has been perverted to the use of the banking

system, and the thing which this bill undertakes to do in a mandatory way is to restore the philosophy that was intended to be incorporated in the act as it was originally passed. Some years ago, when Mark Twain was in good health, the newspapers reported his death, and he sent out a telegram to the effect that the reports of his death had been greatly exaggerated, and I assure you that the reports of the changes created by this bill in the basic philosophy of our central banking system have been grossly exaggerated and grossly misstated by that part of society that has interested itself to keep control not only of a banking system, to which we do not object, but to keep absolute control of the people's money; that is, the people's medium of exchange.

In order to understand fully just what the endeavor is in this bill it is, in my opinion, necessary to discuss the history of attempted monetary legislation in the American Congress.

You all know that the Constitution of the United States contemplates that the American Congress shall coin the money of the country—that is, the medium of exchange, whatever it may be—to coin that thing that people use to exchange their goods and services; and that the Constitution also contemplates that the American Congress shall regulate the value of that medium of exchange. Obviously the American Congress cannot physically do this. A body of 435 cannot do this; but the American Congress can state the policy which it desires pursued in order that the people may have the best possible medium of exchange and delegate the administration somewhere else, and they can do this under the Constitution. But up until this minute, Mr. Chairman, the American Congress has never had the hardihood to coin money and regulate its value. It has never had the hardihood to exercise this great duty imposed upon it by our fathers. It has never had the hardihood to take from the banking class the power to issue and to control the people's medium of exchange and to place it under a mandate into hands whose only interest it would be only to exercise it for the benefit of all the people.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. KENNEY. If that be so, that the people's interest should be paramount, does not the gentleman feel that the merchants of this country, representing agriculture, industry, and commerce would be best fitted to operate and conduct the banks under the laws to be prescribed by Congress rather than have the private bankers control them or even have the Government itself exercise control; and I have in mind, if the gentleman please, the Bank of England and the history of the conduct of that institution?

Mr. GOLDSBOROUGH. I may say, in answer to the gentleman, the business of banking is a business of lending money and collecting money. A bank is a lending institution.

As far as I am concerned, an institution of that kind should have no more governmental control than any other private business.

The difficulty in this country with banking, as such, is minor. The chief function exercised by the banks is the control of the medium of exchange, which is not a banking function at all, but a function for society to exercise for the benefit of all the people.

Up to this hour we have never had the exercise of that function by society. It is a strange thing to me, it is a great mystery, why the section of the Constitution which imposes on Congress the duty to issue money, to regulate its value, is the only section which has been utterly and entirely disregarded.

Mr. KENNEY. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. KENNEY. Under title II there is no provision for banking balances to be placed in any central or single bank so that the central bank, and only the central bank, can know at a given time what the bank balances are.

Mr. GOLDSBOROUGH. There is no special machinery set up in title II. The gentleman is right.

Mr. KENNEY. Is it not necessary for proper control of credit that bank balances should be known at all times and the knowledge of the balances lodged exclusively in the controlling power?

Mr. GOLDSBOROUGH. The bank balances are known 15 minutes after the bank closes.

Mr. KENNEY. Is it not true that it takes a week?

Mr. GOLDSBOROUGH. I do not believe that criticism is justified. Now, if Members will permit me to finish without interruption, I will be glad to answer questions afterward.

The history of attempted legislation to get the people's medium of exchange away from the banks and into the hands of society as is specifically required under the Constitution—so far as I know, begins in 1922, when a bill was introduced providing for the variation of the gold content of the dollar for the purpose of maintaining a stable purchasing power for the dollar.

Extensive hearings were held on that bill in the Sixty-seventh Congress, and also in the Sixty-eighth Congress.

In 1926, some of the Republican Members became interested in the same subject. At that time the Democrats were in the minority. The leadership of the movement was turned over to the Republicans.

Extensive hearings were held in 1926 and in 1927.

When the Democratic Party came into control of the House in 1932, a bill was introduced which undertook to lay a mandate on the Federal Reserve System and the Secretary of the Treasury to raise the general-commodity price level to the average existing between 1921 and 1929 and then maintain it at that point by the control of the credit and currency.

The bill was reported favorably by the Committee on Banking and Currency and passed the House by a vote of 289 to 60.

When the bill got into the Senate an amendment was offered striking out the title and inserting what was then known as the Glass amendment, and which of course, as it was intended to do, rendered the bill absolutely useless for the purpose for which it was introduced.

By this time the people of the country had become very greatly interested in the subject of the stabilization of the currency, and in the question as to how the currency could be so handled as to furnish a maximum amount of efficiency to all branches of society. In 1934 a bill providing for an independent monetary authority was introduced in this House. Extensive hearings covering several weeks were held upon the bill by a subcommittee of seven, which subcommittee reported unanimously favorably to the full committee on the bill. The matter was taken up by the full committee with the administration and it was decided that the time was not ripe for serious consideration in this body of that proposed legislation; but in 1935 we find the basic principles contemplated by the monetary authority bill of 1934 embodied in the so-called "Banking Act of 1935." Instead of providing for an independent monetary authority, the so-called "Banking Act of 1935" provides that the Federal Reserve Board shall act as a monetary authority. What can they do? They can control the rediscount rates in their dealings with member banks. They can raise or lower the reserve requirements of member banks. They have complete control—after consultation with five governors of the Reserve banks—of the open-market operations of the Federal Reserve banks.

This bill provides for pensions for members of the Federal Reserve Board who have retired. If they have served 12 years they will get a salary of $12,000 a year after they retire. If they have served 10 years, they will get a salary of $10,000. If they have served 5 years, they will get a salary of $5,000, but if they have served less than 5 years they will not get anything. They are appointed for 12 years. They can be removed only for cause. We changed the recommendation of the administration that when a man was appointed governor and was removed by the Executive as governor, he should cease to be a member of the Federal Reserve Board. Under the bill as reported he does not cease to be a member of the Board under those circumstances, after he is removed as governor.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. COX. Is not the provision of the bill putting this power in the Federal Reserve Board rather than setting up a monetary authority in line with what evidently is the intent and purpose of the act, which is the concentration of authority and responsibility in one agency representing the national interest. In other words, under the law as it is, is there not such diffusion of authority as to render impossible quick and direct action in case of emergency?

Mr. GOLDSBOROUGH. The gentleman has stated with a rare degree of accuracy the purpose of the part of the bill which he speaks. At this time the banks themselves practically control the monetary policy of the country, and this changes all that. That is what this racket is about, that is why the subsidized press tells us that there is something wrong with the bill. They call it a political bill. They say that we are setting up a political board.

It is exactly the opposite. These men are appointed for 12 years, but if they have served for 5 years they are pensioned after they retire. They cannot be removed at the whim of a President. What more independent board can you imagine than that? Now it is the Governors of the Federal Reserve banks who control the open-market policies of the Federal Reserve banks. This bill places their open-market policies under the control of an independent board, the Federal Reserve Board, which is not dependent at all upon the banks.

Mr. COX. One representing a special group of special interests, while the other represents society as a whole.

Mr. GOLDSBOROUGH. That is correct.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. SWEENEY. I think the gentleman is one of the finest students of the monetary question and probably has done as much as any man in this House in that direction. I supported his bill last year. It was a bill in the direction of reform in banking. That bill was defeated in the Senate by sources over which we had no control. I want to ask the gentleman a sincere and candid question. Is not the solution of our problem this: That this Congress ought to take its rights into its own hands and coin money and regulate the value thereof, and create a central bank and insist upon 100-percent reserves behind demand deposits? Is not that the solution?

Mr. GOLDSBOROUGH. If I have time, I am going to refer to all of the matters of which the gentleman has spoken, but I am not ready to do it right now.

The American Bankers Association submitted a printed memorial to the Committee on Banking and Currency of the House. A special committee of the American Bankers' Association, consisting of R. S. Hecht, chairman of the board of the Hibernia National Bank in New Orleans; Robert V. Fleming, president of Riggs National Bank, Washington, D. C.; Tom K. Smith, president of the Boatmen's National Bank of St. Louis; Winthrop W. Aldrich, chairman of the board of the Chase National Bank of the city of New York; Ronald Ransom, executive vice president of the Fulton National Bank of Atlanta, Ga.

When the distinguished ranking member of the minority on the committee was speaking yesterday he criticized this proposed legislation on the ground that the Federal Reserve banks were private institutions, and that under this legislation they could be required by the Federal Reserve Board to so conduct their open-market operations as to be compelled to either buy or sell bonds, whether they wanted to or not. Now, let us see whether the American Bankers Association had the hardihood to make any such criticism. Private banks? Of course, the member banks were private banks; but member banks and the Federal Reserve banks have been in control of the people's medium of exchange, and when they began to close, because of the financial condition of the country, we set up the Reconstruction Finance Corporation to put them on their feet. They did not claim that they were immune to help at that time. They did not say, "We are private institutions and therefore we cannot take your money." They said, "We exercise a public function. It is our obligation to furnish the people the money whereby they can transact the business of the country, and therefore we must be protected by the public, and the Treasury of the United States must be open to us."

That is what they said then. The Treasury of the United States was open to them, and for several years the stock of the banks of the country has been purchased by the people's money, furnished by the Reconstruction Finance Corporation in order to keep them from closing. Why? Because they exercise a public function. They should not exercise it. That is what has destroyed the country. That is the thing that has created this depression; but they do exercise it. Therefore they cannot come here and say that the Congress of the United States shall not so control them as to safeguard the people's money from undue expansion and contraction. There is not a word in that memorial of the American Bankers Association to the Committee on Banking and Currency that criticizes such a policy.

Mr. COX. I wonder if the gentleman would yield to me for the purpose of quoting from the testimony of Mr. Eccles in the hearings on this bill, who himself was quoting another, and one for whom I confess I never had any great affection, but for whom justice rings tribute that he is possibly the greatest brain of the twentieth century, our great war President, Woodrow Wilson, who said in a message to the joint session of Congress in 1913:

> The control of the system of banking and of issue must be vested in the Government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative.

Mr. GOLDSBOROUGH. I thank the gentleman for his illuminating contribution.

Half of my time is gone. If it can be avoided, I would appreciate it if gentlemen withhold their interruptions and let me complete my statement.

Under the head of "Open Market Operations", this is what the American Bankers Association said to us:

> Neither the original text of section 205, providing for the open-market committee of three members of the Federal Reserve Board and two governors of the Federal reserve banks, nor the subsequent suggestion which has been made that authority over the open-market operations be vested in the Federal Reserve Board, which would be required to consult with a committee of 5 governors selected by the 12 governors before adopting an open-market policy, a change in discount rates or a change in member bank reserve requirements seems to constitute a satisfactory solution of the open-market problem.

Then, further:

> Our suggestion is that the open-market committee shall consist of the entire Federal Reserve Board (reduced to 5 members) and 4 governors of the Federal Reserve banks, selected by the governors of the 12 Federal Reserve banks annually, each member of the open-market committee having a vote in the deliberations of the committee on the three subjects to be intrusted to it—i. e., open-market policy, change in discount rates, or change in member-bank reserve requirements.

You will see that while the American Bankers' Association suggests that the banks be represented on the open-market committee, they do not have the hardihood to say that the Government of the United States has no right to set up an open-market committee which shall control the purchase and sale of Government bonds.

Now, Mr. Chairman, in this country we are blessed, apparently, with what is known as a "Committee of Sixty." We had one member of this committee before the Committee on Banking and Currency. His name is Prof. Walter E. Sparr. He is apparently professor of economics in the University of New York. I find he is secretary-treasurer of the Economist National Committee on Monetary Policies. This will be interesting to you. The president of that organization is Edwin W. Kemmerer, professor of economics at Princeton University.

On the executive committee is Dr. H. Parker Willis, who is professor of banking at Columbia University and who was the adviser of the House Committee on Banking and Currency when the Federal Reserve Act was written, and who was Senator GLASS' adviser when the 1933 act was written.

Professor Spahr came before our committee and stated that in his judgment this committee of 60 knew more about the subject of money than anybody in the world. That was

his opinion. We asked him what he would do about existing conditions. Oh, he would not do anything now; he would have a committee appointed to study the question and report in about a year; and that is as far as he got with constructive suggestions.

We then thought we would like to find out the opinion of the learned gentleman. We ascertained that he knew the Constitution of the United States stated that Congress had the duty imposed upon it to issue money and regulate its value, but when we pressed him he said that if they did issue money and regulate its value they would be guilty of forgery. That is his exact language, that if the Congress did what the Constitution of the United States stated it should do, it would be guilty of forgery; and he said it in half a dozen different ways, so that the wayfaring man, though he were a fool, could read and understand.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HOLLISTER. I do not believe the gentleman from Maryland wanted to quote Professor Spahr incorrectly.

Mr. GOLDSBOROUGH. I could not do that; he went too far.

Mr. HOLLISTER. What Professor Spahr said was that when Congress issued money which had absolutely nothing behind it that then it was committing a forgery, because one of the definitions of forgery is the signing of a name to a valueless piece of paper.

Mr. GOLDSBOROUGH. Congress could not issue money with nothing behind it, because every sovereign power that issues money has behind it the wealth of every individual in the country. [Applause.] But he said in a half dozen different ways that unless Congress got its money by borrowing from some bank or by taxation—if it got its money in any way other than these two—it was guilty of forgery. That is what that statesman said.

Let us now see what this other apologist of the banking system said about the banks in a recent book that he published. I have the book in my office; I got it from the Library of Congress.

[From the New York American, Wednesday, Mar. 20, 1935]

DESTRUCTIVE POLITICS

By Robert H. Hemphill, financial authority

The introduction to H. Parker Willis' comprehensive new book, The Banking Situation, contains statements from this eminent authority of such vital significance that the high lights at least should be most widely published.

No one in the United States is more competent than Dr. Willis to speak upon these subjects. He has long been recognized as the leading financial authority sympathetic with, if not representative of, international banking sentiment of Wall Street.

His tutorship of and close association with the Honorable CARTER GLASS, formerly Chairman of the Banking and Currency Committee of the House and later of the Senate, who more than anyone else of recent years has dominated the progress of financial legislation in the United States, enables Dr. Willis to speak with certainty of the political manipulation by which fundamental improvements in the banking-monetary system have been consistently prevented.

Dr. Willis says:

"For the past several years it has been evident, even to the casual students of banking and of the general industrial situation in the United States, that a fundamental reform or reorganization was inevitably necessary. The inadequacy of the American banking system to provide for the requirements of business has long been evident.

"The measures which were taken during the years 1931 and 1932, for the improvement of banking conditions, were entirely of the sort classified as 'relief', and in no case partook of reconstruction, reform, or improvement.

"The state of things revealed by the break-down of 1933 has shown that there is need for complete rectification and reconstruction even of the very foundations upon which the present-day banking system of the United States rests.

"BANKERS LACK VISION

"To those who recognize any measure of truth in the general indictment of the situation thus outlined, the question must naturally occur: Why is it that the United States, perhaps the wealthiest country in the world, perhaps also that country in which the widest distribution of income has taken place, should have suffered particularly from such adverse conditions?

"In most countries legislation on the subject of banking originates in one of two ways. It may, first of all, be proposed by the Administration of the country.

"In some other countries the banking community itself succeeds in exercising a general jurisdiction over the conditions that surround its own operations and has the wisdom from time to time to acquiesce in changes designed to give the public what changes are demanded by circumstance even though such changes might not appear advantageous to the members of the banking community itself.

"In the United States we have not been willing to assent to either of these methods. American bankers have practically never been willing to agree among themselves about changes in banking laws.

"The American Bankers' Association has seldom, if ever, taken any position with regard to banking laws except to oppose or antagonize what was being proposed.

"MONEY TRUST REIGNS

"In other cases it has been obliged to admit the existence of a very representative minority, whose view was far from coinciding with that of the larger body of members.

"There is probably no country in the world in which there is a greater approach to the real existence of a so-called 'money trust' than in the United States. Nor is there any country in which there is less assurance of nonpartisanship and fairness in the extension of credit in banks to individuals or corporations.

"It is seldom that there can be any actually frank congressional debate about currency or banking questions. Most such discussions have been largely personal recrimination or an appeal to prejudice based on 'antitrust' and other allied ideas or an effort to stir up popular prejudice or imaginary fears of one sort or another.

"For many years it was the practice of the banking community to secure the 'pigeonholing' or ignoring of new legislation by the familiar methods of legislative obstruction and control.

"LEGISLATION IN CONGRESS

"When these forms of opposition lost their force or were unsuccessful, proposed changes of law were often either referred to committees around which special interests clustered, or they were made by legislators who were determined to prevent any further growth or development of arguments of the kind thus contemplated. In other cases such legislation was allowed to reach a fairly advanced stage, and then was called up for 'hearing' before some committee, at which time a joint onslaught by banking interests developed for the purpose not of improving or strengthening the legislation, but merely of rendering it ridiculous or at any rate unpopular, and of relegating it to the background."

Professor Willis' exposé is timely. Important banking legislation is now before the Banking and Currency Committees of both the House and the Senate. On its disposition hinges our hope of recovery and may hinge the fate of our Democracy.

That is what this gentleman who is now apologizing for the state of the banking system, who says that we are all wrong in what we are trying to do, thought of the banks when he wrote his book.

Now, let us see what Professor Kemmerer, who is the president of this organization, thought of what we were trying to do a few years ago. In December of 1927 Professor Kemmerer, who for years had been professor of economics at Princeton University, made this statement:

The world sooner or later must either learn how to stabilize the gold standard or devise some other monetary standard to take its place. There is probably no defect in this economic organization today more serious than the fact that we use as our unit of value not a thing with a fixed value, but a fixed weight of gold with a widely varying value. In a little less than a half a century here in the United States we have seen our yardstick of value, namely, the value of a gold dollar, exhibit the following gyrations: From 1879 to 1896 it rose 27 percent; from 1896 to 1920 it fell 70 percent; from 1920 to September 1927 it rose 56 percent. If, figuratively speaking, we say that the yardstick value was 36 inches long in 1879, when the United States returned to the gold standard, then it was 46 inches long in 1896, 13½ inches long in 1920, and is 21 inches long today.

That is what Professor Kemmerer thought of our monetary system controlled by the banks in 1927; but now he has become 1 of the 60, one of the anointed who are going to have a commission appointed to report a year from now on what may be done. Every day my mail is filled with letters from business houses, from people who evidently know nothing about the subject but who have been told by their bankers to follow the advice of Professor Kemmerer and write to their Congressmen that they want a nice little commission appointed to report on this subject 1 year from now.

Mr. Chairman, it is impossible in the time allotted to me, and properly allotted, because there are other members on the committee who can throw great light on this question, to cover the points I would like to. I do want to call attention to an amendment which I shall introduce when the proper point in the bill is reached. The amendment reads as follows:

On page 51, after line 10, insert a new paragraph, as follows:

"(c) Section 11 of the Federal Reserve Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"'It is hereby declared to be the policy of the United States that the average purchasing power of the dollar, as ascertained by the Department of Labor in the wholesale commodity markets for the period covering the years 1921 to 1929, inclusive, shall be promptly restored; and that after such restoration shall have been achieved the purchasing power of the dollar shall be maintained substantially stable in relation to a suitable index of basic commodity prices which the Federal Reserve Board shall cause to be compiled and published in complete detail at weekly intervals.

"'The Federal Reserve Board, the Federal Reserve banks, and the Secretary of the Treasury are hereby charged with the duty of making effective this policy. To this end it shall be the duty of the Secretary of the Treasury to establish or cause to be established in the United States a free and open market in which gold and silver may be bought and sold for use, investment, or trade, and to determine, without limitations, and with the advice of the Federal Reserve Board, the amounts and the prices at which the Treasury shall buy and sell gold and silver.

"'Acts and parts of acts inconsistent with the terms of this subsection are hereby repealed.'"

Mr. FIESINGER. Mr. Chairman, if the gentleman will yield, what does the committee think of his amendment?

Mr. GOLDSBOROUGH. The gentleman means the Committee on Banking and Currency?

Mr. FIESINGER. Yes.

Mr. GOLDSBOROUGH. I cannot say; I do not know. I was not able to secure a majority vote, but whether or not a majority thought it was a good amendment is a very different proposition.

Mr. FIESINGER. I had in mind to ask the gentleman a question or two, but I did not want to interrupt him. Now that he has read this amendment, I want to tell him what I have in mind. The gentleman spoke about the stabilization of our money. Does not the gentleman mean, in fact, the stabilization of the price level of commodities?

Mr. GOLDSBOROUGH. I have no objection to that statement; I think it is correct and means the same thing as my statement.

Mr. FIESINGER. If this be the purpose and object, then we are going to leave that question up to the Advisory Board, are we not? They are the manipulators of the stability of the money and the purchasing power of money and of commodities.

If we do that, what assurance have we that they, being between the conflict of money and property and the producers of commodities, will take the side of producers of commodities against money and property? The gentleman is trying to cure that by this amendment, and that is the reason I asked the question whether the committee was in favor of the amendment.

Mr. GOLDSBOROUGH. I can only guess. If I was guessing, I would say the majority was in favor of it, but I do not know that definitely, and they have not said so to me.

Mr. FIESINGER. Why was that not put in the bill then?

Mr. GOLDSBOROUGH. There are practical men on the committee, and their judgment might be better than mine.

Mr. FIESINGER. I do not know much about this amendment, but I repeat the question, What assurance have we, if this bill is passed, that those in control of the Federal Reserve System will not manipulate things in the interest of the purchasing power of money as against the purchasing power of commodities?

Mr. GOLDSBOROUGH. Does the gentleman mean without some mandate?

Mr. FIESINGER. Without some mandate. Will they not look at it from the interest and standpoint of the bankers, because all of them are bankers?

Mr. GOLDSBOROUGH. I think this amendment will control the situation.

Mr. FIESINGER. I think the gentleman and I are agreed on one thing, and that is if we are going to pay our debts contracted when commodities were a great deal higher than they are now, we will have to have a higher price level.

Mr. WOLCOTT. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Michigan.

Mr. WOLCOTT. This is a very important question, in view of the gentleman's statement and the amendment which he is going to offer. I understood the gentleman was attacking Professor Kemmerer and his theory we ought to have a gold base for our currency?

Mr. GOLDSBOROUGH. No; I was not.

Mr. WOLCOTT. At the same time the gentleman's amendment, as I understand it, creates a free and open market for the purchase and sale of gold and silver. What affiliation is there between the gold standard and the purchase and sale of gold in a free market under the gentleman's amendment?

Mr. GOLDSBOROUGH. After the 1921–29 level is restored, then the index number shall be fixed at that point, solely in reference to basic commodity prices as they exist at that time. The international medium of exchange up to this time has been gold, and as long as it is gold, these basic commodities enter into international trade and the raising or lowering of the price of gold will raise or lower the price of these commodities. Reason not only tells me that, but I can prove it mathematically if given the time. I could demonstrate that that has been the course of the prices of basic commodities.

Mr. WOLCOTT. How does the gentleman's amendment differ from the policy which we have already established of giving the President the power to devaluate the gold and raise or lower the value of a dollar to the point where the commodity price index will be at the 1926 level. It will be stabilized.

Mr. GOLDSBOROUGH. There are two answers to the gentleman's question. One is that the President has adopted the policy of fixing the price of gold and not allowing it to raise or lower in a free market. The other answer is that that legislation was purely emergency legislation, while this amendment undertakes to write permanent law.

Mr. WOLCOTT. The gentleman will realize that I have been sympathetic with the program and I am asking these questions merely to draw out the differences that might be in the minds of some of the Members.

Mr. GOLDSBOROUGH. I thank the gentleman.

Mr. Chairman, I will list the basic commodities I have in mind: Hides, rubber, linseed oil, turpentine, petroleum, copper, lead, zinc, tin, silver, cotton, print cloth, wool, silk, burlap, sugar, coffee, cocoa, eggs, butter, cheese, flour, beef, pork, lard, wheat, corn, oats, rye, and barley. That list, of course, is subject to variation but it is substantially what would compose a basic commodity index.

May I call the attention of the distinguished gentleman from Michigan to the fact the latter part of this amendment states that with the advice of the Federal Reserve Board the Secretary of the Treasury can determine without limitation the amount and price at which the Treasury shall buy and sell gold. In other words, while gold will be on a free market generally, if it became necessary either to raise or lower the index number, the Secretary of the Treasury would have authority to go into the market and buy gold in order to raise the price of gold and so raise the price of the basic commodities, or to sell gold in order to lower the price.

Mr. GRAY of Indiana. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Indiana.

Mr. GRAY of Indiana. Has the gentleman defined the exact policy and course of operations that is to be binding upon this Federal Reserve Board? I just ask the gentleman that question; and if so, where?

Mr. GOLDSBOROUGH. May I say that I have found in an experience of some few years I cannot get everything I want. Very often I cannot even approximate it. The amendment which I am offering is the composite judgment of several groups. It is the very best we can get, and we feel it is immeasurably better than anything we now have, and I am very hopeful we can secure the adoption of the amendment.

Mr. GRAY of Indiana. I am sorry, but that is not the question. I want to know if the gentleman or the committee has defined the exact policy and course of operations that is to be binding upon the Federal Reserve Board; and if so, where is it included in the bill? If it is not, just say so. I do not ask the gentleman to create anything. Is it there or is it not there?

Mr. GOLDSBOROUGH. The gentleman means in the bill or in the amendment?

Mr. GRAY of Indiana. In your bill, if it is there, or assuming it is there, have you provided any mandates to compel the enforcement or observance of that polar-star gold, or have you provided any restraints or restrictions or any prohibitions against this Board doing something it should not do; and if so, where is it in the bill?

Mr. GOLDSBOROUGH. I have attempted, as I said before, to draw an amendment which would constitute a mandate. There is, however, a statement on page 51 of the bill which says:

(o) It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

Mr. GRAY of Indiana. Will the gentleman explain wherein that clause defines any policy or provides for any mandate or provides for any prohibition that would in any way control or direct the Federal Reserve Board or change the course of the Federal Reserve Board in the future from what it has observed in the past? Show me any word or any line or any provision anywhere in the bill. I cannot find it myself, but I may be wrong.

Mr. GOLDSBOROUGH. It is intended, I may say to the gentleman from Indiana, to do this——

Mr. GRAY of Indiana. I am not talking about what is intended. I want to know what is in the bill and where it is in the bill.

Mr. GOLDSBOROUGH. I have read it to the gentleman and I am going to tell you what the purpose is. The purpose of the language is to direct the attention of the Federal Reserve Board to the fact that under this bill it is given practical control of the monetary affairs of this country, and that being so, they must exercise it in the interest of the public and not in the interest of the banks.

Mr. GRAY of Indiana. Just one more question. Where in the bill is there provided any assurance that the Federal Reserve Board you are appointing will do what is necessary to be done?

Mr. GOLDSBOROUGH. I do not know whether we will have angels on the Federal Reserve Board or not. If we do, they will be an entirely different class of people from those we have anywhere else.

Mr. GRAY of Indiana. We have had all other kinds, and it is time we were having some angels.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. ENGEL. Did I understand the gentleman correctly to state that this bill provides that the members of the Board, after they have served for 12 years at $12,000 a year, receiving a total of $144,000, are to be pensioned for the rest of their lives at $12,000 a year?

Mr. GOLDSBOROUGH. Yes; that is correct; and I may say, furthermore, if they do what they should do they will be worth hundreds of millions of dollars to the struggling masses of the people of this country every year they work. [Applause.]

Mr. ENGEL. How about after they quit working?

Mr. GOLDSBOROUGH. The idea is this: If you put a man of middle age on this Board and keep him there for 12 years or more and he devotes his entire time to it, when he leaves the Board he simply cannot get a job, that is all; and if he is going to do his work right, he ought to know he is not going to go on the bread line when he leaves.

Mr. ENGEL. I was thinking about the $15 a month that we are giving other people on the other end of the line.

Mr. GOLDSBOROUGH. I did not come here to make a demagogic speech.

Mr. ENGEL. Neither did I.

Mr. GOLDSBOROUGH. Or to answer demagogic questions.

Mr. ENGEL. But I did make a statement that is pertinent.

Mr. GOLDSBOROUGH. I do not consider that a proper question to inject into this discussion, and therefore I shall not answer it.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. PATMAN. I believe my friend will agree with me that the Federal Reserve agent under the present set-up is the most important official connected with a Federal Reserve bank and that this Federal Reserve agent can call up the Bureau of Engraving and Printing and get money printed, and so forth. Under this bill the Federal Reserve agent's title is changed to that of governor. Under existing law the Federal Reserve Board can appoint this individual, but under this proposed bill the Federal Reserve banks' directors will appoint him. Does not the gentleman think that should be changed, putting it back to where it is now, so that the Federal Reserve Board can appoint the man who will have charge of the Federal Reserve bank?

Mr. GOLDSBOROUGH. It is not intended that the governor of the Federal Reserve bank shall be the Federal Reserve agent.

Mr. PATMAN. The Federal Reserve agent is abolished under this law; that is, the title of "Federal Reserve agent" is abolished.

Mr. GOLDSBOROUGH. I understand that, but it is not intended that the governor of the Federal Reserve bank shall take over the duties of the Federal Reserve agent.

Mr. PATMAN. Is the gentleman sure about that?

Mr. GOLDSBOROUGH. Oh, yes; I am absolutely certain about it.

Mr. PATMAN. Who is going to perform those duties?

Mr. GOLDSBOROUGH. They can appoint anybody to do that; and let me tell the gentleman the history involved.

I started out by saying in my opening remarks that the banks had perverted the Federal Reserve System.

Mr. PATMAN. And I agree with the gentleman.

Mr. GOLDSBOROUGH. All right. There is not a word in the Federal Reserve Act that provides for a governor of a Federal Reserve bank.

Mr. PATMAN. That is true; but listen——

Mr. GOLDSBOROUGH. Just a minute. There is a provision that the Federal Reserve Board shall appoint a chairman of the board of each Federal Reserve bank. The banks simply went to work and they practically abolished the chairman of the board, who does have a place in the law, and appointed a governor themselves, without the slightest justification in the world for it.

Mr. PATMAN. It is a violation of the law, I agree.

Mr. GOLDSBOROUGH. Of course it is a violation of the law.

Mr. PATMAN. Then why should we condone it by enacting into law something that is absolutely wrong? We do, in this law, what the gentleman says the bank itself should not do.

Mr. GOLDSBOROUGH. No; they can elect their own governor under this act, but he has to be approved by the Federal Reserve Board.

Mr. PATMAN. I understand that, but the banks will not submit a name that is not satisfactory to the banks and the Federal Reserve Board only has veto power, and, surely, the banks will select the one they want for that place and have charge of the matter.

Mr. GOLDSBOROUGH. I do not think so at all. As a matter of fact, I will say to the gentleman from Texas, while this legislation, of course, theoretically speaking, could be improved upon, if we are able to pass this bill through the House and through the Senate, in my opinion, it will be the greatest advance in economic legislation that has ever taken place in the history of the world.

Mr. PATMAN. I agree with my friend, but let me ask one other question about the open-market operations.

I thought the Federal Reserve Board, under this bill, would appoint the committee and control the open-market operations, but I notice from this report that the governors of these banks will appoint that committee, and the governors of the banks are selected by the directors.

Mr. GOLDSBOROUGH. The gentleman is wrong about that. The Federal Reserve Board is the open-market committee, and they are only required to consult with the committee of five appointed by the banks themselves.

Mr. PATMAN. That is an advisory committee?

Mr. GOLDSBOROUGH. Certainly. [Applause.]

Mr. PATMAN. Well, that is all right.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, the most important question that will ever come before this or any other Congress is a question that is involved in this bill. That question is, Shall the Government of the United States control the money and credit of the Government, or shall the private banking interests control the Government? While the present bill does not present the question squarely on all fours, yet, in discussing this bill, we cannot avoid discussing this real issue.

We can appropriate money in billion for relief, we can pass moratoriums, we can defer tax deeds, we can refinance every class in the United States; and yet, if we fail to restore this Government to the people who compose it; if we fail to take possession of our own money and our own credit; if we fail to say to private banking interests you must now surrender the stranglehold you now have on the people of this country in unconscionable interest rates, and withdrawn credit; if we fail to drive those private banking interests out of the control of the Government itself, we shall have failed in our duty to the American people.

Gentlemen of this House, this is not a political question. The power of private banking interests is not to be measured by party lines. The bond which through the years were formed by the association and combination of private banking interests is stronger than party; it is the strongest tie every developed on this continent. I have heretofore shown that in the great Northwest the people have been and now are at the mercy of an unscrupulous banking system, organized under the banner of the Northwest Bancorporation and the First Bank Stock Corporation. These two holding companies have gained control of the best financial institutions of Montana, North Dakota, South Dakota, Minnesota, Michigan, parts of Wisconsin and Iowa. With an investment of $1,000 the Northwest Bancorporation sold $50,000,000 in stock to the people of the Northwest, and through this spurious and worthless stock financed the purchase of the best banks in the States named. Not content with that, this institution, together with its criminal sister, the First Bank Stock Corporation, has gained control of every Government finance agency located in the Northwest for the relief of the people financially.

Today, in the Twin Cities, they control the Federal land bank, the intermediate credit bank, the Federal Reserve bank, the Reconstruction Finance Corporation, and every other Government institution intended to grant financial relief to the people. Who controls these institutions? Can the Democratic administration control them? Who does control them? The answer is that private banking interests are powerful enough to keep control. They gained control through the administrations of Harding, Coolidge, and Hoover, and the Democratic administration bureau chief keeps the same men in control.

We hear great alarms being sounded by the private bankers to this effect, "Don't let the banks be politically controlled." No; they would have you leave control where it is—in the hands of the "money power." Why do they want to control these institutions? Simply because they want to use them. I have shown in former speeches to the Congress how they are using the institutions of the Government for their own private interests.

When the Federal Reserve Act was introduced in Congress, it was intended and designed to break the power of the private bankers, who were able to create a "money panic" any time they desired one. I hold in my hand a copy of the original Federal Reserve Act, which I shall designate as exhibit 1; I hold in my other hand the act as it came from the committee of the private bankers of America, which I will designate as exhibit 2. Examining exhibit 2 you will notice the bill has many provisions which have been stricken out; you will also notice it has many new provisions written in in red ink. That was done by the private bankers. I now pick up the law as passed, known as the "Federal Reserve Act", which I will designate as exhibit 3. Now compare these documents. What law was passed? The law as introduced or the law the private bankers wrote? Look at exhibit 2—the private bankers' changed bill—and you will see that it is the act that was passed with very few minor changes.

This completes the argument and proof that the Federal Reserve Act intended to control the power of private bankers to initiate panics, was, after all, left in control of the very men against whom it was intended as a check. What other proof do we have—worlds of it—on the advisory council were 12 men, one appointed by each of the 12 Reserve banks. J. P. Morgan represented the New York district, district no. 2, and when the councilmen met in Washington in October 1914, J. P. Morgan was elected chairman of the advisory committee of the Federal Reserve System. In other words, the whole policy of the system was placed in the hands of the "private bankers" before a single bank was opened. It is, in fact, the same old private system operating under a semi-Government endorsement, to take away the curse of private control, which had become obnoxious to the American people.

Can this famed Federal Reserve System bring on panics? Decidedly yes. It did this very thing. The present depression in this country was precipitated by the Federal Reserve Board at the meeting in Washington on May 18, 1920. We were at peace with the world—there were no internal strikes or disorders. Everything was moving ahead orderly. This Board deliberately and criminally determined to put a stop to orderly business. The credit that had been extended they demanded to be paid. Credit was withdrawn, and in order to pay, our grain, our cotton, our corn, our tobacco, our lands were sacrificed. As soon as the great agricultural population were left moneyless, there ceased to be a buying factor in our national business. When this buying power was destroyed, the manufacturing centers lost their customers and, having lost an outlet for their goods, they were forced to shut their plants down, and it was then that the millions went out of employment. It should be self-evident that this Reserve System, when it was most needed, failed to function for the American people.

How does the system work? It is a private system. The Government does not own a dollar of the stock of the Federal Reserve banks. The Government makes nothing, and can make nothing, until such time as the banks are liquidated. The profits now go into buildings (capital investments), salaries, and reserves. The surplus and profits will not come into the Government control under the law until a bank is liquidated. Annually the member banks get their dividends. Salaries which are unconscionable are paid to officers.

But what do these banks get from the Government in return for actually nothing. They get the use of Government cash and Government credit for nothing and loan that money out, and 10 times that amount, and draw interest on the whole credit system. They also draw interest on the bonds placed with the Government as security for currency. The Federal Reserve Board has issued approximately $4,000,000,000 in Government currency for which the Government is paid no interest. What is behind this issue? Mostly the Government's own bonds, drawing interest at 3½ percent. The private system, therefore, collects the interest on the bonds deposited and on 10 times the amount of the cash received from the Government. This system buys the Government bonds and pays the Government how? They give the United States Government a credit on the banks' books, and the Government is permitted to draw checks on a fund created by the Government's own money and credit. The Government pays 3½-percent interest on its own money handed over to the private-bankers system to use.

It is comparatively simple to see this operation. Those who desire to continue this system always say, "Now, this money question is a very deep and complicated matter, and only a few men understand it." As a matter of fact, it is not deep, and it is not complicated, if we will only stop to dissect it and bring the inner contents to the light of day.

Mr. PATMAN. Will the gentleman yield?

Mr. BURDICK. I yield.

Mr. PATMAN. There has been a great deal of talk about the Government in private business. Does not the gentleman think we should take the bankers out of Government business?

Mr. BURDICK. If we are to continue as the greatest nation in the world it should be done at once.

Is there any Member in the House who, with logic, can say that we should continue a system by which this Government pays interest on its own money and credit? Is there any just reason why the United States should not finance itself instead of financing the private banking racketeers of the country? Is there any reason why the private banking interests of the country should control the destiny of the American people? Is there any just reason why these private banking interests should control our Government? It would be a grand experiment to let the people have just one opportunity to operate their Government. There would not be such a demand that the Government be destroyed and a new one set up if we would give the people, for once, a chance to see how their own Government would work in their own hands. In my judgment, we have the best form of Government ever set up on this earth, and to destroy it would be to lose our fight for freedom for a thousand years. We know how powerful the money interests have become; we know they should not control this Government; we know we should control it; and the one and only way to control it is to drive those private interests, who control it financially, out of the councils of our Government.

When we say "establish a bank of the United States" immediately goes out the false statements that we tried that twice—once in 1790 and again in 1816. I submit that we never had a Bank of the United States. We had institutions called that, but the Government never owned or controlled the stock and never controlled the banks. In the first bank the capital stock was ten million and the Government subscribed two million, and the rest was private. In the second bank the capital stock was thirty-five million and seven million subscribed by the United States. The balance was private. In both cases private interest managed and controlled the banks. They were nothing more, or very little more, than our present Reserve System. We at least had some stock in them then. But those banks, managed by the "money crowd" started panics and manipulated stock sales and threatened the stability of the country's business. It took a great patriot like Andrew Jackson to smash their system and drive them out of control of the destiny of the American people. We can never pay to Andrew Jackson the tribute that is due him for smashing this system.

Mr. HOLLISTER. Will the gentleman yield?

Mr. BURDICK. I yield.

Mr. HOLLISTER. I do not understand the purport of the gentleman's argument. I understood the gentleman to be arguing for the Government to take over this system, and the thing that Andrew Jackson objected to was the Government control of the banking system. The gentleman is blowing hot and blowing cold.

Mr. BURDICK. So far as I am concerned, I am blowing hot. [Laughter.] The reason why Jackson drove the money changers out of the temple was because the speculators in the bank were destroying the credit structure of the Nation. Private interests owned and controlled the bank. The Government only had seven million of the thirty-five million stock.

Mr. HOLLISTER. Andrew Jackson objected to the Government controlling the banking situation.

Mr. BURDICK. I would like to conform to the gentleman's view, but I cannot change history. We need another Andrew Jackson now.

Mr. McFARLANE. Will the gentleman yield?

Mr. BURDICK. Yes.

Mr. McFARLANE. I think the gentleman is actually correct in his matter of history.

Mr. BURDICK. We need another Andrew Jackson now. We need to smash the Federal Reserve System. We need to build a bank of the United States, owned and all by the United States, operated by the United States for the people of the United States. Why should we bankrupt this Government paying interest on bonds of the Government, when we do not need bonds? Issue new money by the new bank under the power granted to Congress by the Constitution, pay off these bonds, and stop this contribution to private bankers that has actually bankrupted the Nation and everyone in it. Today we owe, public and private, over $290,000,000,000, and all of our property in existence is not worth 50 percent of what we owe. This annual interest charge is more than the combined income for agriculture and labor (1933–34).

Mr. FIESINGER. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman.

Mr. FIESINGER. I understood the gentleman to say that one of the objectionable things the Federal Board did to the farmers in 1920 was when they contracted the currency.

Mr. BURDICK. Yes.

Mr. FIESINGER. What is there in this bill that would prevent a similar occurrence? Can the gentleman point it out specifically?

Mr. BURDICK. I think if the gentleman will reserve that question until I get through, the question will be answered. If I have time, I will answer it, but maybe I shall cover the question. I have no intention of trying to avoid the answer to any question that I can answer.

Mr. PATMAN. Is the gentleman supporting the bill as it is?

Mr. BURDICK. The same reply applies to the gentleman's question as to the question of the gentleman from Ohio [Mr. FIESINGER]. If the gentleman will wait a moment, he will see what I think of the bill.

Mr. PATMAN. Does the gentleman think it is a good step in the right direction—a good, long one?

Mr. BURDICK. Yes. I am satisfied that the Democratic administration is not powerful enough to remove the Coolidge-Hoover operators of the Government finance institutions. I am satisfied that the "private money group" of the Nation is now stronger than the Democratic administration and that the administration will have to sit idly by and see Republicans operate these institutions. The whole system must be smashed and the private banking interests driven out of the councils of this Government if this Government is to endure. As a patriotic American citizen, I believe in defending this country; I believe in driving its enemies out—and the greatest, the most deadly enemy this country has today is the private control of Government money and Government credit. Restore this power to the people; remove this unbearable interest burden which is making our citizens despondent; restore to Congress its power to issue money; and let us, in the name of Jefferson, Lincoln, and Jackson, restore this great Government to the people, where it belongs.

The present bill is a step in the right direction—it does not go far enough. But in the absence of an opportunity to vote for the immediate dissolution of the Federal Reserve System I will support the bill.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. KENNEY. The gentleman referred in his address to banks to be operated for the people by the Government. Would there be any objection on the gentleman's part to having the people themselves through their merchants operate the banks of the country? I might say in that connection that in Italy the banks are governmentally controlled, and in Germany we have the same thing, but, as I understand it, in France and England there are banks that are controlled not by the private bankers, as in this country, but by the people through their merchants. I wonder if the gentleman has considered these different phases of the situation?

Mr. BURDICK. I am in favor of any system whatever that will give the people a chance to run the finance business of the country. We have delayed that too long.

I ask unanimous consent to insert as a part of my remarks a table prepared by the Secretary of the Treasury showing just what money is in circulation, what kind of money, and the bonds and fractional currency.

The CHAIRMAN. Without objection, the table will be incorporated as a part of the gentleman's remarks.

There was no objection.

The table I referred to, Mr. Chairman, is as follows:

Circulation statement of United States money, Oct. 31, 1933

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents [1]	In circulation [2]		
									Amount	Per capita	
Gold coin and bullion	[3] $4,323,136,335	$3,197,292,684	$1,177,069,999	$156,039,088	$1,787,342,966	$76,840,631	$1,125,843,651	$813,889,365	$311,954,286	$2.48	
Gold certificates	[4] (1,177,069,999)						1,177,069,999	952,444,120	224,625,879	1.78	
Standard silver dollars	540,007,398	506,961,702	478,260,122			28,701,580	33,045,696	4,511,932	28,533,764	.23	
Silver certificates	[4] (477,063,498)						477,063,498	89,723,679	387,339,819	3.07	
Treasury notes of 1890	[4] (1,196,624)						1,196,624		1,196,624	.01	
Subsidiary silver	299,110,936	10,262,876				10,262,876	288,848,060	21,462,708	267,385,352	2.12	
Minor coin	126,761,246	5,478,139				5,478,139	121,283,107	5,632,488	115,650,619	.92	
United States notes	346,681,016	3,595,897				3,595,897	343,085,119	66,456,950	276,628,169	2.20	
Federal Reserve notes	3,225,890,600	17,566,885				17,566,885	3,208,323,715	278,177,680	2,930,146,035	23.26	
Federal Reserve bank notes	219,970,233	1,557,125				1,557,125	218,413,103	29,887,120	188,525,988	1.50	
National-bank notes	961,548,135	21,305,383				21,305,383	940,242,752	37,626,144	902,616,608	7.16	
Total Oct. 31, 1933	10,043,105,899	[5] 53,764,020,691	1,655,330,121	156,039,088	1,787,342,966	[6] 165,308,516	7,934,415,329	2,299,812,186	5,634,603,143	44.73	125,983,000
Comparative totals:											
Sept. 30, 1933	10,024,117,386	[5] 3,761,497,337	1,657,060,825	156,039,088	1,783,383,616	165,013,808	7,919,680,874	2,269,766,758	5,649,914,116	44.87	125,911,000
Oct. 31, 1932	9,367,601,015	[5] 3,595,167,544	1,834,576,689	156,039,088	1,471,387,067	133,164,700	7,607,010,160	1,979,428,886	5,627,581,274	44.98	[7] 125,112,000
Oct. 31, 1920	8,479,620,824	[5] 2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.21	107,096,005
Mar. 31, 1917	5,396,596,677	[5] 2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.23	103,716,000
June 30, 1914	3,797,825,099	[5] 1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,459,434,174		3,459,434,174	34.93	99,027,000
Jan. 1, 1879	1,007,084,483	[4] 212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000

[1] Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.

[2] The money in circulation includes any paper currency held outside the continental limits of the United States.

[3] Does not include gold bullion or foreign coin other than that held by the Treasury, Federal Reserve banks, and Federal Reserve agents. Gold held by Federal Reserve banks under earmark for foreign account is excluded, and gold held abroad for Federal Reserve banks is included.

[4] These amounts are not included in the total since the money held in trust against gold and silver certificates and Treasury notes of 1890 is included under gold coin and bullion and standard silver dollars, respectively.

[5] The amount of money held in trust against gold and silver certificates and Treasury notes of 1890 should be deducted from this total before combining it with total money outside of the Treasury to arrive at the stock of money in the United States.

[6] This total includes $37,312,767 gold deposited for the redemption of Federal Reserve notes ($1,315,640 in process of redemption), $39,074,679 lawful money deposited for the redemption of national bank notes ($21,234,387 in process of redemption, including notes chargeable to the retirement fund), $11,699,650 lawful money deposited for the redemption of Federal Reserve bank notes ($1,557,122 in process of redemption, including notes chargeable to the retirement fund); $1,350 lawful money deposited for the retirement of additional circulation (act of May 30, 1908), and $59,295,582 lawful money deposited as a reserve for Postal Savings deposits.

[7] Revised figures.

NOTE.—Gold certificates are secured dollar for dollar by gold held in the Treasury for their redemption; silver certificates are secured dollar for dollar by standard silver dollars held in the Treasury for their redemption; United States notes are secured by a gold reserve of $156,039,088 held in the Treasury. This reserve fund may also be used for the redemption of Treasury notes of 1890, which are also secured dollar for dollar by standard silver dollars held in the Treasury; these notes are being canceled and retired on receipt. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold or of gold and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or, until Mar. 3, 1934, of direct obligations of the United States if so authorized by a majority vote of the Federal Reserve Board. Federal Reserve banks must maintain a gold reserve of at least 40 percent, including the gold redemption fund which must be deposited with the United States Treasurer, against Federal Reserve notes in actual circulation. Federal Reserve bank notes are secured by direct obligations of the United States or commercial paper, except where lawful money has been deposited with the Treasurer of the United States for their retirement. National-bank notes are secured by United States bonds except where lawful money has been deposited with the Treasurer of the United States for their retirement. A 5-percent fund is also maintained in lawful money with the Treasurer of the United States for the redemption of national-bank notes secured by Government bonds.

Mr. PATMAN. The statement the gentleman has presumes that all the money ever issued is outstanding and in circulation today?

Mr. BURDICK. Yes. It included all. Almost half a billion dollars has been sunk in the ocean, burned up in buildings, but still they say it is in circulation. If you need any of it, you have got to dive to the bottom of the ocean to get it.

Mr. PATMAN. I suppose the gentleman is aware that more than $262,000,000 of the old bills, the large bills, remain in circulation today?

Mr. BURDICK. Yes.

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. O'CONNOR having assumed the chair as Speaker pro tempore, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7617, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ASHBROOK, for 2 days, on account of death in family.

THE FEDERAL LAND BANK OF ST. PAUL, MINN., UNDER THE INFLUENCE AND CONTROL OF OFFICERS FAVORABLE TO THE TWIN CITY BANK HOLDING COMPANIES, HAS BEEN MISMANAGED—A FULL INVESTIGATION SHOULD BE IMMEDIATELY MADE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection?

Mr. BURDICK. Mr. Speaker, on March 18 I set forth in the CONGRESSIONAL RECORD the names of the present officers of the Federal Land Bank of St. Paul, including their political affiliation and prior banking record. In my speech before this House on March 14 I fully set forth the connection of the officers of the Federal Land Bank of St. Paul with the Twin City banks, operated under the holding companies known as the "Northwest Bancorporation" and the "First Bank Stock Corporation." In all of these speeches, covering the period from March 14 to March 20, inclusive, I presented proof of the fact that all Government set-ups intended for the financial relief of the Northwest were now, and had been from the very beginning, under the control of officers connected with or formerly connected with these holding companies.

I further showed that in many cases, and particularly in the case of the War Finance Corporation, these same men, who for years have directed the affairs of these Government finance agencies, used these agencies for the private benefit of the institutions with which they were or had been connected. At that time I did not have complete evidence of mismanagement. Since I delivered those speeches referred to, evidence of mismanagement has been trickling through to me from individuals now on the inside of those institutions but whose names I cannot divulge. Should I here publish the source of my information, two things would happen: First, I would get no further information; second, these individuals would be summarily dismissed from their present positions.

I had hoped that the Democratic administration would act upon the information which I have heretofore presented and that many of the officers in charge of these Government finance institutions would be removed. I had hoped that when I had shown, for example, that Roy A. Nelson, president of the Federal land bank in St. Paul, had formerly been associated with the Northwestern National Bank of Minneapolis, and the Northwest Bancorporation was a Republican and former receiver of the Southern Minnesota Joint Stock Land Bank, that the administration might see its way clear to change officers. Nothing of the sort happened, and, as far as I know, Roy A. Nelson is still the president of the Federal land bank.

The point has now been reached where I ask more than the removal of this officer—I now ask for an immediate investigation into the affairs of the bank to find out in just what way Nelson and his financial friends in the Twin Cities have personally profited by his conduct of the bank. That he has profited by his conduct of the bank, I now charge; but to what extent and to what extent others have become involved, I do not know. The following facts are certain:

At the time of Roy A. Nelson's appointment as president of the Federal Land Bank of St. Paul he was receiver of the Southern Minnesota Joint Stock Land Bank. His appointment as the bank president was approved by Henry Morgenthau, then Governor of the Farm Credit Administration. Morgenthau must have been fully aware of Nelson's former connection with the Twin Cities bank gang. But, of course, there are no political considerations among the "money fraternity." Nelson was satisfactory to the "money crowd" and evidently that satisfied Morgenthau, who was personally on the ground when the appointment was approved.

The Southern Minnesota Joint Stock Land Bank had, while a going concern, executed a bond issue and which issue evidently was sold to various persons in and around the Twin Cities. When this institution went into receivership, the bonds were reduced in value. Nelson and his financial friends bought up as many of these bonds as could be purchased and obtained them at a price as low as 7 cents on the dollar. While still owning these bonds, Nelson was appointed president of the Federal Land Bank of St. Paul.

The next move was to have Perry Johnson, formerly connected with the Minnesota Loan & Trust Co., dominated by the Northwestern National Bank of Minneapolis, named as assistant to Roy A. Nelson.

Nelson then appointed a special loan committee to handle applications coming in for loans on lands which were then held by the Southern Minnesota Joint-Stock Land Bank. Title was secured by foreclosure, and Nelson, as receiver, had been in charge of those lands.

This committee time after time approved loans on lands held by the joint-stock land bank in amounts in excess of the value of the lands offered as security, and such loans were actually made. Not only were these loans made, but the applications were signed by men who were at the time renters and never had made any claim to the lands until after the loans were approved.

As the money started coming in from these loans approved by Nelson on lands over which Nelson had been receiver and in which he was then interested by holding bonds against said defunct corporation, the value of the bonds increased. Nelson and his friends began selling their 7-cent bonds for as much as 28 to 35 cents, and at some stage of the proceedings the receiver of the joint-stock land bank declared a dividend of 35 percent. This information must have reached Washington, for the evidence discloses that Nelson sold all of his interests—that is, his visible interests—in the bonds of the joint-stock land bank.

I give here just a few of the cases indicating mismanagement. After being informed of the nature of this mismanagement, I had the matter fully investigated on my own accord, and from the report, which agrees with the records, I find the following facts:

A loan was made to one Amelsburg on 160 acres for the amount of $5,400. The land at the time the loan was approved was carried among the assets of the joint-stock land bank under a foreclosure for $4,850. At the time the loan was made Amelsburg was a renter on that farm. The loan was dated December 4, 1934, but the deed from the joint-stock land bank to Amelsburg was not executed until February 27, 1935. The consideration in this deed was $4,850 and taxes. It is evident that the loan on this land was approved by Nelson for the full if not more than the full value of the land.

Another loan was made under similar circumstances to another renter named Bahr for the sum of $8,200 on 480 acres of land in Stevens County. This land was owned by the joint-stock bank through foreclosure and carried with a value of $7,600. The applications for the loans were dated June 1, 1934. The loan was divided, as in the Amelsburg case, as follows: Land bank, $4,500; Commissioner's

loan, $3,700. Bahr never received a deed from the joint-stock land bank until September 18, 1934.

Fred Seamans owned a farm 1 mile south of the two farms mentioned. He had lived on his land there for 40 years. This farm consisted of 160 acres, on which he had an indebtedness of $4,200. Seamans applied to the Federal land bank for a loan to save his home. He offered the same kind of security as that offered by the renter, Amelsburg, who had received a loan of $5,400. But the land bank refused to make any kind of loan to Mr. Seamans and as far as the record speaks Seamans has lost his land.

I have further cases, but these three examples will be sufficient to show that Nelson and his Federal land bank committee approved loans, and excessive loans, on land in which the joint-stock land bank was interested and whose stock Nelson and his friends bought, while a legitimate farmer and actual owner was turned away from the bank as an undesirable and was told that the Government could not aid him in his hour of distress.

As a part of this speech, I desire to attach the report which I have had checked with the records in support of the statements herein made.

There is no question, in my mind, but what the Farm Credit Administration has had some knowledge of this matter, but they have retained Nelson. They have full information now as to the personal use which the officers of that bank are making of a Government finance institution, intended and presumed to be an instrument through which farmers may save their homes. How much more proof will the Farm Credit Administration demand before they dismiss Nelson and cause a complete investigation to be made of the affairs of the Federal Land Bank of St. Paul. This information does not startle me in the least for I am convinced, beyond any reasonable doubt, that these Government finance agencies have not been cornered and controlled by the Twin City Bank gang for nothing. They have used them, they are using them, they will continue to use them for their own personal benefit and for the benefit of the institutions with which they are or have been connected. It is the same old story as is told by their operation of the War Finance Corporation, the Federal Reserve bank, or any other institution with which they have had any connection.

Just how long will the Democratic administration continue the deal? Is the "money crowd" so entrenched that no party can get rid of them? Are the bureau chiefs here at Washington a part of the same "money fraternity"? Is there a comradeship through the association of men in the high-standard banking profession that is strong enough to ride through all administrations, and defy Republicans and Democrats alike? These same men are the ones who shout in their newspapers, "You never want to let politics enter into the control of our finances." It would be a godsend to the American people if politics did enter and drive these conniving money changers out of the people's own institutions.

If neither major party has the power to eliminate these financial leeches from our Government-owned finance institutions, can either party complain if the mass of the American people repudiate both parties and go to the polls at the next election under a new banner? If the Democrats will render unselfish service to the American people—if they, with a golden opportunity, will only listen to petitions of the common people and make a stand with them against the selfish and money-mad money changers who have bored into Government institutions and who now exercise the power to issue money, which the Constitution reserves alone to Congress—they may expect the further support of the loyal American people. If the Democrats fail to do this, the Democratic Party will be repudiated as was the Hoover administration. The American people can see no ray of hope in turning to the Republican Party unless its leadership shows more progressive signs than it did when it refused to let the farmers in the convention at Kansas City. Mr. Speaker, let me venture this prediction: This fight to drive the money changers out and let the people in the Government is going on until we can honestly assert that this is a government of the people, by the people, and for the people. If neither old party is capable of leading the way, a new way will be found. You can dam up a stream, but you cannot stop its flow.

SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 125, RANGE 43, STEVENS COUNTY, MINN.

The Southern Minnesota Joint Stock Land Bank acquired title to this land by foreclosure of a mortgage given by Katherine Spooner Barrett. In 1928 the Southern Minnesota Joint Stock Land Bank leased the farm to Ben Amelsberg, the lease being on file in the register of deeds' office, Stevens County, Minn.

On June 1, 1933, a new lease between Roy Nelson, receiver of the Southern Minnesota Joint Stock Land Bank, and Ben Amelsberg was made covering the year 1933. Then on March 5, 1934, a new lease was made between the same parties for the 1934 season, ending October 15, 1934. Both of these leases are on file in the register of deeds office for Stevens County, Minn.

December 4, 1934, at 9 a. m. a mortgage executed by Benhart Amelsberg and wife to the Federal Land Bank of St. Paul, dated August 1, 1934, against the above-described land in the amount of $2,000 was recorded in book 70 of mortgages, on page 217, in the office of the register of deeds in and for Stevens County, Minn. This mortgage was rerecorded in book 71 of mortgages, on page 579.

On December 4, 1934, at 10 a. m. a mortgage executed by the Amelsbergs to the land-bank commissioner in the amount of $3,400 was recorded in book 71, on page 507, which mortgage was also rerecorded in book 71 of mortgages, on page 519.

The payments provided for in the $2,000 mortgage, running 36 years, are $60 and $93.05 for the final payment. In the commissioner mortgage there are 40 payments at $85 each.

February 27, 1935, at 9 a. m. the receiver's authority to sell, dated October 27, 1934, was recorded in book 33 of deeds on page 411. This authority authorizes E. J. Friede, receiver, to sell the southwest quarter of section 12, township 125, range 43, for the sum of $4,850. On the same day the receiver's deed was recorded in book 33 of deeds on page 412, the deed bearing date of November 2, 1934, from E. J. Friede to Bernhart Amelsberg for the sum of $4,850, subject to the 1934 taxes. It is very evident from this record that at the time Mr. Amelsberg made application for this loan he owned no interest whatsoever in the farm; was only a tenant. The only thing he had was the agreement and authorization on the part of the Federal Land Bank Commission to the receiver of the Southern Minnesota Joint Stock Land Bank to sell this farm for $4850, subject to the 1934 taxes, which become due in 1935.

It is also evident that a mortgage was made for considerably more than enough to pay the entire price the Southern Minnesota Joint Stock Land Bank was receiving for this farm. All of which was a violation of the act of Congress authorizing the making of farm loans and certainly contrary to the policies claimed by the officials of the St. Paul Land Bank.

SOUTHEAST QUARTER AND SOUTH HALF OF THE NORTHEAST QUARTER, SECTION 12, TOWNSHIP 125, RANGE 43, STEVENS COUNTY, MINN.

This land was also acquired by the Southern Minnesota Joint Stock Land Bank under foreclosure of a mortgage executed by Katherine Spooner Barrett. The records in the register of deeds office, Stevens County, Minn., show that February 21, 1933, Roy Nelson, as receiver of the Southern Minnesota Joint Stock Land Bank, leased this farm to Edward H. Bahr for the period beginning February 4, 1933, and ending October 15, 1933, and that on February 2, 1934, he again leased this land to Edward H. Bahr for the year beginning February 15, 1934, and ending October 15, 1934. Both leases being on file in the office of the register of deeds.

The records further show that on June 1, 1934, at 2 p. m. a mortgage signed by Edward H. Bahr and wife, running to the Federal Land Bank of St. Paul, dated June 1, 1934, in the amount of $4,500, running for a 36-year period, with semiannual payments of $135 and final payment of $209.51, was recorded in book 70 of mortgages on page 129. This mortgage was rerecorded on the 18th day of August 1934 at 10 a. m. in book 70 of mortgages on page 165.

The records further show that on June 16, 1934, at 3 p. m. a mortgage running to the land-bank commissioner, executed by the same parties, dated June 1, 1934, for the sum of $3,700, with 40 semiannual payments of $67.61, was recorded in book 71 of mortgages, on page 320, which mortgage was re-recorded in book 71 of mortgages, on page 354, on the 18th day of August 1934.

The records further show that on the 18th day of September 1934, at 9 a. m., receivers' authority to sell the above-described land for the sum of $7,600, subject to the 1934 taxes, dated June 30, 1934, was recorded in book 33 of deeds, on page 308, and that on the same date the receivers' deed to Edward H. Bahr, dated July 10, 1934, was recorded in book 33 of the deeds, on page 309, in the amount of $7,600, subject to the 1934 taxes.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rules, referred as follows:

S. J. Res. 94. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; to the Committee on the Library.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 1, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Wednesday, May 1, 10 a. m.)

Will continue hearings on bill (H. R. 7521) pertaining to merchant marine subsidy.

EXECUTIVE COMMUNICATIONS, ETC.

314. Under clause 2 of rule XXIV a letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 29, 1935, submitting a report, together with accompanying papers and illustrations, on a preliminary examination of Mokelumne River and its tributaries below Woodbridge, Calif., with a view to the control of floods, authorized by act of Congress approved January 31, 1931, was taken from the Speaker's table and referred to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 7713. A bill to amend the Agricultural Adjustment Act, and for other purposes; without amendment (Rept. No. 808). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 1419. A bill to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture; with amendment (Rept. No. 809). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1776) for the relief of Herluf F. J. Ravn; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7700) to reimburse the Soldiers Tubercular Sanitarium of Sulphur, Okla., for unauthorized emergency treatment and hospitalization of service-connected World War veterans given prior to July 1, 1930; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7753) granting an increase of pension to Addie L. Wright; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 7722) for the relief of Robert Wolfe; Committee on Naval Affairs discharged, and referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GAMBRILL: A bill (H. R. 7804) authorizing the George Washington-Wakefield Memorial Bridge, Inc., a corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCHANAN: A bill (H. R. 7805) to authorize the Secretary of Agriculture to make surveys of representative farm areas each year in each State for the purpose of obtaining and publishing information upon the economic condition of agriculture throughout the United States, and for other purposes; to the Committee on Agriculture.

By Mr. MASSINGALE: A bill (H. R. 7806) to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma; to the Committee on the Public Lands.

By Mr. RAMSAY: A bill (H. R. 7807) authorizing the Brookewell Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Wellsburg, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMASON: A bill (H. R. 7808) for the relief of certain military personnel; to the Committee on Military Affairs.

By Mr. LEMKE: A bill (H. R. 7809) to extend the times for commencing and completing the construction of certain bridges across the Red River between Moorhead, Minn., and Fargo, N. Dak.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOOD: A bill (H. R. 7810) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and all acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. BLAND: A bill (H. R. 7811) to provide for compensation for overtime services of local inspectors of steam vessels, United States shipping commissioners and their deputies, and for other purposes; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 7812) to reduce the number and to increase the qualifications of supervising inspectors of vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. DOBBINS: A bill (H. R. 7813) to amend the Revenue Act of 1932, by imposing an excise tax on molasses not produced in continental United States, to be used for distillation purposes; to the Committee on Ways and Means.

By Mr. ENGLEBRIGHT: A bill (H. R. 7814) to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VINSON of Georgia: Resolution (H. Res. 210) for the consideration of H. R. 6512; to the Committee on Rules.

By Mr. AMLIE: Resolution (H. Res. 211) directing the Secretary of Agriculture to furnish the House of Representatives with certain information concerning the administration of the cotton crop-reduction law; to the Committee on Agriculture.

By Mr. ENGEL: Joint resolution (H. J. Res. 268) directing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. DISNEY: Joint resolution (H. J. Res. 269) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to May 23, 1936, inclusive; to the Committee on Foreign Affairs.

By Mr. AMLIE: Joint resolution (H. J. Res. 270) authorizing the appointment of a committee to investigate living and working conditions among share-tenants, share-croppers, and agricultural laborers; to the Committee on Agriculture.

By Mr. STEAGALL: Concurrent resolution (H. Con. Res. 20) authorizing the Committee on Banking and Currency of the House of Representatives to have printed for its use additional copies of the hearings on the Banking Act of 1935; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Texas, regarding the appointment of a committee to study the cotton situation; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Illinois, urging Congress to reduce the Federal tax on beer; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii, requesting funds to make a survey to determine the feasibility of bringing water from the north coast valleys of Molokai to the southerly side of the island for use on Hawaiian Homes Commission lands; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, urging Congress to pass an enabling act authorizing the people of the Territory of Hawaii to form a constitution and State government to be admitted into the Union on an equal footing with the original States; to the Committee on the Territories.

Also, memorial of the Legislature of the State of Florida, supporting Senate bill 212 and House bill 2066; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Florida, requesting the sum of $355,241.74 to reimburse Okaloosa County for the construction of roads and bridges within the boundaries of the Choctawhatchee National Forest; to the Committee on Roads.

Also, memorial of the Legislature of the State of Florida, regarding the navigability of the Ocklawaha River; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of the State of Florida, supporting Senate bill 1220; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of California, urging the inclusion of the Central Valley project in the national program of work relief; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Oklahoma, supporting the Frazier-Lemke loan-refinancing bill; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. DALY: A bill (H. R. 7815) for the relief of Alex Taylor; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 7816) for the relief of Joseph Michael Merz; to the Committee on Military Affairs.

By Mr. FERGUSON: A bill (H. R. 7817) granting a pension to Walter Connolly; to the Committee on Pensions.

By Mr. FITZPATRICK: A bill (H. R. 7818) for the relief of Caroline M. Hyde; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7819) for the relief of Walter C. Price and Joseph C. Lesage; to the Committee on Claims.

By Mr. KEE: A bill (H. R. 7820) for the relief of the United Pocahontas Coal Co., Crumpler, W. Va.; to the Committee on Claims.

By Mr. KENNEDY of Maryland: A bill (H. R. 7821) for the relief of the estate of Benjamin A. Pillsbury (William J. Pillsbury, executor); to the Committee on War Claims.

Also, a bill (H. R. 7822) for the relief of Lucretia Norris; to the Committee on Claims.

By Mr. LESINSKI: A bill (H. R. 7823) for the relief of Joseph Zebelian; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H. R. 7824) authorizing the Secretary of the Navy to award a Distinguished Service Medal to John Moran; to the Committee on Naval Affairs.

By Mr. MERRITT of Connecticut: A bill (H. R. 7825) for the relief of Michael Stodolnik; to the Committee on Naval Affairs.

By Mr. MOTT: A bill (H. R. 7826) granting a pension to Marion Van Natta; to the Committee on Invalid Pensions.

By Mr. O'BRIEN: A bill (H. R. 7827) for the relief of Isadore Lupu; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 7828) granting a pension to Nancy M. Pierce; to the Committee on Invalid Pensions.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 7829) granting a pension to Hattie G. Badger; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER: A bill (H. R. 7830) for the relief of Edwin Eliason; to the Committee on Claims.

By Mr. SMITH of Virginia: A bill (H. R. 7831) authorizing the President to appoint Henry Beckwith Taliaferro, formerly an ensign, United States Navy, to his former rank as ensign, United States Navy; to the Committee on Naval Affairs.

By Mr. THOMASON: A bill (H. R. 7832) granting a pension to Anna Reynolds; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8012. By Mr. ROGERS of Oklahoma: Petition headed by John Watkins, of Dunbar, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8013. Also, petition headed by Charles Lennox, of Coyle, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8014. Also, petition headed by Ollie Tuck, of Ringold, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8015. Also, petition headed by George Hopkins, of Idabel, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8016. Also, petition headed by J. I. Jarvis, of Kiowa, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8017. Also, petition headed by George Hynes, of Castle, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8018. Also, petition headed by M. B. Russell, of Altus, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8019. Also, petition headed by P. B. Burse, of Castle, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8020. Also, petition headed by John T. Blagg, of Millcreek, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8021. Also, petition headed by E. D. Roody, of Elmore City, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8022. Also, petition headed by A. R. Wilson, of Dewey, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8023. Also, petition headed by E. Washington, of Idabel, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8024. Also, petition headed by B. Nobles, of Nashoba, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the

Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8025. Also, petition headed by Gus Hankin, of Oktaha, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8026. Also, petition headed by M. B. Dykes, of Brilliant, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8027. Also, petition headed by Ollie Shull, of Cloverdale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8028. Also, petition headed by Howard Martin, of Brookhaven, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8029. Also, petition headed by H. J. Fluke, of Langdon, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8030. Also, petition headed by G. R. Pace, of Marietta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8031. Also, petition headed by Hubert Robertson, of Conyers, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8032. Also, petition headed by L. Smith, of Conyers, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8033. Also, petition headed by Earnest Findley, of Dora, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8034. Also, petition headed by K. Hall, of East St. Louis, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8035. Also, petition headed by R. Barton, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8036. Also, petition headed by George Higgins, of Russellville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8037. Also, petition headed by A. Marshall, of Magnolia, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8038. Also, petition headed by K. Moses, of McComb, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8039. Also, petition headed by P. Sackelford, of Wiville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8040. Also, petition headed by Luciano Rodrigez, of Penasco, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8041. Also, petition headed by Manuel Romero, of Dixon, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8042. Also, petition headed by D. Garcia, of Chilili, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8043. Also, petition headed by N. Thomas, of Bristol, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8044. Also, petition headed by S. W. Green, of Ellenboro, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8045. Also, petition headed by Solomon Perea, of Flagstaff, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8046. Also, petition headed by Luis Martinez, of Vallecitos, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8047. Also, petition headed by Ben Foster, of Vincent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8048. Also, petition headed by D. Garrett, of Vincent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8049. Also, petition headed by Willie Easton, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8050. Also, petition headed by Monroe Mackey, of Formosa, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8051. Also, petition headed by Patrocinio G. Costillo, of Flagstaff, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8052. Also, petition headed by G. R. Dutton, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8053. Also, petition headed by Joseph Watson, of Elva, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8054. Also, petition headed by William Mangum, of Magee, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8055. Also, petition headed by M. Ladner, of Poplarville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8056. Also, petition headed by M. B. Bentt, of Houston, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8057. Also, petition headed by E. Smith, of Pensacola, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8058. Also, petition headed by M. M. Miller, of Fair Bluff, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8059. Also, petition headed by Edward Wiggins, of North Little Rock, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8060. Also, petition headed by G. R. Cason, of Clewiston, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8061. Also, petition headed by J. E. Lawrence, of Conroe, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8062. Also, petition headed by M. Barnett, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8063. Also, petition headed by George Mullins, of Clanton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 per month; to the Committee on Ways and Means.

8064. Also, petition headed by A. E. Hayes, of Cherryville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 per month; to the Committee on Ways and Means.

8065. Also, petition headed by Henry Smith, of Church Hill, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 per month; to the Committee on Ways and Means.

8066. Also, petition headed by W. P. Cunningham, of Northport, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8067. Also, petition headed by E. Sensley, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8068. Also, petition headed by R. C. Maxey, of New Albany, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8069. Also, petition headed by Willie Walton, of Spring Hill, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8070. Also, petition headed by M. Falk, of Drewry, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8071. Also, petition headed by M. McKinney, of Whiteville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8072. Also, petition headed by Taylor Arnett, of Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8073. Also, petition headed by W. R. Grissom, of Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8074. Also, petition headed by J. W. Johnson, of Tamms, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8075. Also, petition headed by S. E. Curry, of Wheatcroft, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8076. Also, petition headed by Homer W. Ford, of Calvert City, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8077. Also, petition headed by C. C. Pool, of Plain Dealing, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8078. Also, petition headed by J. K. Kinney, of Wolf Lake, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8079. Also, petition headed by Willis Leek, of Melber, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8080. Also, petition headed by Will Longmire, of Indianola, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8081. Also, petition headed by M. Oliver, of Pelham, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8082. Also, petition headed by G. W. Reed, of Canton, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8083. Also, petition headed by F. Hurdle, of Vivian, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8084. Also, petition headed by A. J. Stewart, of Trinity, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8085. Also, petition headed by Dave Clark, of Arcadia, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8086. Also, petition headed by M. Davis, of Greenville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8087. Also, petition headed by W. R. Vickery, of Greenville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8088. Also, petition headed by Rev. G. W. Stovall, of Hamilton, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8089. Also, petition headed by Sam Underwood, of Bunney, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8090. Also, petition headed by W. M. Ford, of Guild, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8091. Also, petition headed by A. Thomas, of Greenwood, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8092. Also, petition headed by Ben Days, of St. Gabriel, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8093. Also, petition headed by A. Abernathy, of Leighton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8094. Also, petition headed by George Catlett, of Hopkinsville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8095. Also, petition headed by John H. Jones, of Osceola, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8096. Also, petition headed by M. Thomas, of Yazoo City, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8097. Also, petition headed by E. Richardson, of Solgohachia, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8098. Also, petition headed by L. B. Sims, of Lake Como, Miss., favoring House bill 2856, by Congressman WILL ROG-

ERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8099. Also, petition headed by F. M. Brazzell, of Kuttawa, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8100. Also, petition headed by John H. Smith, of Danville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8101. Also, petition headed by A. Taylor, of Mobile, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8102. Also, petition headed by C. S. Andrews, of Cincinnati, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8103. Also, petition headed by L. U. Payne, of Alto, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8104. Also, petition headed by S. Thomas, of Louisville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8105. Also, petition headed by Sam Woody, of Elbridge, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8106. Also, petition headed by Conrado Encinios, of Flagstaff, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8107. Also, petition headed by Jackson Eagle, of Supply, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8108. Also, petition headed by Jackson Wirt, of Somerville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8109. Also, petition headed by D. A. Hewett, of Supply, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8110. Also, petition headed by M. N. Egger, of Sulligent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8111. Also, petition headed by J. B. Bradley, of Ringgold, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8112. Also, petition headed by B. T. Samuel, of Keatchie, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8113. Also, petition headed by E. Davis, of Hoopeston, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8114. Also, petition headed by J. W. Stones, of Vincent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8115. Also, petition headed by A. Kidd, of Vincent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8116. Also, petition headed by I. Hughes, of Columbiana, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8117. Also, petition headed by R. P. Payne, of Tuckerman, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8118. Also, petition headed by Perry Crowley, of Salitpa, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8119. Also, petition headed by Ben Holbert, of Baxter Springs, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8120. Also, petition headed by L. Meredith, of Baxter Springs, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8121. Also, petition headed by N. McDonald, of Union City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8122. Also, petition headed by J. J. Crow, of Oxford, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8123. Also, petition headed by Edwin George Smith, of North Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8124. Also, petition headed by M. E. Price, of Rochelle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8125. Also, petition headed by A. D. Guillotte, of Rochelle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8126. Also, petition headed by P. Thompson, of Winfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8127. Also, petition headed by William Johnson, of Miccosukee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8128. Also, petition headed by J. V. Whitlock, of Commerce, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8129. Also, petition headed by Octave Morris, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8130. Also, petition headed by M. J. Walker, of Jacksonville, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8131. Also, petition headed by R. E. Hearn, of Winchester, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8132. Also, petition headed by H. C. Gregg, of Samantha, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8133. Also, petition headed by W. M. Arnold, of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8134. Also, petition headed by Joseph Harris, of Waldo, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8135. Also, petition headed by Grant White, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROG-

ERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8136. Also, petition headed by S. J. Etheredge, of Town Creek, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8137. Also, petition headed by O. Prestley, of Asheville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8138. Also, petition headed by C. C. Calloway, of Waverly, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8139. Also, petition headed by William Young, of Tenaha, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8140. Also, petition headed by N. Babcock, of Ottawa, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8141. Also, petition headed by M. Rickman, of Selmer, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8142. Also, petition headed by R. Green, of North Little Rock, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8143. Also, petition headed by Andy R. Bishop, of Phil Campbell, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8144. Also, petition headed by John Harris, of Snow Lake, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8145. Also, petition headed by Henry Hohnson, of Glenwood, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8146. Also, petition headed by J. J. Stancil, of Altoona, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8147. Also, petition headed by Harmon Smith, of Peach Orchard, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8148. Also, petition headed by E. Davis, of Caryville, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8149. Also, petition headed by Bill Jones, of Columbia, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8150. Also, petition headed by B. B. Burge, of Mayfield, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8151. Also, petition headed by George Barber, of Mansfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8152. Also, petition headed by Butch Ward, of DeKalb, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8153. Also, petition headed by Clarence Turner, of Billingsley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8154. Also, petition headed by J. D. Baker, of Nacogdoches, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8155. Also, petition headed by Charley White, of Maringouin, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8156. Also petition headed by D. Rush, of Jasper, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

8157. By Mr. ANDREW of Massachusetts: Petition of the German Methodist Episcopal Church, Lawrence, Mass., urging repeal of the cotton-processing tax; to the Committee on Agriculture.

8158. By Mr. BEITER: Petition of 783 members of the Erie County Farm Bureau, Buffalo, N. Y., urging favorable consideration of the Goldsborough amendment to the Banking Act of 1935; to the Committee on Banking and Currency.

8159. By Mr. BOYLAN: Resolution, unanimously adopted at a meeting of the board of directors of the National Association of Manufacturers of New York City, urging that a joint commission be appointed by Congress to investigate oriental competition and its effect upon American industries; to the Committee on Ways and Means.

8160. Also, resolution, adopted at the regular meeting of the Allied Printing Trades Council of Greater New York, representing 40,000 organized printing-trades workers in New York City, favoring the passage of House bill 7442, to prevent inferior substitute printing processes and to enlarge the field of employment, etc.; to the Committee on Interstate and Foreign Commerce.

8161. By Mr. CARTER of California: Memorial of the State of California, Senate Joint Resolution No. 14, petitioning the President and the Congress to include the Central Valley project in the national program of work relief; to the Committee on Rivers and Harbors.

8162. By Mr. ENGLEBRIGHT: Petition of the Senate Legislative Department, State of California, Senate Joint Resolution No. 6, by Senator McGovern; to the Committee on Military Affairs.

8163. By Mr. FOCHT: Resolution of silk and rayon manufacturers, to extend the functions of the Cabinet committee appointed to study the cotton-textile industry to include a similar study of the problems existing in the silk- and rayon-textile industry; to the Committee on Agriculture.

8164. By Mr. JOHNSON of Texas: Petition of John O. Chumney, of Irene, and Clyde Tomlinson, secretary of Smith & Tomlinson, Hillsboro, Tex., opposing the Wagner labor bill (S. 1958); to the Committee on Labor.

8165. Also, petition of George A. Adams, of Bryan, Tex., favoring House bill 6452; to the Committee on the Post Office and Post Roads.

8166. By Mr. KING: Petition of the Eighteenth Legislature of the Territory of Hawaii, memorializing Congress to provide funds for making a survey to determine the feasibility of bringing water from the north coast valleys of Molokai to the southerly side of the island for use on Hawaiian Homes Commission lands; to the Committee on Irrigation and Reclamation.

8167. By Mr. KVALE: Petition of the Chamber of Commerce of Willmar, Minn., urging repeal of the long- and short-haul clause of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

8168. Also, petition of the Kiwanis Club of Morris, Minn., urging repeal of the long- and short-haul clause of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

8169. By Mr. LESINSKI: Petition of St. Joseph's Lodge, No. 1, S. C. U., Calumet, Mich., urging continuation of tariff on copper; to the Committee on Ways and Means.

8170. Also, petition of the United Action Committee, composed of 21 Czech and Slovak Societies of Detroit, Mich., urging the support of the Lundeen workers' unemployment

old-age and social-insurance bill (H. R. 2827); to the Committee on Labor.

8171. Also, resolution of Veterans of Foreign Wars of the United States, Gogebic Range Post, No. 1823, Ironwood, Mich., petitioning the President of the United States and Congress to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

8172. Also, resolution of Joint Council of Women's Auxiliaries, organization composed of women relatives of members of the trade unions in St. Louis, Mo., urging support of the Wagner-Connery labor relations bill and also the Black-Connery 30-hour-week bill; to the Committee on Labor.

8173. By Mr. MERRITT of New York: Petition of the Customs Tailoring Workers' Independent Union of New York, condemning the proposed sedition laws of the McCormack-Dickstein congressional committee; to the Committee on the Judiciary.

8174. Also, resolution passed by the Executive Council of the United States Cavalry Association, protesting against proposed legislation for Air Corps officers, before the Military Affairs Committee, as being unjust to officers of other arms and services, etc.; to the Committee on Military Affairs.

8175. Also, resolution of the members of the board of the National Federation of Textiles, Inc., respectfully requesting that the President of the United States extend the functions of the Cabinet committee appointed to study the cotton-textile industry to include a similar study of the problems existing in the silk- and rayon-textile industry; to the Committee on Agriculture.

8176. By Mr. MILLARD: Petition of Ossining Aerie, No. 1545, Fraternal Order of Eagles, supporting the social-security bill (S. 1130); to the Committee on Ways and Means.

8177. By Mr. PFEIFER: Petition of the Allied Printing Trades Council of Greater New York, concerning the Gray bill (H. R. 7442); to the Committee on Interstate and Foreign Commerce.

8178. Also, petition of the New York Typographical Union, No. 6, New York City, concerning Senate bill 1629, providing for the regulation of transportation by motor carriers; to the Committee on Interstate and Foreign Commerce.

8179. By Mr. RABAUT: Resolution of the Gogebic Range Post, No. 1823, of the Veterans of Foreign Wars, of Ironwood, Mich., signed by Joseph Ebli, commander, and Leo Vigue, adjutant, petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient money to build a Veterans' Administration hospital of 500-bed capacity in or near Detroit; to the Committee on World War Veterans' Legislation.

8180. Also, resolution of St. Joseph's Lodge, No. 1, S. C. U., a fraternal society composed of copper miners, signed by John Somrack, president, Peter Pasich, secretary, and John Ilenick, treasurer, favoring the enactment of such legislation as will effectively prohibit the importation of foreign copper in the future; to the Committee on Ways and Means.

8181. By Mrs. ROGERS of Massachusetts: Petition of the City Council of the City of Lowell, Mass., urging the elimination of the processing tax on textiles; to the Committee on Agriculture.

8182. By Mr. RUDD: Petition of Allied Printing Trades Council of Greater New York, concerning House bill 7442, introduced by Mr. GRAY of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

8183. Also, petition of the New York Typographical Union, No. 6, New York City, concerning Senate bill 1629, for the regulation of transportation by motor carriers; to the Committee on Interstate and Foreign Commerce.

8184. Also, petition of the Transport Workers Union, New York City, concerning the Lundeen bill (H. R. 2827); to the Committee on Labor.

8185. By Mr. SADOWSKI: Petition of the United Action Committee, composed of 21 Czech and Slovak societies of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

8186. By Mr. SHANLEY: Petition signed by Chairman P. Dunlay, of the United Spanish War Veterans; to the Committee on Pensions.

8187. Also, petition of the State of Connecticut, regarding United States Veterans' Hospital at Newington; to the Committee on World War Veterans' Legislation.

8188. By Mr. SMITH of Connecticut: Resolution of the General Assembly of the State of Connecticut, urging Congress to appropriate the necessary funds for the completion of veterans' hospital at Newington; to the Committee on World War Veterans' Legislation.

8189. By Mr. TREADWAY: Resolutions adopted by Celtic Social Club, of Holyoke, Mass., urging the issuance of a special commemorative postage stamp in honor of Commodore Barry and the designation of Barry Memorial Day; to the Committee on the Post Office and Post Roads.

8190. By Mr. TRUAX: Petition of the Toledo Typographical Union, of Toledo, Ohio, by their secretary, Roy G. Woolford, requesting the support of House bill 7172, known as the "Mead substitute bill", and also the support of House bill 6990, which provides for a 40-hour week for all postal employees; to the Committee on Labor.

8191. Also, petition of the Toledo Typographical Union, of Toledo, Ohio, by their secretary, Roy G. Woolford, requesting the support of the Wagner labor-disputes bill; to the Committee on Labor.

8192. Also, petition of the Joint Council of Women's Auxiliaries of St. Louis, Mo., by their secretary, Mrs. R. E. McClanahan, requesting support of the Wagner-Connery labor-relations bill and the Black-Connery 30-hour-week bill; to the Committee on Labor.

8193. Also, petition of David H. March and numerous other citizens of Beverly Hills, Calif., requesting favorable action on House bill 6628, to provide employment for the blind; to the Committee on Labor.

8194. Also, petition of the United Association of Journeymen Plumbers and Steam Fitters, Local No. 268, of St. Louis, Mo., by their secretary, G. A. Richards, requesting the passage of the Wagner-Connery labor-relations bill and the Black-Connery 30-hour-week bill, because they feel sure if these bills are passed they will be a great help in securing employment; to the Committee on Labor.

8195. By the SPEAKER: Petition of the Columbia Lodge, No. 85, I. B. P. O. E. W.; to the Committee on the Judiciary.

SENATE

WEDNESDAY, MAY 1, 1935

(Legislative day of Monday, Apr. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days Monday, April 29, and Tuesday, April 30, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Gore	McKellar
Ashurst	Caraway	Guffey	McNary
Austin	Carey	Hale	Minton
Bachman	Clark	Harrison	Moore
Bailey	Connally	Hastings	Murphy
Bankhead	Coolidge	Hatch	Murray
Barbour	Copeland	Hayden	Neely
Barkley	Costigan	Johnson	Norris
Bilbo	Couzens	Keyes	Nye
Black	Dickinson	King	O'Mahoney
Bone	Dieterich	La Follette	Overton
Borah	Donahey	Lewis	Pittman
Brown	Duffy	Logan	Pope
Bulkley	Fletcher	Lonergan	Radcliffe
Bulow	Frazier	Long	Robinson
Burke	Gerry	McAdoo	Russell
Byrd	Gibson	McCarran	Schall
Byrnes	Glass	McGill	Schwellenbach

Sheppard	Thomas, Okla.	Truman	Wagner
Shipstead	Thomas, Utah	Tydings	Walsh
Smith	Townsend	Vandenberg	Wheeler
Steiwer	Trammell	Van Nuys	White

Mr. LEWIS. I announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from Georgia [Mr. GEORGE] and the Senator from North Carolina [Mr. REYNOLDS] are unavoidably detained from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent and that the Senator from Rhode Island [Mr. METCALF] is absent in connection with a committee of the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of California, favoring the inclusion of the Central Valley project in the national program of work relief, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented by Mr. JOHNSON on Apr. 29, 1935, p. 6507, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate the petition of Mrs. Sote Mitchell, of Otter Pond, Ky., praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate the petition of W. A. Neilson, of Northampton, Mass., praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which was referred to the Committee on Privileges and Elections.

He also laid before the Senate telegrams in the nature of petitions from the student body of Christiansburg Institute, of Christiansburg, Va., and sundry students of the West Virginia State College, of Institute, W. Va., praying for the enactment of the so-called "Costigan-Wagner antilynching bill", which were ordered to lie on the table.

REPORT OF THE JUDICIARY COMMITTEE

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 317) to provide for the appointment of two additional judges of the District Court of the United States for the Southern District of California, and for other purposes, reported it without amendment and submitted a report (No. 561) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TRUMAN:

A bill (S. 2720) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the estate of C. D. Matthews; to the Committee on Claims.

A bill (S. 2721) granting a pension to Anna Hindman; and

A bill (S. 2722) granting a pension to Dixie Louise Shane (with accompanying papers); to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 2723) granting an increase of pension to Fanny Cunningham; to the Committee on Pensions.

By Mr. MINTON:

A bill (S. 2724) granting a pension to Charles F. Williams; and

A bill (S. 2725) granting a pension to Fannie R. Sperzel (with accompanying papers); to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 2726) to prevent cruelty to animals during their transportation in interstate commerce, and to repeal the act of Congress approved June 29, 1906 (34 Stat. 607; U. S. C. title 45, secs. 71–74; to the Committee on Interstate Commerce.

By Mr. SHEPPARD:

A bill (S. 2727) to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 2728) authorizing an appropriation for payment to the Sac and Fox Tribe of Indians in the State of Oklahoma; to the Committee on Indian Affairs.

By Mr. HATCH:

A bill (S. 2729) for the relief of Rhuea Pearce; to the Committee on Claims.

By Mr. WHEELER:

A joint resolution (S. J. Res. 112) extending the effective period of the Emergency Railroad Transportation Act, 1933; to the Committee on Interstate Commerce.

WELFARE OF INDIANS OF OKLAHOMA—AMENDMENT

Mr. GORE submitted an amendment intended to be proposed by him to the bill (S. 2047) to promote the general welfare of the Indians of the State of Oklahoma, and for other purposes, which was referred to the Committee on Indian Affairs and ordered to be printed.

WITHDRAWAL OF PAPERS—EUGENE J. PETTUS

On motion of Mr. WHEELER, it was—

Ordered, That the papers filed with the bill (S. 3207) for the relief of Eugene J. Pettus (73d Cong., 1st sess.) be withdrawn from the files of the Senate, no adverse report having been made thereon.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. HAYDEN. I submit the conference report on the Interior Department appropriation bill, and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will read the conference report.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 18, 23, 43, 46, 48, 51, 53, 58, 60, 62, and 63.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 8, 9, 10, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 52, 54, 55, 56, 57, 59, 61, 64, 66, 67, 68, 69, 70, and 71, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$219,000, of which $50,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$65,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$471,910"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$144,200"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$70,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$650,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$458,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$2,285,560"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the

sum proposed, insert "$632,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$185,400"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,970,311"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 3, 5, and 38.

CARL HAYDEN,
KENNETH MCKELLAR,
ELMER THOMAS,
FREDERICK STEIWER,
Managers on the part of the Senate.

EDWARD T. TAYLOR,
B. M. JACOBSEN,
JED JOHNSON,
M. A. ZIONCHECK,
J. G. SCRUGHAM,
W. P. LAMBERTSON,
R. B. WIGGLESWORTH,
Managers on the part of the House.

Mr. HAYDEN. I move that the report be agreed to; and later I will move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 5.

Mr. BLACK. Mr. President, I should like to have the amendment read. I do not understand what "amendment numbered 5" is.

The VICE PRESIDENT. The question is on the motion of the Senator from Arizona that the report be agreed to.

Mr. BLACK. Mr. President, before that is done, I should like to have the report read in connection with the amendments that were offered, and an explanation by the Senator from Arizona. As the conference report is read, I should like also to have read the part of the bill affected, so that we may know what change has been made.

The VICE PRESIDENT. In the opinion of the Chair that would have to be done by unanimous consent, because the conference report is in itself complete. If the Senator from Arizona desires to explain the situation to the Senator from Alabama, in the meantime, if the Senator from Alabama desires, the Chair will have the record examined.

Mr. BLACK. It is absolutely impossible for anyone hearing the conference report read to know what it is about. It is impossible to understand what it is about when the statement is simply read that in lieu of other matter there is inserted $65,000. I do not think any Senator can intelligently vote upon the conference report on any such statement as that.

Mr. HAYDEN. Mr. President——

The VICE PRESIDENT. The Senator from Alabama asks to have read the portions of the bill with which the conference report proposes to deal, as the Chair understands?

Mr. HAYDEN. Mr. President, it is quite evident that the simplest way to obtain the information with respect to the bill, if the Senator so desires, is to read the conference report which was submitted. I have just submitted it; it has not been printed; and for the moment I ask to withdraw the request for the consideration of the conference report.

The VICE PRESIDENT. The request is withdrawn.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other purposes, and it was signed by the Vice President.

PREVENTION OF LYNCHING

The Senate resumed the consideration of the motion of Mr. COSTIGAN that the Senate proceed to the consideration of the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. BANKHEAD. Mr. President, yesterday when the recess was taken, I was inviting the attention of the Senate to the report made on this bill by the committee.

Mr. BLACK. Mr. President, will my colleague yield at that point for a question?

The VICE PRESIDENT. Does the Senator from Alabama yield to his colleague?

Mr. BANKHEAD. Certainly.

Mr. BLACK. Yesterday afternoon some questions were asked with reference to the report on the bill. I note there is a very material change in the measure as it was reported this year from the form in which it was reported last year. It, therefore, becomes important, in my judgment, to know how such change resulted and who drafted it. I say that with full recognition of the fact that frequently Senators who introduce a bill are not responsible for the complete draft of the bill. However, there is what I consider to be a vital change in the bill as it was reported this year from the form in which it was reported last year, a change which, if it had not been made, would not have made necessary a great many of the criticisms which have been brought out on the floor of the Senate.

If the Senator would pursue the inquiry further I should be glad if he would ascertain, if possible, who drafted the original bill outside of the Senate, whether or not it was anyone who worked for a salary or wages for any association or group of any kind, whether or not the person who works for such salary or wages solicits funds from various people over the Nation to carry on his work and to pay his salary or wages.

Mr. BANKHEAD. Mr. President, I think the inquiry of my colleague is highly important. In fact, there are two features of the matter as to which I believe the Senate should be enlightened—not only the inquiry presented by my colleague but the question of who prepared the committee report. I think we ought to have information as to both of them. There are statements contained in the committee report which, to my mind, indicate clearly that the committee did not prepare it, and it is doubtful if any member of the committee prepared it. I want to find out, and I think it is proper and appropriate that other Members of the Senate should know, who, aside from the regularly elected Members of the Senate and those constituting the committee which considered the bill, if anybody—I do not charge that anybody did, but I want to find out—who on the outside, as intimated in the question of my colleague, has been working on the program relating to this bill.

I now ask the Senator from Colorado—I do not do it in an objectionable sense, as I am sure he understands—who wrote the bill?

Mr. COSTIGAN. Mr. President, answering the earlier question first, may I say that last evening I communicated with the chairman of the subcommittee of the Judiciary Committee, advising him that during his absence from the floor a question had arisen as to the report of the subcommittee. He stated that he himself would be glad to respond on that question.

With respect to the drafting of the bill, at this moment it should suffice, in my judgment, to say to the able and courteous Senator from Alabama that to my best recollection original steps were taken by me on the framing of the measure, starting with the consideration of past efforts to draft and have enacted Federal antilynching legislation. My recollection is that my first conference on the subject was had with the head of the Legislative Reference Bureau, Mr. Boots, who is well known to many Members of the Senate as an able and efficient legislative draftsman.

My recollection also is that a year ago last January, on my return to Washington for the opening of the session of Congress which began at that time, I conferred with Mr. Boots on some of the earlier drafts and upon certain possible amendments which would strengthen those drafts, in view

of recent tragic California events with which the people of the Nation are familiar; and that subsequently from time to time I conferred with the Senator from New York [Mr. WAGNER], with various members of the bar, and with representatives of different groups of citizens who have been actively interested in this type of legislation for many years.

Accordingly a particular measure was jointly presented to the Senate by the Senator from New York [Mr. WAGNER] and myself and was referred to the Judiciary Committee. Since that time on various occasions I have conferred with many citizens and with Members of this body with respect to the desirability of further amending, more certainly to assure the most effective constitutional safeguards for the bill which was originally introduced.

I trust that this statement in a broad way will bring to the attention of the Senator from Alabama and to his colleague from the same State desired information with reference to the bill.

Mr. BLACK. Mr. President, will my colleague yield further?

Mr. BANKHEAD. I yield.

Mr. BLACK. I note the statement "conference with various groups of citizens." I believe the Senate would be interested in having information, and I am sure the Senator from Colorado would not object to giving information, as to whether conferences with those groups were with employees of those groups who depend for their salary or their wages upon collections made from various groups of citizens. I am particularly interested to know whether or not a man by the name of White, whose first name I do not know, is associated with any group of citizens and conferred in connection with this bill and aided in drafting it.

Mr. COSTIGAN. Mr. President, answering the last question of the senior Senator from Alabama, I wish to say that I have conferred on numerous occasions with Mr. Walter White, the unusually capable secretary of the National Association for the Advancement of Colored People. The organization for which Mr. White acts as secretary has an office at No. 69 Fifth Avenue, New York City. Its present president, according to my information, is a prominent New York lawyer, Mr. J. E. Spingarn, of the New York Bar. The treasurer is Mary White Ovington. Mr. Roy Wilkins is assistant secretary.

The board of directors of this association includes many prominent Americans. One of them is a distinguished Member of the United States Senate, Hon. ARTHUR CAPPER, the senior Senator from Kansas. Other members of the board are the following:

Mr. Carl Murphy, of Baltimore; Mr. Joseph Prince Loud, of Boston; Prof. Manley O. Hudson, the eminent authority on international law, a member of the Harvard law faculty, residing at Cambridge, Mass.; Mr. T. G. Nutter, of Charleston, W. Va.; Miss Jane Addams, the noted well-loved humanitarian who is being honored in the city of Washington this week for disinterested services which have brought her national and international fame; Mr. Clarence Darrow, the widely known attorney, who, as is true of Miss Addams, is a resident of Chicago; Hon. Harry E. Davis, of Cleveland; Hon. Ira W. Jayne, of Detroit; Hon. Frank Murphy, Governor General of the Philippine Islands, former mayor of Detroit; the famous American writer, my long-time friend, William Allen White of Emporia, Kans.

The following board members are residents of New York City:

Lillian A. Alexander; Rev. Hutchens C. Bishop; Marion Cuthbert; Hubert T. Delany; Rachel Davis Du Bois; Lewis S. Gannett; Rev. John Haynes Holmes, one of the outstanding pulpit orators and divines of this generation; Rev. William Lloyd Imes; James Weldon Johnson; Hon. Herbert H. Lehman, the present able Democratic Governor of the State of New York; James Marshall; Lucy R. Mason; Mary White Ovington; Rev. A. Clayton Powell; Arthur B. Spingarn; J. E. Spingarn, president of the association as already stated; Charles H. Studin; Hon. Charles E. Toney; William English Walling, author; Frances Williams; and Dr. Louis T. Wright.

At Northampton, Mass., resides another member, Dr. William Allen Neilson, nationally known president of Smith College, one of this country's famous women's universities.

At Philadelphia resides Isadore Martin, another member of the board of directors.

In the city of Washington are the following directors: I have already given the name of the Senator from Kansas [Mr. CAPPER], a resident of Topeka, Kans. In the city of Washington are Sterling A. Brown; Nannie H. Burroughs; Judge James A. Cobb, this city's present judge of the municipal court; Abram L. Harris; and another writer of distinction, Charles Edward Russell.

With various members of this board of directors I have conferred from time to time on the proposed legislation. I have also discussed it with numerous journalists and authors, such as the justly noted former editor and owner of the New York Nation, Oswald Garrison Villard.

If the Senator from Alabama desires me to particularize further, I shall be glad to do so.

Mr. BLACK. Mr. President, will my colleague yield?

Mr. BANKHEAD. Yes.

Mr. BLACK. Then I understand from the statement of the Senator from Colorado that he did confer on the original draft of this bill, before it was drafted, with Mr. Walter White, and that he did aid in drafting the measure.

Mr. COSTIGAN. My recollection is that Mr. White did not personally assist in drafting the measure. From time to time, however, after I became interested in this type of legislation, I referred to him legal and constitutional questions which appeared to me to call for discussion, and asked him to confer with members of the association which he represents with a view to advice as to the best methods of fortifying further the legal and constitutional features of the measure.

Mr. BLACK. Did he have anything to do with this change in the bill from the bill which was reported last year?

Mr. COSTIGAN. So far as I recall, he did not.

Mr. BLACK. May I ask if Mr. Charles H. Tuttle aided in drawing the bill?

Mr. COSTIGAN. I have never conferred with Mr. Tuttle in person. It might assist me if the Senator will be good enough to read into the RECORD, or give to the Senate, the particular language about which he is now expressing concern.

Mr. BLACK. It is the part of the first paragraph to which I referred in my remarks. There is a very great change. May I ask if the Senator knows whether or not Mr. Tuttle is connected with any law firm in New York which represents any of the Morgan interests, any of the interests of the National City Bank, or the Chase National Bank, through associates, affiliates, or subsidiaries?

Mr. COSTIGAN. Mr. President, I have no knowledge on that subject; but in making that answer, I do not wish to be understood as suggesting that such information is not easily available. I assume it would be available through Who's Who, and certainly upon inquiry addressed to Mr. Tuttle.

Mr. BLACK. I may state to the Senator that I have Who's Who, and I could not find Mr. Tuttle in it.

Mr. COSTIGAN. Then, of course, there are other methods. I am sure Mr. Tuttle, if he is connected with any of the business firms to which the able Senator from Alabama refers, would be glad himself to provide the information.

Mr. BLACK. I have Martindale's Law Directory, which gives the name of his firm; but may I ask if the Senator knows whether or not he did have anything to do with, and was paid anything by the association for, writing the brief or for aiding in any changes in the bill?

Mr. COSTIGAN. The Senator refers to Mr. Tuttle?

Mr. BLACK. I refer now to Mr. Tuttle.

Mr. COSTIGAN. I have no information on that subject. As I have stated to the Senator from Alabama, I have never conferred with Mr. Tuttle, and the introduction of his brief

at the hearing of the committee and in the report of the committee was independently brought about so far as I am concerned. It was, of course, in harmony with several briefs which at prior public hearings were incorporated in the record, in support of the constitutionality of the proposed legislation. My information about Mr. Tuttle has come through biographical articles referring to him, and I have been informed that he is an exceptionally prominent member of the New York bar.

Mr. BLACK. Is he the same man who ran for Governor on the Republican ticket and was defeated?

Mr. COSTIGAN. That fact, if a fact, is unknown to me. I have, I believe, heard it stated that he was at one time a district attorney in the State of New York.

Mr. BLACK. The Senator asked as to the differences between this bill and the other, which I think is a very pertinent question. I have before me now Senate bill 1978, which was reported January 4, 1934. Paragraph 1 of that bill is composed of eight lines. Paragraph 1 of Senate bill 24 of this session is composed of 12 lines.

Mr. COSTIGAN. I may say to the able Senator that of course I am familiar with the differences in the two measures.

Mr. BLACK. I thought the Senator desired me to place in the RECORD a statement of the differences.

Mr. COSTIGAN. What I requested was specific reference to the newly inserted language with which the learned Senator from Alabama is most concerned.

Mr. BLACK. The chief part of it is in paragraph 1. In the bill as originally reported last year it provided that a mob should mean—

An assemblage composed of three or more persons acting in concert, without authority of law, to kill or injure any person in the custody of any peace officer, with the purpose or consequence of depriving such person of due process of law or the equal protection of the laws.

The present bill is written in such a way, in my judgment, as completely to change the effect of that measure.

It is my judgment that the first bill, as written, was limited, as appeared therein, to what might generally be known as a "lynching." This bill, however, goes further and says—

Without authority of law, for the purpose of killing or injuring any person in the custody of any peace officer or suspected of, charged with, or convicted of the commission of any crime, with the purpose or consequence of preventing the apprehension and/or trial and/or punishment by law of such person—

Now note—

or otherwise.

Which, as I see it, is wholly disconnected from the apprehension of the criminal.

Mr. COSTIGAN. None the less, it is a very familiar expression in statutory language.

Mr. BLACK. Certainly—

Or otherwise of depriving such person of due process of law or the equal protection of the laws.

I found in the brief of Mr. Tuttle that he carefully distinguished between these two features. As I tried to present the matter a few days ago, it is my judgment that that particular clause completely removes the scope and effect of this bill from injuries or assaults on individuals who have committed a crime or who are thought to have committed a crime, and brings within its protection corporations, which are not individuals, for injuries to their property; and not only corporations for injuries to their property, but persons who are deprived of due process of law, even though they are not accused of any crime, and have never been charged with any crime.

It is my judgment that that change, in connection with other changes in the bill, wrought an entirely different bill, and that is the reason why I was making the inquiry as to Mr. Tuttle, whom I do not know.

Mr. COSTIGAN. Perhaps I should add, Mr. President, with the courteous consent of the Senator from Alabama [Mr. BANKHEAD], that at no time have I met with any selected group of representatives of any particular interest, such, for example, as the directors of this association, speaking officially for such a group.

The original basis of this proposed legislation was, of course, found in earlier legislative attempts to deal with what we consider a national evil. From time to time it has been necessary to examine certain legal doubts which are unavoidable, I think, for any careful lawyer or legislator in drafting any equally important legislation. As these doubts developed I, myself, made amendments, and I conferred with such trained lawyers as the legislative draftsmen, who are frequently here in the Senate conferring with Senators.

Also, because of the special concern of members of their race over this sort of legislation, I took occasion to confer with Judge Cobb, who has devoted much time and thought to American constitutional principles and precedents as they apply to this sort of enactment, and with Dean Houston, who is at the head of the Howard University Law School in this city.

I should say that the persons whom I have just named are those who have most actively conferred with me about the particular language in the present draft.

Mr. BLACK. May I ask the Senator whether he recalls now who is responsible for or who suggested or brought about the change between paragraph 1 in last year's bill and paragraph 1 in this year's bill?

Mr. COSTIGAN. At this moment I am unable to answer specifically, but in going over the bill from time to time different questions have been raised, and the Senator from New York [Mr. WAGNER] and I have referred them to invite expressions of views to the persons named, with a view to getting their best judgment on them.

Since this debate began, as an illustration, one question discussed has been what, if any, definition is to be given to lynching. That question had earlier consideration by the Senator from New York and myself. I have recently again examined the question whether there is any necessity for the incorporation of a special definition of lynching in this particular measure. Questions of that sort are necessarily from time to time raised and discussed among those who are interested in this type of legislation.

Mr. BLACK. I have noted that Mr. Tuttle filed a brief on the old bill, and filed a brief on this bill. I am really interested in obtaining information as to the evolution of section 1, because I think a vital change has been made, though I may be wrong. I wonder whether there is any way by which we could ascertain who drafted the change in paragraph 1.

Mr. COSTIGAN. My best judgment on that subject would be that this relates to one of the questions which was raised in the minds of some of us, and which was answered by this particular language, that I made some draft upon the subject, and that others made drafts, and that I took these various drafts, and they were finally merged.

Mr. BLACK. Does the Senator remember who else made a draft of that?

Mr. COSTIGAN. I do not, but I do know that from time to time I have conferred, directly or indirectly, with Mr. Spingarn, who was a witness at one of the hearings here, and with whom some weeks ago I discussed the general subject in New York City.

Mr. BLACK. I understand that from time to time the matter was referred to the secretary of the association, and he would come back with suggestions.

Mr. COSTIGAN. He was aware of this general situation; also, as a matter of fact, from time to time letters have been received from people particularly interested in civil liberties and constitutional questions offering suggestions.

For example, the other day one suggestion which reached me was that the title of the bill should be amended. It is my judgment, after close scrutiny of our Federal practice, that the objection rose from a consideration of State constitutional provisions, which sometimes limit the body of a bill to the title, a rule which does not control in our Federal practice.

Mr. BLACK. The Senator recognizes, then—and that is one of the points I debated a few days ago—that if our Constitution provided that we must give notice of all of the

contents of a bill it would be absolutely essential to change the title of this bill?

Mr. COSTIGAN. For State legislative purposes, but not for Federal.

Mr. BLACK. The only reason why it would be necessary is, as I understand it, that State constitutions in the main provide that accurate notice must be given in the title of all the subjects covered, and the title of this bill does not do that.

Mr. COSTIGAN. State constitutions frequently provide that a particular bill shall embrace only one subject, which shall be clearly expressed in the title, and I assume the able Senator from Alabama, who is a skilled member of the bar, is referring to that type of provision in State constitutions. My understanding is that that rule does not hold with respect to Federal legislation.

Mr. BLACK. I thank the Senator very much.

Mr. CONNALLY. Mr. President, will the junior Senator from Alabama [Mr. BANKHEAD] yield to me to ask a question of the Senator from Colorado?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. I was very much interested in the statements of the Senator from Colorado as to the conferences he had had with various persons with reference to the constitutionality of the bill. I am wondering whether the Senator ascertained, in his investigation, that in 1922 a bill practically on all fours with the bill we are discussing was before the Senate Committee on the Judiciary, and that informally the Senate Committee on the Judiciary came to the conclusion, unanimously with the exception of Senator Sterling, of South Dakota, who reserved the right to determine the question later, that the bill was unconstitutional and that the Congress had no power to enact it.

My authority for making this statement is a newspaper report in the Washington Post which I read some 2 or 3 weeks ago, an article written by Mr. Elliott Thurston, a very capable and a very reliable correspondent, the Washington Post being, of course, a well-known Republican newspaper.

Mr. Thurston in this article made the explicit statement that in 1922, when a bill similar to this one was before the Senate Committee on the Judiciary, that committee came to the informal conclusion, with the exception of the vote of Senator Sterling, that the bill was absolutely unconstitutional and without the jurisdiction of the Congress, but that subsequently, because of some political pressure from sources very close to the parties named by the Senator from Colorado as those with whom he has been conferring, the committee did make some sort of a report to the Senate on the measure, actuated purely by political pressure.

I do not make these statements of my own knowledge; I make them on the authority of a newspaper article signed by Mr. Elliot Thurston, of the Washington Post, of this city.

I wonder whether the Senator discovered that fact in his investigations of the constitutionality of the proposed measure, and I am wondering whether he conferred with any of those who were members of the Judiciary Committee of the Senate at the time referred to in the article, and got their counsel and their advice, rather than the advice of the municipal judge in Washington here—Judge Cobb.

Mr. COSTIGAN. Mr. President, if the Senator from Alabama will permit me to answer, the facts as stated by the able Senator from Texas are not known to me. They may or may not be true. I do know Mr. Thurston; I know that he is a correspondent of ability and character.

Whether those facts be true or not, they would not affect my judgment with respect to the constitutionality of the measure we are discussing, because that has been formed upon a full and prolonged consideration, whether I am right or wrong, of the authorities and the proposed statutory language.

I notice that the eminent senior Senator from Idaho [Mr. BORAH] is standing, and I wish to say that I am aware that in earlier discussions of this question the Senator from Idaho indicated that he entertained doubts about the constitutionality of the proposed type of legislation, as he has entertained doubts in regard to many congressional enactments. I understand that on one occasion a prominent member of the bar submitted to the Senator from Idaho an elaborate brief in which he dealt with his views of the constitutional questions here involved.

Also, in the course of my investigation of this subject I, of course, carefully examined a report of a former Judiciary Committee of the Senate, filed in the Senate on the so-called "Dyer bill" by Senator Shortridge, of California, who is no longer a Member of this body. In that report, as in many briefs submitted on this question, strong arguments in behalf of the constitutionality of this type of legislation were carefully presented.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BANKHEAD. I yield.

Mr. BORAH. Mr. President, the question has been raised as to what took place when the Dyer antilynching bill was before the Congress. In the interest of correct statement I wish to say that when the Dyer antilynching bill passed the House it came over to the Senate, of course, for consideration. At that time former Senator Nelson, of Minnesota, was Chairman of the Committee on the Judiciary. He asked me to take the chairmanship of the subcommittee which was to pass upon the question of the constitutionality of the bill. I expressed reluctance to do so for the reason that I had followed the debate in the House very closely, and advised him that I had reached a definite conclusion, and that my mind was not really open upon the subject. He urged, nevertheless, that I take the chairmanship of the subcommittee, and I did so.

We spent some time in going over the question, studying it with care. Former Senator Sterling was on the subcommittee with me. I have forgotten who the other member of the subcommittee was. We made a report to the full committee. It was an oral report. It consisted of discussion and reference to opinions and decisions. There was a full consideration in the committee. The opinion of the committee was that the bill was unconstitutional.

Former Senator Sterling reserved the right, however, to vote for the measure if it came to the floor, contending that he thought it ought to go to the Supreme Court for a definite decision on the specific question presented by that bill; that while he himself did not contend that it was constitutional, he thought there was sufficient doubt in regard to it to justify the matter going to the Supreme Court and having the question settled once and for all. But the matter was submitted to the Judiciary Committee, and the Judiciary Committee overwhelmingly, and as I recall, unanimously, with the exception of two or three who made certain reservations—that is, reserving the right to express themselves upon the floor—was of the opinion that the bill was unconstitutional.

The Senator from Texas [Mr. CONNALLY] has referred to some parliamentary maneuvers thereafter. I do not know that they are greatly important, but they would seem to have some importance due to the fact that notwithstanding the committee was practically unanimously opposed to the measure on the ground of the constitutional principle, that nevertheless it was afterward reported out. It was reported out. Six members of the committee changed their positions, but stated that they were changing their positions to enable the matter to come to the floor for full discussion, that they had not changed their opinion, however, as to the unconstitutionality of the measure, but in view of the situation it was thought proper to bring it to the floor for full consideration. That is the reason why notwithstanding the fact that the committee thought the bill was unconstitutional, nevertheless, the committee reported it out.

We all know what happened. It was before the Senate for 2 or 3 days on two or three occasions, and then the leader of the Republicans, the majority leader, withdrew the measure from further consideration. The move after the first vote of the committee on the constitutionality of the measure was purely political.

I do not, of course, recall with complete accuracy as to how the vote stood in the committee. I know that it was overwhelmingly of the opinion that the measure was unconstitutional. My remembrance or recollection is that there were only two or three Members, at most, who reserved any views to be expressed upon the floor. I, myself, had no doubt the bill was not constitutional. I never have had since.

I believe in the objective which these able Senators have in view. I believe in what they would like to to accomplish. I have a profound respect for the high motives which moved them. No one can believe in lynching. It is the most cowardly and brutal crime of which human beings can be guilty. But, as to the constitutional question, I have not changed my mind in regard to it. Neither am I convinced that it is a sound policy to remove responsibility from the different local governments of the communities for the enforcement of law. In the long run that results in breaking down all sense of duty upon the part of the citizen.

Mr. COSTIGAN. Mr. President, will the Senator from Alabama yield to me so that I may answer the Senator from Idaho?

Mr. BANKHEAD. I yield.

Mr. COSTIGAN. May I ask the Senator from Idaho, whose views on constitutional questions always command closest attention and impress Members of this body, whether it was at about that time that he received a brief from Mr. Herbert K. Stockton, an attorney, of New York City, in which Mr. Stockton at some length, and with the substantial citation of pertinent authorities, endeavored to persuade the able Senator from Idaho that this sort of legislation is constitutional? The brief is dated June 5, 1922.

Mr. BORAH. Mr. President, I could not recall the name of the individual to whom the Senator refers. I do know that we received briefs, and I am perfectly sure that there were no authorities cited which were not examined by the committee. We were not so crowded for time in those days as we are now, and we took ample time to study the question.

As I said a moment ago, I entered upon the investigation really with the view that the measure was unconstitutional, but that fact rather imposed upon me the necessity of a closer reexamination. We had on the Committee on the Judiciary at that time such men as ex-Senator Walsh, of Montana, and I remember very distinctly the views which he expressed in the full committee. The matter was thoroughly canvassed and thoroughly discussed.

So far as the Dyer antilynching bill was concerned there was practically no difference of opinion in regard to it. I cannot recall the particular name which the Senator from Colorado mentioned. I would not want to be regarded as speaking as to all details.

Mr. COSTIGAN. Mr. President, no one in this body respects more consistently and highly than I do the eloquence and authority of the Senator from Idaho, but I do venture to suggest that at times it has been the experience of the Senator from Idaho to find the constitutionality of measures he has challenged before they were passed by the Congress subsequently upheld by the Supreme Court of the United States. In making this remark I have particularly in mind at the instant the views expressed by him with great ability some years ago with respect to the so-called "flexible provisions" of the tariff law of 1922.

I know that at different times in the past those who are interested in putting an end, nationally, to the disgraceful evil of lynching have voiced the hope, which I am sure millions of Americans echo now, that the Senator from Idaho will be among those who will consent to the submission for constitutional determination of this great legislative issue to the highest court in the land.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BANKHEAD. I yield.

Mr. BORAH. I should be very glad to have the Supreme Court pass upon the question if I knew of any way to do it without stultifying my own convictions as to what the law means. To my mind, if this kind of bill can be passed and sustained by the Supreme Court we have utterly annihilated all State sovereignty; we have broken down State lines completely. I can see no escape from that conclusion.

I have no desire to be drawn into a discussion of the constitutional question, but let me say to the able Senator from Colorado, in whose great human sympathies I thoroughly believe, that he has an absolute precedent for this bill in the National Recovery Administration, which deals with intrastate business, and he has a complete precedent in the Agricultural Adjustment Administration, which deals with intrastate business. If you can go into the State of Idaho and take charge of a local business and direct that business man as to how it shall be run, and take the man who does not run it according to the rule passed by the Federal Government, and put him in jail, you can go into Alabama and take the sheriff by the shirt collar and make him abide by the rules which a Federal Congress has also laid down. If you can punish me under Federal law for not running my grocery store according to a rule or regulation made by some Federal department, you can punish the officers and citizens of another State for not conducting themselves according to some Federal law in the matter of protecting life.

I have been opposed to those propositions consistently, because I know they strike at the very foundation of State sovereignty. I believe we can only have a great Federal Union by having great individual sovereign States, and that when the latter are destroyed we may have a republic in name, but we will no longer have a republic in fact.

Twenty years ago I declared:

> A government from Washington by commission, reduced to its last analysis, is no different from a government by satrapies from Rome. God pity this Government in the hour in which we shall look to Washington for that economy in public expenditures, that comprehension of the common needs, that devotion to the general interests, the power and the willingness to correct abuses and distribute justice, all so essential to a democratic form of government, rather than to enlightened public opinion gathered up and crystallized into law through those agencies of government which reach back and down to the great body of the people—the sole sovereignty of the Republic.
>
> If there is anything now well settled, worked out through centuries of test and trial, it is that each member of the Federal Government must have complete and independent control of all matters domestic and internal and which relate alone to the individual members.

I have already said I sympathize with that which the Senator from Colorado would accomplish, and neither do I regard this bill as a sectional bill. I do not think the South ought to take it as such. We all know that the crime of lynching is committed all over the country in the different States. So I do not regard it as a sectional bill at all, but I do regard it as in conflict with the most fundamental principles upon which this Republic rests and in violation of the spirit and purpose of our dual system of government. It strikes deep and it strikes hard at the whole theory of State sovereignty. And, after all, there is nothing in all the realm of government more essential to the happiness and well-being of the American people than the right of local self-government.

Mr. COSTIGAN. Mr. President, does the able Senator from Idaho know and is he prepared to suggest any other legislative program or procedure by which the lynching of human beings by mobs can be prevented in the United States?

Mr. BORAH. It is my belief that this type of bill would not prevent lynching. The class of crimes to which lynching belongs can only be prevented by the education of the people, by building up public opinion against it, and by bringing the people to realize that it is to their detriment and to their everlasting shame to have such crimes committed in their respective communities. Without the moral support and the intellectual backing of the communities in which such occurrences happen, the power of the Federal Government will be perfectly futile in undertaking to eradicate this kind of crime.

Therefore, I do not look at this measure as constituting a remedy for lynching; I do not believe it will accomplish

that objective; I do not think it can be accomplished in that way. Any scheme which removes responsibility from the citizen cannot be in the interest of good citizenship.

Mr. President, before I sit down, let me say that the American Negro has always been noted for his fidelity to American institutions. It is one of the distinguishing characteristics of the Negro. Whatever his faults may be, and all races have them, his fidelity to American institutions, his loyalty to his country, and his devotion to the great underlying principles of our Government, as he understands them, are crowning virtues of the American Negro. We hear little talk of communism and other "isms" from the lips of the colored people.

When the Dyer antilynching bill was before the Senate, owing to the fact that I was chairman of the subcommittee, I received much censure from leaders of the colored race for my position, and, naturally, from colored people generally. It finally led to my addressing a mass meeting of colored people in this city to explain my position upon this question, which I did one Sunday afternoon.

I undertook to discuss it from the viewpoint of preserving the integrity of our Government as we had built it and of appealing to the colored race to respect our Government as it had been constructed by the Fathers. It is my belief that there were not a dozen individuals in that vast audience that afternoon who were not in full sympathy with my position when it was explained to them. I do not think that they want to infringe upon the fundamental principles of the Constitution; I do not believe they entertain any desire to do that; but, in my opinion, if they should succeed in passing a measure of this kind they would be instrumental in dealing a blow at the American Government, constitutionally speaking, the importance of which could hardly be overstated. I have no doubt the Negro feels strongly about the problem with which the authors of this bill would deal, but I would not be afraid to present the question of maintaining the integrity of our institutions to any group of Negroes, North or South.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. BORAH. I yield, if I have the floor.

Mr. COSTIGAN. The Senator, of course, subscribes to the view, attributed to the present Chief Justice of the United States, that legislation is constitutional whenever the Supreme Court of the United States finally determines it so to be?

Mr. BORAH. The Chief Justice did not quite say that, but if he said something like it I feel he ought to apologize.

Mr. President, the Constitution of the United States is what is expressed in the terms of the document itself. The Court may, for reasons which affect courts the same as they affect other individuals, come to conclusions which at a particular time seem to construe fairly the Constitution of the United States. I remember after the Civil War, when the reconstruction measures were on their way to the Supreme Court of the United States, measures which, in my opinion, did more to engender ill will in the South than did the war itself. Those measures were never fully passed on by the Supreme Court, but some proceedings were had which have never since been approved by the Supreme Court of the United States. Courts are human, and we must expect such things, and I have no criticism to make. I do not ask for anything more than a sincere devotion to the cause of justice as the court sees it.

However, the Senator referred a few moments ago to the fact—and there was a very subtle criticism in his reference, to which I do not object—that I opposed the delegation of power to the President of the United States to make tariff treaties and to fix tariff duties. I did take that position, but the Supreme Court afterwards sustained the law. I claim no infallibility. But whatever my opinion is, I am willing at all times to defend it. Mr. President, when that measure came before this body, in the first instance under Mr. Hoover's administration, able lawyers on the other side of the Chamber, including the able lawyer from New York [Mr. WAGNER], who is one of the coauthors responsible for this bill, in a most powerful argument demonstrated to a certainty to my mind that it was unconstitutional. Others of like ability had no doubt of its being unconstitutional; but when a similar measure reached this body again under the present administration there was a complete swing around in the Senate as to those who believed it constitutional and those who believed it to be unconstitutional. I have never changed my mind for a moment that such legislation is thoroughly in violation of the most fundamental principles of our Constition. The Supreme Court may write opinions in which they incorporate the views of an ex-President as to a tariff commission until the crack of doom, but they will never derogate from the fact that the fathers of this country intended that the power to raise and control taxes should exist in the Congress of the United States alone, and that the House of Representatives alone should be the place where such bills should originate. That is true now in spite of anything the Supreme Court has said or can say. It is perfectly plain that the real question before the Court was not decided.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BANKHEAD. I do.

Mr. GLASS. The Senator from Idaho awhile ago referred to John Marshall. When John Marshall was Chief Justice of the Supreme Court, Thomas Jefferson denounced the Court as the "sappers and miners of the Federal Constitution." What does the Senator think Thomas Jefferson would say of the present Supreme Court after the decision in the Minnesota case, the New York Milk case, and the tariff case to which the Senator has referred? Thomas Jefferson had the best vocabulary of any man who ever lived theretofore or since, but he could not have found in his vocabulary terms which would have adequately characterized the opinions of the Supreme Court in those cases.

Mr. BORAH. Mr. President, I do not think the criticism of Thomas Jefferson would be any more severe than would the criticism of John Marshall.

Mr. GLASS. Oh, John Marshall compared with these people here!

Mr. BORAH. Mr. President, Chief Justice Marshall said:

> No political dreamer was ever wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass.

Now we have done that. We did it under the N. R. A.; we did it under the A. A. A.; and, as I said a few moments ago, this bill is in perfect harmony with those two measures. I venture to believe, however, that when the sky shall have cleared, when the troublous days shall be over, and we shall come to realize the value of this Union and the institutions under which we live, we will do as our forbears did after the Civil War—we will swing back to the great principles and abide by them. I am not disturbed because of things which happen in troublous times. While I do not always "go along", I nourish the belief that in the end the sound common sense, both among the masses and among the leaders, will prevail.

Abraham Lincoln said:

> To maintain inviolate the rights of the States to order and control under the Constitution their own affairs by their own judgment exclusively is essential for the preservation of the balance of power on which our institutions rest.

There is the cornerstone of this Federal Republic. Mr. Lincoln did not enjoy the reputation of being a great constitutional lawyer, but no mortal man ever had a firmer grasp of the aims and purposes and principles of the Government for the preservation of which he yielded up his life.

There can be no such thing as a great Federal Union without great States. There can be no such thing as a Federal Republic unless the States at home preserve their rights as sovereign States to the extent to which the Constitution has defined them.

If this bill does not wipe out State lines, if the A. A. A. does not wipe out State lines when it deals with a farmer in my State, if the N. R. A. does not wipe out State lines when it runs a grocery store in my State, I do not know by what means we could wipe out State lines.

It is not alone because I am opposed to this bill, but it is because I believe in the principle which it seems to me the bill violates. This principle is so plain, so vital to our Federal Republic, that it would be shameless moral cowardice in one who sees it, as I do, not to maintain it.

Mr. COSTIGAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. BANKHEAD. I yield.

Mr. COSTIGAN. Without, of course, reflecting in any way upon the ability or judgment of the Senator from Idaho or upon the sincerity which has so evidently moved him in what he has said, I believe this is a suitable moment in which to read to the Senate a statement attributed to Mr. Chief Justice White, himself a jurist of southern birth, who is well remembered by many Members of this body as the Presiding Justice of the Supreme Court of the United States. Speaking to the American Bar Association in 1914, Mr. Justice White used these words, which are distinctly applicable to the present issue:

> There is great danger, it seems to me, to arise from the constant habit which prevails where anything is opposed or objected to, or resorting without rhyme or reason to the Constitution as a means of preventing its accomplishment, thus creating the general impression that the Constitution is but a barrier to progress instead of being the broad highway through which alone true progress may be enjoyed.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BANKHEAD. I yield.

Mr. BYRNES. I only desire to say with reference to the statement of the Senator from Idaho as to the attitude of the Negro race upon this legislation that in recalling the history of the Dyer bill and what took place while that bill was pending, it is also interesting to note what took place after the adjournment of Congress.

Representative Dyer returned to his State, was a candidate for renomination, was opposed by a representative of the Negro race who defeated him in the primaries for the renomination; so that the Negro race evidently was not of the opinion that the efforts of Representative Dyer were so vital to their happiness, welfare, and life.

I only hope that no such fate shall befall the two distinguished Members of this body who are the authors of the bill, because they are rendering splendid service here. I hope that in the coming election they may not meet such a fate.

Mr. COSTIGAN. Mr. President, will the Senator from Alabama pardon me further?

Mr. BANKHEAD. I yield to the Senator from Colorado.

Mr. COSTIGAN. The generous references to the cosponsors of the bill are fully appreciated. In view of many expressions of concern over the attitude of the electors in various States, and supplementing what was said with such eloquence yesterday by the able Senator from Nevada [Mr. McCARRAN], I feel that I ought to say that I was advised yesterday, and I think authoritatively, that there are no Negro voters in 53 of the 63 counties of my State; that in one of the most populous counties of my State and in one of the most prosperous of northern Colorado cities in one of the richest agricultural regions in the country there is said to be only one colored voter, and that neither during the progress of this discussion nor at any other time have I received any expression of his views on the pending problem.

Mr. LOGAN. Mr. President, will the Senator from Alabama yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BANKHEAD. I yield.

Mr. LOGAN. Whether the bill be constitutional or not, whether it be a good bill or not, it seems perfectly obvious to everyone that there is not the slightest opportunity of bringing the motion to a vote. Is that the opinion of the Senator from Alabama?

Mr. BANKHEAD. There is no doubt in the world about it. I think every intelligent Member of the Senate knows it.

Mr. LOGAN. In view of that fact, and in view of the further fact that important legislation is awaiting consideration by this body, I for one do not believe the Senate ought to continue this discussion, knowing that no good can result. So far as I am concerned, I am perfectly willing to lay aside the motion of the Senator from Colorado until we dispose of important legislation, and then, if the Senator from Colorado shall see fit to make the motion again, we will enter into an endurance test with those who are opposing the motion and see who can last the longest during the hot days of July and August.

Mr. WAGNER. Mr. President, will the Senator from Alabama yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from New York?

Mr. BANKHEAD. I yield.

Mr. WAGNER. Unfortunately, I was temporarily absent from the Senate and did not listen to the discussion which has taken place. I arrived today just in time to hear the end of a constitutional argument made by the Senator from Idaho [Mr. BORAH].

The Senator from Idaho referred to an argument which I made on the floor of the Senate holding that an act which delegated certain powers to the President with reference to the raising or lowering of tariff duties was unconstitutional. As I gathered, the Senator's theory was that the question involved here is a constitutional question similar to that involved in the tariff act.

Mr. BORAH. Oh, no.

Mr. WAGNER. That act involved a question of the delegation of power to an executive officer. The question was as to whether the legislation provided for such standards as would make the function of the executive merely administrative. It has been the position of the court that, if we are to delegate powers, at least we must fix certain standards and not delegate legislative powers.

As I understand the bill which is under discussion, I am persuaded absolutely not only that it is constitutional but also that there is a constitutional mandate, in view of the history of lynching in this country over a period of years, to preserve equal protection of the law for all citizens and prevent deprivation of life, liberty, or property without due process of law, by such Federal action as has been granted to us by the States themselves.

It is on that theory that this bill was introduced. We have enacted such legislation in the past. We have enacted legislation requiring, in the selection of jurors, that there should be no discrimination because of race, color, or creed. When in the State of Virginia a judge violated that law by discriminating against a certain race in denying to it the right to sit upon a jury as the peers of their fellow citizens, that judge was fined by virtue of the Federal statute. This was on the theory that, since he was an official of the State, the State itself was acting—for States act only through men. The imposition of that fine was sustained by the Supreme Court of the United States.

As the Senator, who is a lawyer, so well knows, the Court has intervened, in the absence of a Federal statute, when a mob had so influenced or terrorized a State jury that it did not dare bring in a verdict of innocent in spite of the conclusiveness of the evidence. In that case the United States Supreme Court found the fourteenth amendment a justification for the intervention of the Federal Government through its courts in order that the citizen of the particular State might receive the equal protection of the law. And that is the theory of this proposed legislation.

I did not intend to say this much, but I should like to make one further statement. The Senator from South Carolina [Mr. SMITH] seems to be very much concerned over the possibility that if I should continue the prosecution of this measure, which I think is proper and the result of a constitutional mandate, I might imperil my reelection. I appreciate the Senator's consideration for my future welfare, but that is a matter of little concern to me so long as I am satisfied that what I am doing is in accordance with the dictates of my conscience, and is in the interest of the people whom

I, in part, represent, and of the people of the United States. The question of reelection should not give anyone any concern. Certainly it does not concern me.

Mr. BORAH. Mr. President, I may say to the Senator from New York that I did not raise the question of tariff treaties or the delegation to the President of power to establish tariff duties. That matter was brought up by the able Senator from Colorado [Mr. COSTIGAN], and I was replying to it. Of course, I understood perfectly that that was a question of delegation of power and that this is not a question of delegation of power. This is what I regard as a question of usurpation of power, and I understand perfectly the difference between the two matters.

The case which the Senator cited, as to the judge being fined, is well taken care of by fundamental principles of the Constitution, which are provided for explicitly, and in my judgment it has little relevancy to the present situation.

Mr. President, let me say just a word further, and then I shall conclude what I have to say. I had no intention of taking any part in this debate; but a matter was brought up which involved my personal action here in the Senate, and I felt constrained to refer briefly to it.

I have no doubt both the Senator from New York [Mr. WAGNER] and the Senator from Colorado [Mr. COSTIGAN] have convinced themselves that this bill is constitutional. We are all in agreement with them that it is humane and humanitarian in its purposes. The only matter about which there is any controversy is the constitutional question. The Senator from New York may be right in regard to it, and the Senator from Colorado may be correct in his position; but I have no doubt that the bill is unconstitutional. When it is said that the lynching of a man by 3 persons gives Federal jurisdiction, but the lynching of a man by 1 person does not give Federal jurisdiction, the Constitution is being made subject to construction in accordance with the number of persons present when the crime takes place. It seems to me that if we can do what it is proposed we shall do here we can and we ought to go into New York City and see that the criminal laws are enforced in that great city. If the Federal Government is concerned to protect life within the State, is it not obligated to protect against machine guns and the attacks of the racketeer as well as the rope and the attacks of the mob? Where are you going to stop, and why, once started, should you stop at all?

Mr. WAGNER. Possibly, Mr. President. If the Senator from Alabama will yield, I may say that this bill, if enacted, will apply to New York City as it will to every other city and State in the Union. The sectional question was not raised by me, and I was hoping that it would not be injected into this discussion at all. This measure should be viewed from the national standpoint and as a national obligation.

This, however, is what I was about to suggest: As to details, it may very well be, since none of us are perfect, that this measure is not so well drafted as it should be, is not so comprehensive as it should be, or perhaps is not so limited as it should be. That is the reason why some of us are anxious to have the bill taken up for consideration by the Senate, so that amendments may be proposed. That has not been done, thus far, because of the refusal of some of my colleagues to permit the motion of the Senator from Colorado to come to a vote.

Personally, I never have indulged in a filibuster. I hope I never shall do so as long as I am a Member of the Senate, because I am always willing to abide by what a majority of the Senators say should be done as to any particular proposal which is before us for consideration. I hope, therefore, that the bill will be considered; and if, ultimately, the Senators should feel that the proposed legislation either was not justified or was so clearly unconstitutional that they could not support it, they could so decide. Then we shall have discharged our obligation; but it seems to me that the bill ought to be brought up for the consideration of this body, like other legislation. I do not know why we should make an exception of this particular proposal.

Mr. BORAH. Mr. President, so far as bringing up the bill for consideration is concerned, I voted recently against adjournment. I had no objection to a full discussion of the measure. I am not going to vote against adjournment indefinitely; but I had no objection whatever to the bill being considered upon its merits upon the floor of the Senate. I am satisfied now, however, that it does not make any difference whether the bill is brought up or not brought up; it is not going to be brought to a final vote, so we shall have to consider other matters.

Mr. BANKHEAD. Mr. President——

The PRESIDENT pro tempore. The Senator from Alabama.

Mr. BLACK. Mr. President, will my colleague yield?

Mr. BANKHEAD. I yield.

Mr. BLACK. In view of the fact that so few of the old guard Republicans, who seemingly favor this bill, are in the Chamber—I do not see one of them here—and since this is a most interesting discussion, and they need enlightenment, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pope
Ashurst	Coolidge	King	Radcliffe
Austin	Copeland	La Follette	Robinson
Bachman	Costigan	Lewis	Russell
Bailey	Couzens	Logan	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Thomas, Okla.
Borah	Gerry	McNary	Thomas, Utah
Brown	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrd	Hale	Neely	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Clark	Johnson	Pittman	White

The PRESIDING OFFICER (Mr. MCGILL in the chair). Eighty-eight Senators having answered to their names, a quorum is present.

Mr. COSTIGAN. Mr. President, will the Senator from Alabama yield to me?

Mr. BANKHEAD. I yield.

Mr. COSTIGAN. Supplementing what has been said this morning, I count this an appropriate time to ask to have placed in the RECORD, or to have read, if that course be preferred, a list of the names of special endorsers of the proposed legislation, together with a statement of the estimated number of members of endorsing organizations. References have been made at different times to the large number of endorsements by American citizens, both men and women.

Mr. CONNALLY. Mr. President, does the Senator want the names read?

Mr. COSTIGAN. No; I was merely asking that they be incorporated in the RECORD, though I shall be glad to read them, if that course be desired.

Mr. CONNALLY. I should like to have them read, and I am perfectly willing to have the clerk read them if the Senator desires. I should like to have read by the clerk also, and I ask unanimous consent that I may have read by the clerk a statement made in the House of Representatives some years ago by Representative Hersey, of Maine, with reference to a bill then pending on the same subject.

The PRESIDING OFFICER (Mr. HATCH in the chair). Is there objection to the request of the Senator from Colorado [Mr. COSTIGAN]? The Chair hears none.

The Senator from Texas [Mr. CONNALLY] has also submitted a request. Is there objection? The Chair hears none.

Mr. CONNALLY. Mr. President, I will not have the statement read at this time unless the Senator from Alabama agrees that it may be done.

Mr. BANKHEAD. I have no objection.

Mr. COSTIGAN. By way of introduction to what the clerk will now read, permit me to say that the names to be first read are those of endorsers of the proposed legislation, who also joined in a request that the proposed legislation be made part of the "must" program of the administration.

The clerk, following that list of names, is requested next to read the names of the organizations, together with estimated membership, endorsing the proposed legislation.

The PRESIDING OFFICER. Without objection, the clerk will read.

The Chief Clerk read as follows:

[Hearing before the subcommittee of the Committee on the Judiciary, United States Senate, Feb. 14, 1935, p. 33]

THE SIGNERS

GOVERNORS OF STATES AND FORMER GOVERNORS

Hon. C. Douglass Buck, Delaware.
Hon. Alf M. Langdon, Kansas.
Hon. William A. Comstock, Michigan.
Hon. Frank D. Fitzgerald, Michigan.
Hon. A. Harry Moore, New Jersey.
Hon. Harold G. Hoffman, New Jersey.
Hon. Herbert H. Lehman, New York.
Hon. Tom Moodie, North Dakota.
Hon. Gifford Pinchot, Pennsylvania.
Hon. Paul M. Pearson, Virgin Islands.

MAYORS

Hon. John Boyd Thatcher, 2d, Albany, N. Y.
Hon. Fred E. Lewis, Allentown, Pa.
Hon. Harry Bacharach, Atlantic City, N. J.
Hon. Howard W. Jackson, Baltimore, Md.
Hon. R. R. Stewart, Camden, N. J.
Hon. R. P. DeVan, Charleston, W. Va.
Hon. Russell Wilson, Cincinnati, Ohio.
Hon. Harry L. Davis, Cleveland, Ohio.
Hon. Hugh P. Finnerty, Council Bluffs, Iowa.
Hon. F. C. Roberts, Easton, Pa.
Hon. Henry H. Honan, Elmira, N. Y.
Hon. George A. Hoverter, Harrisburg, Pa.
Hon. John Cavanaugh, Homestead, Pa.
Hon. Reginald H. Sullivan, Indianapolis, Ind.
Hon. Leon F. Roberts, Jamestown, N. Y.
Hon. Daniel W. Hoan, Milwaukee, Wis.
Hon. A. G. Bainbridge, Minneapolis, Minn.
Hon. Mortimer A. Sullivan, Newport, R. I.
Hon. Roy N. Towl, Omaha, Nebr.
Hon. George E. Spratt, Poughkeepsie, N. Y.
Hon. Mark H. Gehan, St. Paul, Minn.
Hon. Anjelo J. Rossi, San Francisco, Calif.
Hon. Charles L. Smith, Seattle, Wash.
Hon. James E. Hagan, Somerville, Mass.
Hon. Fred R. Gray, Springfield, Ohio.
Hon. Solon T. Klotz, Toledo, Ohio.
Hon. George B. LeBarre, Trenton, N. J.
Hon. T. A. Penney, Tulsa, Okla.

BISHOPS AND CHURCHMEN

Samuel G. Babcock, suffragan bishop, Protestant Episcopal Church, Massachusetts.

Frederick B. Bartlett, Episcopal bishop of North Dakota.

Ferdinan Q. Blanchard, Euclid Avenue Congregational Church, Cleveland, Ohio.

Samuel B. Booth, Episcopal bishop of Vermont.

W. Russell Bowie, Grace Church, New York City.

Harold Leonard Bowman, First Presbyterian Church, Chicago, Ill.

Arthur H. Bradford, Central Congregational Church, Providence, R. I.

Benjamin Brewster, Episcopal bishop of Maine.

Charles E. Burton, secretary, General Council of Congregational and Christian Churches.

C. M. Brown, Cann Memorial Presbyterian Church, Kershaw, S. C.

Raymond Calkins, First Church in Cambridge, Cambridge, Mass.

Randall A. Carter, presiding bishop, third district, Colored Methodist Episcopal Church, Chicago, Ill.

James E. Cassidy, Episcopal bishop of Fall River, Fall River, Mass.

Samuel McCrea Cavert, general secretary, Federal Council of Churches of Christ in America, New York, N. Y.

S. M. Corcoran, superintendent Methodist Episcopal Church Union, Pittsburgh, Pa.

Thomas F. Davies, Episcopal bishop of western Massachusetts.

Ralph S. Cushman, bishop of Methodist Episcopal Church, Denver, Colo.

Cameron J. Davis, Episcopal bishop of western New York, Buffalo, N. Y.

Edward Thomas Demby, suffragan bishop of colored work of the Episcopal Church in the Southwest, Little Rock, Ark.

R. E. Diffendorfer, corresponding secretary board of foreign missions of the Methodist Episcopal Church, New York City.

Arthur Drossaerts, archbishop, San Antonio, Tex.

J. Stanley Durkee, Plymouth Church of the Pilgrims, Brooklyn, N. Y.

Harry Emerson Fosdick, Riverside Church, New York City.

Father Frederick, O. S. B., St. Emma Industrial and Agricultural Institute, Rock Castle, Va.

James E. Freeman, Episcopal bishop of Washington, D. C.

William Hiram Foulkes, Old First Church, Newark, N. J.

Francis J. Furey, secretary to His Eminence, D. Cardinal Dougherty, archbishop of Philadelphia.

James J. Gerrard, Fall River, Mass.

Charles C. Gilbert, Episcopal bishop, Diocese of New York, New York City.

Joshua L. Goldberg, national secretary American Jewish Congress, New York, N. Y.

John Haynes Holmes, Community Church, New York City.

Ivan Lee Holt, St. John's Methodist Episcopal Church, St. Louis, Mo.

Thomas Jenkins, Episcopal bishop of Nevada, Reno, Nev.

Robert Carter Jett, Episcopal bishop of Southwestern Virginia.

Joseph J. Kelly, St. Joseph's Church, Alexandria, Va.

Hugh L. Lamb, chancellor of the Archdiocese of Philadelphia, Philadelphia, Pa.

Moris S. Lazaron, rabbi, Baltimore Hebrew Congregation, Baltimore, Md.

David Lefkowitz, rabbi, Temple Emanu-El, Dallas, Tex.

Adnah Wright Leonard, resident bishop, Pittsburgh area, Methodist Episcopal Church.

J. J. McCort, bishop, Altoona, Pa.

F. A. McElwain, Episcopal bishop of Minnesota, Minneapolis, Minn.

Ralph W. McKenzie, district superintendent, Blairsville District, Methodist Episcopal Church, Pittsburgh, Pa.

Burr R. McKnight, district superintendent, Monongahela District, Methodist Episcopal Church, Pittsburgh, Pa.

William T. Manning, Episcopal bishop of New York.

J. C. Martin, presiding bishop, Fourth Episcopal District, Colored Methodist Episcopal Church.

Boynton Merrill, the Second Church in Newton, West Newton, Mass.

William Pierson Merrill, Brick Presbyterian Church, New York City.

Edwin D. Mouzon, bishop Methodist Episcopal Church South, Charlotte, N. C.

G. Ashton Oldham, Episcopal bishop of Albany, Albany, N. Y.

L. B. Pastorelli, head of the Josephite Order, Baltimore, Md.

David Philipson, honorary president Central Conference of American Rabbis, Cincinnati, Ohio.

C. H. Phillips, bishop of the Colored Methodist Episcopal Church, Cleveland, Ohio.

D. de Sola Poole, rabbi, Spanish and Portuguese Synagogue, New York City.

Frederick F. Reese, Episcopal bishop of Georgia, Savannah, Ga.

William P. Remington, Episcopal bishop of eastern Oregon, Pendleton, Oreg.

C. A. Roach, St. Peter Claver's Church, Philadelphia, Pa.

W. Blair Roberts, Episcopal bishop of South Dakota, Sioux Falls, S. Dak.

George W. Robinson, Corinthian Baptist Church, Des Moines, Iowa.

Louis Childs Sanford, Episcopal bishop of San Joaquin, Fresno, Calif.

William Scarlett, Episcopal bishop of Missouri, St. Louis, Mo.

Elmer N. Schmuck, Episcopal bishop of Wyoming, Laramie, Wyo.

E. Cecil Seaman, Episcopal bishop of north Texas, Amarillo, Tex.

Charles L. Seesholes, First Baptist Church, Dayton, Ohio.

Rabbi Abba Hillel Silver, the Temple, Cleveland, Ohio.

William Simons, All Souls Unitarian Church, New York City.

L. W. Spangy, district superintendent Pittsburgh District, Methodist Episcopal Church.

Robert E. Speer, secretary board of foreign missions of the Presbyterian Church in the United States of America.

F. Guthrie Speers, Brown Memorial Church, Baltimore, Md.

Robert Nelson Spencer, Episcopal bishop of west Missouri, Kansas City, Mo.

Frederick K. Stamm, Clinton Avenue Congregational Church, Brooklyn, N. Y.

Ernest F. Tittle, First Methodist Episcopal Church, Evanston, Ill.

Ernest Milmore Stires, Episcopal bishop of Long Island, Brooklyn, N. Y.

W. S. Trosh, district superintendent Alleghany District, Methodist Episcopal Church, Pittsburgh, Pa.

J. W. Tutt, Union Baptist Church, Des Moines, Iowa.

W. J. Walls, presiding bishop Eighth Episcopal District, African Methodist Episcopal Zion Church, Chicago, Ill.

John C. Ward, Episcopal bishop of Erie, Erie, Pa.

Benjamin M. Washburn, Episcopal bishop coadjutor of the diocese of Newark, Newark, N. J.

L. J. Welbers, San Antonio, Tex.

B. Wheeler, Mount Olive Baptist Church, Des Moines, Iowa.

Frank E. Wilson, Episcopal bishop of Eau Claire, Eau Claire, Wis.

John D. Wing, Episcopal bishop of south Florida, Orlando, Fla.

James Wise, Episcopal bishop of Kansas, Topeka, Kans., 27 superiors of convents of the Sisters of the Blessed Sacrament for Indians and Colored People.

COLLEGE PRESIDENTS AND PROFESSORS

Leroy Allen, dean Southwestern College, Winfield, Kans.

J. S. Ames, president Johns Hopkins University, Baltimore, Md.

James R. Angell, president Yale University, New Haven, Conn.

Albert E. Barnett, professor Scarritt College, Nashville, Tenn.

Robbins W. Barstow, president Hartford Seminary Foundation, Hartford, Conn.
Murray Bartlett, president Hobart College, Geneva, N. Y.
Edwin M. Borchard, professor Yale University, New Haven, Conn.
Arlo Ayres Brown, president Drew University, Madison, N. J.
O. W. Carrell, president Nebraska Central College, Central City, Nebr.
Paul Cloke, dean University of Maine, Orono, Maine.
Robert C. Clothier, president Rutgers University, New Brunswick, N. J.
Eugene A. Colligan, president Hunter College, New York City.
Ada Louis Comstock, president Radcliffe College, Cambridge, Mass.
C. E. Crossland, alumni secretary, University of Maine, Orono, Maine.
John W. Davis, president West Virginia State College, Institute, W. Va.
A. E. Deering, dean University of Maine, Orono, Maine.
Hoyt M. Dobbs, Centenary College of Louisiana, Shreveport, La.
Paul H. Douglas, professor University of Chicago, Chicago, Ill.
Ralph Earle, president Worcester Polytechnic Institute, Worcester, Mass.
Mother Mary Evarista, president Notre Dame College, Cleveland, Ohio.
Charles A. Ellwood, professor Duke University, Durham, N. C.
Frederick C. Ferry, president Hamilton College, Clinton, N. Y.
Charles W. Flint, chancellor Syracuse University, Syracuse, N. Y.
Sheldon Glueck, professor Harvard University Law School, Cambridge, Mass.
Joseph M. M. Gray, chancellor American University, Washington, D. C.
John A. W. Haas, president Muhlenberg College, Allentown, Pa.
Arthur A. Hauck, president University of Maine, Orono, Maine.
Arthur Howe, president Hampton Institute, Hampton, Va.
Hatcher Hughes, president Columbia University, New York.
Howard Jensen, professor Duke University, Durham, N. C.
Thomas Elsa Jones, president Fisk University, Nashville, Tenn.
P. R. Kolbe, president Drexel Institute, Philadelphia, Pa.
Robert Morse Lovett, professor University of Chicago, Chicago, Ill.
G. S. Luter, dean University of Maine, Orono, Maine.
H. M. McCracken, president Vassar College, Poughkeepsie, N. Y.
W. J. McConnell, president North Texas Teachers' College, Denton, Tex.
H. W. McPherson, president Illinois Wesleyan University, Bloomington, Ill.
Daniel L. Mash, president Boston University, Boston, Mass.
Broadus Mitchell, Johns Hopkins University, Baltimore, Md.
Henry T. Moore, president Skidmore College, Saratoga Springs, N. Y.
James Muilenburg, dean University of Maine, Orono, Maine.
Philip C. Nash, president University of Toledo, Toledo, Ohio.
William A. Neilson, president Smith College, Northampton, Mass.
W. Stuart Nelson, Shaw University, Raleigh, N. C.
John S. Nollen, president Grinnell College, Grinnell, Iowa.
Arthur W. Palmer, president Chicago Theological Seminary, Chicago, Ill.
Ellen F. Pendleton, president Wellesley College, Wellesley, Mass.
Roscoe Pound, dean Harvard University Law School, Cambridge, Mass.
Rush Rhees, president University of Rochester, Rochester, N. Y.
Frederick B. Robinson, president College of the City of New York.
Edward A. Ross, professor University of Wisconsin, Madison, Wis.
G. H. Schlauck, president Spokane Valley Junior College, Spokane, Wash.
Vida D. Scudder, professor emeritus Wellesley College, Wellesley, Mass.
Guy R. Snavely, president Birmingham-Southern College, Birmingham, Ala.
Edmund D. Soper, president Ohio Wesleyan University, Delaware, Ohio.
Edward V. Stanford, president Villanova College, Villanova, Pa.
John J. Sullivan, professor of law, University of Pennsylvania.
Charles F. Thwing, president Western Reserve University, Cleveland, Ohio.
John J. Tigert, president University of Florida, Gainesville, Fla.
Edward H. Todd, president College of Puget Sound, Tacoma, Wash.
H. Orton Wiley, president Pasadena College, Pasadena, Calif.
Walter Williams, president University of Missouri, Columbia, Mo.
Charles F. Wishart, president The College of Wooster, Wooster, Ohio.
Mary E. Woolley, president Mount Holyoke College, South Hadley, Mass.
James F. Zimmerman, president University of New Mexico, Albuquerque, N. Mex.

LAWYERS

Zachariah Chafee, Jr., Harvard Law School, Cambridge, Mass.
Hubert T. Delaney, New York City.
Harry E. Davis, Cleveland, Ohio.
Jesse S. Hesslip, Toledo, Ohio.
Morris L. Ernst, New York City.
Arthur Garfield Hays, New York City.
Charles H. Houston, Howard Law School, Washington, D. C.
Arthur B. Spingarn, New York City.
Herbert K. Stockton, New York City.
James Marshall, New York City.
L. Hollingsworth Wood, New York City.

EDITORS AND WRITERS

Louis Adamic, New York City.
Gertrude Atherton, San Francisco, Calif.
A. T. Atwater, editor the Rome Enterprise, Rome, Ga.
Faith Baldwin, New York City.
Mary R. Beard, New Milford, Conn.
Robert Benchley, New York City.
Stephen Vincent Benet, New York City.
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Herschel Brickell, New York City.
Spencer Brodney, editor Current History, New York City.
Van Wyck Brooks, Westport, Conn.
Dan B. Brummitt, editor the Christian Advocate, Kansas City, Mo.
Struthers Burt, Southern Pines, N. C.
Erskine Caldwell, Mount Vernon, Maine.
Henry S. Canby, New York City.
Marc Connelly, New York City.
Countee Cullen, New York City.
Babette Deutsch, New York City.
Alfred Dashiell, managing editor Scribner's Magazine, New York City.
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Edward Donahoe, Ponca City, Okla.
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Lewis S. Gannett, New York City.
C. Hartley Grattan, New York City.
Harold K. Guinzburg, New York City.
Louis M. Hacker, New York City.
Harry Hansen, New York City.
Jessie Fauset Harris, New York City.
Robert Herrick, Winter Park, Fla.
Sheila Hibben, New York City.
Quincy Howe, editor the Living Age, New York City.
B. W. Huebsch, New York City.
Rupert Hughes, Los Angeles, Calif.
Inez Haynes Irwin, New York City.
Georgia Douglas Johnson, Washington, D. C.
James Weldon Johnson, New York City.
Freda Kirchwey, New York City.
Alfred A. Knopf, New York City.
Joseph Wood Krutch, New York City.
Suzanne La Follette, New York City.
William Ellery Leonard, Madison, Wis.
Sinclair Lewis, New York City.
Alain Locke, Washington, D. C.
Leonore Marshall, New York City.
Annie Nathan Meyer, New York City.
George Milburn, Wilton, Conn.
Edna St. Vincent Millay, Austerlitz, N. Y.
Ruth Comfort Mitchell, Los Gatos, Calif.
Clifford Morehouse, editor the Living Church, Milwaukee, Wis.
Lewis Mumford, New York City.
George Jean Nathan, New York City.
Robert Nathan, New York City.
W. W. Norton, New York City.
Mary White Ovington, New York City.
William Pickens, New York City.
Ruth Pickering, New York City.
A. S. Platt, Redburn, N. J.
Lorine Pruette, New York City.
Elmer Rice, New York City.
Lola Ridge, New York City.
Edwin Arlington Robinson, New York City.
Geroid Tanquary Robinson, New York City.
John William Rogers, Dallas, Tex.
Charles Edward Russell, Washington, D. C.
The Saturday Review of Literature, New York City.
George S. Schuyler, New York City.
Evelyn Scott, Saratoga Springs, N. Y.
Upton Sinclair, Los Angeles, Calif.
George Soule, editor the New Republic, New York City.
Benjamin Stolberg, New York City.
Phil Stong, New York City.
Ruth Suckow, New York City.
Dorothy Van Doren, New York City.
Carl Van Doren, New York City.
Mark Van Doren, New York City.
Carl Van Vechten, New York City.
Oswald Garrison Villard, the Nation, New York City.
Edward Wasserman, New York City.
Walter White, New York City.
Roy Wilkins, New York City.
James Waterman, editor Opinion, New York City.
Helen Woodward, New York City.
W. E. Woodward, president Writers' League Against Lynching, New York City.

GENERAL

Jane Addams, Hull House, Chicago, Ill.
Jacob Billikopf, Philadelphia Regional Labor Board.
Helen R. Bryan, secretary Committee on Race Relations, Society of Friends, Philadelphia, Pa.
Bernard S. Deutsch, president board of aldermen, New York City.
Ethel E. Dreier, Brooklyn, N. Y.
Hannah Clothier Hull, national president Women's International League for Peace and Freedom.
Alfred Baker Lewis, secretary New England District Socialist Party, Boston, Mass.
Lucy Randolph Mason, secretary National Consumers' League, New York City.
Louis Drexel Morrell, Philadelphia.
Mary M. Simkhovitch, Greenwich House, New York City.
J. E. Spingarn, president National Association for the Advancement of Colored People, New York City.
Elizabeth Cecil Scott, member national board and chairman Richmond (Va.) Young Women's Christian Association.
Mary Van Kleeck, Russell Sage Foundation, New York City.
Lillian D. Wald, Henry Street Settlement, New York City.

ORGANIZATIONS WHICH BY RESOLUTION HAVE ENDORSED AND WHICH ARE ACTIVELY WORKING IN SUPPORT OF THE COSTIGAN-WAGNER ANTI-LYNCHING BILL

California State Legislature	----------
Colorado State Legislature	----------
Kansas State Legislature	----------
Minnesota State Legislature	----------
New Jersey State Legislature	----------
Pennsylvania State Legislature	----------
Massachusetts State Senate	----------
Illinois House of Representatives	----------
Indiana State Assembly	----------
New York State Assembly	----------
General Court of Massachusetts	----------
City Council of Cleveland, Ohio	----------
City Council of Duluth, Minn	----------
American Federation of Labor	5,000,000
The Federal Council of Churches	26,000,000
National Baptist Convention	3,196,623
Young Women's Christian Association	404,632
National Student Council of the Young Women's Christian Association	30,000
Young Men's Christian Association	857,241
Women's International League for Peace and Freedom.	
International Youth Movement.	
National Association for the Advancement of Colored People	100,000
National Association of Colored Women	250,000
American Federation of Teachers	----------
National Council of Women	----------
National Council of Jewish Women	50,000
Young People's Socialist League of America	3,500
Writers' League Against Lynching	186
Maryland Anti-Lynching Federation	----------
Congregational Commission on Lynching	----------
Chicago Committee on Anti-Lynching Legislation	----------
Committee on Race Relations of the Society of Friends	----------
American Civil Liberties Union	3,000
National Urban League	12,000
The League for Industrial Democracy	5,600
The Fellowship of Reconciliation	8,000
The Protestant Episcopal Church	2,000,000
The Colored Methodist Episcopal Church	325,000
Board of National Missions of the Presbyterian Church of the United States of America	1,969,788
Congregational and Christian Churches	1,000,000
The Society of Congregational Church Women of the State of New York	----------
New York City Congregational Church Association	33,853
The Church League for Industrial Democracy	1,800
Philadelphia (Pa.) Annual Conference of the Methodist Episcopal Church	110,000
The Methodist Federation of Social Service	2,400
Women's Missionary Council of the Methodist Episcopal Church South	225,000
National Council of Methodist Youth	500,000
Philadelphia Methodist Youth Conference	----------
Hartford (Conn.) Federation of Churches	600
Toledo (Ohio) Council of Churches	30,000
The Josephite Order of Baltimore, Md	68,000
Social Justice Commission of the Central Conference of American Rabbis	370
Committee on Social Justice of the Rabbinical Assembly of America	300
American Jewish Committee	100,000
American Jewish Congress	----------
Synagogue Council of America	1,000,000
Holy Name Society of Our Lady Queen of the Angels Church, Newark, N. J	400
Unity Circle of the First Unitarian Church, Des Moines, Iowa	----------
Oakland (Calif.) Council of Church Women	2,100
Interracial Commission of Judson Church, New York City	----------
Interdenominational Preachers' Meeting of Greater New York and Vicinity	----------

ORGANIZATIONS ENDORSING ANTILYNCHING BILL—continued

Nashville (Tenn.) Pastors' Association	48,000
Annual Ohio Pastors' Convention	2,000
New Orleans Ministers' Union	----------
Chicago Congregational Ministers' Union (communicants)	35,000
Union Ministers' Meeting of Chicago (communicants)	300,000
Jacksonville (Fla.) Ministerial Alliance	----------
North Philadelphia (Pa.) Civic Club	----------
People's Employment League of Maryland	----------
Springfield (Ohio) Colored Men's Council	----------
Atlanta (Ga.) Chautauqua Circle	----------
Winter Capital Lodge of Elks, New Orleans, La	10,000
City-Wide Forum, Baltimore, Md	2,500
El Paso (Tex.) Woman's City Government Club	----------
Federation of Women's Clubs of Greater Cleveland	25,000
Kappa Alpha Psi	7,000
Scarritt College for Christian Workers	----------
Christian Youth Council	10,000,000
Nashville (Tenn.) Committee on Interracial Cooperation	----------
Camden (N. J.) Brotherhood Day Committee	----------
St. Mark's Civic Forum for Adult Education, Kingston, N. Y	----------
Liberian Research Society, Los Angeles, Calif	----------
Twenty-second District Republican Club of New York	700
Total	53,720,593

Mr. COSTIGAN. Mr. President——

Mr. CONNALLY. Mr. President, the Senator from Alabama has yielded to me to have a paper read at the desk.

Mr. COSTIGAN. Mr. President, I have no objection; I think it was understood the Senator from Texas should have that paper read; but if the Senator from Texas will permit me, I think it proper to request at this time, if he has no objection, that, following other endorsements which have been read, a telegram just received from Dr. Moton, to whom the Senator from Alabama [Mr. BANKHEAD] made reference yesterday, be read.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

TUSKEGEE, ALA., *May 1, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate Chamber:

In the absence of adequate measures by State action to protect prisoners threatened with mob violence, to put an end to lynching, and to identify, to arrest, to indict, and to convict the leaders and participants in lynching parties, I am heartily in favor of such legislation as will register the Nation's disapproval of this crime against humanity and insure the prompt investigation of every lynching and the conviction of those who thus take the law in their own hands, and the impeachment and penalizing of officers of the law who fail in their duty to protect prisoners committed to their charge. When State officers and State courts persistently and repeatedly fail in their duty to guarantee the security of every citizen by the certain functioning of the orderly processes of the law, we are justified in looking to the Federal Government for the protection which the Constitution declares must be given to every citizen. It must be remembered that lynchings are not confined to those charged with crimes against women, as the records will show, but are resorted to on indiscriminate provocation, and as yet there is no guaranty anywhere by mandate of the law against their occurrence. And when the Governor of one of our great States goes so far as to publicly announce the pardon of lynchers in advance of their conviction, it is high time that something be done by higher authority to put an end to this evil. If Governors, Senators, Congressmen, and State legislators will pledge themselves publicly to see that the necessary legislation against lynching is enacted in each State, the occasion for national legislation will be removed. Till that is done we must look to the Federal Government for that protection which the States still fail to give and the Federal Constitution guarantees. And I would be disloyal to my own people, who have suffered most from the neglect, and to the best white people of the South, in whom I have the utmost confidence, if I did not add my voice in support of this Federal enactment. As matters now stand, every section and every race is exposed to this danger, and the application of this law will bear as heavily on one State as another. I am satisfied that outside the field of politics the sober conscience of all classes in the South will support this view. Federal legislation will strengthen those elements in the South who want to see this blot removed from our country.

R. R. MOTON,
President Tuskegee Institute.

Mr. CONNALLY. Mr. President, the Senator from Alabama yielded to me in order to have the clerk read an extract from the CONGRESSIONAL RECORD. I feel that I should say that the Honorable Ira G. Hersey, of Maine, was a distinguished Republican Member of Congress in 1922, and

made the remarks in the House which I have asked that the clerk may read.

Mr. NEELY. Mr. President, I object to the reading at this time of a speech made in some other place. I move to reconsider the action by which consent was granted to have the speech read.

Mr. CONNALLY. The order was made by unanimous consent, and it would take unanimous consent to reverse it.

The PRESIDING OFFICER. The understanding of the Chair is that the order was entered by unanimous consent, and it therefore requires unanimous consent to undo the action taken. The clerk will read, as requested.

The CHIEF CLERK. Reading from the CONGRESSIONAL RECORD——

Mr. NEELY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEELY. What is the length of the speech about to be read?

Mr. CONNALLY. That is not a parliamentary inquiry.

The PRESIDING OFFICER. The Chair holds that is not a parliamentary inquiry. The clerk will read, as requested.

Mr. BANKHEAD. Mr. President, without displacing the unanimous-consent order entered on request of the Senator from Texas to have certain matter read, I ask unanimous consent that the Senator from West Virginia [Mr. NEELY] may be allowed to make his presentation, then to be followed by the reading of the extract requested by the Senator from Texas.

Mr. SMITH. I object. I call for the regular order.

Mr. CONNALLY. I do not want to deprive the Senator from West Virginia of an opportunity to speak on the bill.

The PRESIDING OFFICER. The regular order has been demanded. The clerk will read, as requested.

The CHIEF CLERK. Reading from the CONGRESSIONAL RECORD of January 10, 1922, at page 1019, proceedings of the House of Representatives:

Mr. HERSEY. Mr. Chairman and gentlemen of the Committee, I am suffering from a cold, and my voice is not in good condition. If you will give me your attention for a little while, I shall try to hold it after that.

The late Republican national convention at Chicago desired above all things to break up what is called the "solid South" and to win and secure, if possible, for the Republicans the vote of the colored people. Accordingly the makers of the platform inserted the following:

"We urge Congress to consider the most effective means to end lynching in this country, which continues to be a terrible blot on our American civilization."

What Congress could do "to end lynching" never troubled the politicians at Chicago. It was enough for them, for the time being, to persuade the colored voters of the South to believe that a Republican Congress and a Republican President, if elected, would "consider the most effective means to end lynching in this country."

The author of this bill, the gentleman from Missouri [Mr. Dyer], in his speech in this House January 4, attempted to make this bill a party issue and a Republican measure. He said:

"In the last general election the people expressed their wishes in this regard also. They endorsed the action of the Republican Party at its last national convention, when in its platform it said:

"'We urge Congress to consider the most effective means to end lynching in this country, which continues to be a terrible blot on our American civilization.'"

At the outset I want my Republican colleagues in the House to remember that the National Republican platform nowhere advocated a Federal antilynching bill. The platform never contemplated that a Republican Congress would attempt to pass such legislation as is found in this bill. The politicians at Chicago had more political tact than to advocate legislation in violation of the Constitution or an antilynching bill like this that would endanger the success of the Republican Party in the Presidential campaign.

After his election, to which several Southern States contributed, President Harding found himself confronted by this declaration in his party platform, and therefore in his first message to Congress, April 12 last, he said:

"Somewhat related to the foregoing human problems is the race question. Congress ought to wipe the stain of barbaric lynching from the banners of a free and orderly, representative democracy. We face the fact that many millions of people of African descent are numbered among our population, and that in a number of States they constitute a very large proportion of the total population. It is unnecessary to recount the difficulties incident to this condition, nor to emphasize the fact that it is a condition which cannot be removed. There has been suggestion, however, that some of the difficulties might be ameliorated by a humane and enlightened consideration of it, a study of its many aspects, and an effort to formulate, if not a policy, at least a national attitude of mind calculated to bring about the most satisfactory possible adjustment of relations between the races, and of each race to the national life. One proposal is the creation of a commission embracing representatives of both races, to study and report on the entire subject. The proposal has real merit. I am convinced that in mutual tolerance, understanding, charity, recognition of the interdependence of the races, and the maintenance of the rights of citizenship lies the road to righteous adjustment."

The gentleman from Missouri [Mr. Dyer] says the Republicans in this Congress should make his bill a party question and vote for it, because he says the President in his first message to Congress advocated it, and that we as Republicans should stand by the President.

I want my Republican associates in this House to bear in mind that the President in his message did not advise or recommend that the Congress should pass any Federal antilynching bill. He had given the race question, as he does all matters that affect the peace and welfare of the Nation, his careful consideration, and the only suggestion or recommendation to Congress he made was this:

"* * * The creation of a commission embracing representatives of both races, to study and report on the entire subject. The proposal has real merit."

What proposal? Not an antilynching bill; that never was in his mind. Here is the proposal that in addition to the commission which he says "has real merit", he said further:

"I am convinced that in mutual tolerance, understanding, charity, recognition of the interdependence of the races, and the maintenance of the rights of citizenship, lies the road to righteous adjustment."

The gentleman from Missouri [Mr. DYER], who represents a large Negro voting population in the city of St. Louis, immediately at the opening of this Congress introduced, not a resolution authorizing the creation of a commission representing both races to study and report on the entire subject, as recommended by the President, but he introduced the bill under consideration, with this misleading title, "A bill to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching."

I want my Republican colaborers in this House further to remember that never in the party conferences or party caucuses have we as Republicans voted or pledged ourselves to stand by or advocate this antilynching bill as a party measure or otherwise, and when, in the course of this debate, we hear the party whip crack and are told by the advocates of this measure that our national platform, President, and party have pledged us as Republicans to favor or vote for this Federal antilynching bill, I repudiate that as a misleading and unfair statement.

The Southwestern Christian Advocate, the organ of certain societies formed to stir up race hatred and race prejudice, under date of December 29, advocates the passage of the Dyer bill by the Republicans of this House, as a bill to pay the debts of the Republican Party. It says:

"Let it be said that if the party's debt to the Negro can be canceled by consummating this vast moral reform, which means so much for the future perpetuity of the Nation, the bargain would be legitimate and the Negro welcomes the deal."

Of course the Negro welcomes the "deal." Under the false statements of certain agitators, who are working to bring about race riots, the Negro will welcome the "deal." This bill will give him the opportunity in large cities to hide up dark alleys and in crowded buildings and shoot up innocent men, women, and children on the streets with United States courts and marshals hundreds of miles away.

I want to say as a Republican that there is no deal or bargain made by the Republican Party to pay off any alleged debts to the Negro by the passage of this antilynching bill. We as a party owe the colored people nothing, and for one I refuse to be politically blackmailed. [Applause.]

Do not, I beg of you, allow partisan appeals and party prejudice to blind you to disturb the peace and harmony of our national household and do a terrible injustice and wrong to our own people in any section of this great and united Nation.

This bill was referred to the Judiciary Committee, of which I am a member. We held extended hearings, principally upon the question of the constitutionality of such a law as was contemplated in this bill.

It is admitted by everyone that the only authority for this legislation is found in the last clause of the first section of the fourteenth amendment to the National Constitution; and that if that amendment does not authorize this legislation, then it would be unconstitutional and void. The last clause of the amendment reads as follows:

"No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States * * * nor deny to any person within its jurisdiction the equal protection of the laws."

The Constitution very plainly and distinctly gives exclusive powers to each State to pass and enact its own police and criminal laws, to establish and conduct its own courts, to execute and enforce its own laws; but it does not in any way allow, suffer, or permit Congress, by legislation, to interfere with these powers exclusively given to the States. The tenth article of the Constitution of the United States reads as follows:

"The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively or to the people."

To a committee of lawyers the legislation suggested by this bill gave rise at once to grave doubts as to its constitutionality and to the right of Congress to make a criminal code for the States or to deny to the States the enjoyment and discharge of their constitutional rights and powers.

To assist the committee on the question of the constitutionality of the provisions of this bill, we called before us the Attorney General of the United States. He sent his assistant, Mr. Goff, an able lawyer and one well qualified to advise the committee. In the course of his testimony, as set forth in the hearings, it seemed to me that the Attorney General's office considered itself in duty bound to support and recommend this bill as a party measure and advise its passage, because it was claimed by its author that it was so pledged by the Republican platform and recommended to Congress by the President.

Mr. GOODYKOONTZ. Mr. Chairman, will the gentleman yield?

Mr. HERSEY. I regret I cannot yield. I borrowed my time.

In other words, the Assistant Attorney General argued his case for the proponents of the bill with all the skill and ingenuity of a paid attorney representing a certain client's interests. Every decision and authority cited was so arranged, colored, and quoted as to make out a prima facie case for the bill and to advise the committee, in substance, that even if its constitutionality was in doubt, it ought to be put up to the Supreme Court. In other words, that Congress should pass its responsibility on to the United States Supreme Court. In the hearings there is a letter from the Honorable Moorfield Storey, of Massachusetts, who is attorney for an organization of agitators known as the "National Association for Advancement of Colored People", which has its headquarters in New York City, an organization whose work is to stir up the race question in the South and to induce the ignorant Negroes to believe that they are the victims of imaginary wrongs at the hands of the whites and that Congress can stop all lynchings. Mr. Storey, in recommending this legislation, said:

"It has seemed to me a very doubtful question whether legislation by Congress against lynching in the States is constitutional, but I am very clearly of opinion that it ought to be tried. I think the South expects it, and many of our southern citizens who are opposed to lynching will welcome it. At the most, the country will be no worse off if the experiment fails than it is now."

Mr. Storey seems to voice the sentiment of the proponents of this bill, first, that they are very doubtful of its constitutionality; second, it is therefore the duty of Congress to enact it and pass it on to the courts. I can understand the zeal of those who view this bill from the standpoint of political expediency. They say in so many words "This Republican Congress can satisfy the colored people of the South by the enactment of this legislation. If the Supreme Court declares it unconstitutional, which it doubtless will, if enacted, then the colored voters will have nobody to blame but the Supreme Court, and as the judges of that court are appointed for life and do not, like Representatives, come up every 2 years to be elected, they can suffer no harm, and the party will discharge its responsibility and in another way have taken care of the recommendation of the President." [Applause.]

During the past 10 years there has been a large exodus of Negroes from the South to the big cities of the border States. Today many Congressmen outside of the Southern States find in their districts strong organizations of colored voters who call themselves Republicans and who hold the balance of power and can elect or defeat many of the present Members of this House. They have only one political policy or interest, and that is to defeat for reelection any Member of Congress that votes against the Dyer bill. I know the awful pressure that is brought to bear upon certain of my party colleagues to vote for this bill with the hope and expectation that the Supreme Court will finally save the Nation from the folly of the Republican leaders, who by a party rule attempt to force this bill through the House.

I am what is known as a "regular Republican." Whenever I possibly can do so I work, act, and vote with my party. I support, if possible, the reports of the committees who have measures in charge and follow the party and the President at all times whenever I can do so conscientiously and without—in my opinion—violating my oath to support the Constitution. I have no criticism to make of those members of my committee who by a small margin voted out this bill. They have a right to their opinion the same as I. I am not the keeper of their conscience, even of their political conscience. I have carefully, seriously, and thoroughly investigated this legislation, and without any doubts I have arrived at the conclusion that this bill, if enacted, would violate the Constitution of the United States; and if it should possibly be held legal and constitutional by the Supreme Court of the land, then its effect upon the Nation as a whole would be most unfortunate and disastrous to peace and good order in the Nation, and as a law it would be necessarily vicious legislation, unwise, unenforceable, and unworkable. I am, therefore, driven by my investigation to oppose this bill by every proper means. I believe with Abraham Lincoln that—

"No man who has sworn to support the Constitution can conscientiously vote for what he understands to be an unconstitutional measure, however expedient he may think it.—Abraham Lincoln (Cooper Union, Feb. 27, 1860)."

[Applause.]

I hold, with our President, that this lynching problem presents conditions that cannot be removed. I endorse the solution of this problem when he said in his message:

"Some of the difficulties might be ameliorated by a humane and enlightened consideration of it, a study of its many aspects, and an effort to formulate, if not a policy, at least a national attitude of mind calculated to bring about the most satisfactory possible adjustment of relations between the races and of each race to the national life."

I also favor, as a sensible and practicable step in the right direction, the further suggestion of the President, that there should be created a commission of both races to study and report on the entire subject.

One of the most unfortunate features of this debate is the idea put forth by the advocates of this bill that its passage will forever stop all lynchings. The newspaper from which I last quoted in the same issue said:

"Passage of H. R. 13, commonly known as the "Dyer antilynching bill", now pending in Congress, will mark this the epochal Congress in the life of the Nation since the days of the great Lincoln, because it will settle in security the otherwise insecure lives and liberties of 12,000,000 colored American citizens and render stable the now shaking foundations of our American Government."

The advocates of this antilynching bill totally disregard the recommendations of the President and in its place they attempt by Federal statutes to invade the States with a horde of high-salaried United States marshals, attorneys, and carpetbaggers, and set aside the criminal laws of all the States and proceed to punish the innocent for the acts of the guilty.

The only evidence, if it may be called evidence, before the House that any State has legalized lynching or has denied to any person the equal protection of the laws comes to us from two interested and prejudiced sources. First, propaganda furnished through the mails to each Member of Congress from an organization in Alabama called the Tuskegee Institute for the Training of Colored Men and Women. Their matter consists of statistics prepared by someone unknown, purporting to show the total number of lynchings in the United States for the last 36 years. The average is 112 a year, and for the last year, that of 1921 complete, 62, or about one-half the average. They do not furnish one bit of evidence as to what any State has done or neglected to do to stop or punish these lynchings. They do not furnish the history of a single case as to what was done in the courts of the State to prevent the lynching or to punish the lynchers. They do not give a single fact as a basis for Congress to say that any State has denied to any person the equal protection of its laws.

2. The only other evidence before us is a mass of propaganda sent also through the mails to the Members of this House from a New York City organization called and known as the "National Association for the Advancement of Colored People." They furnish Congressmen with a lot of copies of sensational newspaper headings and highly colored "write-ups" about the lynching of one Lowrey for the killing of a farmer and his daughter in Arkansas a year ago. These newspaper clippings fail to state in what way the State denied the equal protection of its laws to the Negro who was lynched, not a word as to what was done to prevent the lynchers, but only the fact of the killing with its sensational "write-up" from the pen of a "cub" reporter and that is all, except the strained and senseless inference that if we had during this time a Federal antilynching law like the one before us, no lynching would have taken place. This New York organization also furnished to Members of Congress a clipping from the New York Evening Post, which said of the present bill:

"Even if the lynching law should be declared invalid by the Supreme Court, its mere enactment will have gone far to serve its purpose. Notice will have been served on States which have been derelict in their duty that the conscience of the Nation will not tolerate the perpetuation of an abuse and a crime that make us a byword in the public opinion of mankind. It is argued by the World this morning that no proof exists that the States as such have legalized or tolerated lynching. Yet we have the fact that in 1920 the mobs took 61 lives and in the present year 63 lives. There is no escape from the alternative that the States are either unable or unwilling to suppress mob murder."

The absurd logic of the Post is the position of the friends of this bill, to wit: If there has been committed in any State a murder, the fact is proof positive that the State is either unable or unwilling to suppress murder, and has therefore denied to the person killed the equal protection of the laws. [Applause.]

Someone in the course of this debate said, in substance, that the fact that more Negroes are lynched than whites is proof positive that the Negroes do not receive the equal protection of the laws. [Applause.] By that same logic, if in a certain State last year 4 persons were lynched, 2 Negroes and 2 whites, then in that case there would be equal protection of the laws. Such nonsense is not worthy the serious consideration of this national lawmaking body.

As one Member of this Congress, I refuse to pass my responsibility on to the courts. [Applause.] I decline to take the statistics of murder in the several States as proof that these States are denying to any person the equal protection of its laws. I do not believe that Congress, by doubtful Federal statutes, can conduct the affairs of the States of the Union better and more efficiently than the States themselves.

For the crime of lynching there is no excuse or apology; the whole soul and being of every true citizen, every lover of law and order, cries out in condemnation of what has been called "the most cowardly of crimes"; and if I could see my way clear to favor any lawful measure that would in any way prevent or lessen this crime, no one would be more enthusiastic in its support than I. [Applause.]

What does this bill propose to do to lessen or prevent the crime of lynching? The first section attempts to define the phrase "mob or riotous assemblage", as it is used in this act, and provides that to give the Federal courts jurisdiction five or more persons must participate in a lynching. If but four persons do the lynching, then this bill gives no authority to the Federal courts and officers to interfere. This makes this bill impossible of enforcement at the very start.

Section 2 is an attempt to make the Congress, acting in a legislative capacity, construe judicially the first section of the fourteenth amendment to the Constitution of the United States, and to put this legislative body in the absurd position of saying what the fourteenth amendment means, and what, under that amendment, is a denial by a State of the equal protection of the laws, attempting thereby to usurp the functions of the Supreme Court, which functions are not a part of the prerogatives of Congress.

It seems an almost absurd position for the Congress to say that whenever there is a lynching in a State it is proof positive that the State has denied to the person so lynched the equal protection of the laws under the Constitution. The Assistant Attorney General, to recommend this bill, was driven to the necessity of taking the position that Congress by this enactment could foreclose the Supreme Court from declaring the law unconstitutional by the mere force of section 2.

Mr. Goff, in his testimony before the committee, on page 38 of the hearings on House bill 13, says:

"Mr. GOFF. I contend this: If the State, in the mind of Congress, denies this right because all legislation assumes the existence of an evil to be corrected, then Congress, having legislatively determined that fact, the courts will not consider whether Congress was or was not justified, but will assume, because of Congress having passed appropriate legislation, that the States have denied the rights in question."

If the Supreme Court is to say that the passage of this bill is conclusive proof that the Congress has found, as a matter of fact, that the States have denied to any person the equal protection of the laws, then quit your responsibility as men and first obtain the evidence. How shall we obtain the evidence? Answer: By the creation of such a commission as was recommended to us by the President in his message; and then base our legislation, if any, on the report, findings, and recommendation of that commission.

Mr. Goff holds that we have no right to enact this bill unless Congress finds as a matter of fact that the States have denied to persons the equal protection of the laws. In this matter there is no evidence before Congress that any State in the Union has denied to any person the equal protection of the laws.

Mr. Goff is driven by this position to say, on page 39:

"If Congress saw fit to pass a law which came within the meaning, as the courts have defined that meaning, of the fourteenth amendment, that then the courts could not conduct an inquiry as to whether Congress was justified in deciding what is generally termed 'a legislative fact.'"

The Attorney General thus shifts the responsibility to Congress for the enactment of this most unwise legislation, and we have not one bit of evidence on which to base this bill according to the Attorney General.

There was not a word of evidence before our committee that any State of the Union had denied to any person the equal protection of the laws. There was no evidence that any State in the Union had enacted laws or had now upon its statute books any laws discriminating against any person or had denied by its provisions to any person or class of persons the equal protection of the laws. The only evidence whatever—if it might be called evidence—was some tables submitted by the proponents of the bill showing the number of lynchings in the Nation over a period of 30 years. The report on the bill of the gentleman from Missouri [Mr. Dyer] shows that in the year 1919, 83 persons were lynched in the United States, 4 whites, 2 Mexicans, and 77 Negroes; that in 1920, 65 persons were lynched in the Union, 6 whites and 59 Negroes; that in 1921, 4 whites and 48 Negroes were lynched in the Nation. If these figures are correct, they go to show that the crime of lynching is growing less in the United States every year and have been reduced 25 percent the past year. What was done by the States in these several cases to deny equal protection of the laws to the persons lynched was not shown. What efforts were made, if any, to stop the lynchings by the State, or its officers, were not shown. What proceedings were taken in the State courts, what trials were had in the State courts of the lynchers, was not shown.

In other words, the only evidence before the committee was the statement from these tables that certain persons from time to time are lynched in the United States, and there was no evidence whatever to show that any State had in any way through its laws or by its acts denied to any person so lynched the equal protection of the laws. It seems to me no lawyer in this House can deny for a moment that the mere fact that a murder had been committed would be any evidence that the State had denied the equal protection of its laws to the person killed, and yet this bill proceeds upon that assumption, and the Attorney General's office holds, if it holds anything, that notice of the fact of the murder is all that is necessary to enact a law to make a State liable in the Federal courts under this bill for the unlawful killing of a citizen by a mob. On page 43 of the hearings Assistant Attorney General Goff states:

"If the Congress of the United States, in view of the fact that a State has a law punishing murder, says there should be a Federal law punishing murder in order that there may be conceded to the people of that State an equal, vigorous, and speedy enforcement of the law and the protection of their lives and their property, then Congress would have the right, in the exercise of the correlative duty of protection, to do so."

My colleague from Nebraska on the committee [Mr. Reavis] asks Mr. Goff (p. 43):

"Would you carry that further, to burglary, larceny, and assault and battery?

"Mr. GOFF. Of course, the principle would carry us there."

Yes; of course "the principle would carry us there." Reason and logic carry us there. Our own common sense tells us that there is no escape from the absurd position in which the Congress would be placed if we should pass this bill. If we can enact a code of Federal law to punish the crime of lynching, we can pass a code of Federal criminal law for all the States to punish every offense now within the jurisdiction of State courts. We could send a host of new Federal judges into every State to replace the State courts. We could infest every State with a swarm of Federal officers to punish every crime known to the law, and the States of the Union would have left no rights that politicians in Congress would be bound to respect. [Applause.]

In *Barbier* v. *Connolly* (113 U. S., p. 13) the Supreme Court, in speaking of the fourteenth amendment, said:

"Neither the amendment, broad and comprehensive as it is, nor any other amendment was designed to interfere with the powers of the State, sometimes termed its "police power", to prescribe regulations to promote the health, peace, morals, education, and good order of the people."

During the debate on the rule the gentleman from Kansas [Mr. Campbell] attempted, as chairman, to justify the action of the Committee on Rules in making this bill in order. The gentleman from Michigan [Mr. Kelley] interrupted to put to the gentleman from Kansas the following question:

"Mr. KELLEY of Michigan. The gentleman has undoubtedly given the constitutional phase of this question a good deal of attention. I should like to ask directly for his opinion in reference to section 2. It provides that when any State or governmental subdivision fails to protect life that State or subdivision shall be guilty of a violation of the provision of the Constitution which says that equal protection of the law shall be afforded. Does the gentleman think that a State, acting in perfect good faith and doing everything in its power to enforce the laws, when it fails to protect life transfers its jurisdiction over those crimes to the Federal Government?

"Mr. CAMPBELL of Kansas. That is the large question in this case."

Yes, it is indeed "the large question in this case"; but that question, however large, has been definitely settled by the highest court in the land. That court by a mass of decisions has held that the jurisdiction of the State to enact and enforce its own criminal laws cannot by Congress be transferred to the Federal Government.

In *Virginia* v. *Rives* (100 U. S. 313) the Supreme Court of the United States, in speaking of the limitations of the fourteenth amendment, said:

"These provisions of the fourteenth amendment have reference to State action exclusively, and not to any action of private individuals."

Lynching is the action of private individuals.

Section 3 of this bill provides that if any State or municipal officer fails, neglects, or refuses to make all reasonable efforts to prevent a mob or riotous assemblage from putting to death a person, or fails, neglects, or refuses to make all reasonable efforts to apprehend or prosecute to final judgment under the laws of his State all persons so participating in such mob or riotous assemblage, shall be guilty of a felony, and if convicted may be punished by imprisonment for 5 years and a fine of $5,000, or both fine and imprisonment.

Under this section Congress denies the right of the State to make and enforce its own criminal laws or to punish the neglects and delinquencies of its own officials.

Under this act a town constable, before his town has time to act, can be haled before a Federal court in some distant State, and if a Federal jury find that the constable did not, in their opinion, make all reasonable efforts to prevent the lynching or to apprehend the lynchers, then they may fine him $5,000 and imprison him for 5 years.

If such a law as is contemplated in this bill is enacted and declared constitutional, then there will be no police, no officers of the law provided by any State in the Union, because no sane person would accept the position of a peace officer with this terrible risk and penalty and punishment awaiting him in case a lynching should happen in his State. [Applause.]

This section further provides that any person who participates in a mob that takes from the custody or possession of any State or municipal officer any person held by such officer to answer some offense, or participates in putting such person to death, or obstructs or prevents any State or municipal officer in the discharge of his duty in the punishment of persons charged with the crime of lynching, shall be guilty of a felony and upon conviction may be imprisoned for life.

On Monday, December 19, the gentleman from South Carolina [Mr. MCSWAIN] extended his remarks in the RECORD on this measure. His argument was a fine presentation of the unconstitutionality of this bill. I wish you all could read it before you vote upon this measure. On page 644 of the RECORD he says:

"It must be admitted that the laws of all States require arresting officers to protect their prisoners. In like manner, under the laws of all States, every participant in a lynching is a murderer.

Can it be fairly said that because an officer occasionally fails in his duty to protect his prisoner from lawless mobs that such exceptional act amounts to the action of the State as a subdivision of organized society in denying due process of law and in denying equal protection of law?

"If Congress can by law provide punishment in a Federal court for a State sheriff for his acts or neglect of action as sheriff, then Congress could provide punishment for the Governor of a State for his acts or failure to act as the State's chief executive. And if the State's executive officers may be punished by fine or imprisonment under congressional laws, so may the chief justice and all judges of the State. And by the same token the members of the State legislatures may be punished for enacting laws found to be violative of the fourteenth amendment."

I wish here in this connection to again call your attention to the fact that every State in the Union has laws making it a crime to interfere with or obstruct an officer in the performance of his duty, and can it be constitutional that whenever that crime is committed in any State the United States marshals may arrest the offender and take him before a Federal court in another State and, if in the opinion of a Federal jury, he did so obstruct the officer he may be convicted and imprisoned for life? Such an act would not be a denial by the State of the equal protection of the laws under the Constitution, but it would be a denial of the rights of the States and the rights of all persons under the National Constitution.

Section 4 removes the last vestige of the rights of the citizens of the several States. It provides that any person who participates in any mob or riotous assemblage by which a person is put to death shall be guilty of a felony, and on conviction thereof may be imprisoned for life.

Lynching is nothing but murder. All who engage in it are murderers. Every State in the Union has laws against murder, and until it is shown by proper evidence that a State has enacted laws denying to persons the equal protection of the laws the Federal power cannot interfere. This bill is an attempt to enact a Federal statute to punish in Federal courts the crime of murder in the several States. If enacted and held constitutional it could be used to sweep away all the laws of the States. Not a single State criminal law would remain superior to the Federal statutes, for, in the language of the Assistant Attorney General, "the same principle would apply to larceny, burglary, assault and battery." [Applause.]

Section 5 provides that any county in which a person is put to death by a mob shall forfeit $10,000 for the use of the family of the person so put to death. If he had no family then it goes to his parents, and if he had no parents then it is given to the United States.

A county is but a subdivision of a State. Under this bill it is not necessary that the county itself should have failed in any particular to do its utmost to prevent the lynching. It is not necessary that the county should have any knowledge of the lynching or have failed in any particular to prevent it. It is sufficient to punish the county in a Federal court that a lynching has taken place within its borders. The sheriff of the county may have tried his utmost to prevent the lynching. He may have been shot to death by the lynchers, but under this bill his family would receive nothing, while the family of the person so lynched would receive $10,000 from the innocent taxpayers of the county.

If such a Federal law is constitutional, then the inhabitants of a county, however innocent of wrong, have no rights whatever and may be deprived of property, liberty, and the pursuit of happiness by a Federal law every time a murder is committed within its borders. [Applause.]

Section 6 is the worst of all. It provides that if any person so put to death has been transferred by a mob from one county to another between capture and death each county through which he was so transported shall forfeit $10,000. It is not necessary to show that the murder was committed in that county or that the county had anything to do with the lynching or had neglected to do anything to stop it or even had any knowledge that it was being committed. It is sufficient under this bill to penalize the county, that in the darkness of night a mob crossed your county or mine or entered upon its soil, even by a few rods, while engaged in its work of lynching.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. HERSEY. I cannot yield to anyone, because I have borrowed my time, and the gentleman says he will not give me any more time if I yield.

I now turn from the very unsatisfactory light given by the Attorney General's Office and the proponents of this bill to some of the decisions of the highest court in the land, which decisions have construed the fourteenth amendment of the Constitution, an amendment under which the friends of this bill claim that this legislation has a legal right to live or it must die.

The fourteenth amendment was born in the stormy days of reconstruction. Many of the Southern States, after slavery was abolished, passed laws discriminating against the Negro in his civil rights; and to give him equal protection in his civil rights, in his voting, as a citizen, in his business, in the courts, in the selection of jurors, and in all other civil rights, the fourteenth amendment was enacted.

In the *Slaughterhouse cases* (16 Wallace, U. S., p. 81), Justice Miller told us the object and purpose of the fourteenth amendment. He said:

"In the light of the history of this amendment and the pervading purpose of them, which we have already discussed, it is not difficult to give a meaning to this clause (equal protection of the laws). The existence of laws in the States where the newly emancipated Negroes resided, which discriminated with gross injustice and hardship against them as a class, was the evil to be remedied by this clause, and by such laws are forbidden."

In the case of *Strauder* v. *West Virginia* (100 U. S. 303), a law which denied colored persons the right to sit on juries was declared void. The Court said:

"It (the fourteenth amendment) was designed to assure to the colored race the enjoyment of all the civil rights that under the law are enjoyed by white persons and to give to that race the protection of the General Government in that enjoyment whenever it should be denied by the States."

The particular action of the State prohibited by the fourteenth amendment is fully set forth in the Civil Rights cases, United States against Stanley, Ryan, and others, found in the United States Reports, volume 109, page 11, in which the Court said:

"It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment. It has a deeper and broader scope. It nullifies and makes void all State legislation and State action of every kind which impairs the privileges and immunities of citizens of the United States, or which injures them in life, liberty, or property without due process of law, or which denies to any of them the equal protection of the laws. * * * The last section of the amendment invests Congress with power to enforce it by appropriate legislation. To enforce what? To enforce the prohibition. To adopt legislation for correcting the effects of such prohibited State laws and State acts, and thus to render them effectually null, void, and innocuous. This is the legislative power conferred upon Congress, and this is the whole of it. It does not invest Congress with power to legislate upon subjects which are within the domain of State legislation, but to provide modes of relief against State legislation or State action of the kind referred to. It does not authorize Congress to create a code of municipal law for the regulation of private rights, but to provide modes of redress against the operation of State laws and the action of State officers, executive or judicial, when these are subversive of the fundamental rights specified in the amendment. Positive rights and privileges are undoubtedly secured by the fourteenth amendment, but they are secured by way of prohibition against State laws and State proceedings affecting those rights and privileges, and by power given to Congress to legislate for the purpose of carrying such prohibition into effect, and such legislation must necessarily be predicated upon such supposed State laws or State proceedings and be directed to the correction of their operation and effect."

Mr. Justice Field, in the One Hundred and Thirteenth United States Reports, page 27, in the case of Barbier against Connolly, made plain the purpose of the fourteenth amendment and its limitations. He said:

"The fourteenth amendment, in declaring that no State 'shall deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws', undoubtedly intended not only that there should be no arbitrary deprivation of life or liberty or arbitrary spoliation of property, but that equal protection and security should be given to all under like circumstances in the enjoyment of their personal and civil rights; that all persons should be equally entitled to pursue their happiness and acquire and enjoy property; that they should have like access to the courts of the country for the protection of their persons and property, the prevention and redress of wrongs, and the enforcement of contracts; that no impediment should be interposed to the pursuits of anyone except as applied to the same pursuits by others under like circumstances; that no greater burdens should be laid upon one than are laid upon others in the same calling and condition; and that in the administration of criminal justice no different or higher punishment should be imposed upon one than such as is prescribed to all for like offenses. But neither the amendment, broad and comprehensive as it is, nor any other amendment was designed to interfere with the power of the State, sometimes termed its police power, to prescribe regulations to promote the health, peace, morals, education, and good order of the people.

This was followed by the decision of the Pembina Mining Co. against the State of Pennsylvania, One Hundred and Twenty-fifth United States Reports, page 181, in which the Court said:

"The inhibition of the amendment that no State shall deprive any person within its jurisdiction of the equal protection of the laws was designed to prevent any person or class of persons from being singled out as a special subject for discriminatory and hostile legislation."

A later decision is found in James against Bowman, One Hundred and Ninetieth United States Reports, pages 127 to 137. There the late Justice Brewer construed the fourteenth amendment as follows:

"The equality of the rights of citizens is a principle of republicanism; every republican government is in duty bound to protect all its citizens in the enjoyment of this principle if within its power. That duty was originally assumed by the States, and it still remains there. The only obligation resting upon the United States is to see that the States do not deny the right. This the amendment guarantees, but no more. The power of the Government is limited to the enforcement of this guaranty."

The late James G. Blaine, of my State, was a Member of Congress when the fourteenth amendment was passed. In his great work Twenty Years of Congress, volume 2, page 313, he makes plain what Congress intended to be the purpose and limitations of that amendment. He says:

"Under it the citizen of foreign birth cannot be persecuted by discriminatory statutes, nor can any citizen of dark complexion be deprived of a single privilege or immunity which belongs to the white man. Nor can the Catholic or the Protestant or the Jew be placed under the ban or subjected to any deprivation of personal or religious right. It curtails the power of the States to shelter the wrongdoer or to authorize crime by a statute."

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. SUMNERS of Texas. I yield to the gentleman 5 minutes more.

Mr. UPSHAW. Give him 5 minutes of my time.

Mr. HERSEY. I would like to have 10 minutes.

Mr. SUMNERS of Texas. All right.

Mr. HERSEY. It was contended in our committee and by friends of this bill in the debate in the House that this Federal antilynching legislation was justified and constitutional because it is claimed that there is a precedent in the late Volstead enforcement code making the manufacture and sale of intoxicating liquors a Federal offense.

This contention of the proponents of this bill is very unfortunate for the constitutional side of this bill. A moment's thought must satisfy us that the eighteenth amendment, instead of being in favor of this legislation, is directly opposed to it.

Many years ago some of the States of the Union, like Maine and Kansas, enacted prohibitory laws outlawing the manufacture and sale of intoxicating liquor within the borders of their States. They passed also amendments to their State constitutions making it unlawful to manufacture or sell liquors. On appeal to the United States Supreme Court that Court held these statutes and amendments to their State constitutions were lawful under the police power given to the States by the Federal Constitution.

The Supreme Court said in substance the States have a right to enact their own criminal laws. They have the police power, and it is not only their duty, but it is their exclusive duty to enforce the police powers under the Constitution.

Afterward the friends of prohibition appealed to the Congress to enact Federal statutes making it a crime to manufacture and sell intoxicating liquors in every State in the Nation. In other words, they demanded of Congress Federal prohibition. Congress rightfully replied that they had no authority to enact such laws without an amendment to the Constitution. This position was admitted by all lawyers, and afterward Congress did submit to the people, and there was duly passed and made a permanent part of the Federal Constitution, the eighteenth amendment, making it a Federal crime to manufacture or sell intoxicating liquors, giving the States concurrent power with the Federal Government in the enforcement of laws to carry out the amendment and giving Congress authority to enact an enforcement code to carry out the purpose of the eighteenth amendment.

The gentleman from Minnesota [Mr. Volstead], Chairman of the Judiciary Committee, immortalized himself as author of what is known as the "Volstead Enforcement Act", which provides for the enforcement of the eighteenth amendment by Federal authority in conjunction with and in concurrence with the States.

On appeal to the Supreme Court by the breweries, distillers, and liquor sellers that Congress had no right to enact this enforcement code, the Supreme Court has recently held that Congress had that right because of the eighteenth amendment, which made the manufacture and sale of intoxicating liquor a Federal offense, and that Congress received from the eighteenth amendment authority to enact a Federal enforcement code, and so held the act of Congress constitutional.

What do we find in the bill before us? Not a resolution of Congress submitting the twentieth amendment to the people of the Nation, making lynching a Federal offense in every State in the Union, and authorizing Congress to enact a Federal code for the enforcement of the amendment. Nothing of the kind, but in its place we find this strange situation, not altogether Volstead enforcement code but the Dyer enforcement bill to enforce an amendment not now in existence.

Neither in the fourteenth amendment nor in any other amendment is lynching made a Federal offense, and until it is made a Federal offense by a constitutional amendment to the Federal Constitution and authority given to Congress to enact an enforcement code to carry out the purposes of such an amendment Congress has no power whatever to enact this bill.

If this bill should pass and become a law, and after that a person should be arrested for participating in a lynching and taken before the Federal court and convicted, and he should appeal to the Supreme Court on the ground that the law under which he was convicted was unconstitutional, I can imagine the scene in the Supreme Court of the United States when the constitutionality of that law should come up for argument.

When the code to enforce the eighteenth amendment was before the Supreme Court my chairman, Mr. Volstead, was for the law and its constitutionality, because, as he claimed, he was backed by the eighteenth amendment.

On the other side then was my friend from Missouri [Mr Dyer], author of this bill, who was opposed to the national prohibitory law on the ground that it was not constitutional and that Congress had no right to enact it. Now, when this bill comes before the Supreme Court, there is a wonderful change. On the day that the Constitution is to be crucified by the antilynching bill Pilate and Herod become friends. The gentleman from Missouri and the gentleman from Minnesota are now claiming that this law, this antilynching bill, is constitutional without any constitutional amendment whatever.

When the Supreme Court asks Mr. Volstead for his authority for the enactment of this legislation by Congress without an amendment to the Constitution making lynching a Federal offense, Mr. Volstead will stammer and say that his friend Mr. Dyer will present that side of the case, because he, Mr. Volstead, is more familiar with the eighteenth amendment than he would be with Mr. Dyer's bill, and the court would call upon Mr. Dyer to answer the person convicted how the court could hold this antilynching enforcement law constitutional without a constitutional amendment authorizing it, and Mr. Dyer would say in substance, as he said the other day to us:

"I have here, your honor, clippings from many newspapers all over the land recommending this legislation. I want to tell your honors about the awful riot out in St. Louis, my old State, some 4 years ago, known as the 'race riots', where 100 persons were shot and burned. I do not know who did the shooting, but it was done in a riot and by a mob, and it was caused by race feeling and prejudice, and for that reason we want this legislation to be held constitutional."

I can see the kindly Chief Justice, with that well-known broad smile spreading over his face, saying to Mr. Dyer: "The Court is not interested in the St. Louis riot or any newspaper clippings about the advisability of preventing lynching. We want you to point out to us the constitutional amendment that justifies making lynching a Federal offense." And Mr. Dyer would say, "We rely upon the fourteenth amendment, your honor." And the Court would say to Mr. Dyer, "The fourteenth amendment is to prevent discriminatory legislation on behalf of the States; it aims at State enactments and not the acts of individuals, and our Court has held that by repeated decisions by Justice Miller, Justice Field, and very lately by the late Justice Brewer that, under the fourteenth amendment, Congress has no right to enact a Federal code of criminal law for the States, and that the fourteenth amendment is limited to discriminatory legislation by State laws that do not give to all persons the equal protection of the laws." And then the Court will say, "That the appeal is sustained and the law declared unconstitutional, indictment dismissed, and prisoner discharged."

If the court should render any further opinion, it would hold, as it has held so many times, that Congress cannot make individual acts a Federal offense without a constitutional amendment. The court might, however, refresh the recollection of the gentleman from Missouri, Mr. Dyer, by citing the following case:

The Supreme Court of the United States in *United States* v. *Harris* (106 U. S. Repts., p. 638) construed the purpose and limitations of the two sections of the fourteenth amendment. The Court said:

"It is a guaranty against the acts of the State government itself. It is a guaranty against the exertion of arbitrary and tyrannical power on the part of the government and legislature of the State, not a guaranty against the commission of individual offenses; and the power of Congress, whether express or implied, to legislate for the enforcement of such a guaranty does not extend to the passage of laws for the suppression of crime within the States. The enforcement of the guaranty does not require to authorize Congress to perform the duty that the guaranty itself supposes it to be the duty of the State to perform, and which it requires the State to perform."

I want to say a word as to the effect of this legislation, should it be passed by Congress and be held constitutional by the courts. The law will be most unwise and absolutely unworkable. It could never be enforced by all the Federal courts of the Union and all the United States marshals in the Nation. The States must be left to work out their own destiny, to enact and enforce their own laws in accordance with the Constitution. The Federal power ought not to enter the domain of the State and take possession of the prerogatives, duties, and responsibilities of the States and attempt to perform their work. The fourteenth amendment contemplates that where States enact laws that discriminate between persons, and deny to any person the equal protection of the laws, that such enactments of any State are null and void. The fourteenth amendment goes no further.

It is generally claimed by the advocates of this bill that if enacted into law it is for the purpose of preventing lynching in certain Southern States, and particularly the lynching of the Negro.

If there are more Negroes lynched than whites, it is because of certain monstrous crimes committed by the Negro that arouse the blood of the white race. The terrible crime of rape was a legacy left to the South after the destruction of slavery. The South must deal with this awful problem. They are dealing with it. Every Southern State has laws punishing the crime of lynching. It is said that the State of Georgia is the greatest offender, and yet I find in a late edition of the Concord (N. H.) Monitor, the following:

[From the Concord (N. H.) Monitor]

"On a Friday morning recently two Negroes committed a heinous crime in Wayne County, Ga. By the following Wednesday morning the criminals had been caught, indicted by jury in open court at the county seat, found guilty, and sentenced to death. That sentence is soon to be executed.

"The whole proceedings, says an Atlanta newspaper, with pardonable pride, "passed off with dignity, order, and precision." The community in which the crime was perpetrated is satisfied, and all the more so because fundamental justice has been done without any sacrifice of self-respect.

"The only excuse for lynching has been its effectiveness. The legal procedure in this case was just as effective as a lynching bee. This is the way, and the only way, to stop lynching in criminal

cases that involve race prejudice or invite the moral hatred of a community."

The New York World, in a recent issue under the title "High Cost of Lynching", says:

"The award of $2,000 damages made by a South Carolina court to the widow of a victim of mob violence establishes an interesting precedent. In April 1920 Joe Stewart, a Negro, was taken from the jail at Laurens, S. C., and hanged. Suit for this amount under the constitutional requirements was brought by the widow in the common pleas court, and the presiding justice directed the jury to return a verdict against the county for the full sum. * * * If it is going to cost even $2,000 to lynch a Negro in South Carolina, it is conceivable that the price may prove a deterrent to lynchings."

The gentleman from Missouri [Mr. Dyer] inserts in the RECORD a clipping from a newspaper that wants the Dyer bill because it says it will stop all lynchings. It says of the efforts of southern Governors to prevent lynchings, as follows:

"Morrow, of Kentucky, puts through an automatic-removal law against officers derelict in the face of mobs and employs State soldiery to prevent lynching.

"McRae, of Arkansas, demands most stringent laws and their enforcement against lynchers.

"Cooper, of South Carolina, made a Nation-wide reputation by his use of National Guard against would-be lynchers.

"Under the fearless administration of Bickett, that great defense of the Goldsboro courthouse against the mob became practically possible.

"Dorsey, of Georgia, organized a State-wide movement against the continuance of the foulest and longest of all lynching records.

"And now Governor Neff, of Texas, goes up and down the State appealing for law enforcement and for order.

"However sincere and courageous, the southern Governors' efforts to stamp out lynching, they come to naught."

The President said the condition could not be removed.

The President further said:

"I am convinced that in mutual tolerance, understanding, charity, recognition of the interdependence of the races, and the maintenance of the rights of citizenship lies the road to righteous adjustment."

Under the Dyer bill there is to its advocates no other road but Federal laws, United States marshals, Federal troops and the bayonet, civil war, and race riots.

The Southern States are enforcing laws today similar to the one provided in this bill. It is their duty to so enact and enforce such laws. It is not the duty of Congress to interfere in the working out of this great problem by the States of the Union.

Over 30 years ago the immortal Henry W. Grady left his southern home and made a fraternal visit to the people of the North. He was the best friend the colored people ever had. He told us that the great race problem could not be settled by Federal statutes by sending to the Southern States United States marshals and a new force of "carpetbaggers" on the problem that this bill seeks to settle.

Grady said:

"The future holds a problem in solving which the South must stand alone, in dealing with which she must come closer together than ambition or despair have driven her, and on the outcome of which her very existence depends. This problem is to carry within her body politic two separate races, and nearly equal in numbers. She must carry these races in peace, for discord means ruin. She must carry them separately, for assimilation means debasement. She must carry them in equal justice, for to this she is pledged in honor and in gratitude. She must carry them unto the end, for in human probability she will never be quit of either.

"This burden no other people bears today—on none hath it ever rested. Without precedent or companionship, the South must bear this problem, the awful responsibility of which should win the sympathy of all humankind and the protecting watchfulness of God alone, even unto the end."

What wonderful progress the South has made in giving to the colored race the equal protection of the laws during the last 30 years! It is not contended by the proponents of this bill that today any State of the Union has in its constitution a single provision in violation of the fourteenth amendment of the Federal Constitution. It is not claimed for a moment that any of the States have now a single statute that discriminates against any person or class of persons. No one claims as an excuse for this bill that any State in all this broad land has laws that deprive any person or class of persons of the equal protection of the laws.

Today each State has its own constitution, patterned after and in accordance, conformity, and harmony with the Constitution of the United States. Every unconstitutional provision of the past that has discriminated in any manner against the colored race has been swept aside and declared null and void by the Supreme Court of the United States. Every State has its own legislature that enacts laws for the government, guidance, and protection of all its citizens. Every State has its courts to construe its laws and dispense justice to its people. Every State has its governors, sheriffs, and police officers to enforce its laws. These are sacred rights reserved by the Constitution of the United States to the several States, and these rights you and I under oath are sworn to preserve and protect.

Since the days of Blaine and Grady the sons of the Blue and the Gray have fought side by side on land and on sea, first to liberate the slaves of Spain. Then next the soldiers of the North and the South, forgetting partisanship and sectionalism, have borne the old flag of the fathers to triumphant victory on the blood-red fields of France; and while I am speaking to you together the sons of the Blue and the Gray sleep side by side under the poppies of Flanders Field. Only yesterday the path of the President was strewn with flowers by the people of the South. Never was this Nation more happily united. Here in the Capital of the Nation we have been spending the past 2 months with the great leaders of the civilized world. We have been trying to demonstrate how beautiful it is for nations to dwell together in unity.

In the afterglow of these happy Christmas hours through which we have just passed, when our hearts cry out "Peace on earth, good will toward men", it is no time to enact this monstrous law that can have no other effect or result than to fan into flames the expiring embers of race and class hatred and bring back again to the beautiful Southland the awful horrors of those days of darkness that followed the Civil War. God help us as Republicans to forget the doubtful political value of this bill and work together, North and South, East and West, for the peace, prosperity, glory, and grandeur of a united Republic. [Applause.]

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama [Mr. BANKHEAD] has the floor. Does he yield to the Senator from West Virginia?

Mr. BANKHEAD. For what purpose?

Mr. NEELY. For the purpose of opposing the filibuster which has been in progress during the last week, and of speaking in favor of the enactment of the so-called "Costigan-Wagner antilynching bill."

Mr. BANKHEAD. No; I cannot yield for that purpose. I thought the Senator wanted to have something printed in the RECORD. I cannot yield for a speech.

Mr. NEELY. Will the Senator indicate, if he knows, when he will probably conclude his remarks?

Mr. BANKHEAD. That depends on the further action of the Senate. I cannot yield, though, for a speech at this time. That is out of the question, although I desire to be friendly and courteous to my friend from West Virginia.

Mr. NEELY. That is thoroughly understood.

Mr. CONNALLY. Mr. President, I think we ought to have a quorum present, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Schall
Ashurst	Copeland	La Follette	Schwellenbach
Austin	Costigan	Lewis	Sheppard
Bachman	Couzens	Logan	Shipstead
Bailey	Dickinson	Lonergan	Smith
Bankhead	Dieterich	McCarran	Steiwer
Barbour	Donahey	McGill	Thomas, Okla.
Barkley	Duffy	McKellar	Thomas, Utah
Bilbo	Fletcher	McNary	Townsend
Black	Frazier	Minton	Trammell
Borah	Gibson	Murray	Truman
Brown	Glass	Neely	Tydings
Bulkley	Gore	Norris	Vandenberg
Bulow	Guffey	Nye	Van Nuys
Burke	Hale	O'Mahoney	Wagner
Byrd	Harrison	Overton	Walsh
Byrnes	Hastings	Pittman	Wheeler
Capper	Hatch	Pope	White
Caraway	Hayden	Radcliffe	
Carey	Johnson	Robinson	
Clark	Keyes	Russell	

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

ADJOURNMENT

Mr. ROBINSON. Mr. President, will the Senator from Alabama yield to me for a motion?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. I yield.

Mr. ROBINSON. I move that the Senate adjourn until 3 o'clock and 30 minutes this afternoon.

Mr. COSTIGAN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. CUTTING]. I am not advised as to how he would vote; but, regardless of that, I transfer my pair to the junior Senator from Iowa [Mr. MURPHY]. I am not advised how he would vote, if present, but I vote "yea."

The roll call was concluded.

Mr. LEWIS. Mr. President, I desire to announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness, and that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Iowa [Mr. MURPHY], and the Senator from North Carolina [Mr. REYNOLDS] are unavoidably detained from the Senate.

I wish also to announce the necessary absence of the Senator from Rhode Island [Mr. GERRY] and the Senator from New Jersey [Mr. MOORE]. I am instructed to announce that both Senators, if present and voting, would vote "nay."

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. If I were permitted to vote, I should vote "yea."

Mr. SCHWELLENBACH. I announce the necessary absence of my colleague [Mr. BONE] on departmental business, and announce further that if he were present he would vote "nay."

Mr. AUSTIN. I announce the necessary absence of the Senator from South Dakota [Mr. NORBECK] and the Senator from Georgia [Mr. GEORGE]. They are paired on this question. If the Senator from South Dakota were present, he would vote "nay", and the Senator from Georgia, if present, would vote "yea."

I also announce the necessary absence of the Senator from Rhode Island [Mr. METCALF] and the Senator from North Carolina [Mr. REYNOLDS], who are paired. On this vote the Senator from Rhode Island, if present, would vote "nay", and the Senator from North Carolina, if present, would vote "yea."

I further desire to announce that the Senator from Pennsylvania [Mr. DAVIS], if present, would vote "nay."

The result was announced—yeas 48, nays 32, as follows:

YEAS—48

Adams	Byrnes	Hatch	Pope
Ashurst	Caraway	Hayden	Radcliffe
Bachman	Clark	King	Robinson
Bailey	Connally	Lewis	Russell
Bankhead	Couzens	Lonergan	Sheppard
Barkley	Dieterich	McGill	Shipstead
Bilbo	Duffy	McKellar	Smith
Black	Fletcher	Murray	Thomas, Okla.
Borah	Frazier	Norris	Thomas, Utah
Brown	Glass	O'Mahoney	Trammell
Bulow	Gore	Overton	Truman
Byrd	Harrison	Pittman	Wheeler

NAYS—32

Austin	Dickinson	La Follette	Steiwer
Barbour	Donahey	McCarran	Townsend
Bulkley	Gibson	McNary	Tydings
Burke	Guffey	Minton	Vandenberg
Capper	Hale	Neely	Van Nuys
Carey	Hastings	Nye	Wagner
Copeland	Johnson	Schall	Walsh
Costigan	Keyes	Schwellenbach	White

NOT VOTING—15

Bone	George	Maloney	Murphy
Coolidge	Gerry	McAdoo	Norbeck
Cutting	Logan	Metcalf	Reynolds
Davis	Long	Moore	

So the motion was agreed to; and (at 3 o'clock and 16 minutes p. m.) the Senate adjourned until 3 o'clock and 30 minutes p. m., Wednesday, May 1, 1935.

SENATE

WEDNESDAY, MAY 1, 1935

The Senate met at 3 o'clock and 30 minutes p. m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, who art evermore ready to hear than we to pray, and art wont to grant unto us more than we either desire or deserve, pour down upon us Thy Holy Spirit. Visit, we pray Thee, our country, and particularly the Members of the Senate, with Thy loving favor. Enlighten their minds more and more with the light of the everlasting Gospel; graft in their hearts a love of the truth; increase in them true religion; nourish them with all goodness, and keep them, and those things committed to their care, under Thy fatherly guidance this day and throughout the days that lie ahead.

We ask it in Thy name and for Thy sake, O blessed Savior of the world, who didst come, not to be ministered unto but to minister, and who hast given Thy life a ransom for the world. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of that part of the calendar day Wednesday, May 1, 1935, embraced in the legislative day of Monday, April 15, was dispensed with, and the Journal was approved.

CHICAGO WORLD'S FAIR CENTENNIAL CELEBRATION

The VICE PRESIDENT laid before the Senate a joint letter from the Secretary of State, the Secretary of Agriculture, and the Secretary of Commerce, transmitting, pursuant to law, as members of the Chicago World's Fair Centennial Commission, a detailed statement of expenditures, together with other reports concerning the character and extent of Federal participation in A Century of Progress Exposition in Chicago during the year 1933, which, with the accompanying papers, was referred to the Committee on Commerce.

IMPORTS OF AGRICULTURAL PRODUCTS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to Senate Resolution 111 (agreed to on Mar. 29, 1935), certain statistics regarding imports of agricultural products, and also enclosing a weekly publication of the Department of Agriculture, entitled "Foreign Crops and Markets", showing the agricultural commodities which have been tabulated as "competitive", which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

Mr. VANDENBERG. Mr. President, I ask that the report may be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

The VICE PRESIDENT also laid before the Senate a letter from the Secretary of Commerce, transmitting, pursuant to Senate Resolution 111 (agreed to Mar. 29, 1935), certain statistics showing the commercial production of raw cotton in principal countries in the period 1904 to 1935; the estimated world carry-over of raw cotton as of July 31 for the years 1921 to 1934; and the quantity and value of the exports and imports of raw cotton for the period 1909 to 1934, by leading producing countries and principal importing countries, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

Mr. VANDENBERG. Mr. President, I ask that the report may be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORTS OF COMMITTEES

Mr. BYRD, from the Committee on Rules, to which was referred the resolution (S. Res. 118) creating a standing Committee on Air Commerce and Civil Aviation, reported it without amendment and submitted a report (No. 562) thereon.

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (S. 2608) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, reported it without amendment and submitted a report (No. 563) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2655) to define the election procedure under the act of June 18, 1934, and for other purposes, reported it without amendment and submitted a report (No. 564) thereon.

He also, from the same committee, to which was referred the bill (S. 1696) for the relief of Mary Sky Necklace, reported it with an amendment and submitted a report (No. 565) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 381. A bill for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico (Rept. No. 566); and

S. 1697. A bill providing old-age pensions for Indian citizens of the United States (Rept. No. 567).

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the joint resolution (S. J. Res. 96) to carry out the intention of Congress with reference to the claims of the Crow Tribe of Indians of Montana and any band thereof against the United States, reported it with an amendment and submitted a report (No. 568) thereon.

He also, from the same committee, to which was referred the bill (S. 1637) to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects", reported it with amendments and submitted a report (No. 569) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 2730) to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes;

A bill (S. 2731) to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes; and

(By request.) A bill (S. 2732) to amend section 7 of the act approved February 27, 1925 (43 Stat. L. 1011), relating to the descent of restricted Osage Indian property; to the Committee on Indian Affairs.

By Mr. CLARK:

A bill (S. 2733) for the relief of Charles Edward Poole; to the Committee on Naval Affairs.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. CLARK. Mr. President, I introduce a joint resolution for appropriate reference and wish to make a very brief statement about it.

This morning the Committee on Finance took under consideration the matter of the extension or renewal of the N. R. A., and voted upon certain questions of principle in connection with the proposed extension. The committee, by a vote of 16 to 3, decided to report a resolution extending the life of the N. R. A. until April 1, 1936, and appointed a subcommittee composed of the chairman of the committee, the senior Senator from Mississippi [Mr. HARRISON], the senior Senator from Delaware [Mr. HASTINGS], and myself to prepare a draft of the resolution in accordance with the principles indicated by the vote of the committee this morning.

The joint resolution which I am introducing embodies the report of the subcommittee, and I offer the resolution and ask that it be referred to the Committee on Finance.

The joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, was read twice by its title and referred to the Committee on Finance.

INJUNCTIONS AGAINST PUBLICLY OWNED POWER PLANTS

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 123) submitted by Mr. NORRIS on April 27 (legislative day of April 15, 1935), was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Federal Power Commission be, and it is hereby, directed to furnish to the Senate:

(1) A list of all the publicly owned electric generating or distributing plants, whether Federal, State, county, or municipal, in the United States in which the installation, organization, or operation of such plants has been interfered with by reason of restraining orders or injunctions issued (a) in Federal courts and (b) in State courts;

(2) The delay, if any, in each case that has occurred by reason of such restraining order or injunction; and

(3) The expense, both direct and indirect, in each case that has been incurred by the owner of such publicly owned electric generating or distributing plant by reason of such restraining order or injunction.

PROPAGANDA—ADDRESS BY JOHN STEWART BRYAN

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an address on Propaganda delivered by John Stewart Bryan before the American Newspaper Publishers' Convention in New York City on April 24, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Thirty years ago, when we came to these meetings in New York, it never entered our minds that we would be confronted with any such problems as those facing us today. We look around this room and see very few of the old guard who ranted and roared in those happy days about propaganda. Their fears and interests were all based on a desire to keep a few chiseling patent-medicine men from getting publicity without paying for it. We did not then know what could happen in the way of free publicity, or what dangers were involved in opening up the field for the scientific use of propaganda. But we know today, and we know that the Oxford dictionary is entirely correct, psychologically and historically, in the definition it gives, to wit:

"Propaganda: Any association, systematic scheme, or concerted movement for the propagation of a particular doctrine or practice."

This name, as you know, was derived from the celebration of a society for the spread of the Gospel, but in modern political science the word "propaganda" is used as a term of reproach to secret associations for the spread of opinions and principles which are viewed, says Brande in his Dictionary of Political Science, by most governments with horror and aversion. Naturally, however, even governments fail to have horror and aversion when this powerful and insidious mechanism is used in developing ideas which the government holds dear to itself.

But the mere fact that a government in power likes propaganda no more robs that activity of its dangers than the fact that an addict likes morphine will deprive that drug of its deadly quality. And we as a profession and business which owes our lifeblood to the printing and unimpeded circulation of news which is in itself honestly conceived and honestly put forth, see in the prostitution to selfish and private ends of the press, the radio, to say nothing of the stentorian voice of the stump speaker, the complete destruction of that confidence in statement upon which, in the final analysis, sound dealing between man and man must depend.

It is worth while for us today to take account of part of what has happened. First, let us look abroad. In a speech made at Bloomington, Ind., last Friday by Lee White, of the Detroit News, the occasion being a memorial service for Don Mellett, he said that 80 percent of the press of the world today is under censorship.

Thirty years ago, with the exception of Russia and perhaps Japan, there was practically no censorship. Look at the change that has taken place in a generation. There is no semblance of freedom today in Germany, Russia, Austria, Italy, Jugoslavia, Rumania, Turkey, Japan, Poland, and Hungary, and the boasted freedom of France is tainted through and through by the open and acknowledged servitude of the press to the most degrading censorship—the censorship of the higher for the harlot words that walk the streets.

Foreign Affairs and the Living Age in their last issues give a clear and specific instance of the depths to which the character of the press of France has fallen. It makes little difference to the public who look for their information whether the pollution springs from the order of the minister of communications or from the order of the controlling stockholder, who is himself controlled by the bank, the munitions manufacturer, the trade association, or a party of frank propagandists.

A modern case in point is the use made by Bismarck of the plan that Napoleon III had worked out in perfectly good faith for the development of the United States of Europe. Himself an idealist, Napoleon III had drawn up a plan with Bismarck, in which the United States of Europe was set up as a step toward this achievement, and it was agreed that Belgium must be partitioned. It was all just a paper plan, but when Bismarck and Von Roon sent the celebrated Ens Dispatch, which precipitated the Franco-Prussian War, Bismarck sent for deBlowitz, the correspondent of the London Times, and gave him the rough draft of the Napoleonic plan. The result was that the whole spirit of Europe crystallized against France.

We in America need not think that we are not as others. We have a great deal of just satisfaction in our fight for a free press, and yet we must never forget that a free press postulates a free mind.

The old English common law understood that no witness could testify freely if he was under, as the phrase has it, the torture of fear or the false flattery of hope. If we translate that into our modern phraseology, we would say, perhaps, that no newspaper is to be trusted that gives its evidence under the torture of losing circulation or the hope of gaining advertising.

So the correlative of freedom is the exercise of courage—courage shot through with information and purposeful wisdom and the sense of social duty. One editor may highly resolve to give his readers the truth, the whole truth, and nothing but the truth; and another may deliberately set out to give only such informa-

tion as will further the aims of some special interest. The motives behind these editors are vastly different, but if the first editor—the high-minded brother—uses hand-outs prepared by the publicity man of the special interest, his noble aspirations and patriotic motives will not be translated into reasoned action on the part of his readers.

A doctor who gives poison by mistake is just as surely the cause of death of the patient as the man who gives the poison intentionally.

Our problem, then, is not so much to insure to one another high ideals as it is to assure ourselves of information of whose correctness we are certain, and whose sources are unbiased and competent.

Now, it has been remarked by even the man in the street that for a generation there has not been such interest in politics, or such a news source as Washington. What do we get when we look to Washington for facts? We find that Congress passed a law 22 years ago which provides:

"No money appropriated by any act (of Congress) shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose."

In a recent speech Elisha Hanson, of Washington, declared that this law has been evaded by giving to the official publicity men a lot of high-sounding titles and extra-special employment. As yet, however, Congress has done nothing about the matter, although the "goldfish bowl" of the National Press Club regularly reports more and more men drafted from active newspaper work to do Government publicity. The cost of the men so employed is estimated by Walter Lippmann as $1,050,000. These men are engaged just as undisguisedly in selling the views of the department that retains them as Hitler is engaged in forcing his Nazi philosophy into the mind of every German, or as Stalin is devoted to making the wishes and purposes of the Communist leaders of Russia the last word of the gospel to that nation and the final revelation of human destiny.

There is nothing to be gained by deploring this course of action. Every administration on earth has uniformly tried to protect itself, and each department head seeks access to the public mind by his own band of publicity agents, though often enough the result is that we find ourselves, as taxpayers and citizens, supporting expensive propaganda for diametrically opposed purposes.

The fact that Secretary Perkins and Chairman Biddle are sending out conflicting arguments for the court of final resort in labor disputes, and the contest going on between the publicity departments of the Department of Commerce and the Agricultural Department as to maintaining or destroying the merchant marine, is a complete evidence that even governmental heads may differ.

No one can doubt the value to the department, however, of this method of approach when we look back and see what General Johnson got for himself. In 1933 he was the big news of America. The fact that many people then believed that N. R. A. would come to the end it has apparently reached had nothing to do with its power at that time, for whether we like it or not it was working, and the public found themselves in the position of the man whose lawyer said to him, "The State has no right to put you in jail", and he replied, "But I am in jail!" What General Johnson was going to do, when he was going to turn on the heat, how he was going to crack down, whom he was going to destroy, and whom he was going to perpetuate so long as he was in power was obviously first-page news of the first quality. But how would an editor who wants the low-down go about securing it? He would have to send to Washington, and his reporter or representative would have to go to the departments and meet the publicity advisor or public-relations counsel, or what not, and get from him such news, or such so-called "news", as this official saw fit to give out.

Now, the crux of the whole situation, the vital instructive and destructive change, lies in the fact that no longer do the department heads even pretend to give out unbiased and nonpartisan information. The news is given out today to make prestige and position for the Department from which it emanates. According to their own bulletin, the Agricultural Adjustment Administration, in the first year of its existence, issued nearly 5,000 news releases. The field-contact secretary of the press section, among other duties, is expected to plan and prepare material for speeches relating to the activities and programs of the administration, and to arrange for and coordinate the speaking activities of officials and others in the administration.

The Farm Credit Administration states that the office of director of information will write, on request, articles for periodical publications, and will also supervise the work of the 13 information agents in the field who disseminate information to the public and the press in their respective districts in the field.

The said department, for example, has a chief of the division of current information.

In the Treasury Department the Treasury itself, the Internal Revenue Bureau, the Comptroller of the Currency, and the Coast Guard all have special publicity offices.

The same is true of the War Department, the Department of Justice, the Post Office Department, the Navy Department has two. The Department of the Interior has a director of information for itself, 1 for the Bureau of Mines, 1 for the subsistence homesteads division, 1 for soil erosion service, and 1 for national parks.

The Agricultural Department has its own director and chief press service and a chief of radio service, a director of information and publicity for the Forest Service, for the Bureau of Public Roads, for the Bureau of Agricultural Engineering, the Bureau of Agricultural Economics, the Bureau of Home Economics, the Bureau of Plant Quarantine, and the Biological Survey.

There are 2 in the Commerce Department, 3 in the Labor Department, 1 in the Civil Service Department, 1 each in the Interstate Commerce Commission, Federal Trade Commission, Tariff Commission, Federal Power Commission, Veterans' Administration, Reconstruction Finance Corporation, 3 in the Federal Home Loan Bank Board, 2 for the Tennessee Valley Authority, 1 each for the Farm Credit Administration, Public Works Administration, Emergency Relief Administration, Emergency Conservation Work, Civilian Conservation Corps, National Recovery Administration, Federal Deposit Insurance Corporation, National Emergency Council, Federal Alcohol Control Administration, Federal Housing Administration, Communications Commission, National Labor Relations Board, a total of 53.

Instinctively the public is right in feeling that the office is fundamentally the place to look for news, and the position that office carries with it, the power to give out news, is one of the important phenomena of the new situation. The mere fact that a man is head of a great department and does know what is being planned, and can within measure control it, gives his opinions a validity that under other conditions would be merely a guess. What such men say is news because they themselves are news. For example, the New York Times Index shows that in 1934 former President Hoover only got 1½ columns of reference in the Index, President Roosevelt got 60 columns, General Johnson got 5 columns, N. R. A. got 37 columns, Miss Perkins got 2½ columns, Senator BORAH got 2¼ columns, Senator GLASS 1 column.

Whereas 2 years before Secretary Ogden Mills had been big news he only got three-fourths column, while Secretary Morgenthau got four columns. When he same from England as the financial adviser whose opinion might have made for violent inflation, Dr. O. W. M. Sprague was news of the utmost importance, but his value faded out as he receded from the front page, and the Times Index for 1934 only gives him one-fourth of a column of reference.

No one can complain fairly of a man in office giving out news that is news and fair and unbiased and dispassionate, but when the office is used to give out information that is aimed not to inform the public but to benefit the distributor the question of propaganda in its most insidious and objectionable form appears. And where the editor's duty comes in is in his ability to find the truth that lies behind the hand-out, if there is any, and to resist the partiality that is shown to the subservient and docile trained seals.

Napoleon, the Great, was not known as a newspaper publisher, but his characterization of a general is profoundly right when applied to a newspaper editor. You will remember that Napoleon said a great general is not only one who fights but one who knows how to draw correct conclusions from evidences that a less able man would either misread or overlook. That is the kind of editor we want today.

And the citizen in general has a right to protest and resent the deliberate use of publications for the advancement of special interests. The Department of Agriculture, for example, prior to the Roosevelt administration, published bulletins that were essentially factual, but now they have become deliberate propaganda.

Here we come to the adoption of a theory that has reached its highest form of development in the Soviet Government: That a majority control of administration gives the department the right to use every governmental activity for the advancement of the party program. Of course, the officers who carry out this theory justify it on the ground that the whole purpose is national recovery, but we in America fail to see wherein the normal extension of such a doctrine differs from the drive behind Stalin's program or the clamorous exaggeration of Hitler and Goering.

In its final analysis, so far as the public is concerned, the propaganda of exaggeration is no more deadly than the propaganda of suppression. How are we going to get a fair balance again? Certainly one step is to insist upon a full report and an interpretative report on the acts of the legislature; the quickest and simplest way to make this country a complete dictatorship is to give every possible aid and comfort by publicity and subservience to the Executive.

It is just as necessary to preserve the news balance between the executive branch and the legislative branch as it is to preserve that balance in our Constitution. In the executive department there is only one note sounded, the note of triumph and praise for that department; but we must not allow that clamor to drown the voice of criticism in Congress. We have to blame no one more than ourselves if we do not see to it that our great news agencies, as well as our personal representatives, have the power to resist blandishment, the intelligence to see through the camouflage, the courage to state both sides.

It is a striking commentary that this is exactly what the news agencies do attempt in pre-election days, for they give both sides of the story, but just as soon as election is over the door is shut and there is no longer any place for the still small voice of questioning criticism. The flood of radio, books, pamphlets, and governmental publications is likely to drown all reasonable thought and hinder all sound action. Never before in its history has the press been threatened with greater danger or charged with a greater duty. Here is a challenge to all that the editor and publisher can summon of character, courage, and wisdom. The first step toward curing a disease is to recognize that the disease exists, to discover its origin, to trace its spread. We know that propaganda is here; we know its origin lies in selfish egotism, and we know that the only way to combat this menace is to give propaganda the acid test of truth and logic and fearless criticism.

Like a whirlwind radio comes and goes. It is the steady cultivation of the little plot at home by the local newspaper that repairs the damage to national thought, and collective wisdom builds up a new resistance to hysteria and gives us courage to endure.

The way to defeat demagogy is not by more demagogy, but by reason, and it is the priceless privilege of the local editor to bring his unbiased judgment to bear upon the duty and problems of this Nation. No nation is stronger than its citizens, and madness can never replace manhood. There is no substitute for education, and no alternative for discipline; the two-edged sword of freedom requires its wielder to take the sword or perish by the sword.

We must never forget that no constitutional guaranty is stronger than the will to support it, and we have nobody but ourselves, our own sloth, cupidity, ignorance, or prejudice to hinder us in our service of the public, and from these private weaknesses and public enemies God save the Commonwealth.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 3896, the adjusted-service certificate bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, which had been reported from the Committee on Finance with amendments.

CONSIDERATION OF THE CALENDAR

Mr. ROBINSON. Mr. President, a number of Senators have asked for an opportunity to consider unobjected bills on the calendar. I am going to ask the Senator from Mississippi if he will consent to laying aside the unfinished business with a view to my asking unanimous consent to proceed to the consideration of unobjected bills on the calendar.

Mr. HARRISON. I have no objection.

Mr. McNARY. Mr. President, I hope that order may be made.

Mr. ROBINSON. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas that the unfinished business be temporarily laid aside with a view to the consideration of unobjected bills on the calendar? The Chair hears none, and the clerk will state the first business on the calendar.

Mr. HARRISON. Mr. President, in order that Senators may know that the unfinished business will not come up for consideration this afternoon, may I request that when the Senate concludes its session today it recess until 12 o'clock tomorrow, and then that the so-called "veterans' bill" be taken up?

Mr. ROBINSON. Mr. President, it is my understanding that the calendar will be proceeded with this afternoon for the consideration of unobjected bills until the Senate is ready to conclude its labors for the day, and then that a recess will be taken until 12 o'clock noon tomorrow.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on the Interior Department appropriation bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, which is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6223) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 18, 23, 43, 46, 48, 51, 53, 58, 60, 62, and 63.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 8, 9, 10, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 52, 54, 55, 56, 57, 59, 61, 64, 66, 67, 68, 69, 70, and 71, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$219,000, of which $50,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$65,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$471,910"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$144,200"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$70,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$650,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$458,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the enactment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,285,560"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$632,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$185,400"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,970,311"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 3, 5, and 38.

CARL HAYDEN,
KENNETH MCKELLAR,
ELMER THOMAS,
FREDERICK STEIWER,
Managers on the part of the Senate.

EDWARD T. TAYLOR,
B. M. JACOBSEN,
JED JOHNSON,
M. A. ZIONCHECK,
J. G. SCRUGHAM,
W. P. LAMBERTSON,
R. B. WIGGLESWORTH,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. KING. Mr. President, has the report been explained?

Mr. HAYDEN. The report has been filed. It has been adopted by the House, and is now ready for action by the Senate.

The VICE PRESIDENT. This conference report was laid before the Senate earlier in the day. The Chair thought every Senator knew about it.

Mr. HAYDEN. I may state to the Senator from Utah that generally the Senate amendments were agreed to.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on certain amendments of the Senate, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
April 30, 1935.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, and 38 to the bill (H. R. 6223) entitled "An act making appropriations for the Department

of the Interior for the fiscal year ending June 30, 1936, and for other purposes", and concur therein; and

That the House recede from its disagreement to the amendment of the Senate numbered 5 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert "$150,000; for payment of subsistence and expenses of advisory committees of local stockmen, $100,000; in all, $250,000."

Mr. HAYDEN. I move that the Senate concur in the amendment of the House to Senate amendment numbered 5.

The VICE PRESIDENT. The question is on the motion of the Senator from Arizona.

The motion was agreed to.

THE CALENDAR

The VICE PRESIDENT. The clerk will state the first bill on the calendar.

The first business on the calendar was the bill (S. 944) to amend section 5 of the Federal Trade Commission Act.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, Thirty-fifth Statutes 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. KING (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. SMITH. Mr. President, this bill is a local measure. It is simply to change the name of a certain dam. All the local people and the Department and others have agreed to it. It does not involve anything except a change of name. I hope the objection will be withdrawn and the bill will be allowed to pass.

The VICE PRESIDENT. The bill has been passed over. Unless the Senator asks unanimous consent to revert to it, the bill cannot be considered, as it has already gone over.

Mr. SMITH. Very well, Mr. President; it is a matter of such great importance that we will let it go.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Mack Copper Co. was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 875) for the relief of Michael F. Calnan was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 74) to investigate the public and official conduct of James A. Farley was announced as next in order.

Mr. SMITH. Let that go over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 2119) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913, was announced as next in order.

Mr. SMITH (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. ROBINSON, Mr. McKELLAR (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 164) for the relief of Donald L. Bruner was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1453) to create a board of shorthand reporting, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 363) to increase the efficiency of the Veterinary Corps of the Regular Army was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1589) authorizing the purchase of United States Supreme Court Decisions and Digest was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 477) to provide for the appointment of 2 additional judges for the Southern District of New York and 2 additional judges for the Southern District of California was announced as next in order.

Mr. CAPPER. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

POST-OFFICE BUILDING, CHAPEL HILL, N. C.

The Senate proceeded to consider the bill (S. 2356) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920, which was read, as follows:

Be it enacted, etc., That the act of Congress entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920, be, and the same is hereby, amended so that said act shall include Haymes Bros., a firm composed of Charles H. and Joshua L. Haymes, of Chatham,

Va., the contractors for the United States post-office building erected at Chapel Hill, N. C.; as to said Haymes Bros., claims for reimbursement as provided by said act of August 25, 1919, as amended by act of March 6, 1920, may be filed within 3 months after the passage of this act.

Mr. KING. Mr. President, I shall be glad to have an explanation of this bill by the Senator from Virginia [Mr. BYRD], who introduced it.

Mr. BYRD. Mr. President, this bill simply provides that the contractors for the post office at Chapel Hill, N. C., a firm located at Chatham, Va., shall have the right to file a claim and have their claim adjudicated in accordance with the act which was passed after the war. The post office was built during the war.

Mr. McKELLAR. The claim goes to the Court of Claims?

Mr. BYRD. Yes; it goes to the Court of Claims.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1492) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota, under the Swamp Land Act, was announced as next in order.

Mr. KING. Mr. President, one of the Senators called my attention to this bill the other day. I ask that it be passed over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1426) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army, and his retirement in that grade was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

STATE OF CALIFORNIA

The Senate proceeded to consider the bill (S. 1932) for the relief of the State of California, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 3, after the word "Secretary", to insert "of the Treasury", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the net balance due the State of California of $6,462,145.33 as certified by the Comptroller General of the United States, August 14, 1930, and printed in Senate Document No. 220, Seventy-first Congress, third session, the same to be accepted in full settlement of all advances and expenditures and interest thereon made by said State.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I should like to ask the Senator from New Mexico [Mr. HATCH], who reported the bill, whether it has the approval of the Indians, and whether they have had an opportunity to express themselves?

Mr. THOMAS of Oklahoma. Mr. President, this bill has been up before, and was passed over. There was some question about the bill. The Senator from New Mexico [Mr. HATCH] is not present, so I ask that the bill go over until he can be present.

The VICE PRESIDENT. The bill will be passed over.

WESTERN CONSTRUCTION CO.

The Senate proceeded to consider the bill (S. 2312) for the relief of the Western Construction Co., which had been reported from the Committee on Claims with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $1,634.56 to the Western Construction Co., of Seattle, Wash., to cover additional work not covered by the contract entered into by said company for the construction of a Weather Bureau station on Tatoosh Island, Wash.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to ask the Senator from Washington [Mr. SCHWELLENBACH], who introduced the bill, or the Senator from Nebraska [Mr. BURKE], who reported it, whether this claim is barred by the statute of limitations.

Mr. BURKE. Mr. President, I will say to the Senator from Utah that while the claim is barred by the statute of limitations, it is for work performed by the company and not covered by its contract, and the Department recommends the payment of the claim.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CITY OF BALTIMORE, MD.

The bill (S. 672) for the relief of the city of Baltimore was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city of Baltimore the sum of $171,034.31, being the balance of the amount incurred and expended by said city of Baltimore to aid in the construction of works of national defense in 1863, at the request of Maj. Gen. R. C. Schenck, United States Army, and as found and reported to the Senate on May 3, 1930, by the Comptroller General of the United States.

BILL PASSED OVER

The bill (S. 2530) to protect American and Philippine labor and to preserve an essential industry, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I should like to ask the Senator from Maryland [Mr. TYDINGS], or some other Senator who is familiar with the bill, what modification it makes of existing tariff laws, and what modification, if any, is made in the act under which the Philippines were given the independence they are now enjoying. [A pause.] Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

CAPT. ALEXANDER C. DOYLE

The bill (H. R. 240) for the relief of Capt. Alexander C. Doyle was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. SMITH subsequently said: Mr. President, I ask that the Senate recur to Order of Business No. 467, being House bill 240. I am quite sure that the Senate does not understand the great injustice which is being done the officer named in the bill. The Senator from Maine [Mr. WHITE] has the letter and all the facts pertaining to this case. I state that, upon the investigation, we found that the Government had not lost a penny, and this man had been cleared by a court martial. I am sorry the Senator from Maine is not present, because I handed him all the evidence, as he was the chairman of the subcommittee which investigated the case. With regard to the $1,600 which was said to be short, an explanation was made, which it would take me too long to go into now, but which, if repeated, would convince every Senator that this bill ought to pass. It does not involve the loss of a penny, and if it is not passed a great injustice will be done to a faithful officer.

Mr. KING. Mr. President, what number is it on the calendar?

Mr. SMITH. It is Order of Business No. 467. It was just passed over. It is for the relief of Capt. Alexander C. Doyle. I went into the matter personally and so did the Senator from Maine. I assure the Senate that the whole question turned on a mere technicality. The officer was court-martialed and the case was dismissed. He was completely exonerated. In this case there was a requirement that certain particulars in the building of barrels should be adhered to and a certain Japanese was employed to build them. They met all the specifications, but he could not keep the list of those employed and their per diem. After a thorough investigation it was found that the barrels were built within the Government's specifications, and the officer was completely exonerated.

The PRESIDENT pro tempore. The bill went over under the rule.

Mr. SMITH. I ask unanimous consent to recur to it. The Senator who objected says he has no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 240) for the relief of Capt. Alexander C. Doyle, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the words " court martial ", to strike out " decision, and to certify same to Congress for an appropriation " and to insert in lieu thereof " decision. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,655, or so much thereof as may be necessary, to pay said claim ", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Capt. Alexander C. Doyle, Quartermaster Corps, United States Army, in the sum of $1,655 on account of stoppage of pay as the result of alleged neglect of duty while stationed at Schofield Barracks, Territory of Hawaii, during the year 1922, of which charge he was declared not guilty by court-martial decision. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, the sum of $1,655, or so much thereof as may be necessary, to pay said claim.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time, and passed.

BILLS PASSED OVER

The bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes ", approved May 18, 1933, was announced as next in order.

Mr. VANDENBERG (and other Senators). Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1439) amending the postal laws to include as second-class matter religious periodicals publishing local information was announced as next in order.

SEVERAL SENATORS. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

UNDELIVERED PARCELS OF FIRST-CLASS MAIL MATTER

The bill (S. 1539) relating to undelivered parcels of the first class was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3936 of the Revised Statutes, as amended April 24, 1920 (41 Stat. 583; 39 U. S. C. 406), be amended to read as follows:

" The Postmaster General may regulate the period during which undelivered letters and parcels of the first class shall remain in any post office and when they shall be returned to the dead-letter office; and he may make regulations for their return from the dead-letter office to the writers when they cannot be delivered to the parties addressed. When letters and parcels of the first class are returned from the dead-letter office to the writers, a fee of 5 cents shall be collected at the time of delivery, and in addition a charge shall be made of the minimum registry fee for the return of all ordinary dead letters containing $1 or more in cash, and parcels of the first class apparently valued at $1 or more, under such rules and regulations as the Postmaster General may prescribe."

BILLS PASSED OVER

The bill (S. 1504) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 626) to amend the Agriculture Adjustment Act so as to include hops as a basic agricultural commodity was announced as next in order.

Mr. McNARY. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2481) to stabilize the bituminous-coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes, was announced as next in order.

Mr. BYRD. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ROBERT A. WATSON

The Senate resumed the consideration of the bill (S. 373) conferring jurisdiction upon the Court of Claims, to hear, determine, and render judgment on the claim of Robert A. Watson, which had been reported from the Committee on Claims with an amendment.

The PRESIDENT pro tempore. This bill was considered on April 15, and the amendment was agreed to. The question is on the engrossment and third reading of the bill.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. McKELLAR. Mr. President, the bill refers the claim to the Court of Claims. I will say to the Senator that it is a proper bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT OF PROVISIONAL OFFICERS OF THE REGULAR ESTABLISHMENTS

The bill (S. 2265) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War was announced as next in order.

Mr. KING. Let that go over.

Mr. SHEPPARD. Mr. President, let me say to the Senator from Utah that only 30 or 40 former officers are affected by this bill. They were provisional officers who were commissioned in 1917, and served throughout the World War under provisional commissions. They were not given the benefits of the Emergency Officers' Retirement Act, because they were not emergency officers. They were neither Regular Army officers nor emergency officers, but rendered the same service as officers. There are only 30 or 40 of them. They are at present without any eligible status so far as benefits are concerned under the Veterans' Administration Act.

Mr. KING. Mr. President, may I ask the Senator what the bill proposes to do for them?

Mr. SHEPPARD. It enables them, on proof of service-connected disability, to obtain the benefits of the Emergency Officers' Retirement Act.

Mr. KING. Would they not be entitled to the same relief as any other person who was injured during the war or who suffered disability during the war?

Mr. SHEPPARD. Without this legislation; no. The situation of these men is an anomaly. A bill similar to this passed the Senate at the last session.

Mr. KING. Does the bill lift them out of the status in which they are found and retire them as emergency officers?

Mr. SHEPPARD. Not at all; it simply gives them the right to apply for benefits which the Emergency Officers' Retirement Act gave the emergency officers.

Mr. KING. The Emergency Officers' Retirement Act, as I understand, gave them the opportunity to be retired on three-fourths pay, the same as Army officers.

Mr. SHEPPARD. Provided they had the requisite disability; yes. They must have been disabled to a certain extent. The Regular Army officers have their retirement privileges under the Regular Army legislation.

Mr. KING. I should like to look into the bill; but I will consent that it be passed with the understanding that tomorrow I may move to reconsider and have it restored to the calendar.

Mr. SHEPPARD. Very well.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the benefits of the act of May 24, 1928, entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War", are hereby extended to those provisional officers of the Army, Navy, and Marine Corps of the United States who were appointed pursuant to the provisions of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, and the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States", approved May 18, 1917, and who served during the period from April 6, 1917, to July 2, 1921, and whose appointments were not made permanent, if application for such benefits is filed with the Veterans' Administration within 12 months after the passage of this act, or if application is already on file with the Veterans' Administration for such benefits: *Provided*, That no back pay, compensation, benefit, or allowance conferred by this act shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COOPERATIVE MARKETING ASSOCIATIONS

The joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. KING. Let that go over.

Mr. FRAZIER. Mr. President, I wish the Senator would withhold his objection for a moment. I desire to offer an amendment to make one part of the joint resolution conform to the other parts.

The PRESIDENT pro tempore. Is the consideration of the joint resolution objected to?

Mr. KING. I withhold objection until the Senator's amendment can be acted on, and then I shall ask that the joint resolution go over.

The Senate proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That for the purpose of adjustment and settlement of losses sustained by the cooperative marketing associations dealing in grain during the stabilization operations of the Federal Farm Board in the years 1929 and 1930 when such cooperative marketing associations were induced and requested by the Federal Farm Board to withhold grain and/or cotton from the market and to make advances to their members in order to stabilize prices, the Federal Farm Credit Administration is hereby authorized and directed to make such adjustments and settlements in accordance with the understanding that such cooperative marketing associations had with the Federal Farm Board, and on the basis of a price or a sum equal to the amount directly loaned or advanced to such associations plus carrying charges and operating costs in connection with such grain and/or cotton from the date of the loans or advances to the date that such grain and/or cotton was finally taken over by the Federal Farm Board or delivered pursuant to its instructions.

Mr. FRAZIER. On page 1, line 5, after the word "grain", I move to insert the words "and/or cotton."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. KING. I now ask that the joint resolution be passed over.

Mr. FRAZIER. Mr. President, if the Senator will withhold his objection for a moment, I will say that this measure is identical with the one which was passed last year by the Senate after hearings were held by the Committee on Agriculture and Forestry. The joint resolution simply provides for presenting old claims against the Farm Board, in cases where cooperative cotton or grain organizations had held their cotton or grain off the market at the request of the Farm Board, and thereby sustained a loss, by cooperating with the Farm Board. They wish to have an opportunity to come before the Farm Credit Administration, which opportunity this joint resolution would provide for them, and put their evidence before that Administration, and if they shall admit that there is a loss on the part of the cooperatives, then they are to be paid.

I should like very much to have the joint resolution passed. I think it is just to the cotton cooperatives, and I feel they, as well as some of the grain corporations, have been unjustly treated.

Mr. McKELLAR. Have these cooperatives ever made a report to the Government? Has the Senator ever seen a report as to their losses, and just what has been done?

Mr. FRAZIER. They took up the matter with the Farm Board, and could not get any adjustment. That was after the Farm Board began to slack up on their stabilization of prices. I think they were called off, to be frank about it.

Mr. McKELLAR. Mr. President, I am not so sure, but there is merit in the Senator's measure, but before we pass it I think we ought to know just what the effect will be—what the losses are, and what may be done about them.

Mr. FRAZIER. There is no way to tell just what the losses are, but there are a number of cooperatives that feel they have been unjustly treated, and desire to come in before the Farm Credit Administration to have their losses adjusted.

The PRESIDENT pro tempore. Is there objection?

Mr. KING. I renew the objection.

The PRESIDENT pro tempore. The joint resolution will be passed over.

CRATER NATIONAL PARK

The bill (S. 2185) to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes", was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6, paragraph 1, of an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes", approved August 21, 1916 (39 Stat. L. 523), be amended so as to read:

"SEC. 6. That the United States District Court for Oregon shall appoint a commissioner, who shall reside within the exterior boundaries of the Crater Lake National Park or at a place reasonably adjacent to the park, the place of residence to be designated by the Secretary of the Interior, and who shall have jurisdiction to hear and act upon all complaints made of any violations of law or of the rules and regulations made by the Secretary of the Interior for the government of the park and for the protection of the animals, birds, and fish, and objects of interest therein, and for other purposes authorized by this act."

SEC. 2. That section 9 of the said act be amended by striking out the words "*Provided*, That the said commissioner shall reside within the exterior boundaries of said Crater Lake National Park, at a place to be designated by the court making such appointment."

SEC. 3. Any commissioner heretofore appointed under authority of the said act shall be entitled to receive the salary provided by law, which may have accrued at the date this act becomes effective, without regard to whether such commissioner or commissioners may have resided within the exterior boundaries of the Crater Lake National Park.

STATISTICS OF TOBACCO

The bill (S. 2215) to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended, is hereby further amended to read as follows:

"That the Secretary of Agriculture be, and he is hereby, authorized and directed to collect and publish statistics of the quantity of leaf tobacco in all forms in the United States owned by or in the possession of dealers, manufacturers, quasi-manufacturers, growers' cooperative associations, warehousemen, brokers, holders, or owners, other than the original growers of tobacco. The statistics shall show the quantity of tobacco in such detail as to types, groups of grades, and such other subdivisions as to quality, color, and/or grade for particular types, as the Secretary of Agriculture shall deem to be practical and necessary for the purposes of this act, shall be summarized as of January 1, April 1, July 1, and October 1 of each year, and an annual report on tobacco statistics shall be issued: *Provided*, That the Secretary of Agriculture shall not be required to collect statistics of leaf tobacco from any manufacturer of tobacco who, in the first three-quarters of the preceding calendar year, according to the returns of the Commissioner of Internal Revenue, manufactured less than 35,000 pounds of tobacco, or from any manufacturer of cigars who, during the first three-quarters of the preceding calendar year, manufactured less than 185,000 cigars, or from any manufacturer of cigarettes who, during the first three-quarters of the preceding year, manufactured less than 750,000 cigarettes: *And provided further*, That the Secretary of Agriculture may in his discretion omit the collection of statistics from any dealer, manufacturer, growers' cooperative association, warehouseman, broker, holder, or owner who does not own and/or have in stock, in the aggregate, 25,000 pounds or more of leaf tobacco on the date as of which the reports are made. For the purposes of this act, any tobacco which has deteriorated on account of age or other causes to the extent that it is not merchantable or is unsuitable for use in manufacturing tobacco products shall be classified with other nondescript tobacco and reported in the 'N' group of the type to which it belongs."

SEC. 2. Section 2 of the said act of January 14, 1929, as amended, is hereby amended to read as follows:

"SEC. 2. The Secretary of Agriculture shall establish standards for the classification of leaf tobacco, and he is authorized to demonstrate such standards, to prepare and distribute samples thereof, and to make reasonable charges therefor. He shall specify the types, groups of grades, qualities, colors, and/or grades, which shall be included in the returns required by this act. The Secretary of Agriculture shall prepare appropriate blanks upon which the returns shall be made, shall, upon request, furnish copies to persons who are required by this act to make returns, and such returns shall show the types, groups of grades, qualities, colors, and/or grades, and such other information as the Secretary may require."

SEC. 3. Section 5 of the said act of January 14, 1929, as amended, is hereby amended to read as follows:

"SEC. 5. The Secretary of Agriculture shall have access to the tobacco records of the Commissioner of Internal Revenue and of the several collectors of internal revenue for the purpose of obtaining lists of the persons subject to this act and for the purpose of aiding the collection of the information herein required, and the Commissioner of Internal Revenue and the several collectors of internal revenue shall cooperate with the Secretary of Agriculture in effectuating the provisions of this act. The Secretary of Agriculture shall have access to the stocks, stock records, and internal-revenue records of all persons or firms subject to this act and may make such examinations and inspections as he shall deem necessary for the purposes of this act."

BILLS PASSED OVER

The bill (S. 1460) to fix standards for till baskets, climax baskets, round stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. BYRD. I ask that that bill go over for the purpose of offering some amendments.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 12) to amend the Packers and Stockyards Act was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

OSAGE INDIANS OF OKLAHOMA—MOTION FOR RECONSIDERATION

Mr. GORE. Mr. President, out of order, I desire to enter a motion to reconsider the vote whereby Senate bill 2482, relating to the tribal and individual affairs of the Osage Indians of Oklahoma was passed on a previous day.

The PRESIDENT pro tempore. The motion of the Senator from Oklahoma to reconsider the vote whereby Senate bill 2482 was passed will be entered.

BILLS PASSED OVER

The bill (S. 2306) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 506) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1528) for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

ACCOUNT BETWEEN THE UNITED STATES AND VERMONT

The joint resolution (S. J. Res. 89) directing the Comptroller General to readjust the account between the United States and the State of Vermont was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to audit the claim of the State of Vermont with respect to advances and expenditures made by such State for military purposes during the War of 1812–1815, with Great Britain, and after applying the rules of evidence and settlement to this class of claims, provided for in resolution of May 14, 1836 (5 Stat. L. 132), and in section 12 of the act approved March 3, 1857 (11 Stat. L. 229), to submit to the Senate a report containing the results of an audit of such claim, in conformity with said rules, and to certify to Congress for an appropriation the balance found due the State of Vermont.

CODES OF CRIMINAL AND CIVIL PROCEDURE FOR CANAL ZONE

The bill (S. 1379) to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone was announced as next in order.

Mr. KING. Mr. President, this is a bill which has been recommended by the Department of Justice. It provides an amendment to existing law by requiring, in view of the change of administration, the depositing of any funds collected by the courts in another fund rather than the present fund.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 103 of the Code of Criminal Procedure for the Canal Zone, as amended (47 Stat. 886), be and the same is hereby, amended to read as follows:

"SEC. 103. A docket must be kept by the clerk of the district court denominated a criminal docket, in which he shall enter each criminal action and whatever proceedings are had therein, and a statement of the costs. The clerk shall receive, deposit, and account for all public moneys collected by him in accordance with the laws, rules, and regulations governing the receipt and disposi-

tion of moneys by clerks of the United States district courts in the continental United States exclusive of Alaska."

SEC. 2. That section 542 of the Code of Civil Procedure for the Canal Zone (47 Stat. 1004) be, and the same is hereby, amended to read as follows:

"SEC. 542. It shall be lawful for the clerk of the district court, referees, and commissioners appointed by the district court, the marshal, magistrates, constables, and other officers and persons hereinafter mentioned, together with their assistants and deputies, to demand and receive the hereinafter-mentioned fees and no more; but all fees collected by officers drawing a regular salary or fixed compensation from the Government, except the clerk of the district court and the marshal, shall be paid over to the collector of the Panama Canal. The clerk of the district court and the marshal shall receive, deposit, and account for all public moneys collected by them in accordance with the laws, rules, and regulations governing the receipt and disposition of moneys by clerks of United States district courts and United States marshals, respectively, in the continental United States exclusive of Alaska."

DEFENSE OF ALIBI IN CRIMINAL CASES

The bill (S. 1380) to regulate the defense of alibi in criminal cases was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator who reported the bill kindly explain it?

Mr. KING. Mr. President, this bill was drafted by the Department of Justice pursuant to the investigation which was made by the Senator from New York [Mr. COPELAND] and the Senator from Michigan [Mr. VANDENBERG]. As the Senate knows, a number of recommendations were made by that committee, and pursuant to the recommendations bills were offered, either drafted by them or by the Department of Justice, dealing with the crime situation. One of the recommendations made was that a defendant who intended to interpose a plea of alibi should give notice of that fact in due season. The Judiciary Committee was unanimous in reporting the bill.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That evidence offered by a defendant for the purpose of establishing an alibi shall not be admitted in any criminal case in any court of the United States unless, at the time of arraignment or within 10 days thereafter, notice in writing of the intention of the defendant to claim such alibi shall have been filed with the clerk of the court in which such case is pending. Such notice shall include specific information as to the place at which the defendant claims to have been at the time of the alleged offense: *Provided*, That the court may in its discretion admit such evidence if good cause is shown why the notice required above has not been served.

TESTIMONY OF DEFENDANTS IN UNITED STATES COURTS

The bill (S. 1383) to amend an act entitled "An act to make persons charged with crimes and offenses competent witnesses in United States and Territorial courts", approved March 16, 1878, was announced as next in order.

Mr. ROBINSON. Mr. President, what change does this proposed bill make in existing law?

Mr. KING. Mr. President, this measure was also recommended by the Department of Justice and unanimously reported from the Judiciary Committee. It proposes an amendment to existing law which I will explain. The law which now exists was predicated upon the statute which goes back to the old common law, that a defendant in a criminal case might not testify in his own behalf. Perhaps 50 or 60 years ago a Federal law was enacted permitting a defendant to be a witness in his own behalf, but no inference could be drawn from the fact that he did not take the stand in his own defense.

The Department of Justice takes the view that comment may be made by the court and by the attorney representing the Government upon the failure of the defendant to take the stand and testify in his own behalf.

Mr. ROBINSON. Mr. President, under the existing law, as I understand, no reference may be made to the fact that a defendant fails to offer to testify in his own behalf.

Mr. KING. Exactly.

Mr. ROBINSON. If this bill is passed, it may become matter of argument that the defendant does not testify or does not ask to testify.

Mr. KING. The Senator has correctly interpreted it.

Mr. McKELLAR. Was the committee unanimous in reporting this bill? Do they think the proposed amendment is proper? The rule in question has been the law in America from the beginning.

Mr. KING. I think, perhaps, if I were to answer accurately, I should say that I was the only "doubting Thomas" on the committee as to the wisdom of this measure.

Mr. McKELLAR. I have doubt about it.

Mr. KING. But I did not feel sufficiently fortified in my convictions to oppose the measure and, upon request of the chairman, consented to report it to the Senate.

Mr. ROBINSON. Mr. President, as stated by the Senator from Tennessee, from the beginning—in fact, I believe it is the rule of the common law—the failure of a defendant to testify in his own behalf raised no presumption of his guilt. The rule has never had, in my judgment, a foundation in reason. Take the case of a man who is charged with the commission of a particular offense; the facts are presumed to be within his knowledge; why should he be accorded the presumption that he is not guilty when he declines to tell what he knows about the crime?

I agree that this bill, if enacted, would provide a radical change in criminal procedure, but I sympathize with it, for the reason that I believe it would be in the interest of the prompt administration of justice.

Mr. KING. Mr. President, I agree with the Senator from Arkansas in respect to his last statement. Let me make this observation: Under the common law the defendant was not permitted to testify in his defense, and no comment could be made upon his failure to testify by the court or by the Government's representative. Of course, it was unjust to permit comments to be made upon his failure to testify when the law forbade him to testify. As I have said, Congress changed the law which obtained in the Federal courts so that the defendant might be permitted to testify in his own behalf. It would seem to follow—and that is the argument of some and is the position of the Department of Justice—that, having abrogated the old common law and unsealed the defendant's lips and permitted him to testify, and he having the opportunity to make any explanation of incriminatory evidence which he might desire, and then, failing to take the stand and offer such explanation, the court, in a reasonable way, and counsel for the Government, in a proper way, might comment upon the fact that the defendant had full opportunity to testify and make such explanation as he desired and had failed to do so.

Mr. McKELLAR. Mr. President, I think there is a good deal in what both the Senator from Arkansas [Mr. ROBINSON] and the Senator from Utah [Mr. KING] have said about the matter; but the feature that I do not like is the power granted to the court to comment on the failure of a defendant to testify. Practically speaking, in my judgment, that will be fatal to the case of any defendant. If he went to trial and the court at the last moment came in with a criticism of him for failing to testify, he would be convicted 9 times out of 10, whether he was guilty or not. That is my judgment. I think that the province of the court is to declare the law and not to comment upon the facts, anyway. I think the Federal courts have gone too far, and for that reason I am going to object to the consideration of the bill today, but I will look into it and talk to the Senators about it.

The PRESIDENT pro tempore. The bill will be passed over.

RETIREMENT OF WILLIAM J. STANNARD

The bill (S. 2467) for the retirement of William J. Stannard, leader of the United States Army Band, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon application of William J. Stannard, leader of the United States Army Band, for retirement after 33 years' service, the President is authorized to place him upon

the retired list with the retired pay and allowances of a captain of the Army in the fourth pay period (over 17 years' service): *Provided*, That the limitations in section 1 of the act of June 10, 1922, relative to counting service for purpose of pay for officers appointed on and after July 1, 1922, shall not apply: *Provided further*, That all active service as a musician in the United States Army and as leader of the United States Army Band shall be counted in computing length of service for longevity pay purposes.

EMANUEL WALLIN

The Senate proceeded to consider the bill (S. 2292) for the relief of Emanuel Wallin, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 11, after the word "authorized", to strike out "and directed" and to insert "in his discretion"; on page 2, line 2, after the word "surveyed", to insert "vacant, unappropriated"; and in line 2, page 2, after the word "land", to insert "unreserved except by Executive Order No. 6910 of November 26, 1934, and Executive Order No. 6964 of February 5, 1935", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Emanuel Wallin, out of the funds in the Treasury belonging to the Chippewa Tribe of Indians in Minnesota, the sum of $101.90, and out of any money in the Treasury not otherwise appropriated, the sum of $9.30, as reimbursement in full of moneys paid the Government in connection with his homestead entry, Crookston, Minn., 010750: *Provided*, That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to allow Emanuel Wallin, his heirs or assigns, to select, by legal subdivisions, 160 acres of surveyed vacant, unappropriated public land, unreserved except by Executive Order No. 6910 of November 26, 1934, and Executive Order No. 6964 of February 5, 1935, under the general homestead law, or 320 acres under the enlarged homestead law, or 640 acres under the stock-raising homestead law, free from lawful claim, anywhere in the United States where there are public lands subject to such entry, and receiving United States patent for such lands without payment to the United States of any fees, commissions, or other moneys, and without further compliance with the homestead laws in connection therewith, and the submission of proof thereof, the patent, however, to contain a reservation of mineral to the United States, if necessary, as in other entries under the same law.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2416) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto was announced as next in order.

Mr. ROBINSON. Mr. President, that is a very important measure and had better go over.

The PRESIDENT pro tempore. The bill will be passed over.

DISTRIBUTION OF FUNDS UNDER FEDERAL EMERGENCY RELIEF ADMINISTRATION

The resolution (S. Res. 115) relative to the distribution of funds placed under the administration of the Federal Emergency Relief Administration, submitted by Mr. COUZENS on the calendar day April 8, 1935, and reported by the Committee on Appropriations with an amendment to the preamble on the calendar day April 16, 1935, was considered and agreed to, as follows:

Resolved, That the Committee on Appropriations of the Senate is hereby authorized and directed to inquire of the Federal Emergency Relief Administration and to report to the Senate at the earliest date possible—

(a) The distribution of these funds to the several States.

(b) What data was required of the States before allotments were made to the States by the Federal Emergency Relief Administration.

(c) What cooperation or assistance was required of the several States to which appropriations or allotments were made.

(d) What funds were loaned to the several States and what agreement was demanded before the loans were made.

(e) Any other information which would give to the Congress complete information as to the methods of distribution of the funds, the amounts allotted to States, counties, cities, and other subdivisions, the assistance or cooperation required of States, counties, cities, and other subdivisions, the methods by which an accounting was made or required to be made by States, counties, cities, and other subdivisions.

The preamble was amended so as to read:

Whereas in the appropriation acts of 1932, 1933, 1934, and 1935; in the National Industrial Recovery Act of 1933; and through allotment of funds from the Reconstruction Finance Corporation, there have been placed under the administration of the Federal Emergency Relief Administration total funds as follows:

Federal Emergency Relief Administration, $1,745,055,000; Civil Works Administration, $863,965,000; allotment from Reconstruction Finance Corporation, $300,000,000: Therefore be it—

PARTICIPATION OF UNITED STATES IN INTERPARLIAMENTARY UNION

The Senate proceeded to consider the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, which had been reported from the Committee on Foreign Relations with an amendment, on page 1, line 3, after the words "appropriation of", to strike out "not to exceed", so as to make the bill read:

Be it enacted, etc., That an appropriation of $20,000 annually is hereby authorized, $10,000 of which shall be for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $10,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group.

SEC. 2. That the American group of the Interparliamentary Union shall submit to the Congress a report for each fiscal year for which an appropriation is made, including its expenditures under such appropriation.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCLUSION OF WATER USERS' ASSOCIATIONS IN BANKRUPTCY ACT

The Senate proceeded to consider the bill (S. 2453) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, which was read, as follows:

Be it enacted, etc., That section 80 of chapter 9 of an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto be, and the same is hereby, amended by adding thereto the following subparagraph (m):

"(m) The provisions of this section 80 shall apply to mutual nonprofit companies and incorporated water users' associations with like effect and to the same extent as such provisions apply to drainage, irrigation, reclamation, and levee districts."

Mr. KING. Mr. President, there is in my file no report accompanying the bill. May we have an explanation of it by the Senator from Idaho [Mr. POPE]?

Mr. POPE. Mr. President, this is a separate amendment to the municipal bankruptcy law designed to include mutual nonprofit companies and incorporated water users' associations along with irrigation districts, drainage districts, and the like.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCLUSION OF POLITICAL SUBDIVISIONS IN PROVISIONS OF BANKRUPTCY ACT

The Senate proceeded to consider the bill (S. 2471) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, which had been reported from the Committee on the Judiciary with amendments, on page 2, at the beginning of line 23, to insert "mutual nonprofit companies and incorporated water users' associations"; on page 4, line 4, after the words "creditors of", to insert "mutual nonprofit companies and incorporated water users' associations"; and on page 4, line 18, after the words "case of", to insert "mutual nonprofit companies and incorporated water users' associations", so as to make the bill read:

Be it enacted, etc., That subparagraphs (a) and (d) of section 80 of chapter 9 of an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, be, and the same are hereby, amended to read as follows:

"(a) Any municipality or other political subdivision of any State, including (but not hereby limiting the generality of the foregoing) any county, city, borough, village, parish, town, or township, unincorporated tax or special assessment district, and any school, drainage, irrigation, reclamation, levee, sewer, or paving, sanitary, port, improvement, or other districts (hereinafter referred to as a 'taxing district'), may file a petition stating that the taxing district is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of readjustment of its debts. The petition shall be filed with the court in whose territorial jurisdiction the taxing district or the major part thereof is located, and for any such district having no officials of its own the petition shall be filed by the municipality or political subdivision, the officials of which have power to contract on behalf of said district or to levy the special assessments within such district. The petition shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in addition to the fees required to be collected by the clerk under other chapters of this act. The petition shall state that a plan of readjustment has been prepared, is filed and submitted with the petition, and that creditors of the taxing district owning not less than 30 percent in the case of mutual nonprofit companies and incorporated water users' asssociations, drainage, irrigation, reclamation, and levee districts (except as hereinafter provided) and owning not less than 51 percent in the case of all other taxing districts in amount of the bonds, notes, and certificates of indebtedness of the taxing district affected by the plan, excluding bonds, notes, or certificates of indebtedness owned, held or controlled by the taxing district in a fund or otherwise, have accepted it in writing. The petition shall be accompanied with such written acceptance and with a list of all known creditors of the taxing district, together with their addresses so far as known to the taxing district, and description of their respective claims showing separately those who have accepted the plan of readjustment, together with their separate addresses, the contents of which list shall not constitute admissions by the taxing districts in a proceeding under this chapter or otherwise. Upon the filing of such a petition the judge shall enter an order either approving it as properly filed under this chapter, if satisfied that such petition complies with this chapter and has been filed in good faith, or dismissing it, if not so satisfied. If creditors holding 5 percent in amount of the bonds, notes, or certificates of indebtedness shall, within 90 days after the first publication of the notice provided for in subdivision (c), clause (1), of this chapter, appear and controvert the facts alleged in the petition, the judge shall decide the issues presented, and unless the material allegations of the petition are sustained shall dismiss the petition: *Provided, however,* That such written acceptance of not less than 30 percent of the creditors of mutual nonprofit companies and incorporated water users' associations, drainage, irrigation, reclamation, and levee districts shall not be required in any case where a loan shall have been authorized to the petitioning taxing district by an agency of the United States Government for the purpose of enabling any such petitioning district to reduce and refinance its outstanding indebtedness.

"(d) The plan of readjustment shall not be confirmed until it has been accepted in writing, filed in the proceeding, by or on behalf of creditors whose claims have been allowed holding two-thirds in amount of the claims of each class whose claims have been allowed and would be affected by the plan (except as hereinafter provided), and by creditors holding 66⅔ percent in the case of mutual nonprofit companies and incorporated water users' associations, drainage, irrigation, reclamation, and levee districts and creditors holding 75 percent in the case of all other taxing districts in amount of the claims of all classes of the taxing district affected by the plan, but excluding claims owned, held, or controlled by a taxing district, and such plan has been accepted and approved by the taxing district in a writing filed in the proceeding, signed in its name by an authorized authority: *Provided, however,* That it shall not be requisite to the confirmation of the plan that there be such acceptance by any creditor or class of creditors (a) whose claims are not affected by the plan; or (b) if the plan makes provision for the payment of their claims in cash in full; or (c) if provision is made in the plan for the protection of the interests, claims, or liens of such creditors or class of creditors; or (d) of a petitioning taxing district to which a loan shall have been authorized by an agency of the United States Government, for the purpose of enabling the petitioning district to reduce and refinance its outstanding indebtedness."

Mr. ROBINSON. Mr. President, in view of the passage of the bill last considered and explained by the Senator from Idaho [Mr. POPE], the committee amendments to the bill now pending become unnecessary and I ask that they be not agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendments reported by the committee.

The amendments were rejected.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UNION IRON WORKS

The bill (S. 918) to carry out the findings of the Court of Claims in the case of the Union Iron Works was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $165,284.53 to the Union Iron Works, being the difference between the actual cost of the construction of three torpedo-boat destroyers and the amount paid under the contract entered into for the building of said boats, as found by the Court of Claims and reported in Senate Document No. 78, Seventy-third Congress, first session.

EXAMINATION OF SEBEWAING RIVER, MICH.

The bill (S. 2505) authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Sebewaing River, in Huron County, Mich., with a view to the control of floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

ST. LAWRENCE RIVER BRIDGE AT OGDENSBURG, N. Y.

The Senate proceeded to consider the bill (S. 2311) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., which had been reported from the Committee on Commerce with amendments, in section 1, page 1, line 7, after the date "1933", to insert "heretofore extended by an act of Congress approved June 8, 1934"; and in line 8, after the word "hereby", to insert the word "further", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., authorized to be built by the St. Lawrence Bridge Commission by an act of Congress approved June 14, 1933, heretofore extended by an act of Congress approved June 8, 1934, are hereby further extended 1 and 3 years, respectively, from June 14, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SPOKANE RIVER, IDAHO

The Senate proceeded to consider the bill (S. 1470) to provide a preliminary examination and survey of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods, which had been reported from the Committee on Commerce with amendments, on page 1, line 4, after the word "examination", to strike out "and survey"; and on page 2, line 3, after the word "harbors" to strike out "*Provided,* That a survey shall not be undertaken unless recommended by the Chief of Engineers: *And provided further,* That a sum not to exceed $36,000 may be expended for the survey herein authorized", so as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River, and of the Sacramento River, California, and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods."

SOIL EROSION IN UINTA AND WASATCH NATIONAL FORESTS, UTAH

The Senate proceeded to consider the bill (S. 376) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the

Uinta and Wasatch National Forests, Utah, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 4, after the word "hereby", to insert the words "authorized to be", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture, with the approval of the National Forest Reservation Commission established by section 4 of the act of March 1, 1911 (U. S. C., title 16, sec. 513), is hereby authorized to acquire by purchase any lands within the boundaries of the Uinta and Wasatch National Forests, in the State of Utah, which, in his judgment, should become the property of the United States in order that they may be so managed with other lands of the United States as to minimize soil erosion and flood damage, and to pay for said lands from the entire receipts from the sale of natural resources or occupancy of public lands within the Uinta and Wasatch National Forests which receipts are hereby authorized to be appropriated for that purpose until said lands have been acquired.

Mr. DUFFY. Mr. President, the Senator from Kansas [Mr. McGILL] requested me to ask that there be an explanation by the Senator in charge of the bill or that it go over.

Mr. KING. I should be glad to make explanation, if that will be satisfactory.

Mr. DUFFY. I do not have any personal objection to the bill. I merely made the statement that the Senator from Kansas asked me to request an explanation, in order to make certain that this bill will not interfere with another bill recently passed in which he is interested, or else to ask that it go over.

Mr. KING. Mr. President, just a word in explanation. The Federal highway between two of the important cities of Utah, Salt Lake City and Ogden, has frequently been inundated by the floods from the adjoining mountains and the result has been that the highway has been covered for great distances in various places, necessitating repairs and, indeed, reconstruction, at considerable cost to the United States as well as to the State of Utah. In addition, houses and farms have been destroyed and hundreds of people have been seriously damaged.

The Government owns a large part of the mountain area from which the floods come, and a portion of the area is in a forest reserve. It is desired to have incorporated in the forest reserve a reasonably small area from which the floods come down in torrential flow onto the lands and highway below. The bill has the approval of the Department of Agriculture. The bill seeks to incorporate this area into the forest reserve which now has control of the adjoining land. It is desired to assert jurisdiction over this contiguous land in order that steps may be taken to prevent the floods which occur, to the great damage of the Federal highways as well as to the injury of the people below. The land is to be incorporated in the forest reserve and to be paid out of the receipts obtained from leases of the forest-reserve lands.

Mr. DUFFY. I note that the Senator from Kansas has returned to the Chamber and may speak for himself.

Mr. McGILL. Mr. President, I inquire if the pending bill will conflict with the bill which has been passed by the two Houses of Congress within a week or so?

Mr. KING. Not at all.

Mr. McGILL. It is in harmony with the program contemplated by that bill?

Mr. KING. This bill carries out a plan which the Department has recommended.

Mr. McGILL. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARGARET G. BALDWIN

The bill (S. 2371) for the relief of Margaret G. Baldwin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret G. Baldwin, widow of Frederick W. Baldwin, late consul, Habana, Cuba, the sum of $3,500, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby authorized to be appropriated a sufficient sum to carry out the purpose of this act.

SARAH J. HITCHCOCK

The bill (H. R. 3911) for the relief of Sarah J. Hitchcock was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Sarah J. Hitchcock, widow of Henry B. Hitchcock, late American consul at Nagasaki, Japan, the sum of $5,000, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act: *Provided*, That no part of the amount authorized to be appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount authorized to be appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

COMPENSATION OF REGISTERS OF DISTRICT LAND OFFICES

The bill (S. 2361) to fix the compensation of registers of district land offices was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to fix the compensation of registers of local land offices, and for other purposes", approved May 21, 1928 (45 Stat. L., ch. 661, p. 684), is hereby amended to read as follows: "That from and after the 1st day of the month following the approval of this act the compensation of registers of district land offices shall be a salary of $2,000 per annum each, and all fees and commissions now allowed by law to such registers, but the salary, fees, and commissions of such registers shall not exceed $3,600 each per annum: *Provided*, That the salary of the register of the Juneau land district, Alaska, shall be $3,600 per annum."

Mr. KING subsequently said: Mr. President, I ask unanimous consent to recur to Calendar 528, being Senate bill 2361, which was passed just a few moments ago, to fix the compensation of registers of district land offices. I did not know we were to proceed to the consideration of bills on the calendar. I have received a number of communications in protest against the compensation permitted of only $2,000 per annum. The contention is that growing out of the grazing districts and the additional work which has been created, a compensation of $2,000 per annum is inadequate.

I ask unanimous consent for reconsideration of the votes by which the bill was ordered to a third reading and passed, and that it may be restored to the calendar. I should like to talk with a number of Senators from the West with a view to agreeing upon a satisfactory compensation.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The votes by which the bill was ordered to a third reading and passed, are reconsidered. The bill will be restored to the calendar.

Mr. KING. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

COMMISSIONED SERVICE OF NAVAL ACADEMY GRADUATES

The Senate proceeded to consider the bill (S. 159) to amend the provision in the act approved March 3, 1931, governing the computation of commissioned service of Naval Academy graduates who have been retired for age or service ineligibility for promotion, which had been reported from the Committee on Naval Affairs with an amendment to strike out all after the enacting clause and insert:

That the provisions of section 6 of the act of March 3, 1931, prescribing the method of computing pay on the retired list of officers transferred to the retired list of the Navy pursuant to that act, shall also apply to all officers of the Naval Academy classes of 1906 to 1916, inclusive, who have been transferred to the retired list of the Navy, by reason of age or service ineligibility for promotion, in accordance with laws in effect prior to March 3, 1931: *Provided*, That nothing in this act shall entitle anyone to any back pay or allowance.

Mr. McKELLAR. Mr. President, will the Senator from Florida [Mr. TRAMMELL] explain the purpose of the bill?

Mr. ROBINSON. Mr. President, the Senator from Florida is not present. Can the Senator from New Jersey [Mr. BARBOUR] give us any information with reference to the bill?

Mr. BARBOUR. Mr. President, first of all, may I point out that the bill is recommended by the War Department and of course has the approval of the Committee on Naval Affairs.

Under the existing law credit for a fractional year of 9 months or more was not extended to officers of the classes of 1906 to 1916, inclusive. Thus a distinction was created by the act of March 3, 1931, in favor of those officers of the classes who retired subsequent to that date, over those who retired prior thereto, by reason of ineligibility for promotion. The committee was of the opinion that there is absolutely no basis for such a distinction and therefore recommended unanimously that the bill be passed.

Mr. McKELLAR. Will the Senator tell us to how many officers the bill applies?

Mr. BARBOUR. I do not know. I can, however, easily find out, but I hope in the meantime there will be no objection to the consideration of the bill. It is merely designed to correct an inequality, and the amendment is simply to make more clear the meaning and intent of the bill.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUBMARINE AND DESTROYER BASE RESERVATION, ASTORIA, OREG.

The Senate proceeded to consider the bill (S. 616) authorizing the removal of rock from the submarine and destroyer base reservation at Astoria (Tongue Point), Oreg., which had been reported from the Committee on Naval Affairs with amendments, on page 1, line 3, after the word "authorized", to strike out the words "and directed"; and on page 2, line 1, after the word "works", to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy is authorized to permit the State of Oregon, the county of Clatsop in such State, or any agent of or contractor with such State or county, or any department of the Government, to remove rock from the submarine and destroyer base reservation at Astoria (Tongue Point), Oreg., in any case where it is shown to the satisfaction of such Secretary that the rock sought to be removed is to be used exclusively in the construction of public works: *Provided*, That any operations under this act on said reservation shall be subject to such regulations as the Secretary of the Navy may prescribe: *And provided further*, That the amount of any saving to any contractor on any existing contract with the Federal Government, by reason of the provisions of this act, shall be deducted from the amount payable under the contract.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER TO NAVY OF LANDS NEAR VALLEJO, CALIF.

The bill (S. 1206) authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Housing Corporation, a corporation organized by authority of the President of the United States pursuant to the provisions of the act entitled "An act to authorize the President to provide housing for war needs", approved May 16, 1918, as amended, is authorized and directed to transfer, by appropriate conveyance, to the Navy Department, for naval purposes, that certain tract or parcel of land comprising 29 acres, more or less, designated as the unsold portions of the tideland lot no. 19, in Bay Terrace, near Vallejo, Solano County, Calif.

JOHANNES F. JENSEN

The Senate proceeded to consider the bill (S. 158) authorizing the President to present a medal in the name of Congress to John F. Jensen, which had been reported from the Committee on Naval Affairs with an amendment to strike out all after the enacting clause and insert:

That the President of the United States is hereby authorized to present, in the name of Congress, to Johannes F. Jensen, lieutenant commander, United States Naval Reserve, a medal of appropriate design in recognition of his heroic conduct on October 28, 1917, when, as acting master of the *Finland*, a United States Army chartered transport, he was largely responsible for the saving of that ship and its being brought safely into port after being torpedoed.

Mr. ROBINSON. Mr. President, I should like to have the Senator from Florida [Mr. TRAMMELL] or the Senator from New Jersey [Mr. BARBOUR] explain the justification for granting a medal in this case.

Mr. BARBOUR. Mr. President, the Senator from Florida is not present, but I shall be glad to submit such explanation as may be necessary.

The report submitted on the bill is very clear. The bill simply provides, as Senators will see, that a medal be awarded to Lieutenant Commander Jensen in view of his heroic action in the face of grave danger while saving his ship, the *Finland*, of which he was acting as master, the *Finland* having been torpedoed. I want to point out that there was no objection on the part of the Department. As a matter of fact, the Department recommended passage of the bill and the committee, of course, unanimously approved it. I believe there can be no just ground for objection.

Mr. McKELLAR. Mr. President, may I ask the Senator from New Jersey if this is in accordance with a suggestion of the Department?

Mr. BARBOUR. Yes; as I have said, it is.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the President to present a medal in the name of Congress to Johannes F. Jensen."

ROBERT D. HUTCHINSON

The bill (H. R. 3787) for the relief of Robert D. Hutchinson was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Robert D. Hutchinson, who was a member of Company D, One Hundred and Fourteenth Supply Train, transferred May 10, 1918, to Guard and Fire Co. No. 311, Newport News, Va., shall thereafter be held and considered to have been honorably discharged from the military service of the United States as a private, first class, of that organization, on the 17th day of April 1919: *Provided*, That no bounty, back pay, pension, allowance, or any payment provided under the World War Veterans' Act, 1924, as amended, the World War Adjusted Compensation Act, 1924, as amended, or other benefit whatsoever to which said person may be or become entitled by law, shall be held to have accrued prior to the passage of this act.

BILL PASSED OVER

The bill (H. R. 3370) for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co. was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

ROSE BURKE

The bill (H. R. 1488) for the relief of Rose Burke, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rose Burke, of Cleveland, Ohio, the sum of $5,000 in full settlement of all claims against the Government of the United States on account of the death of Thomas E. Burke, husband of the said Rose Burke, resulting from injuries received May 24, 1931, when a United States mail truck struck him: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

C. H. HOOGENDORN

The bill (H. R. 2464) for the relief of C. H. Hoogendorn was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,500 to C. H. Hoogendorn in full settlement of all claims against the Government of the United States for the loss of his gas boat *Comrade* while under charter by the Department of Agriculture: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

WILLIAM L. JENKINS

The bill (H. R. 2473) for the relief of William L. Jenkins was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby authorized and directed to credit the accounts of William L. Jenkins as American consul, formerly at Trebizond, Turkey, with the sum of $2,000, such sum representing the amount for which he is held personally liable on account of official vouchers lost because of warlike conditions in Turkey during 1916 and 1917.

BERTHA INGMIRE

The bill (H. R. 3098) for the relief of Bertha Ingmire, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bertha Ingmire, of San Pedro, Calif., widow of the late Edmund Percival Ingmire, the sum of $10,000. Such sum shall be in full settlement of all claims against the United States on account of the death of the said Edmund Percival Ingmire and the permanent injury sustained by the said Bertha Ingmire on April 6, 1927, when the automobile in which they were riding was struck by an automobile driven with gross negligence by a Federal prohibition officer: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

FRED L. SEUFERT

The bill (H. R. 3275) for the relief of Fred L. Seufert was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Fred L. Seufert, of Woodside, Long Island, N. Y., the sum of $5,000, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, for personal injuries received causing the loss of leg in collision with an Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ABRAHAM GREEN

The Senate proceeded to consider the bill (S. 1824) for the relief of Abraham Green, which had been reported from the Committee on Claims with an amendment to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Abraham Green, of Manchester, N. H., out of any money in the Treasury not otherwise appropriated, the sum of $2,000, which sum represents the loss sustained by the said Abraham Green on the bail bond of William Treinish, who was afterward captured, convicted, and sentenced for violation of the National Prohibition Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OLIVER B. HUSTON, ET AL.

The Senate proceeded to consider the bill (S. 1214) for the relief of Oliver B. Huston, Anne Huston, Jane Huston, and Harriet Huston, which had been reported from the Committee on Claims with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Oliver B. Huston and his three minor daughters, Anne, Jane, and Harriet Huston, all of Salem, Oreg., the sum of $750, in full satisfaction of their claims against the United States for damages for personal injuries resulting from a collision when the car in which they were riding was struck by an Indian-school bus at the intersection of Hood and Winter Streets, Salem, Oreg., on September 17, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALLIE S. TWILLEY

The Senate proceeded to consider the bill (S. 2298) for the relief of Sallie S. Twilley, which had been reported from the Committee on Claims with an amendment to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Sallie S. Twilley, in full settlement of all claims against the Government on account of the death of her husband, Samuel J. Twilley, a former rural carrier at the Cambridge (Md.) post office, due to injuries received while in the performance of his duties: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HUDSON BROS.

The Senate proceeded to consider the bill (S. 985) for the relief of Hudson Bros., of Norfolk, Va., which had been reported from the Committee on Claims with amendments, on page 1, line 9, after the word "Brothers", to strike out "December 1906" and insert "April 30, 1907"; in line 11, after the word "by", to strike out the words "court martial" and insert the words "board of inquiry"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby directed to pay to Hudson Bros., of Norfolk, Va., out of any money in the Treasury not otherwise appropriated, the sum of $620.60 for damages sustained by said Hudson Bros. on account of a collision between the United States revenue cutter *Apache* and barge *C. T. Rowland*, owned by said Hudson Bros., April 30, 1907, the collision being caused by the fault in handling the United States revenue cutter *Apache*, as determined by board of inquiry in the case: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM EDWARD TIDWELL

The bill (S. 1505) for the relief of William Edward Tidwell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights and privileges upon honorably discharged officers and enlisted men who have served in the Army of the United States between April 6, 1917, and November 11, 1918, William Edward Tidwell shall be held and considered to have been honorably discharged from the military service on August 7, 1919: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act: *And provided further*, That the President is authorized, at his discretion, to appoint William Edward Tidwell a first lieutenant, United States Army, by and with the consent of the Senate.

ISSUANCE OF BONDS BY KETCHIKAN, ALASKA

The bill (H. R. 6084) to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed $1,000,000 for the purpose of acquiring the electric light, power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the city of Ketchikan, Alaska, is hereby authorized to issue and sell its bonds in any sum not to exceed $1,000,000 for the purpose of acquiring for the said city of Ketchikan, electric light, power, water, and telephone properties of the Citizens' Light, Power & Water Co., Inc., and to finance and operate the same by the said city of Ketchikan. The bonds herein authorized to be issued and sold are the bonds referred to in the act entitled "An act to authorize the incorporated town of Ketchikan, Alaska, to issue bonds in any sum not to exceed $1,000,000 for the purpose of acquiring public-utility properties, and for other purposes", approved July 3, 1930 (46 Stat. 1011), in which act the said city of Ketchikan, Alaska, was erroneously referred to as the "incorporated town of Ketchikan, Alaska." Such bonds when issued shall be legal and valid in all respects as general obligations of the said city of Ketchikan, Alaska, notwithstanding any defects or irregularities in the submission to a vote of the people of said city of the question with respect to the issuance or sale of said bonds, in the ordinance calling the election, in the notice of election, in the form of ballot, in taking the vote, or in any of the proceedings had or taken in connection with the issuance or sale of such bonds, and all such proceedings are hereby declared to be legal and valid, and the city is also authorized to levy any taxes which may be necessary for the payment of said bonds for which the full faith and credit of the city shall be pledged. The revenues derived from said electric light, power, water, and telephone properties, over and above the expense of maintenance, operation, and depreciation reserve thereof, shall be pledged to the payment of principal and interest of said bonds.

SEC. 2. The bonds herein referred to and authorized to be issued and sold shall be issued in such form and detail and with such maturities as have been or hereafter shall be determined by resolution of the common council of the city of Ketchikan. Such bonds shall be issued in coupon form, registerable as to principal or as to principal and interest. In case any of the officers whose signatures or countersignatures appear on the bonds or coupons shall cease to be such officers before the delivery of such bonds to the purchaser, such signatures or countersignatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until delivery of the bonds. The proceeds of the sale of such bonds shall be disbursed only for the purposes hereinbefore mentioned, and for which such bonds were authorized to be issued under the provisions of such act of July 3, 1930.

SEC. 3. The bonds herein authorized, when issued, are hereby declared to be valid and legally binding obligations of said city of Ketchikan, Alaska.

ISSUANCE OF BONDS BY PUERTO RICAN AND ALASKAN MUNICIPALITIES

The bill (S. 1227) to authorize the issuance and sale to the United States of certain bonds of municipal governments in Puerto Rico, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

Mr. BONE. Mr. President, I may say to the Senator from Michigan, that the bill in the form in which it now appears, has been completely changed from the form in which it was originally introduced. It now merely provides that certain obligations which are not general tax obligations shall not be regarded as a part of the public debt, which is the situation found in most of the States of the Union which issue bonds.

Mr. VANDENBERG. Mr. President, the bill contemplates the expansion of the municipal debt in various subdivisions in Puerto Rico. For nearly 8 weeks the Senate has been trying to procure, either from the Secretary of the Interior or the Secretary of Agriculture, in response to a Senate resolution, a report affecting plans for the development of Puerto Rico involving the use of public funds of the character apparently covered by the bill.

So far as I am concerned, I think we are entitled to a report from one or the other of these departments regarding the very ambitious development plan which someone apparently has in mind, with the use of Government funds at stake, in connection with Puerto Rican development. Until we can have a response from one department or the other in respect to it, I shall persist in my objection, with great respect for the Senator from Washington.

Mr. McKELLAR. Mr. President, exactly the same state of facts in reference to a number of towns in Alaska seems to be involved in bills coming immediately after this bill.

Mr. VANDENBERG. Mr. President, I know nothing about the other bills. This is a particular situation, and involves what is called "the Chardon plan" for the development of Puerto Rico, concerning which the Senate has never yet been able to get specific information.

Mr. BONE. Mr. President, I think the Senator from Tennessee is wholly in error about the Alaskan situation. Those bills have no connection whatever with Territorial financing, but are purely municipal bills.

Mr. McKELLAR. The next bill is entitled "A bill to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $50,000; and to authorize said town to accept grants of money to aid it in financing any public works."

I imagine that the purpose of the bill is to obtain money under the public-works bill.

Mr. BONE. There may be one bill, possibly this one, of which that is true; but in the case of the rest of the bills, the enactment of a little group of them has been requested by the Governor of Alaska and the officials of the Territory because the cities desire to make certain public improvements and to bond themselves. In one instance they had a vote of about 70 or 80 percent of the taxpayers in the community.

Mr. McKELLAR. Does the Department recommend the enactment of these bills?

Mr. BONE. Yes; there is no objection to the bills. The Territorial officials are highly desirous that they pass. They do not involve the Government in any expense; and if the people there wish to bond their towns in order to improve them somewhat, I do not think we should object.

Mr. KING. Mr. President, may I interrupt the Senator from Washington.

Mr. BONE. Certainly.

Mr. KING. Are there not limitations in the charters of these towns and cities, granted either by the Territorial legislature or by the Congress, as to the limits of their indebtedness?

Mr. BONE. I do not so understand. It is my understanding that they have to have statutory authority to do what they desire to do in this case. In other words, there is a little community up there——

Mr. KING. Yes; I notice that in the case of one town there are only 100 inhabitants.

Mr. BONE. But if that little town, and the people owning the property in it, wish to bond themselves for a waterworks or a sidewalk, I do not think we should stand in their way. In other words, I do not think we should become guardians and wet nurses. If I wish to vote for an improvement on my street, I do not think the Senate or the House should stand in the way. These projects require the votes of the people. If my colleagues will examine the reports, they will find that in several of the cases only the persons who are on the tax rolls are permitted to vote; and they have had one or two votes on some of these matters.

Mr. McKELLAR. Mr. President, if little towns or villages of only 100 people desired to bond themselves for $100,000 in one case and $50,000 in another, and the Congress authorized that, under those circumstances would not the Congress be morally liable to pay those bonds?

Mr. BONE. I have examined these bills because I was on the committee, and authority was given to me to report them out. The fact is that these bonds will have to be sold on the open market, and there is the supreme test. That is true in the case of Seward, as well as in the other cases. They do not propose to get the money from the Government. They will have to go out and offer the bonds on the open market; and the real protection, if there is any likelihood of overloading any one, lies in the fact that in that event no one will buy the bonds.

Mr. McKELLAR. Those towns are our wards, so to speak, and we have to act for them. We have to give them the authority that is sought. If we should authorize a village of 100 people to issue bonds for $100,000, I think we would be morally liable to the holders of the bonds, because that is going a long, long way in allowing people to create indebtedness.

Mr. BONE. I am sure the Senator would not suggest to us that any bond house would buy the bonds unless there were ample security back of them.

Mr. McKELLAR. Then, if bond houses would not buy them, and we are doing a useless thing in authorizing the communities to bond themselves, does not the Senator think we had better not do it?

Mr. BONE. But that is not the point. I think the Senator from Tennessee has not read the reports. I have examined the bills, and I certainly should not suggest the propriety of their enactment—we have already passed one of them—if the picture had not been made very plain by the Alaska officials.

For instance, the Governor of Alaska talked to me the other day, and he is very anxious that these bills should go through; and Mr. DIMOND, the Territorial Delegate, assured me of the desire of these communities, for which he speaks here by election, that the bills should be passed. It is no concern of mine; but somehow I have been selected as the sacrificial goat, and I desire to see the measures go through. I do not believe we should tell the people of Seward, Alaska, that they cannot take over a little power system in their city, when the power system makes more profit than the city collects in taxes. All they have to do is to sell their utility bonds, or any other kind of bonds, and take over the system.

Mr. KING. Mr. President, I agree with what the Senator says as to our duty—or, rather, our lack of duty—with respect to the control of those municipalities, except in this respect, and I directed the Senator's attention to the matter a few moments ago: I am wondering whether the charters under which the municipalities operate were granted by Congress or by the Territorial legislature. If granted by Congress, and the charters fix the limit of indebtedness, I should feel an obligation resting upon Congress to scrutinize applications to amend their charters, which would enable them to bond the municipalities for larger amounts than authorized in the charters.

To illustrate, when Utah was a Territory the legislature authorized municipalities to do certain things and to issue bonds in an amount not in excess of 8 percent of the assessed valuation of the property within their limits. While the residents of the cities could incur indebtedness up to 8 percent, the legislature, if applications were made to extend the authority to bond, say, to 20 percent, would have hesitated, and certainly it would have scrutinized the applications, and, in my opinion, would have denied them.

The point I am trying to make is this: If Congress granted charters and fixed limits beyond which they might not extend their credit or borrow, I should like to be advised as to the capacity of the municipalities to meet the obligations which are to be created.

Mr. BONE. I do not wish to have to tell the Governor of Alaska and the Territorial Delegate that it is not possible for us now to give these Alaska cities any aid. I do not know why I should constitute myself a guardian, for instance, of the State of Tennessee and sit here as a Senator and object to the passage of a bill that the Senator from Tennessee might bring in here—and I might readily do so—and force the Senator to make a fight over the matter.

Mr. McKELLAR. Mr. President——

Mr. KING. I hope the Senator from Washington will not take any offense at these inquiries. There is a difference between the State of Tennessee and the Territory of Alaska. The Territory of Alaska is in a sense a ward of the Government and is under the supervision of the Congress of the United States; and I am not willing to vote to amend the charter of the municipality in question unless I know whether it would be a wise and proper course to be pursued; but if the charter was granted by the Territory and the indebtedness sought to be created is within the authority granted, I have no objection to the bill.

Mr. McKELLAR. Mr. President, I call the Senator's attention to my objection. Take Senate bill 2315, which I believe is now under consideration, to authorize the incorporated town of Valdez to issue bonds for $50,000 for a school building. If the Senator will look on page 2 of the report, he will see that the entire tax receipts for 1933 were $9,225.68 and the disbursements were $8,859.36; while in 1934 the tax receipts were $9,200.29, and the disbursements were $9,799.52, or an actual deficit. To allow a town of that size, where the taxes coming in are less than the present expenses of the town, to issue $50,000 of bonds upon which they must pay somewhere between two and three thousand dollars a year interest, it seems to me would be doing a very improvident thing; and I think it is our duty not to allow them to do that sort of thing.

Mr. BONE. Mr. President, I do not desire to force the Senator to prolong his objection to this bill. The next bill in this group affects Nome, and the next applies to Petersburg, and the last one is for Seward. The proposal in the case of Seward, Alaska, is to take over a system which has ample revenues to finance the project; and I certainly hope we shall not dispose of the Seward bill in this fashion.

Mr. McKELLAR. That is a different kind of bill, for the reason that when the bonds shall be issued and the plant taken over there will be an income from the hydroelectric plant.

Mr. BONE. Seward is not seeking anything at the hands of the Government. It will offer on the open market the bonds issued against this property. So far as I know, it will be able to dispose of them. I certainly should like to see the Seward bill pass, even if we are not willing to pass the others.

Mr. McKELLAR. I think it ought to be looked into. I have no objection to the Seward bill.

Mr. BONE. If there is no objection to the Seward bill, I should like to offer an amendment, merely to clarify the bill. The proposed amendment provides that in the event of delivery of title to the plant, it shall be a title free of encumbrance of any sort.

Mr. McKELLAR. Mr. President, their financial statement shows that the revenues over a period of 4 years averaged approximately $37,500, and expenditures over a period

of 4 years averaged approximately $34,300, leaving a surplus of $3,200. They wish to issue bonds to an amount not exceeding $118,000. We find that their indebtedness consists of bonds for a schoolhouse, already issued, at 7 percent, amounting to $47,000, and bonds to mature in 1952, payable in installments per year of $2,500. There is no floating debt.

It seems to me it is very doubtful whether they could sell the bonds proposed to be issued.

Mr. BONE. Let me call the Senator's attention to the fact that he is now referring to city taxes and city finances, and not to the financial statement of the power system. The figures indicate that the income from their activities is many, many times more than sufficient to carry the bonded debt the city proposes to assume, and because the bill was recast in my office, having in mind the experience of our own Washington utilities, it was recast so as to permit them to use utility bonds, or underwrite the bond issue with a pledge of earnings. So it need not affect their local tax situation at all. If they propose to take this system over, they can float their bonds up there.

The PRESIDENT pro tempore. Is there objection to the consideration of Senate bill 2315?

Mr. McKELLAR. I object to the bill.

The PRESIDENT pro tempore. The bill will be passed over.

PROTECTION OF AMERICAN AND PHILIPPINE LABOR

Mr. CLARK. Mr. President, I ask unanimous consent to recur to Order of Business No. 462, being Senate bill 2530.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2530) to protect American and Philippine labor and to preserve an essential industry, and for other purposes, which had been reported from the Committee on Territories and Insular Affairs with an amendment, on page 2, line 5, after the word "thereof", to strike out the words "proportionately on the basis of their exportation to the United States during the preceding calendar year", so as to read:

Be it enacted, etc., That, effective May 1, 1935, and for 3 years thereafter, the total amount of all yarns, twines, cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of Manila (abaca) or other hard fiber, produced or manufactured in the Philippine Islands coming into the United States from the Philippine Islands, shall not exceed 6,000,000 pounds during each successive 12-month period, which 6,000,000 pounds shall enter the United States duty free.

The amount or quantity of such articles which may be so exported to the United States shall be allocated, under export permits issued by the government of the Philippine Islands, to the producers or manufacturers thereof. This allocation shall be made by the Governor General of the Philippine Islands prior to the inauguration of the Commonwealth of the Philippines, and thereafter by the President of said Commonwealth, unless otherwise provided by the legislature of the Commonwealth.

SEC. 2. Pending the final and complete withdrawal of American sovereignty over the Philippine Islands, the President of the United States may, by proclamation, at least 90 days prior to the expiration of the 3-year period provided in section 1 hereof, extend the operation of this act for an additional period of 3 years or more, provided such extension is accepted by the President of the Commonwealth of the Philippines.

SEC. 3. On and after the expiration of the operation of this act the articles described in section 1 coming into the United States from the Philippines shall be subject to the provisions of section 6 of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes."

SEC. 4. Except as provided herein, nothing in this act shall be construed to modify or repeal the provisions of any existing law.

SEC. 5. The Secretary of the Treasury shall promulgate such rules and regulations as may be necessary to enforce the provisions hereof; and this act shall be enforced as part of the customs law.

Mr. CLARK. Mr. President, this is a bill reported unanimously from the Committee on Territories and Insular Affairs. It represents an agreement between the Philippine interests and the American cordage interests to put a limitation on the amount of cordage which can enter the United States from the Philippines duty free.

I am advised there is no opposition to the bill from any source. It was reported unanimously by the committee, and I have asked for its consideration because of the unavoidable absence of the Senator from Maryland [Mr. TYDINGS], the chairman of the committee.

Mr. KING. Mr. President, I objected to this bill because I did not know whether it meets the views of the new Philippine organization and the new Philippine leaders. Learning that it does, I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CARRIE K. CURRIE

Mr. CLARK. Mr. President, I ask unanimous consent that the Senate recur to the consideration of Order of Business 534, being House bill 3370.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 3370) for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co., which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carrie K. Currie, doing business as Atmore Milling & Elevator Co., of Atmore, Ala., the sum of $1,500 in full settlement of all claims against the Government of the United States for damages to an automobile truck destroyed on April 25, 1919, by Louisville & Nashville Railroad Co. passenger train operated by the United States Government through its Director General of Railroads: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BOND ISSUE BY NOME, ALASKA

The bill (S. 2317) to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding $100,000 was announced as next in order.

Mr. KING. Mr. President, did the Senator from Washington understand that this was one of the bills which was to go over?

Mr. BONE. Yes.

The PRESIDENT pro tempore. The bill will be passed over.

BOND ISSUE BY PETERSBURG, ALASKA

The bill (S. 2316) to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $40,000 was announced as next in order.

The PRESIDENT pro tempore. The bill will be passed over.

BOND ISSUE BY SEWARD, ALASKA

The Senate proceeded to consider the bill (H. R. 3808) to authorize the incorporated town of Seward, Alaska, to undertake certain municipal public works, including the construction of an electric-generating station and electric-distribution systems, and for such purposes to issue bonds in any sum not exceeding $118,000, which had been reported from the Committee on Territories and Insular Affairs, with an amendment to strike out all after the enacting clause and to insert:

That the incorporated town of Seward, Territory of Alaska, is hereby authorized and empowered (a) by contract or contracts, or by its own agents and employees, or otherwise than by contract, to construct a municipal electric system, together with all parts thereof and appurtenances thereto necessary or convenient

for the generation, production, transmission, and distribution of electric energy, and to acquire by gift, purchase, or the exercise of the power of eminent domain, lands, easements, or rights in land or water rights in connection therewith; (b) to operate and maintain said system for its own use and benefit and for the use and benefit of public and private consumers or users within and without the territorial boundaries of said town; (c) to issue its bonds to finance in whole or in part the cost of the construction of said system; (d) to prescribe and collect rates, fees, or charges for the services, facilities, and commodities furnished by said system; (e) to pledge to the punctual payment of said bonds and interest thereon all or any part of the gross or net revenues of said system (including improvements, betterments, or extensions thereto thereafter constructed or acquired); (f) to enter into contract with the United States of America or any Federal agency created or continued by or pursuant to the Emergency Relief Appropriation Act of 1935; and (g) to subscribe to and comply with all rules and regulations prescribed or continued by the President of the United States of America pursuant to the Emergency Relief Appropriation Act of 1935. The common council of said town, in determining the cost of the construction of said system, may include all costs and estimated costs of the issuance of said bonds, all engineering, inspection, fiscal and legal expenses, and interest which it is estimated will accrue during the construction period and for 6 months thereafter on money borrowed or which it is estimated will be borrowed pursuant to this act.

SEC. 2. The construction of said system may be authorized under this act, and bonds may be authorized to be issued under this act by resolution or resolutions of the common council of said town. Said bonds shall bear interest at such rate or rates not exceeding 6 percent per annum, payable semiannually, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may be payable in such medium of payment, at such place or places, may carry such registration privileges, may be subject to such terms of redemption, with or without premium, may be executed in such manner, may be in such form, either coupon or registered, may contain such terms, covenants, and conditions, and may be declared or become due before the maturity date thereof, as such resolution or subsequent resolutions may provide. Said bonds shall be sold for not less than par and may be sold at either public or private sale. Pending the preparation of the definitive bonds, interim receipts or certificates in such form and with such provisions as the common council of said town may determine, may be issued to the purchaser or purchasers of bonds sold pursuant to this act. Said bonds and interim receipts or certificates shall be negotiable for all purposes. Said bonds bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefor any or all the persons whose signatures appear thereon shall have ceased to be officers of the town.

SEC. 3. Any resolution or resolutions authorizing the issuance of bonds under this act may contain covenants as to (a) the purpose or purposes to which the proceeds of sale of said bonds may be applied and the use and disposition thereof, (b) the use and disposition of the revenue of said system, including the creation and maintenance of reserves, (c) the transfer from the general funds of the town to the account or accounts of said system a sum or sums of money for furnishing such town or any of its departments, boards, or agencies with the services, facilities, and commodities of said system, (d) the issuance of other or additional bonds payable from the revenue of said system, (e) the operation and maintenance of said system, (f) the insurance to be carried thereon and the use and disposition of insurance moneys, (g) books of account and the inspection and audit thereof, and (h) the terms and conditions upon which the holders of said bonds or any proportion of them or any trustee therefor shall be entitled to the appointment of a receiver by the District Court for the Territory of Alaska, which court shall have jurisdiction in such proceedings, and which receiver may enter and take possession of said system, operate and maintain the same, prescribe rates, fees, or charges, and collect, receive, and apply all revenue thereafter arising therefrom in the same manner as the town itself might do. The provisions of this act and any such resolution or resolutions shall be a contract with the holder or holders of said bonds, and the duties of the town and of its common council and officers under this act and any such resolution or resolutions shall be enforceable by any bondholder, by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

SEC. 4. The common council of said town shall prescribe and collect reasonable rates, fees, or charges for the services, facilities, and commodities of said system, and shall revise such rates, fees, or charges from time to time whenever necessary so that said system shall be and always remain self-supporting. The rates, fees, or charges prescribed shall be such as will produce revenue at least sufficient (a) to pay when due all bonds and interest thereon, for the payment of which such revenue is or shall have been pledged, charged, or otherwise encumbered, including reserves therefor, and (b) to provide for all expenses of operation and maintenance of said system, including reserves therefor.

SEC. 5. No holder of any bond issued under this act shall have the right to compel the levy of a tax by said town to pay the principal of or interest on such bonds. All bonds issued under this act shall be payable solely from the revenues pledged to the payment thereof and shall contain a recital to that effect. Such bonds may be issued notwithstanding any debt or other limitation or restriction prescribed by any other law.

SEC. 6. This act shall become effective 30 days after its passage: *Provided, however,* That none of the powers herein granted to the said town of Seward, Alaska, shall be exercised by said town in the event that the Seward Light & Power Co., a corporation, shall, within 1 week after a copy of this act is served on said Seward Light & Power Co., offer in writing to sell and convey to the said town of Seward all its right, title, and interest in and to its electric generating plant or plants, electric distributing system, pipe lines, and water rights now owned by it and used and employed in supplying electric energy to the inhabitants of said town, said offer of sale to be for the sum of $75,000, and to provide that delivery of title shall be made to said town within 6 months from date of said written offer of sale: *Provided further,* That said offer and agreement to sell must be delivered by said Seward Light & Power Co. to the town clerk of the said town of Seward. Service of copy of this act on the Seward Light & Power Co. shall be made by delivery thereof to its president, S. M. Graff, or any other officer of the corporation: *And provided further,* That in the event the said Seward Light & Power Co. offers to sell and convey its properties as provided for in this section, the said town is authorized to purchase such properties and to issue bonds for such purpose in an amount not to exceed $75,000, such bonds to be issued in the manner provided for in this act.

The PRESIDENT pro tempore. The Senator from Washington has offered two amendments, which the clerk will state.

The CHIEF CLERK. On page 10, line 24, in the committee amendment, before the word "right", it is proposed to strike out the word "its."

The amendment to the amendment was agreed to.

The CHIEF CLERK. In the committee amendment on page 11, line 4, after "$75,000", it is proposed to strike out the words "and to provide that delivery of title shall be made to said town within 6 months from date of said written offer of sale: *Provided further,* That said offer and agreement to sell must be delivered by said Seward Light & Power Co. to the town clerk of the said town of Seward" and to insert in lieu thereof "and to guarantee that delivery of said title, free from encumbrance and debt of any kind, shall be made to said town upon payment of said sum, any time within 6 months from date of said written offer to sell: *Provided further,* That said offer and agreement to convey title must be delivered by said Seward Light & Power Co. to the town clerk of said town of Seward, Alaska, within the time specified above."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act concerning the incorporated town of Seward, Territory of Alaska."

UTAH GILSONITE CO.

The Senate proceeded to consider the bill (S. 377) for the sale of certain public lands to the Utah Gilsonite Co., which had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause and to insert:

That the Utah Gilsonite Co., a Missouri corporation doing business in the State of Utah, be, and it is hereby, granted the right to use the water well now held by it on the northwest quarter of the northwest quarter of section 20, township 9 south, range 24 east, Salt Lake meridian, in Uintah County, Utah, for the purpose of supplying water for culinary and other beneficial purposes to its camp about 2 miles distant, and so much land around said well, not exceeding 5 acres, as needed for the protection and use thereof, upon condition that the company pay to the United States through the register of the Salt Lake City district land office a yearly rental of $5, the first payment to be made within 60 days after the passage of this act, and annually thereafter on the anniversary date hereof, and the continued use of the well for the purpose of supplying water to its camp: *Provided,* That, upon failure to comply with said conditions, or either of them, for a continuous period of 1 year, the Secretary of the Interior may by appropriate proceedings declare said right forfeited and terminate the same.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to grant to the Utah Gilsonite Co. the right to use a water well on certain public lands in Utah."

LAND-GRANT COLLEGES AND AGRICULTURAL EXPERIMENT STATIONS

The bill (S. 2228) to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges and agricultural experiment stations was announced as next in order.

Mr. KING. Mr. President, a Senator who is absent I think has an amendment to offer to this bill, and in view of that fact, and since we could not consider the bill under the 5-minute rule, I ask that it go over.

The PRESIDING OFFICER (Mr. CLARK in the chair). The bill will be passed over.

NELLIE OLIVER

The bill (H. R. 5133) for the relief of Nellie Oliver was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Robert Oliver, alias John Lear, deceased husband of Nellie Oliver, who was a member of Company C, Thirteenth Regiment New Hampshire Volunteer Infantry, shall hereafter be held to have been discharged under honorable conditions from the military service of the United States as a member of that organization on the 6th day of July 1864: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

FRANK R. CARPENTER, ALIAS FRANK R. CARVIN

The bill (H. R. 1565) for the relief of Frank R. Carpenter, alias Frank R. Carvin, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Frank R. Carpenter, alias Frank R. Carvin, who was a member of Company H, Sixteenth Regiment United States Infantry, honorably discharged, and an unassigned recruit at Columbus Barracks, Ohio, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private on the 20th day of June 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

CHIPPEWA INDIAN LANDS, MINNESOTA

The Senate proceeded to consider the bill (H. R. 2045) to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 1, line 6, after the word "the", to strike out the words "Leech Lake Band of"; on page 2, after line 4, to strike out "Said Indians may take fish from the navigable waters adjacent to the above-described lands for their own use, and not for sale without being amenable to the State game and fish laws of the State of Minnesota", so as to make the section read:

That the following-described lands are hereby withdrawn from the Minnesota National Forest Reserve under the Department of Agriculture and are hereby permanently reserved as Indian lands for the use of the Chippewas in the State of Minnesota, without in any manner affecting existing reserves for church, cemetery, or other purposes, or individual rights and interests in said lands:

South half southwest quarter northeast quarter and lots 9 to 30, inclusive, section 17, township 142 north, range 30 west, fifth principal meridian, Minnesota, containing 168.44 acres.

The amendment was agreed to.

The next amendment was, in section 2, page 2, at the beginning of line 10, to insert the words "in trust", so as to make the section read:

SEC. 2. Said lands are hereby permanently reserved in trust for the use of the Chippewa Indians of Minnesota for village site purposes.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to set aside certain lands for the Chippewa Indians in the State of Minnesota."

PUBLIC-SCHOOL BUILDINGS IN DUCHESNE COUNTY, UTAH

The bill (S. 2193) to provide for the construction, extension, and improvement of public-school buildings in Duchesne County, Utah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000 to be used by the Secretary of the Interior in making payments to the Duchesne County school district in accordance with the provisions of section 2.

SEC. 2. The Duchesne County school district shall submit to the Secretary of the Interior for his approval (1) plans for extensions and improvements of existing public-school buildings within such county, and for the construction of such other school buildings as such district may consider necessary, and (2) estimates as to the cost of carrying out such plans. The Secretary of the Interior is authorized to approve such plans and cost estimates in whole or in part, or to require modifications or revisions thereof. Upon approval by the Secretary of any such plans and cost estimates, and upon agreement by such school district that the public schools maintained by it shall be open to Indian children who reside in such district, the Secretary shall pay to such district, but not in excess of the appropriation made in section 1, an amount equal to the approved cost estimate of carrying out such approved plan. Such amount shall be expended by such district for the purpose of carrying out such approved plan and for no other purpose.

SEC. 3. No payments shall be made to the Duchesne County school district under the provisions of this act unless such district maintains books, records, accounts, and memoranda and permits the examination of and produces such books, records, accounts, and memoranda, in accordance with such reasonable regulations as the Secretary of the Interior may prescribe.

DONALD O. MILLER

The Senate proceeded to consider the bill (S. 1495) authorizing the President to order Donald O. Miller before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his separation, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 4, after the word "authorized", to strike out the words "in his discretion"; on line 6, to strike out the words "a retiring board of physicians" and to insert in lieu thereof the words "a board of medical review"; and on page 2, line 5, after the word "authorized", to strike out the words "in his discretion", so as to make the bill read:

Be it enacted, etc., That the Secretary of War, under the direction of the President, is hereby authorized to order Donald O. Miller, late a captain, United States Army, before a board of medical review of the Veterans' Administration for the purpose of a hearing of his case and to inquire into and determine the facts touching the nature and occasion of his disability, and to find and report the cause which, in its judgment, has produced his incapacity, and whether such cause is an incident of the service, according to the statute; and that upon the findings of such board the President is further authorized to nominate and, by and with the advice and consent of the Senate, to appoint said Donald O. Miller a captain, the grade which he had at the time of his separation, and to place him on the retired list of the Army: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WESTERN UNION TELEGRAPH CO.

The bill (S. 2225) authorizing adjustment of the claim of the Western Union Telegraph Co., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust, settle, and pay the claim of the Western Union Telegraph Co. for not to exceed $10,657.57, being the amount which that company paid to the United States as a part of the tariff for messages dispatched by American officers in Russia and forwarded to this country through the Western Union Telegraph Co. for which the company has failed to receive any payments due to the collapse of the Russian Government. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,657.57, or so much thereof as may be necessary, for the payment of this claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or

attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MUTUAL SAVINGS AND LOAN ASSOCIATION, WILMINGTON, DEL.

The Senate proceeded to consider the bill (S. 1030) for the relief of the Mutual Savings and Loan Association, Wilmington, Del., which had been reported from the Committee on Claims, with an amendment, on page 2, line 1, after "1928", to strike out the words "inclusive, together with interest at the rate of 6 percent per annum from the dates of payments of such taxes to the date of the approval of this act", and in lieu thereof to insert "inclusive: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Mutual Savings and Loan Association, formerly known as the Merchants' Mutual Association, a corporation organized under the laws of the State of Delaware, the sum of $2,601.87, in full satisfaction of its claims against the United States for a refund of income taxes erroneously assessed and paid during the years 1913 to 1922, inclusive, and 1924 to 1928, inclusive: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANALYTICAL REGISTER OF REGULAR ARMY OFFICERS

The joint resolution (S. J. Res. 56) authorizing the publication as a public document of America Secure: Analytical Register of Regular Army Officers and Security Statistics, with Graphs, 1775–1935, was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Texas explain the joint resolution?

Mr. SHEPPARD. Mr. President, this joint resolution passed the Senate at the last session, but at a time too late for action in the House. It authorizes the publication as a public document of America Secure: Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775–1935.

The War Department states that there is a distinct need for such a publication; that there is no comprehensive and up-to-date register containing brief military biographies of all Regular officers of the United States Army, and no comprehensive statistical tables or graphs showing all tangible elements of national security from 1775 to 1935.

The War Department states further that the publication of the proposed register would be of great value to the Adjutant General's Office in the conduct of its current business; that great savings in time and labor have resulted from the use of Heitman's work, the now used source; but that this is a great improvement on that work.

Mr. McKELLAR. What would it cost?

Mr. SHEPPARD. About $11,000.

Mr. McKELLAR. Of course, if this measure should be passed, that money would have to be appropriated in the deficiency bill.

Mr. SHEPPARD. This measure makes a direct appropriation.

Mr. McKELLAR. About $11,000?

Mr. SHEPPARD. About $11,000—or, to be exact, $11,250. The War Department says that the savings in time and expense would more than justify this outlay.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Military Affairs with amendments.

The first amendment was, in section 1, page 2, line 2, after the word "compile", to strike out "and publish", so as to make the section read:

Resolved, etc., That the Secretary of War is authorized and directed to compile a comprehensive register containing brief military biographies of all Regular officers of the United States Army and comprehensive statistical tables and graphs showing all the tangible elements of national security for the period beginning with 1775 and ending December 31, 1934, such compilation to be known as "America Secure: Analytical Register of Regular Army Officers and Security Statistics, with Graphs, 1775–1935", by John J. Lenney.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 12, after the words "and to", to strike out "appoint" and insert "arrange with the Administrator of Veterans' Affairs for the services of"; in line 16, after the word "resolution", to strike out the period and "Such appointment of said John J. Lenney shall be"; in line 19, after the word "such", to strike out "compilation, and" and insert "compilation. Such services"; and on page 3, line 2, after the figures "$8,250", to strike out "to be paid out of the available appropriations for the War Department" and insert "and shall also reimburse the Veterans' Administration for the services of said John J. Lenney at a cost not to exceed $3,200, a total of $11,450, and there is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $11,450 for such purpose", so as to make the section read:

SEC. 2. The Secretary of War is further authorized and directed to use the compilation made by John J. Lenney, such compilation including the years 1775 to 1923, and to arrange with the Administrator of Veterans' Affairs for the services of said John J. Lenney to complete such compilation in accordance with the provisions of this resolution for such number of months, not exceeding 12, from the date of approval of this resolution, as may be necessary to complete such compilation. Such services shall be without prejudice to the status or compensation of said John J. Lenney as senior adjudicator of insurance claims in the office of the Administrator of Veterans' Affairs or to his relative standing in respect of efficiency. The Secretary shall appoint additional employees to assist said John J. Lenney and shall provide desk space and filing cabinets and drafting and photostatic services and necessary materials at a cost not to exceed $8,250, and shall also reimburse the Veterans' Administration for the services of said John J. Lenney at a cost not to exceed $3,200, a total of $11,450, and there is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $11,450 for such purpose.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 11, after the words "of which", to strike out "three thousand" and insert "two thousand three hundred and thirty-three"; in line 13, after the word "Senate", to strike out "six thousand nine hundred" and insert "four thousand five hundred and sixty-seven"; and in line 15, after the word "Representatives", to insert "three thousand shall be for the use of the War Department", so as to make the section read:

SEC. 3. Such compilation, when completed, shall be printed as a Senate document and 10,000 additional copies shall be printed, of which 2,333 shall be for the use of the Senate, 4,567 shall be for the use of the House of Representatives, 3,000 shall be for the use of the War Department, and 100 for the use of said John J. Lenney.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to, as follows:

Whereas there is no comprehensive register containing brief military biographies of all regular officers of the United States Army and no comprehensive statistical tables nor graphs showing all the tangible elements of national security from 1775 to 1935; and

Whereas there is sufficient evidence of public need for publication of such register, tables, and graphs; and

Whereas a compilation of such register, tables, and graphs has been completed by John J. Lenney for the period 1775 to 1923, both dates inclusive: Therefore be it—

GORDON M'GEE

The bill (S. 2407) for the relief of Gordon McGee was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. BLACK. Mr. President, I should like to explain that bill, if the Senator from Utah will withhold his request that the bill be passed over.

Mr. KING. Mr. President, I have now examined the report, and I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 6, after the word "considered", to strike out "to have served without desertion and", so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Gordon McGee shall be held and considered to have been honorably discharged on October 20, 1931, as a private, Casual Detachment, Guard and Fire Company United States Army: *Provided*, That no bounty, back pay, retirement pay, pension, or allowance shall be held to have accrued by reason of this act prior to its passage.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FORT MONROE MILITARY RESERVATION

The Senate proceeded to consider the joint resolution (S. J. Res. 42) to cede to the Commonwealth of Virginia jurisdiction over that portion of the Fort Monroe Military Reservation leased to the Old Point Comfort Hotel Corporation, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That section 289 of the Criminal Code (U. S. C., title 18, sec. 468) be, and it is hereby, amended to read as follows:

"SEC. 289. Whoever, within the territorial limits of any State, organized Territory, or District, but within or upon any of the places now existing or hereafter reserved or acquired, described in section 272 of the Criminal Code (U. S. C., title 18, sec. 451), shall do or omit the doing of any act or thing which is not made penal by any laws of Congress, but which if committed or omitted within the jurisdiction of the State, Territory, or District in which such place is situated, by the laws thereof in force on April 1, 1935, and remaining in force at the time of the doing or omitting the doing of such act or thing, would be penal, shall be deemed guilty of a like offense and be subject to a like punishment."

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to amend section 289 of the Criminal Code."

BILL PASSED OVER

The bill (S. 1689) for the relief of Frank Fisher was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

ANTHONY J. CONSTANTINO

The bill (S. 2516) for the relief of Anthony J. Constantino was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Anthony J. Constantino, private, Quartermaster Corps, United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 14th day of July 1919: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

BILL PASSED OVER

The bill (S. 1861) to incorporate the National Association of State Libraries was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

REFUNDING OF COUNTERVAILING CUSTOMS DUTIES ON LOGS

The bill (S. 1626) for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Washington whether that bill has been recommended by the Treasury Department?

Mr. SCHWELLENBACH. Yes; and a similar bill passed the Senate at the last session.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That claims for the refunding of any customs duties erroneously or illegally assessed or collected upon fir, spruce, cedar, or western hemlock, under the provisions of paragraph 401 of the Tariff Act of 1922, approved September 21, 1922 (42 Stat. L. 858, 889), because of the existence of the so-called "timber tax" embodied in subdivision 2 of section 58 of the land and forest act of the Province of British Columbia may be presented to the Commissioner of Customs not later than 6 months after the passage of this act; and the Commissioner of Customs is hereby authorized and directed to receive, consider, and determine in accordance with law but without regard to any statute requiring protest, appeal, and the like, such claims as may have been presented, heretofore by way of protest to the collectors of customs and not allowed, and such claims as may hereafter be presented within the period above named, where and when and only when it be found and determined that such duties were collected upon the erroneous interpretation of law passed upon and condemned by the United States Customs Court, first division, in decisions rendered in the cases of George S. Bush & Co., Inc., and others against United States and Siemons Lumber Co. against United States, on March 12, 1931, and reported at page 590 in Fifty-ninth Treasury Decisions: *Provided*, That no interest shall be allowed on any of these claims.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to such claimants as have presented or shall hereafter so present their claims, any amount allowed in the determination of any claims so defined and which shall have been presented in accordance with this act.

FIRST LT. CLAUDE W. SHELTON, RETIRED

The Senate proceeded to consider the bill (S. 1497) to authorize the appointment of First Lt. Claude W. Shelton, retired, to the grade of captain, retired, in the United States Army, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 3, after the word "authorized", to insert "by and with the advice and consent of the Senate", so as to make the bill read:

Be it enacted, etc., That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint and commission Claude W. Shelton, first lieutenant, United States Army, retired, to the grade of captain, United States Army, retired, said grade being effective as of July 1, 1920, with the retired pay of captain, said pay to be based as is that of officers of like status and service: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BIG BEND NATIONAL PARK

The bill (S. 2131) to provide for the establishment of the Big Bend National Park in the State of Texas, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when title to such lands as may be determined by the Secretary of the Interior as necessary for recreational park purposes within the boundaries to be determined by him within the area of approximately 1,500,000 acres, in the counties of Brewster and Presidio, in the State of Texas, known as the "Big Bend" area, shall have been vested in the United States, such lands shall be, and are hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people and shall be known as the "Big Bend

National Park": *Provided*, That the United States shall not purchase by appropriation of public moneys any land within the aforesaid area, but such lands shall be secured by the United States only by public and private donations.

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion and upon submission of evidence of title satisfactory to him, to accept, on behalf of the United States, title to the lands referred to in the previous section hereof as may be deemed by him necessary or desirable for national-park purposes: *Provided*, That no land for said park shall be accepted until exclusive jurisdiction over the entire area, in form satisfactory to the Secretary of the Interior, shall have been ceded by the State of Texas to the United States.

SEC. 3. The administration, protection, and development of the aforesaid park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes", as amended: *Provided*, That the provisions of the act of June 10, 1920, known as the "Federal Water Power Act", shall not apply to this park.

Mr. SHEPPARD subsequently said: Mr. President, I ask unanimous consent that the report of the committee on Senate bill 2131, relating to the establishment of the Big Bend National Park in the State of Texas, be printed in the RECORD immediately following the passage of the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 547) submitted by Mr. PITTMAN on the calendar day of April 23, 1935, is as follows:

[S. Rept. No. 547, 74th Cong., 1st sess. (to accompany S. 2131)]

The Committee on Public Lands and Surveys, having had under consideration by reference from the Senate the bill (S. 2131) to provide for the establishment of the Big Bend National Park in the State of Texas, and for other purposes, hereby reports the same favorably and recommends its passage.

The bill provides that when title to such lands as may be determined by the Secretary of the Interior as necessary for recreational park purposes within the boundaries to be determined by him within the area of approximately 1,500,000 acres in the counties of Brewster and Presidio, in the State of Texas, known as the "Big Bend area", shall have been vested in the United States, such lands shall be, and are hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people and shall be known as the "Big Bend National Park."

The bill provides that the land necessary for the purposes heretofore described shall be secured only by donations to the United States and not by appropriation from the Federal Treasury.

The bill authorizes the Secretary of the Interior in his discretion and on submission of evidence of title satisfactory to him to accept on behalf of the United States title to such lands within the area heretofore mentioned as may be deemed by him necessary or desirable for national-park purposes.

The bill provides that no land for said park shall be accepted until exclusive jurisdiction over the entire area, in form satisfactory to the Secretary of the Interior, shall have been ceded by the State of Texas to the United States.

The bill further provides that the administration, protection, and development of the aforesaid park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes", and that the provisions of the act of June 10, 1920, known as the "Federal Water Power Act" shall not apply to the park.

The Big Bend region, within which the proposed park is to be located, is the triangular portion of southwest Texas enclosed by the big bend of the Rio Grande on the east, west, and south and roughly by latitude 30° on the north. It comprises approximately 5,500 square miles. In general character it is a semiarid plain, verging on desert, through which a group of mountain ranges, principally the Chisos, have been thrust. These constitute the southernmost spur of the Rocky Mountains. Of these, the Shisos Range "Phantom", the highest and most rugged, attaining an attitude of 7,835 feet, is literally a biological island.

The Big Bend area is the last great wilderness area of Texas. No railroad line transgresses its vastness. Its few roads are largely makeshift, leading in from the north, or improved wagon trails serving its few ranches and mining claims. The nearest thing to a town which exists are the two mining camps of Terlingua and Study Butte, some 25 miles west of the Chisos Range.

The reason for the long isolation of this area is its low economic value. Aside from the two quicksilver mines there has been no need for the arteries of trade, and the semiarid character of the plains surrounding the group of mountain ranges has offered little to agriculture save scattered areas for grazing.

The varied forest cover in the Chisos is still virgin. Large mamals, such as deer, bear, panther, and fox, still survive. The vegetation of the surrounding semiarid plains is principally a growth of chaparral and cactus. The forest cover in the higher levels of the Chisos, however, is extensively varied, with Douglas spruce, pine, junipers, oaks, and hackberry well represented.

The entire Big Bend region, comprising some three and a half million acres, would probably not be considered in its entirety as a national-park area since the northern portion thereof consists principally of dry plains having no superlative features. To the south, however, the landscape is dominated by mountain ranges and is felt to be of high caliber to rank well as a national park. In the Chisos Mountains the visitor is agreeably surprised at the colorful rock expanses, rose-colored and tinged with faint greens and yellows.

One of the dramatic features in this area is the Rio Grande itself, which, in its tortuous course, cuts through three steep-walled canyons, the Santa Helena, the Mariscal, and the Boquillas, and meanders over flat river plains between.

The romance of old frontier Mexico is in the atmosphere of the Big Bend region. In the Chisos Mountains the visitor is continually aware of its presence. The outstanding views in three directions carry the eye over into the mountains of old Mexico. From the south rim, over 5,000 feet above the river, the eye obtains the most dramatic panorama of the Chisos—a 200-mile sweep of American and Mexican terrain. Below the Rio Grande winds through walled canyons and river flood plains. As a unit of the national-park system the region would be unique in this international flavor.

The scenic standard of the Mexican side is apparently similar to that of the American. The aspects of a possible international park are highly intriguing. In fact, it is contemplated that an effort will be made to bring about the establishment of a park on the Mexican side of the Rio Grande immediately opposite the proposed park on the American side. The favorable report of the Department of the Interior on the pending measure is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, D. C.

Hon. ROBERT F. WAGNER,
Chairman Committee on Public Lands and Surveys,
United States Senate.

MY DEAR MR. CHAIRMAN: I have received your letter of March 8 enclosing a copy of S. 2131, entitled "A bill to provide for the establishment of the Big Bend National Park in the State of Texas, and for other purposes", and requesting a report thereon.

This proposed legislation would authorize the establishment of the Big Bend National Park in the State of Texas, when the necessary lands shall have been secured by the United States by donation. The Big Bend area is a region of inspiring scenery, and contains many varieties of rare plant and animal life. It is of national importance, and worthy of Federal protection and development as a national park. The scenic grandeur of the Big Bend country extends across the border into Mexico, and it is hoped that, if this proposed legislation is enacted, the Mexican Government will be invited to cooperate with the United States in the establishment of an international park.

The Acting Director of the Bureau of the Budget has advised that, insofar as the financial program of the President is concerned, there is no objection to favorable action on this bill.

This bill is similar to H. R. 6373, upon which a separate report is being submitted to the Committee on the Public Lands of the House of Representatives. It is recommended that it be amended in the following particulars:

Page 1, line 5, eliminate the word "the."

Page 2, line 5, change the word "donations" to "donation."

I recommend that S. 2131, with amendments as indicated above, be enacted by the Congress.

Sincerely yours,

THEODORE A. WALTERS,
Acting Secretary of the Interior.

In reference to the proposal for a Mexican park in this vicinity on the Mexican side of the Rio Grande, the following correspondence will be found of interest:

UNITED STATES SENATE,
February 16, 1935.

MY DEAR MR. PRESIDENT: The proposal for a national park in the Big Bend section of Texas on the Rio Grande has aroused general and favorable interest throughout Texas. It is one of the most magnificent and picturesque expressions of nature in the world. Inasmuch as the proposed park on the Texas side extends only to the middle of the Rio Grande, which is the boundary between Texas and Mexico, it has occurred to me that it would be a splendid thing to take up with Mexico the matter of an international park in that section and to have Mexico establish a park on her side, which would adjoin the proposed park on the Texas side. Please have the matter properly investigated and considered.

Yours very sincerely,

MORRIS SHEPPARD.

On February 19 the above letter was referred by the President to the Secretaries of State and Interior with a request for a report.

DEPARTMENT OF STATE,
Washington, February 26, 1935.

Hon. HAROLD L. ICKES,
Secretary of the Interior.

MY DEAR MR. SECRETARY: I enclose herewith, for your consideration, a copy of a memorandum, dated February 19, 1935, from the President, addressed to the Secretary of State and the Secretary of the Interior, and a copy of its enclosure, a letter dated February 16, 1935, from the Honorable MORRIS SHEPPARD, United States Senate, with reference to an international-park project in the Big Bend section of Texas and the adjoining section of Mexico,

and suggesting that the matter be taken up with Mexico. I also enclose a copy of a letter which I am today forwarding to the President with reference to the matter.

Sincerely yours,

WILLIAM PHILLIPS,
Acting Secretary.

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DEPARTMENT OF STATE,
Washington, February 26, 1935.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I have received your memorandum of February 19, 1935, addressed to the Secretary of State and the Secretary of the Interior, transmitting a copy of a letter dated February 16, 1935, from the Honorable MORRIS SHEPPARD, United States Senate, with reference to an international-park project in the Big Bend section of Texas and the adjoining section in Mexico, and suggesting that the matter be taken up with Mexico.

Prior to the receipt of your memorandum the Department had received a communication from Senator SHEPPARD in regard to this project. I informed the Senator under date of February 23, 1935, that the Department will be glad to take up the matter with the Mexican Government, through Ambassador Daniels, at such time as there is definite assurance that the park on the Texas side of the Rio Grande will be created.

I am today sending copies of this letter, of your memorandum, and of its enclosure to the Secretary of the Interior for his consideration.

Faithfully yours,

WILLIAM PHILLIPS, *Acting Secretary.*

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DEPARTMENT OF THE INTERIOR,
Washington, February 27, 1935.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I have received from the White House a copy of Senator MORRIS SHEPPARD'S letter of February 16 to you, regarding the proposal to establish an international park along the Mexican border, and have noted your request for a report on this subject.

Under separate cover I am sending you a field report prepared by the National Park Service regarding this matter. The proposal involves lands in the Big Bend area in Texas, and in the adjoining Provinces of Chihuahua and Coahuila in Mexico. I recently approved the recommendation of the National Park Service that the area referred to in Texas be established as the Big Bend National Park. Proposed legislation to provide authority for this action is now being drafted for submission to the Congress.

The possibility of an international park in this region meets with my approval, and I recommend that, if the legislation is passed by Congress authorizing the establishment of a national park on the United States side of the international boundary line, the Mexican Government be invited to cooperate with the United States in the establishment of such an international park.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

BILL PASSED OVER

The bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I ask that the bill be passed over. It would be impossible to consider it under the 5-minute rule.

The PRESIDING OFFICER. The bill will be passed over.

POST-OFFICE BUILDING AT HEMPSTEAD, N. Y.

The bill (S. 2647) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors, materialmen, and laborers for material and labor furnished in the construction of a post-office building at Hempstead, N. Y., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust on a pro rata basis in an amount not exceeding in the aggregate the unpaid balance due from the United States under the contract no. T1SA-3050, dated March 30, 1932, between the United States and the Brooklyn & Queens Screen Manufacturing Co., Inc., the unpaid claims of subcontractors, materialmen, and laborers for materials or labor furnished at any time in the construction of the post-office building at Hempstead, N. Y., under said contract, which work was completed by the National Surety Co., as surety on the performance bond, before said surety company was placed in the hands of a rehabilitator or liquidator appointed by the Insurance Department of the State of New York, and after the United States had terminated the right of the Brooklyn & Queens Screen Manufacturing Co., Inc., to proceed under said contract. The Comptroller General of the United States is authorized and directed to settle and adjust the said claims which may be filed and established hereunder without regard to the Government's right of set-off against any indebtedness of the National Surety Co. to the United States in other cases and without regard to the Government's right to priority in the payment of its claim: *Provided*, That no settlement shall issue hereunder until 6 months after the enactment of this act, and no claimant who shall have failed, neglected, or refused to submit his claim to the Comptroller General of the United States within the said period shall share in the benefits of this act. Such allowance as may be made by the Comptroller General as herein provided shall be paid from the appropriations heretofore made for the construction of the building in question. Payments so made shall be charged to the National Surety Co. in the adjustment of the accounts between said company and the United States: *Provided*, That no allowance shall be made pursuant to the terms of this act, unless and until the rehabilitator or liquidator of the National Surety Co. shall file with the Comptroller General written consent thereto.

BILLS PASSED OVER

The bill (S. 2616) for the relief of the estate of Joseph J. Underwood was announced as next in order.

Mr. McKELLAR. Mr. President, can we have an explanation of this bill? Otherwise, I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2644) for the relief of the estate of Harry F. Stern was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill? The sum involved is a large one. Unless we can have an explanation, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof was announced as next in order.

Mr. McKELLAR. Mr. President, that is a very long bill. May we have an explanation of it? If not, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

MONUMENT TO GROVER CLEVELAND

The Senate proceeded to consider the joint resolution (H. J. Res. 147) authorizing the erection of a monument to Grover Cleveland in Washington, D. C., which had been reported from the Committee on the Library with an amendment, on page 2, line 6, after the words "Director of", to strike out "Public Buildings and Public Parks of the National Capital" and insert "the National Park Service, Department of the Interior", so as to make the joint resolution read:

Resolved, etc., That authority is hereby granted to any association organized within 2 years from the date of the approval of this resolution for that purpose, to erect a statue of Grover Cleveland, President of the United States, 1885 to 1889 and 1893 to 1897, in the city of Washington at such place as may be designated by the Fine Arts Commission, subject to the approval of the Joint Committee on the Library, the model of the statue so to be erected and the pedestal thereof to be first approved by the said Commission and by the Joint Committee on the Library, the same to be presented by such association to the people of the United States.

That for the preparation of the site and the erection of a pedestal upon which to place the said statue, under the direction of the Director of the National Park Service, Department of the Interior, the sum of $10,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

NAVAL STATION AND LIGHTHOUSE RESERVATION AT KEY WEST, FLA.

The bill (H. R. 7132) to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla., was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2294) for the relief of Thaddeus C. Knight was announced as next in order.

Mr. KING. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

FRED C. AINSWORTH ENDOWMENT LIBRARY

The Senate proceeded to consider the joint resolution (S. J. Res. 98) to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library", which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the adjutant Walter Reed General Hospital be, and is hereby, authorized to accept the bequest of the late Maj. Gen. Fred C. Ainsworth, or such amount thereof as is available, as contained in his last will and testament, and such interest as may have accrued on the funds covered by such bequest, and to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purpose of establishing a permanent library at the Walter Reed General Hospital, to be known as the "Fred C. Ainsworth Endowment Library", said fund to be subject to disbursement for such purpose upon vouchers submitted by the adjutant Walter Reed General Hospital and to be available until expended: *Provided*, That the Treasurer of the United States, upon the written request of the adjutant Walter Reed General Hospital so to do, is authorized to invest and reinvest any part or all of the corpus of this bequest, as well as any income therefrom, in interest-bearing United States Government bonds, and retain custody thereof, if, in the judgment of the adjutant it will best serve the objects of the bequest: *Provided further*, That the Treasurer of the United States, upon the written request of the adjutant Walter Reed General Hospital so to do, is authorized to dispose of, for cash, any part or all of any bonds in which such funds may be invested, and redeposit the proceeds thereof, as well as all interest received from time to time upon any such bonds, to the credit of such special fund and subject to withdrawal and disbursement and reinvestment, as above provided: *And provided further*, That the administration, control, and expenditure of this fund and its application to the purposes intended shall be according to the sole discretion of the adjutant Walter Reed General Hospital, and the exercise of his discretion and authority in regard thereto and his decision thereon shall not be subject to question or review except by the Secretary of War and courts of competent jurisdiction.

SEC. 2. The necessary space or a separate room in any building at the Walter Reed General Hospital is authorized to be set aside for the purpose of establishing the said library.

OBERLIN M. CARTER

The resolution (S. Res. 60) to investigate the facts concerning the court martial of former Capt. Oberlin M. Carter was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, That the Committee on Military Affairs is authorized and directed to investigate the facts leading to the court martial, as well as the court-martial proceedings and all the findings, in the case of former Capt. Oberlin M. Carter, United States Engineer Corps, and report to the Senate.

BILLS OF INTERPLEADER

The bill (S. 1277) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

Mr. BARKLEY. Mr. President, this is a bill extending the right of interpleader in law suits in the Federal courts. Congress on three occasions heretofore has enacted interpleader legislation involving the right of persons in different States and in different Federal court districts to the possession or custody of funds held by insurance companies or others. This bill simplifies the matter, and extends the right so that all persons who have custody of funds over which there is a dispute may bring the parties into court, and settle the question, and distribute the funds accordingly.

Mr. McKELLAR. Mr. President, is the bill recommended by the Department?

Mr. BARKLEY. No; it is not specifically recommended by the Department. The Department does not object to the bill. It does not involve a Department of Justice matter. The bill has been before the Senate for a number of years. It was favorably reported in the Seventy-third Congress, and was again reported unanimously by the committee at this session of the Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That subsection 26 of section 24 of the Judicial Code, as amended (U. S. C., title 28, sec. 41 (26)), be, and the same is hereby, amended to read as follows:

"(26) Original jurisdiction of bills of interpleader—Twenty-sixth: (a) Of suits in equity begun by bills of interpleader or bills in the nature of bills of interpleader duly verified, filed by any person, firm, corporation, association, or society having in his or its custody or possession money or property of the value of $500 or more, or having issued a note, bond, certificate, policy of insurance, or other instrument of the value or amount of $500 or more, or providing for the delivery or payment or the loan of money or property of such amount or value, or being under any obligation, written or unwritten, to the amount of $500 or more, if—

"(i) Two or more adverse claimants, citizens of different States, are claiming to be entitled to such money or property, or to any one or more of the benefits arising by virtue of any note, bond, certificate, policy, or other instrument, or arising by virtue of any such obligation; and

"(ii) The complainant (a) has deposited such money or property or has paid the amount of or the loan or other value of such instrument or the amount due under such obligation into the registry of the court, there to abide the judgment of the court; or (b) has given bond payable to the clerk of the court in such amount and with such surety as the court or judge may deem proper, conditioned upon the compliance by the complainant with the future order or decree of the court with respect to the subject matter of the controversy.

Such a suit in equity may be entertained, although the titles of claims of the conflicting claimants do not have a common origin, or are not identical, but are adverse to and independent of one another.

"(b) Such a suit may be brought in the district court of the district in which one or more of such claimants resides or reside.

"(c) Notwithstanding any provision of the Judicial Code to the contrary, said court shall have power to issue its process for all such claimants and to issue an order of injunction against each of them, enjoining them from instituting or prosecuting any suit or proceeding in any State court or in any United States court on account of such money or property or on such instrument or obligation until the further order of the court; which process and order of injunction shall be returnable at such time as the said court or a judge thereof shall determine and shall be addressed to and served by the United States marshals for the respective districts wherein said claimants reside or may be found.

"(d) Said court shall hear and determine the cause and shall discharge the complainant from further liability; and shall make the injunction permanent and enter all such other orders and decrees as may be necessary or convenient to carry out and enforce the same.

"(e) In any action at law in a United States District Court against any person, firm, corporation, association, or society, such defendant may be set up by way of equitable defense, in accordance with section 274b of the Judicial Code (U. S. C., title 28, sec. 398), any matter which would entitle such person, firm, corporation, association, or society to file an original or ancillary bill of interpleader or bill in the nature of interpleader in the same court or in any other United States District Court against the plaintiff in such action at law and one or more other adverse claimants, under the provisions of paragraph (a) of this subsection or any other provision of the Judicial Code and the rules of court made pursuant thereto. The defendant may join as parties to such equitable defense any claimant or claimants who are not already parties to such action at law. The district court in which such equitable defense is interposed shall thereby possess the powers conferred upon district courts by paragraphs (c) and (d) of this subsection and by section 274b of the Judicial Code.

"SEC. 2. The act entitled 'An act authorizing casualty companies, surety companies, insurance companies or associations, or fraternal or beneficial societies to file bills of interpleader', approved May 8, 1926 (U. S. C., Supp. III, title 28, sec. 41 (26)), is hereby repealed. Said repeal shall not affect any act done or any right, accruing or accrued in any suit or proceeding had or commenced under said act hereby repealed, prior to the passage of this act, but all such acts or rights, suits, or proceedings shall continue and be valid and may be prosecuted and enforced in the same manner as if said act had not been repealed hereby."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader."

HARRY T. HERRING

Mr. HATCH. Mr. President, before the calendar is completed I ask unanimous consent to recur to Senate bill 1426

for the purpose of asking the Senator from Utah [Mr. KING] if he has read the report on that measure.

Mr. KING. What is the measure?

Mr. HATCH. It is a bill for the relief of Harry T. Herring. On the last call of the calendar the Senator from Utah asked me to explain it, and stated that he would read the report on the bill.

Mr. KING. I regret to say that I have not read the report. I have no objection to the bill being passed at this time, with the understanding that if, upon reading the report, I find it necessary, I shall ask to have the bill reconsidered.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1426) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army and his retirement in that grade, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas Harry T. Herring graduated from the United States Military Academy, West Point, N. Y., in the class of 1905, at which time he was denied commission in the United States Army because of an alleged heart ailment; and

Whereas he continued to follow the profession for which he was trained, being successively commandant of Saint John's (Military) School, Manlius, N. Y., 1906–8; in the New York National Guard, 1908–10; and adjutant general of New Mexico, 1913–17, serving with the New Mexico Guard on the Mexican border during 1917, and resigning from the Guard to enter the Army of the United States as a captain of ordnance, from which rank he was successively promoted to lieutenant colonel, which was his rank on leaving the service; and

Whereas, while technically an emergency officer, he actually performed the duties of a regular, being assigned a most important and difficult detail, involving the establishment of schools for the technical training of both officers and men for the mobile shops of the Ordnance Department to accompany combat organizations in the field, in which assignment his work was so outstanding as to result in his being recommended for the Distinguished Service Medal; and

Whereas in 1920 he was recommended by the Chief of Ordnance for retention in the Regular Army, but was denied a commission because of a disability incurred in service; and

Whereas he is now disabled to an extent that the constant work required in earning a livelihood is a menace to his life: Therefore

Be it enacted, etc., That the President is authorized to appoint Harry T. Herring, formerly a lieutenant colonel, Ordnance Department, United States Army, a lieutenant colonel, United States Army, and to retire him and place him on the retired list of the Army as a lieutenant colonel with the retired pay and allowance of that grade.

The preamble was agreed to.

FRANCES AGRAMONTE

The bill (S. 2472) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission, was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator explain that bill?

Mr. SHEPPARD. Mr. President, this bill gives to the widow of Dr. Agramonte, who was a member of the Yellow Fever Commission, the commission which was headed by Walter Reed, the same allowance which has been given the widows of other deceased members of the commission.

Mr. McKELLAR. Mr. President, I inquire what the Department has had to say about this bill?

Mr. SHEPPARD. They left the matter for Congress to decide. Mrs. Agramonte would receive under this bill the annuity which was paid to Dr. Agramonte in his lifetime, pursuant to the provisions of an act approved February 28, 1929, entitled "an act to recognize the high public service rendered by Major Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever."

Annuities are being paid under special acts of Congress to the other widows of deceased participants in the yellow fever experiments in Cuba.

This bill extends recognition and relief of a like character to the widow of Dr. Agramonte.

Mr. McKELLAR. What troubles me is the statement of General McArthur, Acting Secretary of War. He says:

The Department has in the past refrained from expressing any opinion as to the merits of the proposed legislation of this character, and in keeping with that practice prefers to make no recommendation either for or against the bill, leaving the determination of the question as to whether an annuity should be made in this case to the discretion of Congress.

Likewise, there is a statement from Secretary Dern in exactly the same words. I do not know how we could find out whether it is a meritorious claim except through the War Department. What are the facts on which the committee based its action?

Mr. SHEPPARD. The Senator, of course, remembers the work of Maj. Walter Reed and his associates, a work resulting in the discovery of the cause of yellow fever and enabling us to conquer that terrible scourge.

Mr. McKELLAR. Oh, yes; I remember that very well.

Mr. SHEPPARD. This man was one of the associates of Maj. Walter Reed in that work. All of them were voted recognition and annuities by Congress. As they have died their widows have been permitted to receive those annuities. The policy has been pursued as to all others who have died, and this merely provides similar treatment for the widow of Dr. Agramonte.

Mr. McKELLAR. Let the bill go over for the time being and I shall be glad to look it up and confer with the Senator about it.

Mr. SHEPPARD. Very well.

The PRESIDING OFFICER. On objection, the bill will be passed over.

BILL PASSED OVER

The bill (S. 166) for the relief of Jack Doyle was announced as next in order.

Mr. ROBINSON. Mr. President, this measure will require some consideration. From the report it appears that the man was convicted of larceny and dishonorably discharged from the Army. I think the bill should go over.

Mr. AUSTIN. Mr. President, will the Senator withhold the objection for a brief explanation?

Mr. ROBINSON. I think the bill had better go over at this time.

The PRESIDING OFFICER. On objection, the bill will be passed over. That completes the calendar.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. That completes the calendar.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 2, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 1, 1935

POSTMASTERS

MISSOURI

Charles Gentry, Houston.

NEW JERSEY

Leon P. Kays, Stanhope.

PENNSYLVANIA

Ambrose A. Connelly, Rosemont.
Andrew E. Hiltebeitel, Souderton.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 1, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite Spirit, Father of our immortal souls, whose power and goodness are everywhere upholding the works of Thy hands, let Thy richest blessing be upon our Speaker and all other Members of this Congress. Establish Thou the work of our hands, the work of our hands establish Thou it. Endue us with wisdom and fortitude that we may withstand injustice, falsehood, and intemperate criticism. O light of God, shine through all of them, bringing out faith, courage, and other qualities that make strong and enduring characters. Enable us to walk each day without stumbling. By faith may we endure and by hope may we have eternal fruition, and at last give us a glorious transition that remaineth for the people of God. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 408) entitled "An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act; and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6223) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 5 to the foregoing bill.

BANKING BILL

Mr. PATMAN. Mr. Speaker, I also ask unanimous consent to extend my remarks at this point by inserting a statement I have sent to each Member of the House on the banking bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The statement referred to is as follows:

PENDING BANKING BILL

APRIL 30, 1935.

DEAR COLLEAGUE: It is a long step in the right direction. Failing to get time to discuss the bill, I respectfully invite your attention to this statement. The following amendments should be adopted:

UNIFIED BANKING SYSTEM NEEDED

1. Present law will prohibit banks getting benefit of Federal Deposit Insurance Corporation after January 1, 1937, unless members of Federal Reserve System. The nonmember banks will be permitted to enter the System without capital stock change. It is in the interest of the general welfare that we have a unified banking system. Congress cannot coin money and regulate the value thereof according to the constitutional mandate without a unified system. This bill repeals the present law making this requirement. Congressman HANCOCK of North Carolina, a member of the committee, will offer a motion to strike it out. I hope it is adopted.

GET BANKERS OUT OF GOVERNMENT'S BUSINESS

2. The member banks of the Federal Reserve Banking System own the 12 Federal Reserve banks. Their investment is $146,000,000. This stock should be owned by the Government and the Federal Reserve banks operated by the Government in the interest of the people. Congressman CROSS, a member of the committee, will offer an amendment proposing that the Government purchase this stock and take over these banks. We should adopt this amendment and get the bankers out of the Government's business.

BUREAU OF ENGRAVING AND PRINTING DELIVERED OVER TO PRIVATE BANKS

3. Under existing law, the Federal Reserve Board appoints 3 of the 9 directors. One of the three is Federal Reserve agent and chairman of the Board—the most important position. The pending bill changes the Federal Reserve agent's title to that of governor of the Board and allows the banks' directors to name the governor, subject to the Federal Reserve Board's approval. Certainly the board of the Federal Reserve bank will not name one for this place that is not satisfactory in every way to the bank owners. Therefore the result of this change allows the Federal Reserve Board to appoint 2 of the 9 directors instead of 3, as under the present law, and allows the banks to control the most important place in each Federal Reserve bank. This important individual will have at his disposal the Bureau of Engraving and Printing, and may have his bank's money printed at a cost of 27 cents a thousand dollars without paying a penny's tax on any transaction and all profits going into the surplus fund of his bank. Every bill he causes to be printed will be a blanket mortgage on all the property of all the people. He will use the credit of the Nation free and in the interest of his bank and its member banks. This provision should either be changed substantially or stricken from the bill. If it is not, the Money Trust will have a firmer grip on the throats of the people.

There should also be a limitation placed on the salaries paid by Federal Reserve banks. Many of these officials are paid $30,000, $40,000, and $50,000 annually; and all excess profits should go to the Government instead of banks if Federal Reserve banks are not taken over by the Government.

Respectfully submitted.

WRIGHT PATMAN.

HERE LIES THE G. O. P.

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker—

Here Lies the G. O. P.—Died November 8, 1932.

This is the inscription on a tombstone portrayed in an invitation from the Young Democratic Clubs of South Dakota to its annual State convention that just reached my office. It was mailed me in connection with a meeting to be held June 14 and 15 at Hot Springs under the auspices of these clubs.

The message is both amusing and instructive. The G. O. P. is dead—the inscription is no misstatement of facts. The G. O. P. has gone where the old Federalist Party of Alexander Hamilton and John Adams went—where the old Whig Party of ante-bellum days went. It has gone where every reactionary party in the history of every nation went.

The destination of every reactionary party and group is the discard of history—the cosmic rubbish heap.

As a believer in basic, fundamental democracy—the kind of democracy that rings true to the philosophy of the movement and to the principles back of it—I welcome this clever bit of humor from the Young Democratic Clubs of South Dakota. But I want to warn my enthusiastic and charming young friends among the young Democrats not to be too cheerful and optimistic just because the Republican Party has used the knife of hari-kari to commit suicide with. I want them to appreciate that the Democratic Party is not immune from similar possibilities. Being liberal, rather than conservative, it has a right to expect a longer life. But it must not take too much for granted. It cannot perpetuate itself simply on the strength of the splendid idealism of Thomas Jefferson and the militant iconoclasm of Andrew Jackson. It cannot depend upon the past. It must be able to point to present achievements.

Above all, the progressive, intelligent Jeffersonian democracy of 1935 must refuse to be mesmerized or intoxicated by deceptive phrases. It is a cunning scheme to call a man a radical or something worse because he champions the cause of the common people—the real builders of America.

The task of a clear-thinking Democrat is to refuse to be swept away by such slogans. Do not let paid tools of corrupt private interests frighten you by calling you names! Do not be alarmed because a volley of adjectives is thrown at you! Stand by your principles, regardless of what people say! That is what Jefferson and Jackson did! They were accused of radicalism, but they stood by their guns in spite of lying and insinuations. Can you do equally as well? Here is hoping you can!

The fight for complete real democracy has only begun. The conflict is just ahead. I appeal to you as the vanguard of the South Dakota democracy to prepare yourselves for a greater, more far-reaching struggle than any in which you have yet participated. If you do so, you will have the proud satisfaction of having been warriors for democracy that covers industry as well as politics—democracy that actually means something for the people back on the farms, in the factories, and in every little community in which production is carried on faithfully and honestly.

AN APPRECIATION OF TWO CABINET MEMBERS AND A PLEA FOR ECONOMY

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert a few excerpts from the writings of Thomas Jefferson.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, what is it the gentleman wants to insert?

Mr. LUDLOW. A few excerpts from Thomas Jefferson.

Mr. SNELL. I want to know whether that is in praise of the President or not, because we were notified yesterday that nothing else should go in the RECORD.

Mr. LUDLOW. It is in praise of Thomas Jefferson.

Mr. SNELL. Is it in praise of the President?

Mr. BLANTON. Well, Mr. Speaker, common decency ought to cause the other side to praise him once in a while.

Mr. TABER. Is that the only reason? [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

Mr. LUDLOW. Mr. Speaker, with the worst of the depression over we should begin to pilot the ship of state out of the turbulent open sea into calmer waters where the marks of navigation are more safe and dependable and where the course has been charted by the experience of the ages.

As soon as possible, we should cease to experiment and should return to fundamentals.

As soon as possible we should restore the word "economy" in all the expenditures and regulations of all branches of the Government service and should begin to cultivate once more the art of balancing the Budget, for in that direction, and in that direction only, lies national prosperity and well-being.

I arise, however, to pay a brief tribute of appreciation to two Members of the President's Cabinet who by their administrative practices and utterances are proving in an outstanding way that they are exemplars of sound philosophy in government. I would like to express the hope that the wholesome leaven of their examples may finally permeate the whole loaf and to say of them as was said of Abou Ben Adhem: "May their tribe increase."

I refer to James A. Farley, the Postmaster General, and Daniel C. Roper, Secretary of Commerce.

WATCHWORD OF OUR STATESMEN

For a hundred years "economy" was the watchword of our statesmen. For a hundred years "we demand retrenchment in the cost of government" was a full, resounding phrase that was featured and exploited in every political platform of every political party, national, State, and local, as the greatest of all desiderata. In those times political action lost all of its virtue and its beneficent essence unless it was associated with economy. During that period America arose to a pinnacle of prosperity and greatness unparalleled among the nations of the earth.

Postmaster General Farley has enthroned economy in his Department and he is doing one of the best jobs of protecting the interest of the taxpayers that I know anything about. In administering the great Postal Service he gets 100 cents of value for every dollar of the taxpayers' money he spends. He does not prate about economy but he practices economy in a most effective way. As a member of the Post Office and Treasury Subcommittee of the Appropriations Committee, I have been brought into close touch with the Postmaster General's administrative methods, and I only wish that every other administrative official in Washington had as fine a regard for economy as he has. As a nation we would be better off and on safer ground. He is constantly thinking of economy in the Postal Service and is exercising ingenuity in devising ways and means to effectuate that purpose.

This extends to things which appear little in themselves but which are big when applied to the quantity purchases of the great Post Office Department. For instance, postmasters have been instructed to save wrapping twine that has been used, to knot it together and roll it into balls for future use. This may seem to be an inconsequential item, but it cuts thousands of dollars off of the Government's twine bill and is a very proper economy. I was impressed, also, by an order sent out recently in the Postal Bulletin to all postmasters. It was to the effect that now that the days are longer it is not necessary to turn on the electric lights as early as in the winter, thus making it possible to save on electricity.

WHAT A STUDY IN CONTRASTS!

About the time this Bulletin was going out notifying postmasters to cut down on electric-light bills, a State F. E. R. A. director in Missouri, Mr. J. Warren Sanders, was notifying the 3,617 families on relief in Greene County, that State, that there must not be too much efficiency in relief work, thus making an open bid for inefficiency and waste, as reported by the Associated Press. While the Postmaster General is using second-hand twine to save as much of the taxpayers' money as possible another Government official is encouraging the people on relief to be inefficient and wasteful. What a study in contrasts!

The Postmaster General by his practical economy brought the Post Office Department out of the "red" into the "black" last year with a surplus of $12,161,415—the first surplus in many years. Personally, and speaking for myself only, I would like to see Mr. Farley put in charge of the big $4,000,000,000 relief fund, the Department of the Interior, the Department of Agriculture, the Agricultural Adjustment Administration, and a few other Departments and activities besides his own. It makes me sick at heart to think of killing millions of pigs and turning their carcasses into soap grease instead of feeding them to people who cannot buy meat; to think of artificially curtailing crops and causing a shortage of food when there are so many hungry mouths to be fed; to think of proposals for spending millions—or should I say billions—for such projects as harnessing the tides or trying to establish a tree belt across the United States, where the Almighty hardly permits a cactus to grow.

SECRETARY ROPER'S SOUND REASONING

For clear discernment and sound conclusions the addresses made during the last 2 years by Daniel C. Roper, Secretary of Commerce, are without a parallel. Where could one find a better statement of sound principles than is contained in an address delivered last year by Mr. Roper to the conference of State directors of the National Emergency Council when he said:

> The crux of the recovery program is to so administer the emergency efforts that the pump of private business will be primed to bring forth as quickly as possible a full flowing stream of employment and purchasing power. The Government is doing the priming, business must keep up the pumping. The function of public and semipublic spending has been widely misunderstood in this country. The Government can be expected to start the pendulum on the economic clock, but business must do the winding. The vast expenditures for direct relief which the Federal Government is now making cannot continue for long without creating for the years immediately ahead a condition just as serious in proportions and implications as that which faced our country on March 4 of last year. The motto needed is: Back to normal ways as quickly as possible and thus preserve individual self-respect, business self-respect, State and local self-respect.

Business—honest business, striving to find its way out of the darkness of depression—took heart when Mr. Roper said in that same address:

In this and other connections, the question has been and will continue to be asked as to whether the Federal Government under this administration plans or proposes to increase permanently bureaucracy and Federal control of business to the extent of destroying our economic system by eliminating profits in business and thus submerging and imprisoning human initiative, acknowledged to be the greatest asset in the building of our country and the developing of our trade and commerce. Certainly no one with a proper knowledge of conditions can interpret in the Recovery program such an intention or objective on the part of the present administration. The policy has been clearly stated that the Federal Government should not undertake to do for business in any line what business can do as well for itself; and that, when the imperative emergency requirements have been met, the Government will return, as quickly as conditions will permit, to the hands of business the inherent responsibilities of business.

The businessmen of America—and again I refer to the honest businessmen—have confidence in Mr. Roper, and rightly so. They regard him as a sound thinker and a wise counselor.

ECONOMY SHOULD BE CORNERSTONE

Mr. Speaker, economy should be the cornerstone of our temple of reconstruction. When the debris of the devastation caused by the World War and its backwash—the depression—are cleared away we will find that the genius of our masterful President has forged into our social structure great principles of right and justice, and there they will remain to bless posterity through all the years to come. The one thing now needed to place America on a higher permanent basis of happiness and prosperity than it ever has enjoyed is to abolish the inquisitorial features of government created during the emergency, dismiss the excessive bureaucratic personnel, stabilize the currency, and hew to the strict line of economy.

JEFFERSON ON ECONOMY

To support my contention that economy should be the cornerstone of our temple of reconstruction, I call a distinguished witness—a witness who certainly is entitled to credibility in a Congress predominantly democratic. I call as a witness Thomas Jefferson, the founder of the Democratic Party and one of the first and foremost champions of economy in the history of the Republic.

The Library of Congress is a treasure-trove of Jefferson's writings and in rummaging among them I came across almost innumerable instances in which he stressed economy in Government as the road to national prosperity and happiness. From his writings I quote these typical expressions.

Jefferson to Elbridge Gerry in 1799:

I am for a government rigorously frugal and simple, applying all of the possible savings of the public revenue to the discharge of the national debt.

Jefferson in his first inaugural address in 1801:

Economy in the public expense that labor may be lightly burdened I deem one of the essential principles of our Government and consequently one that ought to shape its administration.

Jefferson in his second annual message in 1802:

To expend the public money with the same care and economy that we would practice with our own is one of the landmarks by which we are to guide America in all our proceedings.

Jefferson to Nathaniel Macon in 1801:

We shall push Congress to the uttermost in economizing.

Jefferson to M. Pictet in 1803:

We are endeavoring to reduce the Government to the practice of a rigorous economy to avoid burdening the people and arming the magistrate with a patronage of money which might be used to corrupt and undermine the principles of our Government.

Jefferson to Shelton Gilliam in 1808:

The same prudence which in private life would forbid our paying our money for unexplained projects forbids it in the disposition of the public moneys.

Jefferson to Samuel Kercheval in 1816:

We must make our election between economy and liberty, or profusion and servitude.

Jefferson to Governor Plumer in 1816:

I place economy among the first and most important of republican virtues.

Jefferson to Samuel Smith in 1823:

I learn with great satisfaction that wholesale economies have been found sufficient to relieve us from the ruinous necessity of adding annually to our debt by new loans. The deviser of so salutary a relief deserves truly well of his country.

Jefferson to Marquis Lafayette in 1823:

A rigid economy of the public contributions and absolute interdiction of all useless expenses will go far toward keeping the Government honest and unoppressive.

Jefferson in his second inaugural address:

The suppression of unnecessary offices, of useless establishments and expenses, enabled us to discontinue our internal taxes. These, covering our land with officers and opening our doors to their intrusions, had already begun that process of domiciliary vexation which, once entered, is scarcely to be restrained from reaching successively every article of produce and property.

Thus, more than 100 years ago, wrote the seer of Monticello whose philosophy in regard to economy in government is as true and immortal as his declaration of the inherent equality of men. The depression forced the great man now in the White House to adopt extraordinary methods which involved extraordinary expenditures but with the worst of the depression over let us hope and pray for an early return to Jeffersonian principles.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for a period of 10 minutes on the subject of Mr. John E. Edgerton and the Southern States Industrial Council and Southern aristocracy, which subject came up yesterday. I believe I have the right to speak as a matter of personal privilege, but I do not like to do that. It would take me 15 minutes to say it and then 1 hour to address the House, which would make 1 hour and 15 minutes. I think I can get by on 15 minutes.

The SPEAKER. The gentleman from Texas [Mr. MAVERICK] asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. KNUTSON. Reserving the right to object, and I do not intend to, because I know the other side is fair, but I would like to have 10 minutes following the gentleman from Texas.

Mr. EKWALL. Reserving the right to object, and I will not object, if there is any Democrat who can make a 1 hour and 15 minute speech in 10 minutes, I think we ought to let him do it.

Mr. STEAGALL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STEAGALL. What are the requests before the House?

The SPEAKER. There is only one request before the House. The gentleman from Texas [Mr. MAVERICK] asked unanimous consent to proceed for 10 minutes. The gentleman from Minnesota [Mr. KNUTSON] has indicated he will make a similar request.

Mr. STEAGALL. I do not object to the request for 10 minutes, which has already been made.

Mr. KNUTSON. It has not already been made, because I reserved the right to object. I will say that I would like to have 10 minutes.

Mr. BLANTON. Mr. Speaker, I make the point of order that two unanimous-consent requests cannot be connected. Each must stand on its own feet.

The SPEAKER. The Chair has no intention of putting but one at a time.

Mr. KNUTSON. For the time being, then——

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I do feel there ought to be some system and reasonable limitation to these morning speeches. It seems to me there is no sense in a half dozen Members all asking for 10 or 15 minutes, to speak immediately after the reading of the Journal, when we have 15 hours of general debate right now in front of us. I think I ought to object to anybody asking for more than 5 minutes before we take up the

bill under consideration. They should be willing to come in under the general debate and ask to speak out of order and for 10 minutes, and I am sure they can secure time that way.

Mr. SNELL. The general debate is confined to the bill, as the gentleman knows.

Mr. MAVERICK. Mr. Speaker, I will ask for 20 minutes, and of that time I will give 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. I will withdraw my objection.

Mr. MAVERICK. Mr. Speaker, I modify my request, and I ask unanimous consent to address the House for 20 minutes, and I am going to yield 10 minutes of that time to the gentleman from Minnesota [Mr. KNUTSON].

Mr. O'CONNOR. Mr. Speaker, the gentleman cannot do that.

Mr. MAVERICK. I ask unanimous consent for 20 minutes, 10 of which I will give to the distinguished gentleman from Minnesota [Mr. KNUTSON]; and further, I will object to anybody else speaking except the gentleman from Minnesota and myself. [Laughter.]

The SPEAKER. The gentleman from Texas [Mr. MAVERICK] asks unanimous consent to proceed for 20 minutes, with the understanding that he will yield 10 minutes of that time to the gentleman from Minnesota [Mr. KNUTSON]. Is there objection?

Mr. O'CONNOR. Reserving the right to object, that is such an outrageous violation of the rules of the House——

Mr. KNUTSON. Well, we are having an outrageous form of government now.

The SPEAKER. Is there objection?

Mr. O'CONNOR. Mr. Speaker, I object.

ANNOUNCEMENT

Mr. GOLDSBOROUGH. Mr. Speaker, I wish to announce that my colleague from Maryland, Mr. COLE, was unable to be present on yesterday because he is a member of the Board of Visitors at the Naval Academy and was required to be at Annapolis. He wishes me to announce that had he been present he would have voted for the conference report on the Interior Department appropriation bill.

HON. JAMES B. REED

Mr. McCLELLAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. McCLELLAN. Mr. Speaker, with profound sorrow I announce the death of a former Member of the House, the Honorable James B. Reed, of Arkansas.

He was a native of that State, born in Lonoke County, January 2, 1881; served his country as a member of the Arkansas Legislature in 1907, and two terms as prosecuting attorney of the seventeenth judicial district. Was a Presidential elector from the Sixth Congressional District of Arkansas in 1924, and was elected a Member of Congress in 1923 and served in the Sixty-eighth, Sixty-ninth, and Seventieth Congresses.

He was a loyal Democrat, a faithful public official, and served with distinction in every office to which he was elected.

Arkansas has lost one of her most distinguished citizens.

CALL OF THE HOUSE

Mr. KNUTSON. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 66]

Ashbrook	Bloom	Buck	Cartwright
Bankhead	Boland	Buckley, N. Y.	Casey
Beam	Bolton	Cannon, Wis.	Celler
Berlin	Brennan	Carden	Christianson
Bland	Brewster	Carter	Claiborne
Clark, Idaho	Gassaway	McGroarty	Smith, Wash.
Clark, N. C.	Gavagan	Marcantonio	Snyder
Cochran	Goodwin	Martin, Mass.	Somers, N. Y.
Cole, Md.	Granfield	May	Starnes
Connery	Gray, Pa.	Mead	Sullivan
Cooley	Griswold	Meeks	Sweeney
Cooper, Ohio	Guyer	Montague	Taylor, S. C.
Corning	Haines	Moritz	Thomas
Culkin	Hancock, N. Y.	Perkins	Tobey
Deen	Harter	Peyser	Tolan
DeRouen	Hartley	Pfeifer	Tonry
Dies	Healey	Plumley	Underwood
Dingell	Higgins, Conn.	Richards	Utterback
Ditter	Higgins, Mass.	Rogers, N. H.	Vinson, Ky.
Driscoll	Imhoff	Rudd	Wadsworth
Driver	Kee	Ryan	Walter
Ellenbogen	Kennedy, N. Y.	Sabath	White
Englebright	Kniffin	Sandlin	Wilson, La.
Fernandez	Lamneck	Schneider	Withrow
Fish	Lee, Okla.	Schuetz	Wood
Frey	Lemke	Schulte	Woodruff
Gambrill	McCormack	Shannon	Zioncheck
Gasque	McGehee	Sisson	

The SPEAKER. Three hundred and nineteen Members have answered to their names—a quorum.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7617, the Banking Act of 1935, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 40 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Chairman, it has been suggested that this legislation is premature, that it requires further study before the country may expect intelligent action at our hands. I wish to say that if any country or any Congress ever had an abundance of experience it is this country and this Congress. We have had every possible experience with the operation of the banking system of the United States. I pray that we may have no more of the kind of experiences we have had some of the time during recent years.

There is nothing radical in the legislation embraced in this bill. It has been developed as the result of the lessons gathered during the periods of prosperity and of unprecedented distress. I want to discuss the provisions of the bill as they disclose the more important purposes contemplated. I shall confine myself to title II which deals with the powers and the activities of the Federal Reserve Board and the Federal Reserve bank.

The first provision to which I desire to direct attention is contained in section 201 of the bill, on page 44, which provides for the combination of the agents of the Federal Reserve banks and the governors of the Federal Reserve banks. Under the original Federal Reserve Act no provision was made for the office of governor of a Federal Reserve bank. That act provided for the appointment of a chairman of each Federal Reserve Bank Board who was to be the executive officer of the bank and also the representative of the Federal Reserve Board. The Federal Reserve banks, without authority in law, but with later sanction by the Federal Reserve Board, set up the office of governor of each Federal Reserve bank, and since that time there has been a divided authority, in practical operation, between the Federal Reserve agent and the governor of each bank.

The confusion has not been serious in its result, but it has created a situation which, I think it is recognized on all sides, needs to be clarified and straightened out. This bill

undertakes to accomplish that result, but there is no transfer of district autonomy to the Federal Reserve Board. On the contrary, as was pointed out yesterday by the gentleman from Texas, the bill embodies something of a surrender of its authority in the management of each of the Federal Reserve banks by accepting the plan adopted without provision of law creating the office of governor and transferring into his hands the powers that under the original law were vested in the Federal Reserve agent selected by the Federal Reserve Board. Hereafter under the pending bill the governors selected are to be approved by the Federal Reserve Board, but in practical operation the men selected by the officials of each of the Federal Reserve banks to exercise these combined powers all of which originally were vested in the Federal Reserve agents will be approved by the Federal Reserve Board. It would be only in very rare instances that this would not happen.

Mr. BACON. Mr. Chairman, will the gentleman yield before he leaves section 201?

Mr. STEAGALL. I yield for a question if it relates to the subject matter that I am undertaking to discuss—

Mr. BACON. I may say to the gentleman that it does.

I notice at the bottom of page 44, speaking of the governor, it is stated:

His first appointment shall be subject to the approval of the Federal Reserve Board.

Mr. STEAGALL. That is correct, and he is to be appointed for a term of 3 years and serves for a term of 3 years; then his successor is to be appointed and the matter of approval rests with the Federal Reserve Board.

Mr. BACON. It is further stated:

He shall not take office until approved by the Federal Reserve Board.

Would that not give the Federal Reserve Board complete control over who the governor shall be?

Mr. STEAGALL. It gives them the power of approval only. The governor already in office would act until a new officer could qualify. The same is true of the vice governor.

Mr. BACON. It would be very simple for the Federal Reserve Board in Washington to say, "Unless Mr. Jones, Smith, or Robinson" or whoever it may be "is appointed governor, we will not approve anybody else."

Mr. STEAGALL. The appointment is made originally for each of the Federal Reserve banks, subject to the approval of the Federal Reserve Board, but in return we are surrendering the provision of the original law which gives all those powers to a Federal Reserve agent appointed by the Federal Reserve Board, so we are not taking away any of the autonomy of the Federal Reserve banks.

Mr. BACON. As I understand the present law, the governor of the Federal Reserve banks must be a resident of the Federal Reserve district?

Mr. STEAGALL. Yes. A change that has been made in this bill in that connection. The governor is not required to be a resident of the district. It follows the rule and the principles that were applied to the appointment and qualification of a Federal Reserve agent. What has happened has been that the Federal Reserve agents themselves have been residents of the districts practically without exception, and really selected by each of the Federal Reserve banks. If the gentleman will permit, I will read an extract from a letter from Hon. Edmund Platt, who was Vice Governor of the Federal Reserve Board for a number of years. I quote from this letter because he is a former Member of this House and one highly respected and honored here.

Mr. BACON. And I may say a very distinguished constituent of mine.

Mr. STEAGALL. That is true. It is stated in this letter:

There is a good deal in title II that seems to me unobjectionable and some things that are certainly an improvement, as, for instance, the abolition of the office of Federal Reserve agent and the doing away with special collateral back of the Federal Reserve notes. I do not see that the Board is given any more power over the Reserve banks by the fact that the governors of the banks elected by their directors are to be "approved" by the Federal Reserve Board. As a matter of actual operation class "C" directors and Federal Reserve agents never have been, or at least only rarely been, actually appointed by the Federal Reserve Board (apart from the first appointments at the organization of the system). By this I mean that nearly all the appointments of class "C" directors and Federal Reserve agents have been made by the Federal Reserve Board on recommendation from the directors of the Federal Reserve banks themselves. It seems to me that that is the way the thing must operate for a Board sitting in Washington can't possibly know the best men to select. Now and then there has been an effort to inject politics into these appointments as was the case, for instance, when President Harding undertook to select a Federal Reserve agent for Kansas City. The Board has always successfully resisted these political efforts, but as long as the Federal Reserve agent remains legally a Board appointee there is danger of injecting politics. I do not believe there will be the same danger about the approval of governors who will be chosen by the directors of the Federal Reserve banks as proposed in the pending bill.

That is the opinion of Mr. Platt.

Mr. BACON. And I respect Mr. Platt's opinion.

Mr. STEAGALL. Mr. Platt has had a very large experience in the operation of the Federal Reserve System.

Mr. BACON. It seems to me that under this bill it is possible to impose say, on the Federal Reserve District of San Francisco, a man from New York, the District of Columbia, or elsewhere.

Mr. STEAGALL. But that imposition would no more exist than it does in the case of the Federal Reserve agent under the original law.

Mr. PATMAN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. PATMAN. The chairman of the committee would not resist an amendment to put the law back where it is now?

Mr. STEAGALL. Please do not ask me to discuss amendments at this time. I am undertaking to explain the outstanding provisions of title II——

Mr. PATMAN. That is a question that will come up and we would like the chairman's attitude on the matter.

Mr. STEAGALL. I again request the gentleman not to ask me to discuss amendments while I am outlining the paramount provisions of the bill. I will be glad to discuss that matter later.

Mr. KELLER. Is there any reason why this provision should not be in the law?

Mr. STEAGALL. Certainly, there is no reason why it should not be in the law and nobody has ever contended there was any reason it should not be in the law.

Mr. Chairman, I want to call attention to another provision which is of far-reaching importance.

I call attention to the provision which liberalizes the discount facilities and lending powers of the Federal Reserve banks. Heretofore, except under the Emergency Act of 1933, which was a temporary emergency measure, no discounts or advances could be made by a Federal Reserve bank for a member bank except upon eligible paper. Eligible paper consists of 90-day commercial obligations or 9 months on agricultural paper. Under this bill the Federal Reserve Board is given power to define anew what eligible paper is, and a broad provision would authorize the Federal Reserve banks to make advances to member banks on their notes secured by any sound assets. There is a very small portion of the security held in the portfolios of the Federal Reserve banks in this country that is eligible under the strict provisions of the rule of eligibility. At the present it amounts to only about $2,000,000,000, or less than 8 percent of the resources of the banks.

I desire to say that this provision of the bill is one of the most important of all contained in the entire measure. I attach importance to this particular provision of the bill because we all know what it means and what to expect under its operation.

I want to make the statement based upon my own knowledge and practical observation of Federal Reserve banks that it was not uncommon prior to the collapse of 1933 for member banks of the Federal Reserve System to approach Federal Reserve banks with large amounts of solvent securities, gathered in service to legitimate business interests of the communities served by the various banks only to be turned away from the Federal Reserve banks without accommodation because of the technical rules of eligibility—unable to

respond to the demands of depositors or to supply reasonable requirements of agriculture, industry, and commerce. They were turned away because of the strait-jacket provisions of the Federal Reserve law based upon narrow rules of eligibility.

If we had had this bill as law, together with the insurance of bank deposits, it would have prevented the closing of thousands of solvent banks that went down in ruin during the years prior to 1933, because of the inflexibility of the law and lack of common sense in the administration of the Federal Reserve System.

These difficulties were recognized when it was too late. I could name now in my own district a number of banks, serving their communities happily and satisfactorily, who, when depositors became frightened and began to withdraw their deposits, were unable to secure accommodation at the Federal Reserve bank because solvent paper tendered the Federal Reserve bank could not meet the rules of eligibility. I could name a number of those banks in my own district that were closed under such conditions that have paid 100 cents on the dollar to their depositors during this depression [applause], and there is no man who has sense enough to cash a check at a bank window who does not know that a bank that could pay out under forced liquidation during this depression was, by all honest-to-God rules, a solvent institution when it was closed. [Applause.]

We recognized these difficulties after the suffering had been brought upon us and the country was in ruin by incorporating in the emergency act of 1933 the liberal provisions that are now embodied in this bill, enabling the Federal Reserve banks to be conducted along common-sense lines and upon principles of solvency rather than mere technical requirements.

Is there not more of statesmanship in anticipating difficulties like these and safeguarding ourselves against them in advance than there is in waiting until perhaps sometime again we see a reenactment of the scene that took place in this House on the 9th day of March 1933, when in the hour of distress and suffering we came here to do the things which some men in Congress, and many on the outside who understood the difficulties that were about to come upon us, had urged should be done in advance and in anticipation of such difficulties, and which would have been a preventive if enacted at the proper time?

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. COLDEN. I would like to ask the chairman of the committee to give us further information about the time limit that this bill provides with respect to mortgages or deeds of trust on real estate.

Mr. STEAGALL. Under another liberalization in this bill that is provided for. The real-estate provision conforms to the general principles of this legislation and the general purpose to make the test of liquidity of bank paper rest upon its solvency and not upon any mere technical rule that in practical application will ruin the country. We are applying that principle to real-estate loans and liberalizing the provisions under which such loans may be made. This provision would amend section 24 of the Federal Reserve Act so that the conditions under which real-estate loans may be made by national banks will be prescribed henceforth by regulations of the Federal Reserve Board, except that (1) the amount of any such loan hereafter made shall not exceed 60 percent of the appraised value of the real estate at the time the loan is made; and (2) the aggregate amount of such loans which any bank may make shall not exceed the capital and surplus of the bank or 60 percent of its time and savings deposits, whichever is the greater.

The purposes of this amendment are to increase the ability of commercial banks to serve their communities, to provide a greater outlet for the banks' funds, and to promote business recovery by opening up the mortgage market and reviving the construction industry.

Few banks are purely commercial, since a large part of the deposits in the banks represents savings. Member banks hold in the aggregate as much as $10,000,000,000 of savings funds. Separation of commercial banking from savings banking in this country at the present time is an academic question, as it could not be accomplished now without disrupting the banking system. So long, moreover, as commercial banks continue to accept and hold a large amount of the people's savings they should use at least a part of these funds in long-time loans and investments.

In using savings funds for long-time investments, there are no outlets that would serve a more useful economic purpose at the present time than real-estate loans. The restoration of building activity to something like a normal level is absolutely essential to further business recovery, and to this end reestablishment of an active mortgage market would greatly contribute. At the present time the banks of the country have a vast amount of funds for which they can find no profitable outlet. Increased activity in real-estate loans would, therefore, be of importance to the banks in helping them to make reasonable earnings and would at the same time enable them to render the proper service to their communities, as well as to contribute to recovery.

Member banks have an enormous volume of excess reserves, and at the same time they are neglecting a broad field of real-estate loans in which there is an opportunity to place their funds. Commercial banks, which are surfeited with funds, are refraining from making real-estate loans in any considerable volume, while building-and-loan associations, which are anxious to make such loans, lack funds for the purpose and are endeavoring to obtain funds from the Government. The Government, on the other hand, is pouring money into the real-estate loan field through various agencies, such as the Home Owners' Loan Corporation, the Reconstruction Finance Corporation, and the lending agencies under the Farm Credit Administration. If commercial banks increased the volume of their loans on real estate, special Government agencies would not be under the same pressure to make these loans, the banks' ability to make a living would improve, and their usefulness to their communities would increase.

There is no logic in prescribing rigid limitations as to the proportion of a bank's funds that can be invested in real-estate loans, when the proportion of their funds that can go into bonds and other kinds of long-time uses is not restricted.

The record of real-estate loans during the depression has not been worse than that of many other classes of loans and investments. Real-estate loans, however, have differed from other long-time investments, such as bonds, in that there was no organized market where they could be sold even at a reduced value. As compared with commercial loans, real-estate loans have also suffered from ineligibility as a basis of borrowing at a Federal Reserve bank. In consequence, real-estate loans which might have been good in substance, despite being temporarily uncollectible, have had to be considered entirely frozen because, until the emergency legislation of February 1932, temporary accommodation could not be obtained from the Reserve banks on these loans as security. The elimination by this bill of rigid eligibility requirements would remove from real-estate loans this serious disability.

What we are interested in is to save any institution and any citizen from bankruptcy and foreclosure and ruin. We ought to furnish adequate credits to take care of every solvent citizen and every solvent institution.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. FITZPATRICK. There is some objection offered to title II. Could the gentleman explain the changes sought to be brought about in title II to which there is so much opposition?

Mr. STEAGALL. I am coming to that right now.

Mr. FITZPATRICK. We would like to find out why there is so much opposition to certain parts of Title II.

Mr. STEAGALL. I am trying to deal first with these practical matters that are easily understood and about which we are not carried into the field of expert economics or, as the gentleman said, the common-sense provisions of the

legislation. I call attention to an important provision of page 48, section 203:

This provision would amend section 10 of the Federal Reserve Act by striking out the present requirement that, in selecting members of the Board, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests and geographical divisions of the country, and substituting a requirement that they shall be well qualified by education or experience, or both, to participate in the formulation of national economic and monetary policies. The requirement that not more than one member of the Board shall be from any one Federal Reserve district is preserved, but it is made inapplicable to the Governor of the Board.

This amendment is for the purpose of describing the qualifications of Board members in terms of the Board's principal function, which is the formulation of national economic and monetary policies. It is important to emphasize in the law that Board action should reflect, not the opinion of a majority of special interests, but rather the well considered judgment of a body that takes into consideration all phases of the national economic life.

The President is authorized to appoint a Governor of the Federal Reserve Board who shall serve until further order of the President, and he is permitted to continue to serve on the Board if he steps down as Governor.

That is not any substantial change in existing law. I wish to direct attention to the provision on page 51:

It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production—

"In the general level of production"—not regimentation or discrimination as between industries as has been suggested. Nobody ever dreamed of that, and it is hard to believe that anybody who ever read the bill should have such a thing in mind. Certainly there is no such purpose on the part of those responsible for this legislation.

To mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment so far as may be possible within the scope of monetary action and credit administration.

Mr. KENNEY. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. KENNEY. In order to carry out that policy it would be necessary for the knowledge to be lodged in that Board of the banking balances and conditions.

Mr. STEAGALL. The Board should have knowledge of all those things.

Mr. KENNEY. Should it not have superior knowledge over member banks, and is there anything in the bill that would give them that superior knowledge?

Mr. STEAGALL. We could not guarantee superior knowledge on the part of members of the Board any more than we can guarantee superior knowledge on the part of Representatives in Congress elected by the people.

Mr. KENNEY. One further question. In order for the Board to control all these things it is necessary to control the member banks?

Mr. STEAGALL. Not entirely; only such control as involves the entire Nation, not the operation of the banks in details.

There is another provision of the bill which changes the method of fixing the powers that are to be exercised to protect the public interests and national welfare. These powers would be placed definitely and unreservedly in the Federal Reserve Board.

The control of the discount rates of the banks has always been placed with the Federal Reserve Board. When the original law was enacted we had only a very scant amount of Government bonds outstanding—probably two or three hundred million dollars—a very small amount, comparatively.

It was thought that the control over interest rates embodied the essential powers necessary for the formulation and enforcement of desirable policies.

I shall read to you now the language of the Federal Reserve Act, to show you how it has been brought down from time to time. Here is what the original law said:

(d) To establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal Reserve bank for each class of paper, which shall be fixed with a view of accommodating commerce and business.

By the Banking Act of 1933, this objective was further defined with respect to open-market operations as follows (subsection (c) of section 12A of the Federal Reserve Act):

(c) The time, character, and volume of all purchases and sales of paper described in section 14 of this act as eligible for open-market operations shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.

Section 4 of the original Federal Reserve Act prescribed the following mandate for the board of directors of each Federal Reserve bank:

Said board shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and shall, subject to the provisions of law and the orders of the Federal Reserve Board, extend to each member bank such discounts, advancements and accommodations as may be safely and reasonably made with due regard for the claims and demands of other member banks.

By the Banking Act of 1933, this was amended to read as follows:

Said board of directors shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and may, subject to the provisions of law and the orders of the Federal Reserve Board, extend to each member bank such discounts, advancements, and accommodations as may be safely and reasonably made with due regard for the claims and demands of other member banks, the maintenance of sound credit conditions, and the accommodation of commerce, industry, and agriculture. The Federal Reserve Board may prescribe regulations further defining within the limitations of this act the conditions under which discounts, advancements, and the accommodations may be extended to member banks. Each Federal Reserve bank shall keep itself informed of the general character and amount of the loans and investments of its member banks with a view to ascertaining whether undue use is being made of bank credit for the speculative carrying of or trading in securities, real estate, or commodities, or for any other purpose inconsistent with the maintenance of sound credit conditions; and, in determining whether to grant or refuse advances, rediscounts or other credit accommodations, the Federal Reserve bank shall give consideration to such information. The chairman of the Federal Reserve bank shall report to the Federal Reserve Board any such undue use of bank credit by any member bank, together with his recommendation. Whenever, in the judgment of the Federal Reserve Board, any member bank in making such undue use of bank credit, the Board may, in its discretion, after reasonable notice and an opportunity for a hearing, suspend such bank from the use of the credit facilities of the Federal Reserve System and may terminate such suspension or may renew it from time to time.

That provision was put in the law of 1933. The Members of this House know how that law was written. They know who was responsible for it. It was recognized then that we needed a broadening and an extension of the powers of the Federal Reserve Board, to be exercised in protection of the national welfare as a whole in pursuance of the declared purpose of the original act. Let us see what happened. These policies of the Federal Reserve banks were developed first by the operation of the banks in buying securities when they did not have commercial paper. Finally they found what they were doing affected very seriously the general trend of prices and business conditions throughout the country.

Prior to 1922 the Reserve banks, having the power to invest money, made considerable investments in the market buying bills and buying Government securities. The holdings of United States Government securities by Federal Reserve banks gradually increased in the early years of the System to about $300,000,000 in 1920, and were slightly smaller in 1921. Purchases and sales of bankers' acceptances were made largely in accordance with seasonal changes in the supply of acceptances and in the demand for funds.

In 1922 Federal Reserve banks, facing a decline in earning assets because of repayments of discounts by member banks, began to buy Government securities for the purpose of increasing their earnings. It was observed that the operations of Federal Reserve banks, acting independently, were affecting the market for Government securities and that these operations conflicted with each other and with those of the banks as fiscal agents of the Treasury.

In May 1922, at a meeting of the governors of the Federal Reserve banks, a committee was appointed to coordinate the buying and selling of Government securities so as to have a more orderly program under central control.

In October 1922 this committee undertook to make recommendations to the Federal Reserve banks regarding the purchases and sales of Government securities. It was observed in this year that purchases of Government securities did not cause an increase in the earning assets of the Federal Reserve banks, nor did sales cause a decrease, but rather they affected the volume of borrowings at member banks. As a consequence, the conference of governors of the Federal Reserve banks voted that—

> Investment policy should give minor consideration to the question of earnings and constant consideration to the effects which open-market operations have upon the condition and the course of the money market and the volume of credit.

On April 7, 1923, the Board advised the governors of the Federal Reserve banks formally of a resolution adopted by the Federal Reserve Board on March 22, 1923, with respect to open-market operations by Federal Reserve banks, pointing out the necessity of the coordination of open-market operations of the Federal Reserve banks with their discount operations and their general credit policy. It also announced the organization of the Open Market Investment Committee for the Federal Reserve System. This committee consisted of five representatives of the Reserve banks and was to be under the general supervision of the Federal Reserve Board.

In March 1930 the Open Market Policy Conference, consisting of representatives of all the Reserve banks, replaced the Open Market Investment Committee. Under the Banking Act of 1933, the Federal Open Market Committee, consisting of 12 Reserve bank governors, was established.

I want to trace what took place under the operation and exercise of these powers. The 12 Federal Reserve banks were finally given power to initiate open-market policies subject to approval of the Federal Reserve Board, but the Federal Reserve Board has no power to require the execution of such policies. What has happened? Under the law as it stands, the 12 governors of the Federal Reserve banks may meet and attempt to lay down a rule for the guidance of themselves in their open-market operations, and the Federal Reserve Board may enter full approval of the plans initiated, but one of the Federal Reserve banks, if it has sufficient resources and facilities, would have the power to nullify everything the other 11 banks might do toward effectuating those policies. Do you think that is a sound condition? That is what has happened, and that is what we are trying to remedy.

Mr. KELLER. Are you doing it in this bill?

Mr. KENNEY. That is a big job. How do you do it?

Mr. STEAGALL. We are going to say that the Federal Reserve Board, under the provisions of this bill, shall consult the governors of the Federal Reserve banks and advise with them about policies that are to be initiated. The Federal Reserve Board will exercise the controlling voice. They are servants of the Government. The Federal Reserve System is the creature of the Government. The basis upon which the Supreme Court sustains the power of the Government to charter banking institutions is that they are instrumentalities of the Government.

It is well settled under decisions of the Supreme Court of the United States that Congress has the power to create banks as instrumentalities of the Federal Government and to regulate and control their operations.

It was established in the case of *McCulloch* v. *Maryland* (1819) (4 Wheat. 316) that Congress has the power to create banks as convenient, appropriate, and useful instrumentalities to aid the Federal Government in the performance of its functions. In this case it was decided by the Court in an opinion rendered by Chief Justice Marshall that the act to incorporate the Bank of the United States was a law made in pursuance of the Constitution. As stated by Chief Justice Marshall in the opinion of *Osborn* v. *United States Bank* (1824) (9 Wheat. 738):

> The whole opinion of the Court, in the case of *McCulloch* v. *the State of Maryland*, is founded on, and sustained by, the idea that the bank is an instrument which is "necessary and proper for carrying into effect the powers vested in the Government of the United States."

Further, in the case of *Farmers and Mechanics National Bank* v. *Dearing* (1875) (91 U. S. 29), the Supreme Court of the United States said:

> The national banks organized under the act are instruments designed to be used to aid the Government in the administration of an important branch of the public service. They are means appropriate to that end. Of the degree of the necessity which existed for creating them, Congress is the sole judge.

Moreover, it is established that banks created by Congress as instrumentalities of the Government are subject to its paramount authority. In *Davis* v. *Elmira Savings Bank* (1896) (161 U. S. 275), the Court said:

> National banks are instrumentalities of the Federal Government, created for a public purpose, and as such necessarily subject to the paramount authority of the United States.

Also, in *Easton* v. *Iowa* (1903) (188 U. S. 220), the Court stated:

> Our conclusions, upon principle and authority, are that Congress, having power to create a system of national banks, is the judge as to the extent of the powers which should be conferred upon such banks, and has the sole power to regulate and control the exercise of their operations; * * *.

After the Federal Reserve Board outlines policies, every Federal Reserve bank will be required to carry out in full faith the plans and policies declared by the Federal Reserve Board, as the servants of the Government of the United States, speaking for all the people and not for any private interest. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to be allowed to proceed for 15 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. TRUAX. Reserving the right to object, I would like to ask the distinguished Chairman of the Committee on Banking and Currency if any time will be yielded to anyone on this side other than members of the committee?

Mr. STEAGALL. I do not anticipate that there will be any trouble in allotting some time to Members other than members of the committee. We expect to sit until Friday night.

Mr. TRUAX. If the gentleman is granted 15 additional minutes, will the gentleman answer the questions to be asked by the gentleman from Texas [Mr. PATMAN]?

Mr. STEAGALL. Of course, I will do that if I can.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PATMAN. Is the gentleman ready to answer questions now?

Mr. STEAGALL. Just let me proceed, I am on what I think is a most important part of this bill.

The control of the Federal Reserve System, for a long time, in the most critical period of the Nation, has been in the hands of one Federal Reserve bank; not under the control of the 12 Federal Reserve banks; not under the control of the Board representing the people of this country, but under the control of one of the Federal Reserve banks. Do not forget that. That is what we are trying to remedy.

The governor of one of those banks conducted constant and frequent conferences with the Bank of England and with other foreign banks. I hope nobody will think I mean to be ugly in saying this, but it was reported that the Governor of the Bank of England came to this country and registered under an assumed name as "Professor Skinner" and held conferences with the governor of one of our Federal Reserve banks.

Mr. CELLER. Will the gentleman name him? He is in my district, and I will be happy to have him named. I think he ought to be named.

Mr. STEAGALL. No. These bankers have suffered enough and I do not desire to criticize them. We want to help them, as well as everybody else, and we want to avoid repetition of

past mistakes; but we need to know the history of these events. They finally did come down and shake hands with the Federal Reserve Board as a courtesy. When the Committee on Banking and Currency sought to find out something about what was going on we were told that we would not be permitted to know. Mr. Beedy, of Maine, a former Member of the House, of splendid ability and highly esteemed, introduced a resolution reciting the history of those developments and calling for an investigation. I would like to suggest that it will be very instructive if Members will read House Resolution 228, which Mr. Beedy introduced on May 26, 1928, Seventieth Congress, first session, and the recitation of facts set forth in that resolution.

Mr. KELLER. Will the gentleman put a copy of that in the RECORD for us?

Mr. STEAGALL. I will try to furnish it to you. Now, following these events to which I have called attention, the Banking Act of 1933 contained this provision:

(g) The Federal Reserve Board shall exercise special supervision over all relationships and transactions of any kind entered into by any Federal Reserve bank with any foreign bank or banker, or with any group of foreign banks or bankers, and all such relationships and transactions shall be subject to such regulations, conditions, and limitations as the Board may prescribe. No officer or other representative of any Federal Reserve bank shall conduct negotiations of any kind with the officers or representatives of any foreign bank or banker without first obtaining the permission of the Federal Reserve Board. The Federal Reserve Board shall have the right, in its discretion, to be represented in any conference or negotiations by such representative or representatives as the Board may designate. A full report of all conferences or negotiations, and all understandings or agreements arrived at or transactions agreed upon, and all other material facts appertaining to such conferences or negotiations, shall be filed with the Federal Reserve Board in writing by a duly authorized officer of each Federal Reserve bank which shall have participated in such conferences or negotiations.

I did not write it; Mr. GOLDSBOROUGH did not write it; Mr. HOEPPEL did not write it; Mr. PATMAN did not write it. It originated in the Senate of the United States, with the approval of a great Senator, whom I respect and esteem, though I do not always agree with him, who certainly cannot be branded as a radical or a foolish extremist, as is sometimes said of some of us.

This law of 1933 grew out of these practices to which I have called attention. This is to compel them to carry out the purposes declared in the original Federal Reserve law. Sometimes we hear much about the Federal Reserve Board, representing the Government, being called a political body. As far as I am concerned, I will take my chances under a political agency, if it must be called "political" simply because it does represent the Government; I will take my chances with a Government board as between a board and 12 banks, 11 of which are dominated by one of the banks, as has been the case heretofore. [Applause.]

Mr. PATMAN. Will the gentleman yield?

Mr. STEAGALL. Please let me proceed just a little further. Throughout the history of this legislation, from 1913 until this very hour, the battle has been fought around the question of whether or not these vast powers, this great control over credit and currency, this power of life and death over agriculture and industry and commerce in the United States, shall be directed by the chosen servants of the sovereign people of the United States for the promotion of the welfare of all the people, or whether they shall be left in the hands of private interests, where they are at least susceptible of use for private profit or private purposes. [Applause.]

I wish to follow that up just a little with some more history; I want to go back to the original law; I want to read excerpts from the report of the committee of this House, which report was written when the original Federal Reserve Act was passed.

* * * In order that the banks may be effectively inspected, and in order that they may pursue a banking policy which shall be uniform and harmonious for the country as a whole, the committee proposes a general board of management intrusted with the power to overlook and direct the general functions of the banks referred to. To this it assigns the title of "The Federal Reserve Board." * * *

* * * * * * * * * The only factor of centralization which has been provided in the committee's plan is found in the Federal Reserve Board, which is to be a strictly Government organization created for the purpose of inspecting existing banking institutions and of regulating relationships between Federal Reserve banks and between them and the Government itself.

There is nothing to this talk of politics. When the great Senator from Virginia wrote that language he was denounced as a radical, one who was trying to turn the control of the economic and financial systems of this country into the hands of irresponsible politicians. I quote further from the same report:

Local control of banking, local application of resources to necessities, combined with Federal supervision, and limited by Federal authority to compel the joint application of bank resources to the relief of dangerous or stringent conditions in any locality are the characteristic features of the plan as now put forward.

It is proposed that the Government shall retain a sufficient power over the reserve banks to enable it to exercise a directing authority when necessary to do so, but that it shall in no way attempt to carry on through its own mechanism the routine operations of banking which require detailed knowledge of local and individual credits and which determine the actual use of the funds of the community in any given instance. In other words, the reserve-bank plan retains to the Government power over the exercise of the broader banking functions, while it leaves to individuals and privately owned institutions the actual direction of routine.

In this section provision has been made for the creation of a general board of control acting on behalf of the National Government for the purpose of overseeing the reserve banks and of adjusting the banking transactions of one portion of the country, as well as the Government deposits therein, to those of other portions. * * *

* * * The power granted in subsection (d) to fix a rate of discount is an obvious incident to the existence of the reserve banks, but the power has been vested in the Federal Reserve Board to review this rate of discount when fixed by the local reserve bank at its discretion. This is intended to provide against the possibility that the local bank might be establishing a dangerously low rate of interest, which the reserve board, familiar as it would be with credit conditions throughout the country, would deem best to raise.

It was not known then that we would come upon a time when the open-market operations would be far greater than the control of discount rates.

Experience has demonstrated that at times the open-market policy of the Federal Reserve System has had a more important effect than the discount rates and it is clear that the same authority which is given the final determination of discount rates should be given the power to make final decisions regarding the open-market policy. The question was whether these powers should rest in the hands of private interests or be placed in the control of a body representing the sovereign people of the country.

One of the fundamental principles of the Federal Reserve Act—a principle contributed to the act by President Wilson himself—was the principle that the Federal Reserve Board should be independent of the bankers and should not include representatives of the bankers. The origin of and reasons for this principle are clearly shown in Senator GLASS' book, "An Adventure in Constructive Finance."

That the Federal Reserve Board, created "as a capstone" to the Federal Reserve System, was suggested by President Wilson in the first instance is shown by the following passage on pages 81 and 82:

December 26, 1912, was a desperately cold day. The snow at Princeton was 2 feet deep. Dr. Willis, the committee expert, had accompanied the chairman, prepared to answer or discuss any purely technical question that might be projected. I had made a written divisional memorandum of the bill I desired to outline to Governor Wilson. The latter had a severe cold and was propped up on pillows in bed. He had canceled every other engagement for the day, and at once it was suggested that he let us come another time when he might be in better trim; but he insisted on proceeding with the business, so intent was he on a speedy and sweeping currency reform. For 2 hours the situation was reviewed and the chairman's memorandum dissected. Toward the end, Mr. Wilson announced it as his judgment that we were "far on the right track"; but offered quite a few suggestions, the most notable being one that resulted in the establishment of an altruistic Federal Reserve Board at Washington to supervise the proposed system. We had committed this function to the

Comptroller of the Currency, already tsaristic head of the national banking system of the country. Mr. Wilson laughingly said he was for "a plenty of centralization, but not for too much." Therefore, he asked that a separate central board provision be drafted, to be used or not, as might subsequently be determined, "as a capstone" to the system which had been outlined to him.

The question before us is whether we shall stand back of the present administration in the worthy effort to preserve the great accomplishment of the Wilson administration and apply to present conditions the wholesome and constructive principles upon which the great Federal Reserve Act was founded.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for an additional 10 minutes.

Mr. TRUAX. Mr. Chairman, reserving the right to object, I would like to ask the gentleman from Alabama if he could now find time to answer the question propounded by the gentleman from Texas [Mr. PATMAN]. I think it is a very important question and should be answered.

Mr. PATMAN. The gentleman can do it under the reservation of objection and it will not be taken out of his time.

Mr. STEAGALL. What is the question?

Mr. PATMAN. The question is, Under present law the Federal Reserve Board selects the Federal Reserve agent of each Federal Reserve bank. He is the chief executive officer of that bank. The Federal Reserve Board also designates the one to act in his place if he is not there. The proposed law changes this and allows the directors of the local Federal Reserve bank to appoint the governor, the title "Federal Reserve Agent" having been changed by this bill to "Governor"—to appoint the governor and also to appoint the one who is to act in his place if he is not there. Does not the gentleman think this is giving the bankers, the private bankers, private corporations, more power and more control in this regard instead of taking something away from them; and does not the gentleman think the system in this regard should be continued just as it is?

Mr. STEAGALL. Mr. Chairman, I have stated that under the original law the Federal Reserve Board named the Federal Reserve agent, who is the chairman of the board of the Federal Reserve bank.

Later, the practice of naming governors grew up in the operation of the Federal Reserve System without specific authority in the law; and I have said that insofar as that particular provision of the law is concerned we have extended further autonomy in the control and operation of the local bank. But let me ask the gentleman this question: I know the struggle it took to get this bill before the House; I know the history of it; I know the fight the Governor of the Federal Reserve Board has made for a year and more to liberalize the Federal Reserve System and to give an enlarged power to the Board in order that the Board may be enabled better to protect the public interest and the people interested in the exercise of these vast powers. I ask the gentleman if he does not think we are gaining a great deal for the public when we recapture and restore to the Federal Reserve Board the complete control of the powers which affect the national welfare as a whole, when we merely surrender the little difference between the Federal Reserve agent and the governor, especially in view of the fact that the governor selected by the Federal Reserve bank must be approved by the Federal Reserve Board?

Mr. PATMAN. I would like to ask the gentleman this question: To whom did he have to surrender? With whom was the gentleman dealing that he had to give up such great power?

Mr. STEAGALL. Does the gentleman believe we can wrest from the banks of this country the control that I have outlined here, that involves the efforts of years on the part of those responsible to the people of the country for protection of their interest in the Federal Reserve banks without a struggle? Does the gentleman say he does not understand that the great liberalism of this act and the recapture of the powers to be exercised in the interest of the people at large did not necessarily involve a struggle on the part of those responsible for this measure?

Mr. PATMAN. I want to know who the gentleman is struggling with on this particular provision.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Chairman, I wish to quote again from Senator GLASS' book.

Mr. KENNEY. When was this?

Mr. STEAGALL. During the consideration of the original Federal Reserve Act.

As related in Senator GLASS' book, the bankers made a desperate fight to have representatives selected or at least nominated by them included in the membership of the Federal Reserve Board. How this proposal was defeated by President Wilson, and the conclusive reasons for such action are shown in the following passage on pages 112 to 116:

It was at this point that the President had us come to the White House for a conference concerning that feature of the bill that gave the banks minority representation on the Federal Reserve Board. I was very definitely committed to giving the banks some voice. Senator Owen, of the Senate committee, had sided with Mr. Bryan in opposition. At the White House conference McADOO agreed at first with me, but later in the evening he proposed a compromise. The President decided against banking representation. This was one of the crucial questions the President had to determine. It was evident it might involve the failure of legislation by embittering the bankers should they be entirely excluded. If they should be included, Bryan and his following might revolt. I had urged the "essential injustice and political inexpediency" of denying the banks minority representation. The President was not bothered about the political phase; but he was willing to discuss the justice of the thing. So convinced was I that the President was wrong in his conclusion that I sent him this note, which is reproduced here to indicate that the President was not easily persuaded nor the chairman of the committee entirely complaisant:

"At the risk of being regarded pertinacious I am going to ask if you will not consider the advisability of modifying somewhat your view of bank representation on the proposed Federal Reserve Board. The matter has given me much concern, and more than ever I am convinced that it will be a grave mistake to alter so radically the feature of the bill indicated. Last night, when I came back to my hotel, I found Mr. BULKLEY waiting, and he sat with me until past 1 o'clock this morning. Knowing that he was so earnestly for a Government note issue and for Government control, I imagined he would be delighted with the suggested alteration. I told him of the change without first indicating my own view, and much to my astonishment and gratification he instantly and vigorously protested, saying he had regarded the extent to which we had already put the Government in control, together with the tremendous power of the Board, as the real weakness of the bill. He also said we could not escape the charge of exposing the banking business of the country to political control. As indicated to you last night, Mr. BULKLEY is a strong man of the committee with whom we must reckon; hence his view of this proposed alteration fully confirms my belief that it would prove an almost irretrievable mistake to leave the banks without representation on the central board. You will note that the bill requires the three members selected by the banks to sever all bank connections before qualifying. Might it not be well at least to take Mr. McADOO's suggestion and have the President select these men from a list proposed by the banks? With high esteem, etc."

The President was adamant; and, if there was ever a lapse, I soon was to revive the conviction that Mr. Wilson knew more about these matters than I did. As anticipated, when the bill was introduced in Congress, bankers raised an uproar about this provision. With scarcely suppressed satisfaction, I headed a delegation of them to the White House to convince the President he was wrong. Forgan and Wade, Sol Wexler and Perrin, Howe and other members of the currency commission of the American Bankers' Association constituted the party. The first two, peremptory and arbitrary, used to having their own way, did not mince matters. They evidently were not awed by "titled consequence", for they spoke with force, and even bitterness. Sol Wexter and Perrin were suave and conciliatory. The President was courteous and contained. These great bankers, arbiters for years of the country's credits, were grouped about the President's desk in the Executive office adjoining the Cabinet room. I sat outside the circle, having already voiced my own dissent from the President's attitude. President Wilson faced the group across the desk, and as these men drove home what seemed to me good reason after good reason for banker representation on the central board, I actually experienced a sense of regret that I had a part in subjecting Mr. Wilson to such an ordeal. When they had ended their arguments Mr. Wilson, turning more particularly to Forgan and Wade, said quietly: "Will one of you gentlemen tell me in what civilized country of the earth there are important government boards of control on which private interests are represented?" There was painful silence for the longest single moment I ever spent, and before it was broken Mr. Wilson further inquired: "Which of you gentlemen thinks the railroads should select members of the Interstate Commerce Commission?" There

could be no convincing reply to either question, so the discussion turned to other points of the currency bill, and, notwithstanding a desperate effort was made in the Senate to give the banks minority representation on the Reserve Board, the proposition did not prevail.

The issue then was the same as it is now: Shall we listen to the appeal for further delay in this period of suffering and depression and permit a continuation of private, selfish control of the vast powers of the Federal Reserve System, that reach now many, many times beyond any power dreamed of by President Wilson and the framers of the original Federal Reserve Act? The Federal Reserve System has surpassed, in the sweep of its powers and influence, anything ever dreamed of at the time the Federal Reserve Act was passed. It is an institution whose controlling officers are sought out by the potentates of the world of finance at home and abroad. The reason is a thousandfold stronger now for the views expressed by President Wilson, and which were written into the law then as best they could be expressed with the facts existing at that time. There is much more reason now to fear private control than there was at the time of these great utterances which I have read to the Membership of the House. [Applause.]

Mr. KENNEY. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New Jersey.

Mr. KENNEY. May I ask the gentleman whether the Government was not handicapped at that time to a great extent by reason of the fact that the party platform in 1912 had declared against a central bank?

Mr. STEAGALL. I have not the exact language of the platform before me at this time.

Mr. KENNEY. Well, in substance.

Mr. STEAGALL. What the platform at that time declared for was a new deal in the control of the credit and currency of the United States. All through the report, as well as in the specific provisions of the bill, there runs the one clear purpose to decentralize private control of the credit and currency of this country. There was a clear purpose to see that the great forces mobilized under this plan should be guarded to the end private interests should never use those powers to their own selfish purposes. Safety in Government depends upon laws written in distrust of individuals and officials. This applies to all citizens and all officials, high and low. I would not trust these powers in the hands of any private interest. I do not abuse bankers. I would write this law following the principle of distrust, and I would apply that principle even to the governing board itself by specifying their powers and the purposes for which they are to be exercised, and by every limitation and restriction that can be written into the law.

Mr. FITZPATRICK. I agree with the gentleman, and I would like to ask him a question.

Mr. STEAGALL. So far as this talk of politics is concerned, we cannot have public control unless we get it through public officials. The public officials of this country get their power from the people and will continue to get it there unless we permit the development of private interests big enough to dominate popular opinion and the politics of the land. Public officials get their power from the sovereign people of the Nation.

The Federal Reserve Act, let me say, was written by politicians. Worse than that, if you could so term it, it was written by partisan politicians in fulfillment of a party-platform pledge. It was written behind closed doors and was taken into a party caucus, and members were required to vote for it or lose their standing in the party. It was written by the same kind of men who are sponsoring and who are responsible for this great reform embodied in the bill now before the House. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN (Mr. DARDEN). The gentleman from Michigan makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred and three Members present, a quorum.

Mr. WOLCOTT. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 22, noes 91.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. STEAGALL and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 13, noes 115.

So the motion was rejected.

Mr. HOLLISTER. I yield myself 45 minutes.

Mr. Chairman, in my remarks on Monday on the rule I touched very generally on the philosophy which is behind the changes in the Federal Reserve Act which title II of this bill brings about. I stated then that when I took time in general debate on the bill I would attempt to go in greater detail into the various specific provisions of title II which illustrate the philosophy to which I referred. I spoke at that time briefly on the history of central banking in this country with particular reference to the history of the organization of the Federal Reserve System. The House was kind enough to grant me unanimous consent to insert in connection with my remarks a considerably more detailed account of the connection between Government and central banking in this country and also a statement of the method of operation of central banks in other civilized countries, in order that the Members might have before them the information by which they could ascertain how other countries conducted their central-banking operations and could see how far the provisions of this bill, if adopted, would carry this country beyond what most civilized countries have felt was wise with respect to governmental control of their central bank.

The distinguished chairman of the committee, with his usual oratorical ability, has completed his statement on this bill. He has also gone into the history of the development of the Federal Reserve System and has talked at great length about the necessity of keeping the control of credit and the control of banking in the hands of the public, where he says it belongs.

I must take very definite and distinct issue with the chairman, if that is really his theory of a proper banking system, because all history has shown that if there is one way in which a country must be kept free, it is in the keeping of the banking system of the country reasonably far removed from the direct influence of the Government and of the Treasury of the Government.

Mr. GOLDSBOROUGH and Mr. ROBERTSON rose.

Mr. HOLLISTER. I yield first to the gentleman from Maryland, a member of the committee.

Mr. GOLDSBOROUGH. May I suggest that the gentleman differentiate between the function of banking and the function of monetary control? One difficulty, as I conceive it, in all our discussions in this country is that we confuse the normal functions of banking with monetary control, and I would ask the gentleman to differentiate between them.

Mr. HOLLISTER. I think the gentleman is quite correct in stating that monetary control and banking are very different. Banking is for the purpose of providing the necessary and proper means, through credit facilities, of helping industry, commerce, and agriculture, while currency control is quite a different matter.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Who issued the worthless German marks, the German Government or the politically controlled German bank?

Mr. HOLLISTER. Whether they were issued by the politically controlled German bank or the German Government, I am unable to state to the gentleman; but the fact remains it was done under the direction of the German Government.

Mr. ROBERTSON. I may state to the gentleman that it was done by the Reichsbank and not by the German Government.

Mr. HOLLISTER. But the Reichsbank at that time was under the control of the German Government, and they were issued under the orders of the German Government at that time.

At the risk of seeming tedious and repetitious, I want to point out again that there is no subject which should be less embroiled in politics than the question of banking. That is quite a different problem from discussing whether or not a particular banking set-up might be subject to political control. I cannot emphasize too strongly that this subject should be studied without the slightest consideration of party and without the slightest consideration of what administration may now be in power or what administration may be in power at a later date. It should be approached solely on the subject of proper theory and whether it is wise that a matter as delicate as the banking system of the country should, by any possibility, be placed in a position where it might be subjected to political influences.

There are, of course, any number of bank-system theories which are rife among the people. There are thousands of economists, and each economist claims to be the Messiah, who, if we will follow him, will lead us out of the wilderness. We have the 100-percent bankers; we have the system of laissez faire, who hold that the banks should be run under private control, without any Government supervision whatever; we have the disciples of manipulation, those who believe that in some way by the control of the amount of currency that is outstanding and by the control of certain other things to which they refer as "levers"—that in some way stabilization of prices, stabilization of employment, or stabilization of production can be achieved. The number of these is legion, and each one has a different plan from the other.

We have in turn various currency theorists—those who believe in the strict gold standard, those who believe in the unfortunate silver-buying policy on which the Government has embarked, those who believe in bimetallism, those who believe in symmetallism, and many other different theories.

We have, however, in the existing Federal Reserve System, one which was evolved after years and years of careful study. It was an act picked from four or five different acts drafted about the same time, and the Congress picked the one which it most approved, and which has worked fairly well up to this time.

The System has been far from perfect. No one will contend that it is perfect. The question is whether it is wise to change this System at the request of one man who has had little, if any, central banking experience, and who has himself changed his mind four or five times since the bill was first prepared.

I expect to recur to this matter again, but in order that it may remain in your minds, I want to repeat that we are here considering one of the most important matters that we will have before us at this session of Congress.

Mr. REILLY. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. REILLY. I know that the gentleman wants to be fair. He would not want the House to understand that Mr. Eccles has changed his mind in any particular since this bill was presented to the committee. The only change he has made is in the details since the bill was drafted. He has made no change in the principle of the bill.

Mr. HOLLISTER. Mr. Eccles' mind has not changed on that.

Mr. REILLY. That is the principal purpose of the bill.

Mr. HOLLISTER. The method of doing it has changed.

Mr. REILLY. On the details of the bill.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. GOLDSBOROUGH. I call the gentleman's attention to the fact that there has been extensive study of this subject. There was extensive study of it when the original Federal act was written, and in every session of this Congress since 1920 the subject has been studied very extensively, so that I believe the gentleman is inadvertently in error when he makes the statement that this subject has not been studied very thoroughly.

Mr. HOLLISTER. In answer to the gentleman, permit me to say that of course the act was originally studied very carefully. I have repeated that over and over again, so far as the beginning is concerned. Meanwhile the act has been in operation for something over 20 years, and there has been no time in this period when any independent commission was appointed to study the act or when anybody gave it any detailed study as a whole. All that has happened is that committees of Congress have from time to time taken different aspects of the act and have had certain hearings on it and passed or failed to pass, as the case might be, certain bills covering these aspects. There has never been any time in that 20-year period when an independent commission was appointed by Congress to study the act and the result of its operation over a period of time and to make general recommendations for its complete revamping. Am I correct?

Mr. GOLDSBOROUGH. The gentleman is correct in saying that no independent commission has been appointed to study it; but, in my opinion, the gentleman is incorrect in his conclusion that the Committee on Banking and Currency has not studied the Federal Reserve Act very thoroughly during every session, certainly since 1920; and I speak from personal knowledge.

Mr. HOLLISTER. I have sat, and I think no one more punctiliously than I, in all the hearings of the Committee on Banking and Currency at this session when this bill was under consideration by the committee. We have had before us Mr. Eccles most of the time and a few other witnesses for an hour or so at a time. Most of these represented particular organizations, but were not in a position to speak for anything except some particular idea which their organization might have.

Mr. GOLDSBOROUGH. Is it proper for me to suggest at this time that one of the witnesses, Dr. Spahr, who was suggested by the gentleman now speaking, stated to the Committee on Banking and Currency that if Congress exercised its constitutional duties to issue money and regulate its value, it would be guilty of forgery. The gentleman's own witness testified to that.

Mr. HOLLISTER. If the gentleman will permit me to answer his question, Dr. Spahr pointed out that one of the definitions of forgery is the signing of a name to a worthless piece of paper, and that if the Government of the United States ever got to the point when it was issuing paper which was absolutely worthless and which had nothing behind it except a promise to pay, then in a way it would be committing forgery. I am inclined to agree with Dr. Spahr. Does that answer the gentleman?

Mr. GOLDSBOROUGH. The gentleman will remember that when Dr. Spahr was questioned he was asked particularly when a bond was sold to a bank, which bond had absolutely nothing back of it except the credit of the Government, and money was issued by the bank because of the bond, why the money issued by the bank was any better than money that could have been originally issued by the Government. In other words, there is just as much behind a greenback as there is behind a Government bond. There is nothing behind a Government bond except the credit of the Government.

Mr. HOLLISTER. That is correct.

Mr. GOLDSBOROUGH. And the same thing is behind a greenback.

Mr. HOLLISTER. That is correct. But behind our Federal Reserve note is 40 percent of gold coverage. It was more gold before the dollar was devalued, but there is still 40 percent of gold coverage. Is the gentleman saying that a Federal Reserve note with 40 percent of gold coverage behind it is not worth more than a note with nothing behind it?

Mr. GOLDSBOROUGH. We were discussing a Government bond.

Mr. HOLLISTER. The gentleman started to discuss the currency.

I shall yield to the gentleman later if I can. I do not want to get into the question of currency at the present time until I have completed my statement.

The Federal Reserve System, as I have said, was evolved as a kind of compromise between those who believed there should be complete Government control of banking and those who believed that banking should operate absolutely independently of any Government control. We are told that what we need is additional Government control. I shall take time in a moment to point out where this additional control is provided in the bill. I wonder how many Members of the House know that there are today in the Federal Reserve Act plenty of implements to do the very things which the proponents of this new legislation claim should be done, but that those weapons have not been used simply because the human equation has failed.

Mr. Chairman, today, in the kind of legislation which we are considering, there is too much of a failure to realize that what has happened in this country has not been the failure of machinery but the failure of human beings who were conducting that machinery. Strangely enough, other human beings of much the same type think that they can invent some new kind of machinery which will abolish the human equation and will in some way, by giving greater power to the people who failed to exercise properly the control that they had, be able in a better way to execute these greater powers. As a matter of fact, there is great danger that if they do no better with these powers than they have done in the past, we will be in worse shape than we were before.

You have heard a great deal about the necessity of changes in the rediscount rate, the necessity for the control of open-market operations, and the necessity of a change in the reserve requirements of member banks; how those three weapons, levers, as they are called, may be used by those in charge to check inflation or check deflation. Those levers are now in the Federal Reserve Act and are capable of being utilized. It is true they are not in the same form which they will be placed in the new act.

Mr. ROBERTSON. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ROBERTSON. Is it not a fact that early in 1929 New York banks wanted to increase the rediscount rate and the Federal Reserve Board refused to do it?

Mr. HOLLISTER. That is exactly what I was going to say.

Mr. ROBERTSON. And is it not also true that in 1933, as far as was then humanly possible, the Congress put new restrictions in the Federal Reserve Banking Act, subject, of course, to the human equation in every law that it cannot be self-administered?

Mr. HOLLISTER. I am very glad the gentleman raised that question, because I expected to mention it a little later. Here we are talking about giving this Federal Reserve Board additional powers to do certain things, on the theory that they will act to protect the country against inflation and protect the country against deflation, when, as a matter of fact, they refused to act back in 1929, when action should have been taken. They refused to take advantage of the powers that they have today, even though the strongest and most influential and most powerful Federal Reserve bank came down here time after time and asked the Federal Reserve Board to give them authority to raise the rediscount rate and stop the orgy of speculation that was then going on. This bill in no way changes control over the rediscount rate.

Furthermore, at the present time the reserve requirements of banks may be changed by a vote of five members of the Board on the declaration of an emergency and with the approval of the President. As far as I have been able to gather, this power has never been utilized. Five members of the Board have never asked that the reserve requirements be changed and have never made an attempt to use the lever which the proponents of this bill now wish to put in their hands to be used much more freely and much more easily.

I should like to take a few minutes to touch on the various provisions of this bill to which I particularly object. Incidentally, before I go into the bill, and apropos of some questions that have been asked, I want to point to H. R. 5357, which I hold in my hand. That is a bill which was prepared and presented to our committee under the name of its chairman, but I know our distinguished chairman never boasted of having prepared it. It was apparently prepared by a combination of various financial officers of the Government who constituted a committee which ultimately approved this bill. After the bill had been presented and we had conducted hearings on it, many amendments in draft form were presented to us. In order that I may do full justice to Mr. Eccles, a number of the suggestions to which I am going to refer were suggested by Mr. Eccles informally the day he first appeared; but before he got through we were presented with a new draft entirely, and interlined in it was page after page of typewritten matter, which was Mr. Eccles' second idea of the form in which this bill should be accepted by Congress. This present bill was accepted practically without change as redrafted in accordance with Mr. Eccles' suggestions.

The new bill which is now before us is practically entirely that redraft. I am not saying that in any criticism of anyone. Conceivably the bill was redrafted as a better bill. It is in some aspects, whereas in some other aspects, in my opinion, it is worse than the original bill. I am not saying that the members of the committee or any individual member of the committee necessarily has greater ability than Mr. Eccles or those who assisted him in drafting this bill, but I do not say that in a matter of such importance I do not like to see legislation submitted in complete draft form and adopted with hardly a change of more importance than the crossing of a "t" or the dotting of an "i."

Now, referring to title II of the bill, which is what I am solely considering, I should like the Members to turn to section 201, at the bottom of page 44, line 23, where it is stated:

> The governor shall be the chief executive officer of the bank and shall be appointed annually by the board of directors. His first appointment shall be subject to the approval of the Federal Reserve Board.

I read now from line 7, page 45:

> At the expiration of such term as a class C director, and of each term of 3 years thereafter, his continuance in office shall be subject to the approval of the Federal Reserve Board.

This is the first time that the office of governor of a Federal Reserve bank is recognized in legislation. In the original act there is no provision for such an office. The governorship is an office which was evolved by the boards of directors of the Federal Reserve banks, and the governor has by custom become the chief executive officer and the dominant figure in the activities of the banks.

The original act provided that there should be appointed by the Federal Reserve Board a chairman of the board of directors of each regional bank. I should point out for those who do not know it that the board of directors of each one of the regional Federal Reserve banks consists of 9 men, 3 of them the class A directors, being elected by the stockholders of the regional banks who are, of course, the member banks of that district. These class A directors are usually bankers. Class B directors consist of three men also elected by the stockholders of the bank, but they are not bankers; they must be actively engaged in commerce, industry, or agriculture.

The class C directors in turn are appointed by the Federal Reserve Board. Thus two-thirds of the members of the board of directors of each regional bank are elected by the private interests whose money has gone into the capital of that bank, whose deposits are held by that bank, whose reserves and excess reserves are there held, and for whom that bank does discounting and the other financial operations permitted under the Federal Reserve Act. The other one-third of the directors are appointed by the Federal Reserve Board, thus giving them a substantial voice in the activities of that particular bank.

This new provision makes the Federal Reserve Board the arbiter of who shall be the governor, and it is later stated that he shall be the chief executive officer, and that all other officers and employees of the bank shall be directly responsible to him.

The Federal Reserve Board can say who shall be the governor of each regional bank, and at the end of 3 years, if it is desired to continue him in office, the Federal Reserve Board's approval must be received. This provision of the bill as first presented to the committee provided that the governor had to be reapproved every year by the Federal Reserve Board if he was reappointed, but Mr. Eccles conceded that 3 years would be often enough for the control which it was desired that the Federal Reserve Board should exercise over him.

I am not pointing this out as a particularly vicious provision by itself; what I want the Members to realize is that all these various steps and the new control granted along the line are cumulative and bring about a greater control than in my opinion is wise for the Government to exercise over the operations of Federal Reserve banks. This one sentence expresses my chief objection to certain portions of this bill.

There is a provision of the bill on page 46 which I think is of doubtful wisdom. It is there provided—line 16:

> No member of the board of directors of the Federal Reserve bank, other than the governor and vice governor, shall serve as a director for more than two consecutive terms of 3 years each.

Many of the best men on the boards of the regional banks have been there for some little time, and, in my opinion, it would be undesirable to eject them at the conclusion of their present terms, as would happen under this provision, realizing, though I do, the wisdom of having a certain rotation in office, and realizing, too, the danger of having any particular clique continue in complete control of the operation of an individual bank. I am merely pointing this out as I pass as something to be considered.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. MARTIN of Colorado. If the gentleman does not mind going back to the provision creating the position of Governor of the Federal Reserve Bank: As I understand it the duties of Governor, chairman of the board of directors, and Federal Reserve agents, are all combined in the present bill.

Mr. HOLLISTER. They are combined in the pending bill. I think it is a very wise provision.

Mr. MARTIN of Colorado. How will he handle collateral? He will be Governor of the bank and also hold collateral for the bank notes.

Mr. HOLLISTER. If this bill goes into effect there will not be any collateral on Federal Reserve notes in the future.

Mr. MARTIN of Colorado. Will any function be left to the Federal Reserve agents?

Mr. HOLLISTER. That is a highly technical question which I would not want to answer offhand. There probably would be some technical things left for the Federal Reserve agent to handle; but the holding of collateral is eliminated in the pending bill.

Mr. REILLY. Mr. Chairman, if the gentleman will yield, under the terms of the bill the Governor has the right to delegate some portion of his various duties.

Mr. HOLLISTER. That is correct, and is a very proper provision.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. PATMAN. The gentleman stated that the duties of governor and Federal Reserve agent are combined. Is it not a fact there never was any legal authority for the office of governor of a Federal Reserve bank?

Mr. HOLLISTER. What the gentleman means by that is not that it is an illegal office.

Mr. PATMAN. I am speaking of realities. Is it not a fact that the provision in the pending bill changing the title of Federal Reserve agent to governor is abolishing an office that does not legally exist?

Mr. HOLLISTER. Absolutely not. The office of governor as it now exists is in no sense illegal.

Mr. PATMAN. Congress cannot abolish something Congress has not created.

Mr. HOLLISTER. Yes, it can; Congress can abolish things it has not created; and that is exactly what is done by this provision of the pending bill—it abolishes the right of the directors of a Federal Reserve bank to appoint their own chief executive officer.

Mr. PATMAN. The effect of it, however, is that there will be but one officer in the future.

Mr. HOLLISTER. That is right.

Mr. PATMAN. And he will take over the duties of the Federal Reserve agent and chairman of the board of directors.

Mr. HOLLISTER. This is a change which, in my opinion, will be highly satisfactory. I believe there should not be any overlapping.

The chief objection to it is that it does not permit the directors of the bank who represent the private interests whose money organized the bank and is in the keeping of the bank to name their own chief executive officer.

Mr. PATMAN. The gentleman realizes they can already appoint 6 out of 9 directors under the present law.

Mr. HOLLISTER. That is correct.

Mr. PATMAN. And under the pending bill they will, in effect, appoint 7 out of 9.

Mr. HOLLISTER. It is impossible to appoint anybody when the appointment is subject to somebody else's approval.

Mr. PATMAN. They just have the veto power, and they are not going to submit the name of one who will not be in every way satisfactory to the private bankers.

Mr. HOLLISTER. The gentleman knows enough about the veto power by this time to know that it is quite a power.

Mr. Chairman, section 202, in my opinion, is entirely satisfactory, and I shall therefore give it no further attention. The first part of section 203, dealing with the pension system under which members of the Federal Reserve Board could retire, is, in my opinion, satisfactory. It has always seemed to me that a man who has a position in the financial world such as to entitle him to membership on the Federal Reserve Board or on a monetary authority or a supreme court of money, or whatever you want to call the particular body which handles these functions, certainly ought to be worthy of his hire. We ought to be able to pick the best men we can, pay them well, and, if they serve for a long period of time, give them a pension.

Mr. DONDERO. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Michigan.

Mr. DONDERO. Suppose a man was appointed at 30 years of age and served 12 years at a salary of $12,000 or $15,000 a year; then went off the Board and lived 40 years after that. He would draw more than a half million dollars in pension for a job that he held just 12 years. Does the gentleman think that is fair?

Mr. HOLLISTER. What does the gentleman mean by "fair"?

Mr. DONDERO. Is it fair to the rest of the people?

Mr. HOLLISTER. The gentleman, of course, is giving a hypothetical illustration which involves an almost impossible situation. In the first place, a man 30 years of age would probably never be appointed on the Federal Reserve Board. Then, again, if he served 12 years he would more than likely be reappointed for an additional 12 years. I cannot imagine a man who had served 12 years and would not want to continue in office. I can conceive the gentleman's illustration happening, but it is so remote that it should not defeat the general purpose of this particular section.

Mr. DONDERO. Could he serve 12 years after having served the first 12?

Mr. HOLLISTER. Yes. He could serve 40 years if he lived that long.

I want to point out, on page 48, line 15, one of the little arrows which point the way the wind is blowing in the mind of Mr. Eccles and others who have conceived this bill. There it is stated that—

In selecting the six appointive members of the Federal Reserve Board, the President shall choose persons well qualified by education or experience or both to participate in the formulation of national economic and monetary policies.

There is one place where I take direct issue with the philosophy of the people who have evolved this kind of legislation. I do not believe it is the function of those in control of the banking system of the country to manipulate it in line with any particular kind of an economic policy. I do not believe that a qualification for membership on the Federal Reserve Board should be education or experience looking toward participation in the formulation of national economic and monetary policies. We should not take education alone, for instance. There are a lot of professors down here who are qualified by education, but far from qualified by experience, to do certain things. I do not believe that is a proper test to make of a member of the Federal Reserve Board. I am not making an issue of this particular feature of the bill, but merely pointing it out so that the Members may see the way the wind is blowing in respect to this legislation.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. What did the hearings disclose, if anything, as to the interpretation those who favor that language would give?

Mr. HOLLISTER. Mr. Eccles is very distinct in his views that the whole economic system of the country should be tied in with the economic policy of the particular administration in control. That is where I take direct issue with him. I say that after careful thought and irrespective of any particular administration. I would not give the greatest President we have ever had the complete power to use the banking system of the country in connection with whatever economic policies he might think were wise at the time. I believe the two should be separated to a certain extent.

Mr. WOLCOTT. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Michigan.

Mr. WOLCOTT. As a matter of fact, Mr. Eccles expressed the thought at least that we had not spent enough or rapidly enough and he does not fear a forty-billion national debt?

Mr. HOLLISTER. That is correct.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. In the gentleman's opinion, what would be the purpose of a Nation-wide monetary policy?

Mr. HOLLISTER. A Nation-wide monetary policy?

Mr. HANCOCK of North Carolina. Yes.

Mr. HOLLISTER. That is a question I would rather have the gentleman answer himself. What does the gentleman mean by a "Nation-wide monetary policy"?

Mr. HANCOCK of North Carolina. Would it be worth anything if it did not affect economic conditions?

Mr. HOLLISTER. Would a Nation-wide monetary policy be worth anything if it did not affect economic conditions? No.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. Was any consideration given in committee to the disjunction on line 14, between the words "experience" and "education"?

Mr. HOLLISTER. It was given consideration by me. I raised the question in committee.

Mr. MARTIN of Colorado. Is the gentleman going to offer an amendment?

Mr. HOLLISTER. I am going to have so many amendments to offer that I do not want to waste my time and energy on minor ones.

Mr. JENKINS of Ohio. Does not the gentleman think that is about the most important thing in this bill, especially if it has any new features? Does the gentleman not think this is liable to lead us very far afield from what we have always considered as conservative banking to put the banks of this country in the position of being more or less back of certain promotion schemes?

Mr. HOLLISTER. Yes. I think the theory is absolutely wrong. Of course, that has little to do with this stump speech which the bill contains, because the President is going to appoint on the Federal Reserve Board whoever he wants. He is not going to announce that the appointee is only qualified by education or experience or both. He is going to say that he is a prominent banker and appoint him. However, it is the theory behind those words that I do not like, and I think the gentleman is correct because it shows a dangerous trend.

Mr. Chairman, at the bottom of page 49, I call particular attention to the words "to serve as such until the further order of the President." That has reference to the appointment of the Governor of the Federal Reserve Board. I do not want any of the Members to get mixed up between the appointment of the Governor of the Federal Reserve Board and the appointment of the governors of the various Federal Reserve banks.

For the first time we have it specifically stated in the law, if this bill takes effect, that the Governor and Vice Governor will serve as such only until the further order of the President.

In other words, they may be designated one day and undesignated the next. When this bill was first presented to the committee it was so worded that the Governor, who was undesignated as such, immediately ceased to be a member of the Federal Reserve Board. This placed the Chief Executive in the position, if he cared to do it (and I do not think any Chief Executive would, but he might), to appoint each member of the Board in turn as Governor, undesignate him the next day and he would go off the Board. Thus, in the brief space of 6 days the Chief Executive could completely clean up the Federal Reserve Board and get a fresh one. When this was pointed out to Mr. Eccles he conceded this possibility and was willing to make a change so that when the Governor is undesignated as such he still remains as a member of the Board if he cares to remain. However, if he resigns within 90 days after his undesignation, he is not subject to the restrictions that are placed on those who have served on the Federal Reserve Board, that for 2 years they may not go into the banking business. He could thereupon leave instantly and go into the banking business.

Mr. CROSS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CROSS of Texas. The language is somewhat ambiguous and the gentleman will recall that Mr. Eccles testified it would not remove him from the Board, but there were some members of the committee who thought it might have that effect and therefore suggested that it should be made plain in the bill.

Mr. HOLLISTER. I do not think it is worth while to go into that now, because it is not in the bill, but I think I could point out by the original bill it was pretty clear what it meant, notwithstanding what was said.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. HALLECK. I notice the language used is that he may continue to serve, which is permissive and not mandatory. At whose option is it?

Mr. HOLLISTER. It has been assumed it is at his option.

Mr. HALLECK. Would it not be more definite if it were referred to as at the option of the removed Governor?

Mr. HOLLISTER. Perhaps, it would, yes. I must say it never occurred to any of us that it was not at the option of

the removed Governor, but it ought to be made clear if there is any doubt about it.

This particular point, by itself again, is not anything particularly vicious. At the present time the removability of the Governor is perhaps an open question and I am now saying this to anticipate what I know the gentleman from North Carolina will probably say when he gets on his feet. That is that the Governor at the present time could probably be removed by the President. The question of whether or not the Governor of the Federal Reserve Board could be removed, that is undesignated as Governor and still remain a member of the Board, has never been settled. The only thing we can say, in answer, is that if it is so, that the President today may remove the Governor of the Federal Reserve Board, why are we now asked to provide for it specifically in the law?

I am trying to point out how these various points build up this additional control over the operation of the Federal Reserve System.

I pass on to section 204. Subdivision (a) is perfectly satisfactory, permitting the designation of minor officers to perform minor functions under the Federal Reserve Board.

Section (b), however, is another manifestation of the same matter we were discussing a little while ago, showing the theory behind the views of those who have evolved this legislation. It reads as follows, page 51, line 4:

> It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

This is one of the prettiest stump speeches I have heard in a long time, and I shall ask the Members who have not studied it carefully to study it and see if they really know what it means. It is, apparently, a mandate placed on the Federal Reserve Board, a Board that was merely to supervise the operation of the banking system of the country. It is a mandate on them to manipulate things so as to bring about certain stabilization factors which may or may not be wise.

It is a very open question whether a particular stabilization of prices, whether a particular stabilization of production, whether a particular stabilization of labor, or of other factors which go into our economic life is wise or not. It is a thing about which economists disagree.

It has never been considered the function of the banking system to point all its efforts toward effecting any particular stabilization of that nature, and I say that this stump speech which is inserted at page 51 is another evidence of what those who are behind this legislation really intend.

Section 205, I suppose, is the most objectionable feature of title II. It is one of the dangerous compulsory features to which I object.

There are in this title a number of permissive provisions. I am never particularly fearful of a permissive provision if those to whom the permit is given do not necessarily have to take advantage of it. I do fear a compulsory provision when the compulsion may bring about a dangerous result.

This section refers to the open-market operations. At the present time, for those who do not know, I should like to say that open-market operations may not be compulsorily enforced on any particular Federal Reserve bank which does not care to enter into them. Incidentally, open-market operations are not alone the buying and selling of Government obligations, as most people think, but also the buying and selling of certain other obligations.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield myself 15 additional minutes.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Virginia.

Mr. ROBERTSON. I want to see if I understand the point that has been made by the gentleman. I believe these Federal Reserve banks are privately owned.

Mr. HOLLISTER. That is correct.

Mr. ROBERTSON. And this policy board can issue an order, mandatory in its effect, that they shall take Government securities at par, say?

Mr. HOLLISTER. Or less than par.

Mr. ROBERTSON. Or at less than par; yes.

Mr. HOLLISTER. At any interest rate.

Mr. ROBERTSON. And at any interest rate. For instance, if the national debt went above $50,000,000,000 and the private investor felt that Government securities were perhaps not worth to him over 75 cents on the dollar, this policy board could make these privately owned banks continue to buy Government securities at the price they had fixed?

Mr. HOLLISTER. As long as they had any resources left.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CAVICCHIA. Following the gentleman's question, if Government bonds dropped 20 or 25 points, as he suggested, and 60 percent of the capital and surplus of the banks was invested in Government bonds, almost overnight the capital and surplus of these banks would be wiped out?

Mr. HOLLISTER. That is correct.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. HANCOCK of North Carolina. Is not it a fact that 75 percent of the holdings in the Federal Reserve System was in Government bonds during the Hoover administration?

Mr. HOLLISTER. What difference does it make?

Mr. HANCOCK of North Carolina. The gentleman said that the banks are privately owned. What does he mean by ownership?

Mr. HOLLISTER. The same way that any corporation is owned—by the stockholders of the corporation.

Mr. HANCOCK of North Carolina. Does not ownership carry control?

Mr. HOLLISTER. Usually.

Mr. HANCOCK of North Carolina. Do the directors of the regional banks have any stock?

Mr. HOLLISTER. No.

Mr. HANCOCK of North Carolina. It amounts to nothing more than a bond for investment.

Mr. HOLLISTER. It is their option to take that stock or not.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. BROWN of Michigan. Is it not a fact that the Federal Reserve banks have to keep 35 percent of their member-bank deposits in cash and 40 percent of their Federal Reserve bank notes in gold?

Mr. HOLLISTER. Yes. I am glad the gentleman called my attention to that.

Mr. HANCOCK of North Carolina. Is there not in the existing law today a provision that the Federal Reserve banks must buy Government bonds?

Mr. HOLLISTER. There is not.

Mr. HANCOCK of North Carolina. The gentleman is familiar with the Thomas amendment, is he not?

Mr. HOLLISTER. I do not think there is any requirement in that amendment that compels the Federal Reserve banks to buy Government bonds.

Mr. HANCOCK of North Carolina. Of course there is; if necessary, to buy up $3,000,000,000 worth.

Mr. HOLLISTER. The Federal Reserve banks?

Mr. HANCOCK of North Carolina. Yes.

Mr. HOLLISTER. The gentleman is correct, if that is so, but I would like to have the gentleman explain it in his own time. I do not think that it is mandatory.

Mr. HANCOCK of New York. Are the open-market operations confined to Government bonds? Are there not other classes of security?

Mr. HOLLISTER. Yes; there are. I so stated.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. CAVICCHIA. I should like to answer the gentleman from North Carolina [Mr. HANCOCK] by saying that it does not make any difference to me whether the Government bonds now held by the Federal Reserve banks were bought during the Hoover administration or any other administration. Politics does not enter into my calculations in considering this or any other bill. I am looking forward to the dangers that may come to the banks if the national debt increases and the banks are forced to take billions of dollars of Government bonds, with a consequent drop in value, which would again close our banks.

Mr. HOLLISTER. Let me pursue that further. In regard to this particular provision about open-market operations, I started to differentiate them as they work at the present time, and as they are provided for in this particular section. At the present time there is an open-market committee, which is appointed by the governors of the Federal Reserve banks. That open-market committee may make recommendations to the Federal Reserve Board as to open-market operations, and if approved by the Federal Reserve Board it is then passed on to the various regional banks, who have a certain length of time in which to state whether or not they care to take a part in those operations, and if they decline to take part, they may not be compelled to do so. Under the present bill, first, there is a greater control by the Federal Reserve Board over the management of the Federal Reserve banks, next a greater control by the Executive over the Federal Reserve Board, and now here a greater control by the Federal Control Board over the credit resources of the country.

I do not know how many of you know that open operations are conducted through the New York Federal Reserve Bank, which acts for all of the other banks, and when it conducts these operations it notifies the various banks pro rata through the country as to how much they must contribute, and the banks in every part of the country, the very banks whose resources are held by the Federal Reserve banks, will see their money syphoned off to New York, to be used in the New York money market and the New York bond market to acquire bonds under the order of the Federal Reserve Board in Washington.

Let me point out something more about the Federal Reserve Board. It is a Board consisting of eight. The Secretary of the Treasury is ex officio a member. He is appointed by the President of the United States. The Comptroller of the Currency is ex officio a member, and, while he is appointed for a 5-year term, and therefore his term is not coterminous with that of the President, nevertheless he is considered an administrative officer. Next, there is the Governor of the Board, who is appointed by the President, designated from the Board, and under this law may be undesignated; next, the Vice Governor, who may be designated and undesignated. Thus, of your Board of eight, you have at least four who are very much under the control of the Executive. I am pointing that out because I am trying to build up in your minds the picture of the power which this bill will give.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. REILLY. Is it not a fact that there is nothing new in this bill about open-market operations of the Federal Reserve System, except the authority to manipulate it is taken from the Federal Reserve banks and put with the Federal Reserve Board?

Mr. HOLLISTER. That is correct. The Federal Reserve banks had a right to decide whether or not to use their own resources in the acquisition of or in the sale of bonds. If the gentleman thinks there is no great difference between using his own money to buy what he wants and having somebody else telling him what he may buy, well and good.

Mr. REILLY. I am pointing out the only difference is taking it from people who do not function and giving it to a body that will function.

Mr. HOLLISTER. Does the gentleman know where there has been any attempt made by the Federal Reserve Board to have open-market operations carried out where the banks refused?

Mr. REILLY. I do know that under the old system the Federal Reserve Board had no power to make them function.

Mr. HOLLISTER. Did it ever try?

Mr. REILLY. I am not familiar with that proceeding.

Mr. HOLLISTER. If the gentleman will check on it, he will find it was the same old thing. It was the failure of the human equation. There is no particular reason to think that by giving more power to people who failed in the past that they will do any better.

Mr. WOLCOTT. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. WOLCOTT. The principal difference between the system we set up under this act and the old system is that it is mandatory upon the banks, under this system, to avail themselves of the Federal Reserve Board, while under the old system they were allowed to use some discretion in the investment of the people's money.

Mr. ROBERTSON. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ROBERTSON. Is it not also a fact that under this section, instead of an open-market committee of 12 selected by the banks themselves, there is a committee of 5, 3 appointed by the President and 2 by the banks?

Mr. HOLLISTER. No. The gentleman has read the original bill. That is another thing which I am glad the gentleman has brought out. The original bill as brought in provided for an open-market committee of 5 members, 3 to be members of the Federal Reserve Board, 1 the Governor, and 2 to be appointed by the regional Federal Reserve banks. Therefore the regional banks would have had some say in the operation of that committee. Under Mr. Eccles' suggestion, later submitted to the committee, the open-market committee is the Federal Reserve Board, acting entirely as a board. A bare majority of the Board, even a bare majority of a quorum, could order these open-market operations.

While I am on that point I would like to devote a minute or two to discussing the really great danger in a provision of this kind. We have heard a great deal about fiat money. Most of us know that it merely means money without anything behind it. In putting out money of that kind, naturally, the issue of $2 would cause no harm whatever; issuing $2,000 would not cause any harm; or, perhaps, $2,000,000; but when you get to a certain point and when the people realize that such money is being issued indefinitely, with nothing behind it, the value of that money goes down and prices go up correspondingly.

There is no difference between the financing of the Government by the issuing of fiat money in that way in an indefinite amount and financing the Government by bonds which unwilling buyers are compelled to take. Both are obligations of the Government. One carries interest and the other does not. The reason a bond carries interest is because the bond is the obligation of the Government, sold to a willing buyer, who buys it in the open market freely, at arm's length, from his savings, the same way as he buys the obligation of a private organization. That is what a Government bond is. That is why the Government bond carries interest, because the investor is willing to lend this money to the Government for the return he receives. When the Government is in such position that it may compel buyers against their will to take a Government obligation with interest, there is no sense in the Government putting out such obligation. It might just as well face the fact that this Government obligation with interest is no better than a greenback forced down the throat of a man who has to take it. What democratic people have fought from the very beginning of time has been the attempt by the ruler to make a forced loan on the people. When a government is in a position that it may so use the credit resources of the country to force people to take its obligations against the desires of those who have saved their money, those who have estab-

lished these credit resources, then, I say, we are going as far down the road to tyranny as it is possible to go.

You may think I am conjuring up a lot of strawmen to knock down. You may say this will never happen, but I say the danger of it is that when a government begins to pump out fiat money, everybody knows it. When the Government, however, under the powers of a bill like this, may quietly compel the banks to take bonds which they do not want, the Government credit may have disappeared quite a while before the people wake up and realize what has happened. That is the chief vice in this particular provision.

Mr. HALLECK. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. HALLECK. Is there any reason to suppose that these six members of the Federal Reserve Board will know anything more about what the banks ought to have in order to be safe, than the people who are operating the banks themselves?

Mr. HOLLISTER. No. All history shows that. The gentleman is bringing out what I have tried my best to say a number of times, that we cannot, by a change in machinery, get away from the human equation. Any system that we set up is going to be only just so good as are the men who run it.

Mr. HALLECK. Many of the national banks in my city got into trouble because the examiners required them to set up what they call a secondary reserve. They made them buy a lot of bonds. Then the bottom dropped out of the market.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HOLLISTER] has expired.

Mr. HOLLISTER. Mr. Chairman, I ask unanimous consent to proceed for 15 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HALLECK. The bottom dropped out of the value of those bonds, that secondary reserve that they had been required to buy, and by reason of that they found that those bonds were the worst asset they had; that they had taken a greater loss on those than they had in the loans they had put out in their own community. Might not that same thing happen if this principle is applied as intended in this section of the law?

Mr. HOLLISTER. It might very well.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. MARTIN of Colorado. I just want to refer back to section 205. I may have misunderstood the gentleman. I thought the gentleman said that the bill now before the House did not carry a provision for the selection of representatives by the banks to constitute the open-market advisory committee?

Mr. HOLLISTER. I should have touched on that. The sentatives by the banks to constitute the open-market open-market advisory committee has no power whatsoever. The open-market advisory committee set out in section 12 (a), page 51, is solely advisory. The Federal Reserve Board, before ordering open-market operations or changing the rediscount rate or the amount of reserve, is required to consult with the open-market advisory committee; but the gentleman knows that consultation does not necessarily mean that they will follow the instructions of that committee.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. BROWN of Michigan. I think from some of the remarks which the gentleman has made that several members of the committee have drawn an erroneous conclusion. The gentleman does not intend, I know, to convey the impression that the member banks are in any way affected by the policies of the Federal Reserve Board respecting the purchase of Government bonds.

Mr. HOLLISTER. Of course, the Federal Reserve Board cannot compel the member banks to use their own resources which they hold at the time; but do not forget the member banks have their reserves and excess reserves deposited with the regional Federal Reserve banks, and those in turn constitute the resources of the regional banks; and those resources over and above the gold requirement to which the gentleman has referred, must be used by the Federal Reserve Board for the acquisition of Government securities if required. Is that correct?

Mr. BROWN of Michigan. Yes; that is true, but I do not want the impression to get about that the Federal Reserve Board can directly tell a member bank, as distinguished from the Federal Reserve bank, what it must do relative to the purchase of Government bonds.

Mr. HOLLISTER. I meant to give no such impression. I am glad the gentleman corrected me if I did give such an impression.

Mr. GRAY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. GRAY of Indiana. As between currency and bonds, does not the issuance of interest-bearing bonds entail a greater obligation upon the Government than the issuance of money?

Mr. HOLLISTER. Certainly.

Mr. GRAY of Indiana. And under the general rule and custom of funding bonds, is it not a fact that before the bonds were paid it would require a double amount of money to pay principal and interest?

Mr. HOLLISTER. I do not quite understand what the gentleman means by a double amount of money. I assume he refers to the interest on the bonds.

Mr. GRAY of Indiana. It would take a great deal more money to pay off the bonds, principal and interest, when they finally are paid off than it would take to redeem a similar issue of currency. Is not this true?

Mr. HOLLISTER. Is it not likewise true when the gentleman borrows money from a friend?

Mr. GRAY of Indiana. I am not asking the gentleman that; I am asking the gentleman whether it is not a fact that it costs a great deal more eventually to issue interest-bearing bonds than it does to issue money?

Mr. HOLLISTER. Certainly.

Mr. GRAY of Indiana. And, under the rules, the practice and the custom of funding these bonds, would it not require about double the amount of the face of the bonds by the time they are ultimately retired?

Mr. HOLLISTER. It depends on the interest rate and the maturity. At 5-percent compound interest the principal doubles in about 14 years.

Mr. GRAY of Indiana. These bonds are not always paid at maturity; they are generally refunded.

Mr. HOLLISTER. We hope that all Government bonds will be paid ultimately. We are beginning to be doubtful, however.

Mr. GRAY of Indiana. It would require a greater obligation.

Mr. HOLLISTER. If the gentleman would like me to go into the difference between the issuance of money and the issuance of bonds, I shall be pleased to at some future time. I merely wanted to touch on it at the present time; I would rather not go into it now.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CRAWFORD. Are we to understand that under the law as it exists at the present time the Federal Reserve bank of Kansas City or of San Francisco is not required to abide by the policy of the open-market committee as recommended by the Federal Reserve Board?

Mr. HOLLISTER. That is correct.

Mr. CRAWFORD. And do we understand further that under the pending bill if the situation is such in New York City and along the Atlantic seaboard that the new open-market policy board recommends a certain policy be followed with reference to open-market operations, that in the event similar conditions did not exist in Kansas City and on the Pacific coast, the Federal Reserve banks at these points could be forced to comply with the policy set up more for

the benefit of the Atlantic seaboard than the Pacific seaboard?

Mr. HOLLISTER. Absolutely; it might be just the wrong thing for the western coast, but under the proposed plan each section of the country would contribute its proportionate share to the open-market operations ordered by the Federal Reserve Board.

Mr. CRAWFORD. The gentleman started to tell us a few minutes ago what open-market operations consist of, but he was interrupted. If the gentleman has time I wish he would complete that statement for the RECORD.

Mr. HOLLISTER. Open-market operations consist of the buying and selling of Government obligations in the open market and also the buying and selling of certain other specified kinds of obligations, usually acceptances and paper of the same kind which is now discountable at Federal Reserve banks.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. PIERCE. Is it not necessary to support the price of Government bonds until such time as we can balance the Budget through higher taxation?

Mr. HOLLISTER. That is a hard question to answer. Let us put it the other way: Would it not be better to balance the Budget as soon as possible so as not to have to issue so many bonds the price of which we may be called upon to support?

Mr. PIERCE. I would vote to balance the Budget today, but in the meantime the price of Government bonds must be supported.

Mr. HOLLISTER. The gentlemen should use his influence to prevent the creation of more spending agencies.

Mr. PIERCE. I would go the greatest distance to support the market for Government bonds. No greater disaster could come than to have United States bonds drop in value. Until the time comes when we can balance the Budget by taxation I think it is absolutely necessary to support the market for Government bonds.

Mr. HOLLISTER. I understand the gentleman's point of view.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. GIFFORD. I would like to have the gentleman continue that discussion a little, as to whether he thinks the Government should be a preferred customer in the markets; should the Government have the preference over all others?

Mr. HOLLISTER. Answering the gentleman, I do not think the Government should be able to compete in a preferred position with private investors in the sale of its bonds. I believe when the time comes that the Government credit is such that its bonds cannot be sold freely in the open market, that only one of two things could happen: Either the Government would have to balance its Budget immediately or it would have to declare frankly that its credit was impaired and that it was at least partially bankrupt. I hope that day will never come, but I want to be sure that all the danger signals that may be set will appear to warn this country that we are going along the wrong track. We ought not by some kind of subterfuge permit the spending authorities to run by those danger signals so that we get into a dangerous situation before we know where we are.

Mr. GIFFORD. The gentleman made a very frank admission to the effect the Government should have a preferential place in this matter.

Mr. HOLLISTER. The gentleman is not referring to me?

Mr. GIFFORD. No; the gentleman from Oregon. He made a very happy suggestion, so far as I am concerned. I would like to ask the gentleman if he would pursue this subject and say whether the Government should be allowed to peg its bonds and put other people in jail for doing the same thing with their securities?

Mr. HOLLISTER. The gentleman will have plenty of time later, and I hope he will develop that matter.

Mr. GIFFORD. The gentleman is so much more able than I am in this respect that I hoped he would discuss this subject of whether the Government should peg its own securities. I hoped he might arouse the conscience of the House by so doing.

Mr. HOLLISTER. I have tried my best to arouse that conscience.

Mr. Chairman, turning to section 206, I wish to point out to the Members that this is a liberalizing provision, inflationary perhaps in its implications, because it permits the rediscounting of any commercial, agricultural, or industrial paper, and permits the making of advances by Federal Reserve banks to member banks on their own notes secured by any sound assets. I am going to take only a little time in a discussion of that section, because while I am doubtful of the wisdom of the section, it is not one of the particular steps to which I object, which builds up governmental control over the credit resources of our country. It is a permissive provision only. A properly run Federal Reserve bank, even though given this authority, would not necessarily follow it to its logical conclusion and would make its own rules as to lending on sound assets, and rediscounting. While I say it is perhaps inflationary and has some dangerous implications, I should prefer not to tie it in with the general argument I am making against the increase in centralized control over the credit resources of the country.

Section 207 seems perfectly satisfactory.

Section 208 is another provision which I do not particularly fear. It provides that hereafter the extra 60-percent coverage over and above the 40-percent gold-certificate coverage existing at the present time on Federal notes, instead of having to be commercial paper of a certain nature, or even Government bonds, under the emergency provisions which Congress recently enacted, this additional coverage may be in general assets of the Federal Reserve banks. I do not much fear under this that a large amount of unnecessary currency will go out.

After all, the tangible currency which we use from day to day in our transactions will only go out as it is wanted by the people. There are a great many who have some sort of a theory that currency may be pumped out in some way by the Federal Reserve banks under existing law. There is no particular advantage in a Federal Reserve bank putting out additional notes. The Federal Reserve banks put their notes out merely as people calling for money want them. If you go into a bank and borrow a thousand dollars, you do not take the thousand dollars out in Federal Reserve notes. You simply want a credit set up on the books of the bank for a thousand dollars and you in turn use it by means of checks. This liberalization, which permits the extra 60 percent over and above gold coverage to be in general sound assets of Federal Reserve banks, does not particularly worry me, and again, is not one of those provisions to which I have referred which builds up control over the credit resources of the country.

Mr. McCORMACK. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Does the gentleman believe that the present law should continue with reference to the powers of the Federal Reserve Board and the various boards of the 12 districts?

Mr. HOLLISTER. What does the gentleman mean? There are some 80 or 90 pages covering that matter.

Mr. McCORMACK. That is true.

Mr. HOLLISTER. Does the gentleman mean to ask me whether I think any changes should be made in the act?

Mr. McCORMACK. I will make it more direct. Does the gentleman believe there should be a more centralized power some place?

Mr. HOLLISTER. That is a pretty hard question to answer.

Mr. McCORMACK. I am seeking information.

Mr. HOLLISTER. I realize the gentleman's attitude.

Mr. McCORMACK. I am not trying to embarrass the gentleman.

Mr. HOLLISTER. I am answering the gentleman in full confidence. It is a question on which I should like to have the opinion of the best experts after a long period of study.

I think, in certain aspects, there might be a more centralized control in the event that centralized control could be exercised by a body which was not in any way tied in with the administrative and executive policies of any particular administration or under any particular political control.

Mr. McCORMACK. I was not going to follow that up by asking the gentleman whether the origin was from a political, governmental, or bank angle, but my inquiry was directed more to whether or not the gentleman felt there should be a more centralized control some place.

Mr. HOLLISTER. I am glad the gentleman asked the question, but I am frank to say it is one on which I am not prepared to make a complete answer. It brings out very clearly what a complicated subject this is.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I ask unanimous consent to proceed for an additional 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLLISTER. Mr. Chairman, answering the gentleman from Massachusetts further, I feel that with an absolutely independent central board it would be safe to grant additional powers; that with a board that is subject to outside control, as the present Board is, the powers now given are as much as should be given and perhaps go a little further than should be granted. But as to exactly what power should be given and how the board should be removed from all control and the checks and balances which should be set up, it makes such a complicated subject that I am not prepared to say right here exactly what should be done.

This is one reason I believe that all the provisions to which I particularly object should be removed now and should be retained for further consideration when Congress next meets.

Mr. McCORMACK. In other words, it really resolves itself into whether the controlling influence should be the source or the origin of the controlling influence or in the Federal Reserve Board in the event of a more centralization of power.

Mr. HOLLISTER. That and, also, how far that controlling influence could go or how far it is perhaps dangerous to go. With the best kind of a board, set up as far removed as possible from any political control, it still might be dangerous to give too much power, because of the fact that the regional situation is so much better known to those who conduct a regional bank than might be known to a central board in Washington.

Mr. McCORMACK. The thought I have—and I say this with some reservation, because, not being on the committee, naturally I cannot devote as much attention to it as the members of the committee—is that commercial banking is now national, and probably one of the weaknesses of our present banking system is the 49 charter-granting and 49 supervisory bodies.

Mr. HOLLISTER. That is a great weakness; I agree with the gentleman.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. FIESINGER. I do not want the gentleman to think I am at all facetious, because I am asking this question in perfectly good faith. Has the gentleman any notions about gold redemption?

Mr. HOLLISTER. I have a lot of notions about it, but I do not think it is pertinent at this time, and I do not believe I ought to take the time of the Committee in discussing that. I shall be pleased to discuss it with the gentleman some other time.

Section 209, I believe, is the next most dangerous provision to that governing the open-market operations.

Section 209 gives the Federal Reserve Board the power to change the reserve requirements in various classes of cities. You know that today there are central Reserve cities, which are the chief cities where the Federal Reserve banks are set up; then there are Reserve cities where the branches of the central banks are set up in the various districts; and then there are " other cities ", as they are called. There are these three types and there is a different reserve requirement in each one. Thirteen percent is the reserve requirement in the central Reserve city, 10 percent in the Reserve city, and 7 percent in the outlying districts—this is on demand deposits; and 3 percent is required in all cities on time deposits.

At the present time these requirements may be changed by a vote of five members of the Federal Reserve Board, who must declare an emergency and must get the approval of the President, thus making it not a particularly easy thing to do quickly.

Under this change a bare majority of a bare quorum—a quorum being 5 and a majority of a quorum being 3—3 members of the Board at any time could very materially change the whole banking set-up of the country.

I do not know whether you know what the implications are of a change in the reserves which must be maintained by the banks. If you increase the reserves to 100 percent, you would, of course, stop all banking functions from a lending point of view, because a bank would have to call all its loans in order to put its resources into gold or lawful money or something which constituted a reserve, and would have to cease doing any banking whatsoever. To the extent that you reduce reserve requirements to that extent you open the way for almost unlimited credit expansion, inflation of one kind or another. Therefore, the power which is granted by this particular section is perfectly enormous and runs the whole gamut from absolute deflation down to the highest kind of inflation.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. HANCOCK of North Carolina. What is the gentleman's understanding of existing law with respect to changes in the reserves?

Mr. HOLLISTER. The existing law, if the gentleman heard my statement, is that five members of the Federal Reserve Board on the declaration of an emergency and with the approval of the President, may change them. Is this the gentleman's understanding?

Mr. HANCOCK of North Carolina. My understanding is that in this clause of the Thomas amendment it is stated that in case of danger of credit expansion the reserves may be increased or decreased. Of course, there will never be any occasion to decrease reserves in case of danger of credit expansion.

Mr. HOLLISTER. No; absolutely not. The gentleman is correct.

Section 210 deals with real-estate loans. I shall touch on this briefly because of the fact that again it is permissive and not compulsory. It is liberalizing and, in my opinion, it is somewhat dangerous, because the failure of a great many of our banks in the past few years was due to the fact they had too many real-estate loans. This permits national banks, as against the present law under which they may only lend up to 25 percent of their capital and surplus, or 50 percent of their time deposits, whichever is greater, and then only on 50 percent valuation—this section changes that and permits them to lend 100 percent of their capital and surplus, or 60 percent of their time and savings deposits, whichever is greater, and permits them to make 60 percent loans. So it is merely a liberalization which a bad banker might take advantage of in order to fill up with too much real estate.

But let me point this out to you, to show again what is in the mind of some of the people who wrote this legislation. When this was brought in to us by Governor Eccles, when he had amended the first draft which came in, it provided that the lending on real estate should be governed solely by rules and regulations of the Federal Reserve Board. In other words, the Federal Reserve Board could, if it cared to do so, issue a regulation to the effect that all the resources outside of a national bank, of the reserves which had to be retained, might be put into real estate, and Governor Eccles said very frankly that one of the ways in which he thought the banking system should cooperate was the relieving of the

real-estate mortgage situation in the country, a view which is not in accordance whatsoever with sound banking. Governor Eccles, all the way through his testimony, showed that what he was thinking of were certain broad, economic policies, certain things which it might be wise to do from the point of view of the economic situation in the country. He would be willing to use the banking system, notwithstanding what the results might be to the banking system, as a vehicle to accomplish certain ends—ends the wisdom of which might be highly problematical or might be greatly disapproved of by wise bankers.

Now, I have gone through this title in detail. I do not believe that anyone listening to me has any doubt about how I feel and what my reasons are for discussing the bill in the way I have. I shall attempt, as well as possible, to improve title II on the floor. There are some good things in title II, and no one will say that it should be rejected as a whole.

I shall do my best to try to strike out three or four dangerous provisions in this title. If unable to perfect title II in any proper respect, I am in hopes that we will be able by a motion to recommit to take out in a lump those provisions which give the additional power over the operation of the Federal Reserve System.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. MARTIN of Colorado. What would be the gentleman's attitude if the same powers were conferred on the Federal Reserve System free from Government control?

Mr. HOLLISTER. I would hesitate to answer that right now. It depends on where the control might be. I do not want to put the control into the hands of the great city banks, but I do not want either to put the banks under political control.

Now, I want to point this out, and I wish everyone would regard this statement with the greatest of care: There has been no showing, no evidence whatever, before the committee of any immediate need for this legislation. There has been no emergency shown to exist. The various provisions to which I object can very well be dropped until a year from now, when there is plenty of time to consider them.

I am not talking about delay for the purpose of holding up legislation. It may be that legislation along these lines will ultimately prove wise. A commission to study this question could have upon it representatives of all the different theories of banking, all of the different theories of monetary control, and could have upon it various Members of the Senate and of the House, and also independent economists. With such a commission, and with the study that could be given this legislation, perhaps we could revamp the Federal Reserve System in such a way that it would be a vehicle for proper banking facilities of the country for many years to come. [Applause.]

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. MARTIN of Colorado. I want to follow up what I asked the gentleman a few moments ago by saying further that undoubtedly the gentleman divined what was back of my question. Many of us regard money as the most vital function in government, next to preserving a stable government, and the question in our minds is whether power over money and credit can be intrusted to private control and direction and yet such power be exercised in the interest of the people as a whole. The gentleman has made a most lucid and informative statement of this bill. There are two questions in it. One is the powers conferred, and the other is where the exercise of the power is lodged. It strikes my mind that in the mind of the gentleman and those who take his view of this legislation, his objection is rather to where the power is lodged under the bill rather than the increased power extended to the Federal Reserve System.

Mr. HOLLISTER. That is chiefly it; although, as I said to one of the other gentlemen, that is a question I would not want to settle finally at this time. It may very well be that some slight extension of power would be wise in the interest of greater coordination, but I would hesitate to answer that definitely.

Mr. MARTIN of Colorado. I am one of those who have always believed—and that is for a longer time than the gentleman has been on earth——

Mr. HOLLISTER. The gentleman flatters me——

Mr. MARTIN of Colorado. That the monetary system of the country has been privately controlled for the benefit of the banking system of the country and not in the interest of the people generally. I believe the time has come to curb that system and that it would be nothing less than a hollow gesture to pass a law here that would still leave the same control in the banks over the money and the credit of the country that has existed up to this time and that exists now.

Mr. HOLLISTER. The gentleman is opening up a very large subject, which I think is worth careful consideration. I think there is a lot in what the gentleman says. I think there is great danger, however, in leaping from one extreme to another, and political control—real political control—over the banking system is a good deal worse than bad private control. I hope we do not have to have either. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 1 hour to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, this bill marks a happy and wise compromise between an outright central bank and the present dual system of irresponsible control in central banking. It proposes, however, a recapture on the part of the Congress of its powers to coin money and regulate the value thereof. If enacted into law, the citadel of financial control in America will be removed from its present location in Wall Street, in the city of New York, to offices in the Capital of the United States, and placed in the hands of responsible men of prestige and authority, responsive only to the duly elected representatives of the people.

My good friend the able and conscientious Representative from the State of Ohio [Mr. HOLLISTER] has made a clear and splendid explanation of the various sections of title II of the bill. I regret very much that his interpretation of the meaning and purposes of many of the sections is somewhat erroneous. I know that he believes conscientiously in the view that he has related to you. You will recall, however, that when the great Federal Reserve System was set up it involved a terrific struggle on the part of the Congress and the people to have representation in the matter of control of monetary policies and banking in America. There are groups today who are criticizing this legislation who directed their venom, vengefulness, and opposition to the Federal deposit insurance law.

This bill is like all Gaul—divided into three parts. Title I and title III seem to have met the approval of the bankers and the business men of the country. I shall have little to say at this time on these titles. There are several amendments I want to offer and perhaps debate at the proper time under the 5-minute rule.

Title I, briefly, makes permanent the present temporary plan for insurance of deposits, setting as the maximum insurable amount $5,000. This covers approximately 98 percent of the individual deposits in the banks of the country. In lieu of the uncertain contingent assessment, a fixed annual assessment of one-eighth of 1 percent is provided, not upon the insured deposits, as exists in the present law, but upon the total deposit liability of all insured banks.

Mr. DARDEN. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I will be glad to yield.

Mr. DARDEN. I do not want to interrupt the gentleman, but why does the gentleman feel it necessary to levy a charge on insured deposits? As I understand it, the one-eighth of 1 percent is now levied against all deposits in insured banks, rather than against just those deposits which are insured. Am I correct in that?

Mr. HANCOCK of North Carolina. Under the present law the assessment lies against only insured deposits, which

means that the small banks, whose deposits do not run much in excess of $5,000, are carrying their own burden, whereas under this law as now proposed, considering the question a Nation-wide one rather than applying to individual banks, the assessment will apply to the total deposit liability of all banks under the System.

Other important changes are made in title I, which will facilitate the effective operation of the Federal deposit insurance law. It is my candid opinion that no measure which has been enacted by Congress during this administration is entitled to a larger measure of gratitude on the part of the American people than the Federal deposit insurance law.

Title III deals with certain technical amendments to the various banking laws of the country. The suggested amendments are based upon the experience of the Comptroller's Office and are offered to you with the belief that their enactment will better enable the proper administration of the banking laws through that office.

Title II is the heart of this legislation. Those who would delay its consideration today, in my opinion, are resorting to a time-worn method of killing the legislation. The Congress has studied this question year in and year out. Some of those who suggest that we delay consideration of it until a commission of appropriate character can go further into a consideration of it admit that that suggestion is brought forward for the purpose of delay, which some of them honestly believe to be eminently desirable. Their criticism of title II seems to have come all from one source originally. The National Association of Manufacturers, the American Liberty League, the United States Chamber of Commerce all denounce title II, and in effect say that it represents not a desire to improve a central banking system of America but to create a politically controlled machine, in order that politics may play an important part. I deny those allegations. There is no suggestion of politics in this measure. I can prove to those present here that under the terms of this bill there is greater independence between the Executive and the Federal Reserve Board than exists today. I can also prove under this bill that local autonomy and self-control of the regional banks is increased under this bill, and such arguments to the contrary cannot be established.

Mr. GIFFORD. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield gladly.

Mr. GIFFORD. We are going to hear this matter that there is no politics in this bill raised many times. Now, let us be fair about it. I ask the gentleman to answer this question, and I think he will answer it fairly. If this bill was presented when Andrew W. Mellon was Secretary of the Treasury and on the Federal Reserve Board, how many votes would he have gotten on the Democratic side?

Mr. HANCOCK of North Carolina. I do not know. I will be glad to poll the Members for the gentleman.

Mr. GIFFORD. I ask the gentleman fairly: Would he himself have voted for this authority if those conditions existed?

Mr. HANCOCK of North Carolina. I absolutely would.

Mr. GIFFORD. I was sure the gentleman would answer fairly. I give him great credit for it. I will try to believe that there are others who feel like he does, but later I may have to express my own views on the matter.

Mr. HANCOCK of North Carolina. I want to make it clear that there is nothing in this bill designed to regulate banking, per se.

Mr. COX. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I will be glad to yield.

Mr. COX. If control of a system of banking and issue must be within the Government, then how is it possible to put an institution, which is to exercise control in the name of the Government, beyond the reach of politics, if by "politics" the gentleman means the duty and power of Congress to deal with the subject?

Mr. HANCOCK of North Carolina. By "politics", I will say to the gentleman from Georgia, I mean dealing with social and economic problems. That is what banking is for.

Mr. MOTT. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. MOTT. I do not quite understand that. If I understood the gentleman correctly, he said there was no politics in it, and then he said that politics, in its broad sense——

Mr. HANCOCK of North Carolina. My first statement referred to that narrow conception of "politics."

Mr. MOTT. I understand, but politics used in its proper sense; that is, the machinery by which the Government is operated——

Mr. HANCOCK of North Carolina. In the sense that a real statesman ought to use it.

Mr. MOTT. Then politics, in that legitimate and broad sense, and the business of banking as it will be carried on under this act, do meet; and it is also the purpose of this act to have the banking operations of the country controlled by those people who are going to constitute a board for the promulgation of economic policies of the Government, and make banking operations fit that policy. Is that correct?

Mr. HANCOCK of North Carolina. Coordinate with it, I would say is the answer.

Title II of the bill accomplishes two important purposes. One is to clarify and fix definitely once and forever the responsibility involved in the administration of the Federal Reserve System.

The other purpose is to improve the administration and credit machinery which the Federal Reserve System sets up. Under this bill, if enacted into law, the control of the volume and cost of money is definitely placed in a governmental board appointed by the President and confirmed by the Senate.

The expansion and contraction of credit, Mr. Chairman, in its last analysis is nothing more than the buying and selling of money. When the central system buys governments it is increasing the supply of money and decreasing its cost; when it sells governments it is diminishing the supply of money and increasing the cost, either of which operation affects the purchasing power of the people. It is the most important function of government and it is the exercise of the sovereign power of a central government.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. HOLLISTER. I did not want to interrupt the gentleman's train of thought, but during the time I was addressing the Committee the gentleman propounded a rather pointed question to me, intimating that the Thomas amendment had given powers to the Federal Reserve Board to require Federal Reserve banks to acquire Government obligations. I thought I knew the answer at the time the gentleman asked his question, but I did not want to give a categorical denial to the gentleman when he had made a direct assertion. I have the Thomas amendment before me. There is nothing in the Thomas amendment which gives any power whatsoever to the Federal Reserve Board, or anyone else, to compel Federal Reserve banks to acquire Government bonds. It directs the Secretary of the Treasury to secure the approval of the Federal Reserve Board, and if the Federal Reserve banks will agree, then to enter into agreements with them by which they will acquire Government bonds. There is absolutely no compulsory feature in it.

Mr. HANCOCK of North Carolina. I read it a little differently than does the gentleman from Ohio.

Mr. Chairman, the heart of this bill, as I have just said, revolves around the operations of the open-market committee; but, Mr. Chairman, there is not a single new principle introduced into this legislation. Every power provided for in this bill exists today in the present law; but there is a transfer of power to take the control of the volume and the cost of money from private hands and place it in Government hands, where, in my opinion, it should have been for the past 20 years. [Applause.]

Under title II there are four major proposals: One has to do with the combination of the governorship and chairmanship of the Federal Reserve banks. It has been found that a dual organization works against the welfare of the Nation as a whole, and that by combining these two offices the Gov-

ernment will effectuate a saving of more than $400,000 a year. The second major proposal is to modify the determination of the open-market policy. The third proposal is to transfer the determination of eligibility from the statute to regulations to be prescribed by the Board. The fourth is to liberalize the provisions with respect to real-estate loans.

The suggestion has been made that under this bill the Federal Reserve Board will be able to force the banks to purchase Government obligations. In my opinion, this is absurd, but personally I believe that in times of great depression and in times of danger and war the Government ought to have the right through its central system to insure an adequate supply of credit at reasonable cost. Let me ask you this one question, and you answer it in your own minds: Suppose this Congress tomorrow should appropriate $1,000,000,000 for public use; suppose it should say to the Secretary of the Treasury, "We want $1,000,000,000; the Government needs it"; suppose the banks would not be willing to buy the bonds of the Government; do you mean to tell me that this Congress has lost its sovereign power? Do you mean to tell me that private bankers have a monopoly upon the creation of money? If the banks would not buy the bonds the Government would create its own money and finance this Government. [Applause.] What else could they do?

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. HOLLISTER. Does the gentleman consider that sound financing?

Mr. HANCOCK of North Carolina. It would depend upon the purpose for which used. Under those circumstances, yes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. HALLECK. The gentleman heard the statement of the gentleman from Ohio [Mr. HOLLISTER] regarding his idea as to the proposition that to force the buying of bonds would be exactly similar to the issuance of fiat money. Does the gentleman believe there is any real distinction between the two propositions?

Mr. HANCOCK of North Carolina. My views with respect to money matters are pretty liberal and, I hope, sound. It has been very difficult for me to determine the real distinction between fiat bonds and fiat notes when both of them have nothing behind them but the full faith and credit of the United States Government. [Applause.]

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. PATMAN. The gentleman stated, if I understood him correctly, that the Federal Government would save $400,000 a year by abolishing the office of the Federal Reserve agent and placing the duties upon a man to be designated governor of the Federal Reserve bank. I do not understand how the Government could possibly save anything when no profits, not even excess profits, of the Federal Reserve banks go into the Treasury, but all the profits go into the surplus funds of the banks.

Mr. HANCOCK of North Carolina. I know the gentleman from Texas fully understood what I meant by that, because, even though the law does say that the profits shall go to surplus, in case of liquidation of the banks all of it would go into the Treasury.

Mr. PATMAN. In case a bank were entirely liquidated, the Government will get what is left.

Mr. HANCOCK of North Carolina. Yes.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. MOTT. The gentleman made the statement that the contention that under this bill the banks could be compelled to buy Government securities was absurd. I asked the gentleman how he reconciles that statement with the language of subsection (c) on page 52 of the bill.

Mr. HANCOCK of North Carolina. Which requires that they shall cooperate?

Mr. MOTT. Not merely that they shall cooperate. The language is short; I will read it:

> Each Federal Reserve bank shall purchase or sell obligations of the United States, bankers' acceptances, bills of exchange, and other obligations of the kinds and maturities made eligible for purchase under the provisions of section 14 of this act to such extent and in such manner as may be required by the Federal Reserve Board in order to effectuate the open-market policies adopted by the Board from time to time under the provisions of this section and each Federal Reserve bank shall cooperate fully, in every way, in making such policies effective.

If this language is not absolutely compulsory, then I do not know how to interpret language.

Mr. HANCOCK of North Carolina. Let me ask you a question in reply: Suppose they would not do it, how could it be enforced? It is purely a matter of providing a means for smooth, coordinated effort in behalf of the Nation as a whole. It is essential to the carrying out effectively such policy as may be prescribed by the Board for the attainment of the objectives under the mandate.

Mr. MOTT. I may say to the gentleman that I have not examined this bill for the penal parts of it, so I am not able to say off-hand what would be the remedy should a bank refuse, but I dare say, if the bill is well drawn, the remedy is in the bill. It should be in there or else this language does not mean a thing.

Mr. HANCOCK of North Carolina. The original philosophy of the Federal Reserve Board or system contemplated that the Board here would exercise supervisory control over the regional banks. If that was not the purpose and philosophy, will the gentleman tell me why have a central board in Washington?

Mr. MOTT. That was not my question.

Mr. HANCOCK of North Carolina. I would like to continue. I have given the gentleman my opinion. He may differ with me.

Mr. MOTT. Then does the gentleman go further and say that under such circumstances this subdivision (c) could as well be taken out? If it cannot be enforced, why require it?

Mr. HANCOCK of North Carolina. I think it ought to be so worded that you could under extreme conditions, where the Nation's welfare is endangered, force them to finance the Government's operations.

Mr. MOTT. Will the gentleman agree to an amendment which would limit the compulsion to that particular emergency situation? If he would, I could go a long way with him.

Mr. HANCOCK of North Carolina. I do not know. The committee has studied this bill for 9 weeks and everyone who had an idea or thought was given an opportunity to present and advance it. We have discussed each section back and forth, and I am inclined to go down the line for this bill, with one or two exceptions, because I believe in its purposes with all my heart.

Mr. GIFFORD. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. If the gentleman will read the record, he will find an answer to the question he just asked. Governor Eccles said it would be too bad for those banks who did not cooperate.

Mr. HANCOCK of North Carolina. Mr. Chairman, we know in this country there is no source to which the banks can turn in time of distress for money except to the central reserve system. That is the purpose in having a central reserve system. There is no other authority except the Federal Government that can issue money. If this act had been on the statute books in 1932, we would never, in my opinion, have had a bank holiday in America; and, notwithstanding the statement made by my good friend the gentleman from New Jersey [Mr. CAVICCHIA] the other day, that under the bill we are likely to have another holiday, I prophesy that not in your lifetime nor in mine will we see another banking holiday in America if this act is placed upon the statute books, because the things of sound value in this country whether they be liquid according to orthodox banking may be used to support currency and Federal notes.

One of the most important provisions or proposals in the act has to do with the question of the eligibility of paper. There are those who hold the orthodox view that no paper should be eligible unless it is self-liquidating and this liquidation can be accomplished within a short period of time. I need not relate to you the changes that have come in our economic system. You know what has happened. You know the whole system has undergone a radical change. Small banks throughout the country, which this particular section will help and which it is designed to help, may come to the Federal Reserve banks, if this bill is passed, and secure accommodations which they could never secure before. The small country banks are, as they should be, really for the first time put on an equality with the big ones. The old idea of commercial paper or such paper as can be liquidated almost overnight has been the greatest curse to business activity in America. It has done more to force banks to remove their support from local communities than any other one thing. I hear the orthodox boys talk about liquidity. When they refer to liquidity they are merely talking about a listed bond or stock. I contend that we must reemphasize the value of real-estate mortgages in this country and restore those securities to their erstwhile high state.

Mr. KENNEY. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from New Jersey.

Mr. KENNEY. Is there anything in this bill providing for the old bill of exchange?

Mr. HANCOCK of North Carolina. I do not think there is.

Mr. KENNEY. Can the gentleman tell us why we abandoned in this country the bill of exchange?

Mr. HANCOCK of North Carolina. I have not considered the matter. There was no discussion of it before the committee.

Mr. KENNEY. The bill of exchange is in vogue in England and in France?

Mr. HANCOCK of North Carolina. I understand the gentleman is correct as to England, but I do not know anything about the financial situation in France.

Mr. Chairman, it has been frequently asserted in newspaper and financial reports that the failure of a great many banks in America was due primarily to frozen real-estate paper. Such assertion is absolutely false, based upon the record.

An examination of failures of banks throughout the country during the recent debacle proves conclusively that in those areas where the banks carried the most real-estate paper the failures were less, and that more failures took place in this country as the result of depreciated bonds and stocks than because of frozen real-estate paper. Upon reflection this is easy to understand, because when the examiner came around to examine the portfolio of the bank, his estimate or appraisal of the value of securities was usually fixed by the quoted price on the New York Stock Exchange rather than by the intrinsic value of the stock or bond, whichever he was appraising.

Here is good news, I am sure, to all of you.

Under the provisions of this bill any sound asset, mortgage, bond, or any other thing representing sound value may be used as a means for borrowing from the Federal Reserve System. This does not mean, as some critics have stated, that the doors are being opened wide to unsound paper. Emphasis under this bill would be placed on substance rather than form or maturity. In these rapidly changing times it is necessary, wise, and well that we vest in this Board the discretion to regulate what paper will be eligible and what paper will be ineligible.

Mr. DARDEN. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Virginia.

Mr. DARDEN. Are there not certain sections of this country in which there is very little eligible paper available for banking?

Mr. HANCOCK of North Carolina. The gentleman is correct. The record shows that in 1929 less than 12 percent of the total assets of banks belonging to the Federal Reserve System was eligible for rediscount. The record shows that less than 8 percent, under the rigid, narrow rules of eligibility, is eligible today. This finding, I understand, was made by the banks themselves and is therefore probably a liberal one.

May I say, apropos of what our great leader said the other night in his radio address, that banks are not set up merely to be savings institutions, but should be so set up and operated as to serve the local community and aid the great Central Government and States in a speedy effort to bring about recovery and employment in this country. Without the sanction of the Government they would have no right to operate. Do not forget that. Do you know that out of $8,700,000,000 in assets of the Federal Reserve System there is today less than $6,000,000 of discounts in the entire System?

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I will be pleased to yield to the gentleman from Ohio.

Mr. HOLLISTER. The gentleman quoted from the speech of the President the other night. I should like to add that the President also said, "Wise public policy, however, requires that banking be safe." Bankers are perfectly willing to lend money today if they could find any safe place to lend it, and the reason they cannot find a safe place to lend it is because the confidence of the people has been so badly shaken. If confidence is once restored there is plenty of money to lend, and the bankers have their tongues hanging out now trying to lend money where it will be safe.

Mr. HANCOCK of North Carolina. I have heard that song for the last 2 or 3 years, I will say to the gentleman.

Mr. HOLLISTER. It is a good song.

Mr. HANCOCK of North Carolina. The thing the gentleman fails to state when he speaks about loss of confidence is the time when this loss of confidence started. I want to know whether the gentleman feels we should proceed upon the same plan that existed back in 1932 and "let Nature take its course and its toll."

Mr. HOLLISTER. I am sorry to say to the gentleman that he is always looking backward instead of forward. If the gentleman would look forward and not discuss what has been done in the past, perhaps we might get along. It does no good to try to go back and decide whether it was the war or certain particular policies or something else that brought about the depression. We are all interested in ending it.

Mr. HANCOCK of North Carolina. I am glad to hear you say that. What do the indexes show with respect to trade and business today?

Mr. HOLLISTER. I wish I could tell exactly.

Mr. HANCOCK of North Carolina. Would the gentleman mind inserting in the RECORD at some time during the consideration of this bill a comparison of business conditions in 1932 with conditions today?

Mr. HOLLISTER. If the gentleman has that information available, I would be pleased to have him insert it in the RECORD.

Mr. HANCOCK of North Carolina. I think it would be very helpful to the House. It would certainly reveal a remarkable growth of confidence of the average man in his Government during the past 2 years.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. COLDEN. The gentleman spoke of the short-term loans of the present system on commercial paper. Did not that have the effect on small banks, particularly in the country, of forcing such banks to invest in securities away from home and drain the community of the funds necessary to carry on the business of that community?

Mr. HANCOCK of North Carolina. That is correct, and any man who is familiar with the banking system of this country knows that the average short-term paper is practically, without exception, never paid upon maturity. It is a process of renewals from time to time. It merely tightens the grip of the banker over the borrower in many instances.

There have been some reports going the usual rounds about how the administration stands with respect to this measure. I have no authority whatever to speak for the administration, but I do believe that the Members will be interested in listening to a letter which I wrote to our President about this bill. On March 21, 1935, I wrote him as follows:

MARCH 21, 1935.

Hon. FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Though certain modifications and changes in the Banking Act of 1935, as now written, which our committee has had under consideration for the past 2 weeks, will and should be made, it is my reasoned judgment that the purposes sought to be carried out through title II of the act are not only desirable but urgently necessary if your splendid program for recovery and reconstruction is to become permanently effective as an improved and more righteous economic system.

The controls provided for in section II are not only essential to prevent the recurrence of speculative excesses which preceded the recent break-down of our banking machinery but are also equally essential as a present need to encourage the banking system to give a full measure of cooperation to efforts of the administration at economic recovery. Without such controls, vested in the Federal Reserve Board or an independent board similar to the one proposed in the Federal Monetary Authority Act of last year, our banking structure cannot possibly, year in and year out, be an ever-effective influence toward the moderation of fluctuations in employment, trade, and business. As you, of course, well know, the control or regulation of the volume and cost of deposit or check money is the all-powerful weapon for avoiding successfully the up-and-down economic battles of a free people.

I do not know how you feel toward this legislation; but I am confident that at the right and strategic time you will make your views known. My candid opinion is that the House of Representatives will by a large majority receive this legislation with open arms, and that the real fight against it will come in the Senate. Subterranean rumors are coming to the surface from various sources to the effect that legislation of this character should not be considered further at this time or until after a comprehensive study of banking and monetary matters by a national commission of appropriate character could be made. To carry out such a plan, the idea is being planted here and there that you will at the proper time recommend a division of the banking bill so that title I and title III can be acted upon at this time, action of title II to be deferred until further study by an appropriate committee can be made. Of course, I realize that this may be the usual propaganda which we must meet in all proposals which certain selfish interests oppose and try to defeat. I certainly trust that you will not consider any proposal looking to a division of the bill, especially if you favor the general purposes incorporated in title II.

With assurances of my confidence and best wishes,

Very respectfully yours,

FRANK HANCOCK.

On the 15th of this month I received a message from the President stating that he found himself in general accord with the views I had expressed in my letter of March 21.

Mr. Chairman, I said at the beginning that I could show there was a greater independence provided for in this bill between the Chief Executive and the Federal Reserve Board. I take it it is now my duty to prove this.

In the first place, I think independence is created by the fact that the directors under this bill are provided with a pension which will enable them to act independently and not be apprehensive about losing their positions.

In the second place, we restrict the President as to the type of men that he may appoint on this Board. They must be men, well qualified by training or experience, to participate in the formulation of economic and monetary policies.

Mr. MOTT. That is not the language of the provision. It says "education or experience" and not education and experience.

Mr. HANCOCK of North Carolina. I appreciate the correction.

Mr. MOTT. Mr. Tugwell could qualify under this definition of qualifications.

Mr. HANCOCK of North Carolina. And probably make an able man on the Board.

Mr. MOTT. Perhaps he would, but I am simply saying that under this language he could qualify and he is not a banker and has had no experience in banking.

Mr. HANCOCK of North Carolina. Banking experience alone should not qualify a person for membership.

There are two more reasons why I think greater independence results. The third is that under the provisions of this bill if the directors are required to exercise one of the levers for monetary control, to wit, that of changing the reserves of the banks, they can do so without the approval of the President. Under the Thomas amendment the affirmative action by five of the Board with the approval of the President is required before the reserves can be increased or decreased.

The fourth is that in this bill there is a mandate to this Board to which they shall ever work. The committee took the position, and rightfully so, in my opinion, that if Congress is to delegate further powers to this Board, the Board itself should not have the right to define the objectives for which these powers must be utilized, and we have put in this bill a mandate which must be respected and observed, and this mandate provides, in sum and substance, that the powers which we delegate in this bill to the Board must be used to promote conditions conducive to stability in business and to mitigate, by its influence, unstabilizing fluctuations in the general level of price, trade, production, and employment as far as this can be done within the scope of monetary authority and credit administration. The Reserve Board would have some discretion in the means of handling each situation, while at the same time employing the main objective the Board should keep before it.

The present Federal Reserve System was set up at a time when open-market operations were not a problem and few men knew anything about their relation to or effect upon the credit or monetary situation. We only had but about $200,000,000 in bonds available for use in such operations at the time this system was established, if my memory is correct. The main objective, as written into the act, was that the system should be so conducted as to accommodate the credit needs of agriculture, industry, and commerce.

That phrase is a vague one. It has the attributes of a statesmanlike pronouncement. It is scarcely more than a glittering generality—something like, you might say, the Declaration of Independence—and its contents can be changed as circumstances change.

Mr. HOLLISTER. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. HOLLISTER. Does the gentleman mean to say that the Declaration of Independence is a glittering generality?

Mr. HANCOCK of North Carolina. Yes; I think it is a glittering generality to a considerable degree.

Mr. HOLLISTER. I think it is a pretty fine document.

Mr. HANCOCK of North Carolina. So do I. But with the changes that have come about during the past 20 years in our banking and economic system it is imperative that we substitute a more clearly defined objective than this inadequate and somewhat meaningless phrase. In the formulation and administration of a monetary policy there is the greatest responsibility that can fall to a group of human beings. This function transcends those of banking, farming, manufacturing, or any other business activity. As I have said, it literally controls the economic and social welfare of the whole Nation. May we trust and pray that never again in the life of our Republic will it be possible for these powers to be used for private profit of a few "in the know" at the expense of an innocent, distressed, and sorely stricken people.

May I now, without further interruption, elaborate in the order named at the beginning of my remarks, the four major proposals included in title II of the bill, all of which are necessary to clarify and definitely fix the responsibility involved in the administration of the Federal Reserve System, and to bring about the wise adjustments necessary in the light of past experience and present-day needs. I should digress here for a minute to analyze some of the suggestions of the opposition. It might be better to search them.

The critics of this measure, in their hysterical and emotional outpourings, and the hymns of hate by some are resorting, as I mentioned in the start, to a time-worn device for delaying action on the theory that there is no need for these changes in the law at this time. Those who understand the financial situation and its grave potential possi-

bilities recognize that an improvement of our banking machinery is imperatively necessary to speed recovery, to safeguard the banks themselves, and to provide the necessary mechanism that will unquestionably be urgently needed in meeting the shifting conditions in our business and economic life. As you well know, there is no telling when we might have a highly undesirable inflation movement which will have to be put under control. May I remind you that today the excess reserves are sufficient to provide an expansion of credit currency of approximately twenty-five billions? If this expansion were carried to its full possibilities, it would increase the deposits of banks to a peak amount for all time in this country.

Though entirely improbable, no one can tell when another wave of deflation may not start, calling for immediate and prompt action by a responsible and authoritative organization. Delay, far from being eminently desirable, might be extremely dangerous to the banks, to the Federal Reserve System, and to the country. If the opposition to this legislation cannot muster any sounder reasons for opposing its enactment or for delaying action by the Congress in its consideration, than those which have been presented to the committee and printed by the newspapers in attacking the bill, we can with full speed ahead proceed to enact the measure and wait for the critics to come into line, as they surely will, after the law is in operation.

Let us now consider the four major proposals in title II. What is the purpose of each and why are they necessary? In considering these, I do not believe that a clearer, abler, and more logical explanation can be presented than that which was presented to our committee by Governor Eccles.

As you know, the present law provides that the Federal Reserve Board appoint 3 directors of each Federal Reserve bank and that 1 of the directors appointed by the Board be the chairman of the board of directors. It appears to have been the intention of the framers of the Federal Reserve Act that the chairman of the board of directors be the principal executive officer of each bank and the law makes him also the official representative of the Federal Reserve Board at the bank. In practice, however, it has developed that the directors appoint an executive officer for whom they have adopted the title of governor of the Federal Reserve bank, a title that is not mentioned in the law, and that these governors have become the active heads of the Federal Reserve banks.

The proposal in the bill is to recognize the existing situation by giving the governor of a Reserve bank a status in the law and to combine his office with that of the chairman of the board of directors. It is, of course, essential that the holders of these combined offices be approved by the Federal Reserve Board. The Board, you will note, will no longer appoint a chairman of the Board, but will merely have the power to approve or disapprove the appointment of the governor, who will also be chairman of the Board. In this proposal there is no encroachment on the autonomy of the individual Reserve banks. It merely reestablishes the original principle of the Federal Reserve Act that the Federal Reserve Board, which has responsibility for national policies and for general supervision over the Reserve banks, shall be a party to the selection of active heads of the 12 Reserve banks. This change will work toward smoother cooperation between the Board and the banks and will establish within the banks a greater unity of administrative control than now exists. It will also result in considerable saving through the elimination of one of the two highest officers in each Federal Reserve bank.

From the long-time point of view the recommendations dealing with changes in the machinery for determining and carrying out the open-market policies of the Federal Reserve System are essential. Open-market operations are the most important single instrument of control over the volume and the cost of credit in this country. When I say credit in this connection I mean money, because by far the largest part of money in use by the people of this country is in the form of bank credit, or bank deposits. When the Federal Reserve banks buy bills or securities in the open market, they increase the volume of the people's money and lower its cost; and when they sell in the open market, they decrease the volume of money and increase its cost. Authority over these operations, which affect the welfare of the people as a whole, must be vested in a body representing the national interest.

Under existing law, open-market operations must be initiated by a committee consisting of representatives of the 12 Federal Reserve banks, that is, by persons representing primarily local interests. They must be submitted for approval or disapproval to the Federal Reserve Board, and after they have been approved by the Federal Reserve Board, the boards of directors of the Federal Reserve banks have the power to decide whether or not they wish to participate in the operations. We have, therefore, on this vital matter a set-up by which the body which initiates the policies is not in a position to ratify them; and the body which ratifies them is not in a position to initiate them or to insist on their being carried out after they are ratified; and still a third group has the power to nullify policies that have been initiated and ratified by the other two bodies.

In this matter, therefore, which requires prompt and immediate action and the responsibility for which should be centralized so as to be inescapable, the existing law requires the participation of 12 governors, 8 members of the Federal Reserve Board, and 108 directors scattered all over the country before a policy can be put into operation.

It requires no further explanation to show that the existing machinery is better adapted to delay and obstruction than it is to effective operation, and that it results in a diffusion of responsibility which prevents the necessary feeling of complete authority and responsibility by a small group of men who can be held accountable by the Congress and the Nation for the conduct of this matter that is of national importance. The proposal in the bill is to constitute the Federal Reserve Board as the open-market committee with explicit direction in the form of a mandate as to its objectives in the exercise of this tremendous power. This proposal would have the advantage of creating a committee or authority with undivided responsibility. The Federal Reserve Board, which is appointed by the President and approved by the Senate for the purpose of having general responsibility for the formulation of monetary policies, would under this proposal be solely responsible in the execution of the will of Congress from whom such power is derived. Through exercise of this power depends to a large degree the country's economic, business, and social welfare. It is the first control in the sale and purchase of money which is the dynamo of commerce, industry, and agriculture.

The placing of this authority in such a committee would also have the advantage of giving this important power to the Board which has under existing law the power of the rediscount rate and fixing the amount of reserves. These constitute the three levers of monetary control.

Under the bill, however, there is a provision for a committee of five governors of Federal Reserve banks to advise with the Board in this matter. The Board will be required to obtain the views of this committee of governors before adopting a policy for open-market operations, discount rates, or changes in reserve requirements.

Such an arrangement will result in the power to initiate open-market operations by either a committee of the governors or by the Board, but will place the ultimate responsibility as it should upon the Federal Reserve Board, which is created for that purpose. In this connection I should like to quote President Woodrow Wilson, who, in his address to the joint session of Congress on June 23, 1913, said:

> The control of the system of banking and of issue * * * must be vested in the Government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative.

It is proposed to give the Federal Reserve Board authority by regulation to determine the character of paper that may be eligible as a basis of borrowing at the Federal Reserve banks. This is particularly important at this time because it would encourage member banks to pay less attention to the form and maturity of paper that is offered by would-be

borrowers and to concentrate their attention on the soundness of such paper. At present many banks are unwilling to extend loans to borrowers who have assets that, in case of a withdrawal of deposits, they would be able to liquefy at the Federal Reserve banks.

In times of emergency it has been necessary to remove existing restrictions and to give discretion in the matter to the Federal Reserve authorities, as was done under the Glass-Steagall Act of 1932. This act, however, was passed after a great many banks had gone to the wall at least partly because of lack of eligible paper and its provisions insofar as they relate to borrowing from the Reserve banks, have now expired.

What is proposed is not, as has been sometimes alleged, a policy of opening the doors of the Federal Reserve banks to all kinds of paper, regardless of its soundness. On the contrary, it is proposed to place emphasis on soundness rather than on the technical form of the paper that is presented.

Experience under emergency laws shows that the Federal Reserve banks and the Federal Reserve Board have exercised caution and, though they have extended credit on ineligible assets to the extent of $300,000,000, all but $1,500,000 of this has been paid back and the banks have suffered no considerable losses. It would appear safe, therefore, to intrust discretion in the matter to the Federal Reserve Board, which is always in session and, therefore, in a position to consider emergencies promptly without being under the necessity of proclaiming them by an appeal to Congress and thereby aggravating the situation, and being obliged to wait for Congress to be in session and to act on the matter.

Another phase of this problem is that the total volume of paper eligible for discount held by member banks at the present time is, as I have stated before, only about $2,000,000,000, or less than 8 percent of the resources of the banks, and even in 1929 it was only about $4,000,000,000, or a little more than 12 percent. While this amount is sufficient in the aggregate to provide access to the Federal Reserve banks, there were many individual banks that did not possess sufficient eligible paper. Even more important than that, is the fact that in a period of timidity the banks tend to refrain from making loans, except on paper eligible for discount at Federal Reserve banks. This is even now a factor causing liquidation in many communities and preventing adequate expansion of credit in others.

A bank that would conduct its business on the theory of having only such assets as can be disposed of at will in times of crisis, when the national income has been cut in two, cannot serve its community adequately. Such a bank would confine its operations to the purchase of the most liquid open-market paper, with the consequence that it would neglect its local responsibilities and would nevertheless find it difficult to earn enough from the low returns on such paper to cover expenses and dividends. The banks should be in a position to meet the needs of their communities for all kinds of accommodation, both short and long term, so long as the credits are sound, and they ought to have the assurance that all sound assets can be liquefied at the Federal Reserve bank in case of an emergency.

Closely allied to this matter of eligibility is the proposal that the limitations on real-estate loans be modified so as to permit member banks better to supply the needs of their communities for mortgage loans. This proposal does not introduce a new character of loan; it merely relaxes existing limitations on real-estate loans which national banks have made for 20 years. What the bill proposes is to modify the requirements so as to make them more realistic and to enable the member banks better to serve their communities. Coupled with the provisions in regard to eligibility, these proposals ought to result in greater willingness of member banks to lend on real estate and therefore to an improvement in the mortgage market, restoration of real-estate values, and a stimulation of construction which is essential to business recovery.

Member banks hold about $10,000,000,000 of the people's savings, and it is, therefore, proper and necessary that they invest a part of their funds in long-time undertakings. The separation of commercial banking from savings banking may be theoretically desirable, but it cannot be accomplished in this country without disrupting existing machinery, while the need for increased activity in building is urgent. Member banks are suffering from competition of many Government and other agencies that are entering the field of real-estate loans, and it is a matter of self-preservation for the banks to be able to hold and expand their activities in this field.

Under the bill there is no time limit on real-estate mortgages or geographical restrictions. No loan can be made on property valued in excess of 60 percent, which, in my judgment, should be increased to 75 percent when the mortgage is amortized so as to require regular monthly or semiannual payments. The amount of the banks' funds that can be loaned is increased from the present limitation of 25 percent of capital and surplus or 50 percent of savings deposits, whichever is greater, to 100 percent of capital and surplus or 60 percent of time and savings deposits, whichever is greater.

There are other important amendments to the Federal Reserve Act in title II, but I shall not have the time to discuss them in detail. Some of them have already been mentioned, and no doubt will be thoroughly considered when we read the bill under the 5-minute rule. I hope that I have been of some service to the Members of the House in their effort and desire to understand this legislation, and particularly title II. The members of our committee have given more than 8 weeks of hard and conscientious study to the provisions of the bill. Able authorities on monetary operations and banking have come before the committee. For more than 2 weeks we listened to the able, straightforward, and masterful conceptions held by Governor Eccles on these subjects. His splendid grasp of the great problems facing our Nation from a financial, banking, and economic standpoint was the marvel of a great number of our members. Though not posing as a final authority on these matters, he was always prepared to give his own well-thought-out opinion and to discuss intelligently every phase of these important and far-reaching subjects. No small part of the credit for this legislation is justly due him and his able staff of assistants.

I think it will be very appropriate in considering this legislation to read to you what has been said from time to time by our great President, whose courageous, wise, and inspiring leadership is bringing recovery out of chaos and restoring faith and happiness to, but a short while back, a dismayed and sorrowful people. He understands what has been going on under the present set-up, and solemnly promised that the money changers must abdicate.

This bill is a performance of another promise which he made to the American people, when he guaranteed a sound currency at all hazards, and later in his inaugural address when he said:

> Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the exchanges of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men. True, they have tried, but their efforts have been cast in the pattern of an outworn tradition.

Again quoting:

> Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision; and when there is no vision the people perish. The money changers have fled from their seats in the temple of our civilization. We may now restore that temple to the ancient truths.

Again quoting:

> And there must be an end to conduct in banking and business which too often has given to a sacred trust a likeness of callous and selfish wrongdoing.

And again:

> Finally, in our progress toward the resumption of work, we require two safeguards against a return of the evils of the old

order; there must be a strict supervision of all banking and credit and investments; there must be an end to speculation with other people's money; and there must be provision for an adequate and sound currency.

Under the Roosevelt regime no longer will the monetary and central banking system be operated so that "to them that hath more shall be given and to them that seemeth not to have, what little they might have shall be taken away from them."

Another thing he said the other night:

The reestablishment of public confidence in the banks of the Nation is one of the most hopeful results of our efforts as a Nation to reestablish public confidence in private banking. We all know that private banking actually exists by virtue of the permission of and regulation by the people as a whole, speaking through their Government. Wise public policy, however, requires not only that banking be safe but that its resources be most fully utilized in the economic life of the country. To this end it was decided more than 20 years ago that the Government should assume the responsibility of providing a means by which the credit of the Nation might be controlled, not by a few private banking institutions but by a body with public prestige and authority. The answer to this demand was the Federal Reserve System. Twenty years of experience with this System have justified the efforts made to create it, but these 20 years have shown by experience definite possibilities for improvement. Certain proposals made to amend the Federal Reserve Act deserve prompt and favorable action by the Congress. They are a minimum of wise readjustment of our Federal Reserve System in the light of past experience and present needs.

This measure undertakes to strengthen rather than regulate private banking in America. It recognizes the right of the banker to self-control in all local operations, but it declares in no uncertain terms that so far as the control of monetary policies and operations is concerned, the private banker for profit must stay out. I ask this Congress, If you are going to delegate these powers, and, of course, of necessity you must do so, to whom would you delegate them save to a governmental body? Is there a man in this House who would vote to delegate these powers to a group of commercial bankers today? Remember, they are the group whom the critics and the organized opposition want continued in power. Why, they talk about having an independent, disinterested board! How are you going to get it without changing the Constitution?

It might be desirable. I am inclined to think it would. But I say to you that there must always be in this country a close working arrangement between the authority controlling money and the man whom the people have elected to provide for the protection and to direct their social and economic welfare, and you cannot effectively direct the social and economic welfare of a nation like ours without being able to, within proper limitations, influence the monetary policies.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. GIFFORD. Right there, where the gentleman asked the question, to whom would one delegate this power, would not the gentleman state to whom England has delegated the power of her central bank, together with his comment of approval or disapproval.

Mr. HANCOCK of North Carolina. As I understand it, England claims to have a board entirely independent, with no commercial bankers on it; but, in view of the fact that I have seen the list of several of them, I am satisfied that the Morgan banks in New York have representation on the bank's board. It may also be well to state that in practically all the countries of the world the stock in the central banks is held by individuals and not by banks. But what might be a good system in England or France carries no conviction in my mind that it would therefore be good for us. I say fix our own pattern. My good friend HOLLISTER continues to revert to the fact that our banks are owned by private interests, and for that reason a few private bankers should continue to direct the Federal Reserve System. When three or four men, sitting in New York, may dictate year in and year out what the price of tobacco and cotton in North Carolina shall be, who can claim that this is a free country? I claim that the stock in the central banks of this country is not privately owned, for the reason that the stockholders of the member banks do not have any control in the Government or operation of the Reserve banks, and after all the stock does not amount to any more than a bond or an investment. Of course they own the certificate, but it carries no real control.

Mr. HOLLISTER. Has the gentleman looked at bank statements? Has the gentleman ever seen a bank statement of a member bank?

Mr. HANCOCK of North Carolina. Oh, yes.

Mr. HOLLISTER. Does not the gentleman realize that the stock in the Federal Reserve bank is set up as an asset on the bank statement of a member bank?

Mr. HANCOCK of North Carolina. Oh, yes; it is carried as an asset. It has no value beyond the fixed 6-percent dividend. It is just an investment.

Mr. HOLLISTER. What does the gentleman mean by saying it has no value? What does the gentleman mean by saying it is just an investment? Is not any investment in stock an investment?

Mr. HANCOCK of North Carolina. Certainly. You know well what I mean.

Mr. HOLLISTER. How does that differ from any other investment in stock?

Mr. HANCOCK of North Carolina. It is not a voluntary investment. It is rather unusual that the directors do not own any stock.

Mr. HOLLISTER. I did not say they did. The stockholders own all the stock.

Mr. HANCOCK of North Carolina. The member banks hold the investment. I imagine most of the voting is done by proxy anyway. A small clique in the Reserve banks run things. That is usually the case.

Mr. HOLLISTER. But the gentleman is not stating the actual facts with respect to banks. The stock is owned by member banks. It is their money which has gone into the investment of that stock. They vote to elect the directors.

Mr. HANCOCK of North Carolina. I think I am. I have given my understanding of the extent of their ownership, but you know that the regional banks are really under supervisory control of the Federal Reserve Board in Washington, where they ought to be. That is what was intended when the System was created.

Mr. HOLLISTER. Does the gentlemen say they are now?

Mr. HANCOCK of North Carolina. They will be under this bill. Of course they are not now, because the directors of some of the Federal Reserve banks have perverted the System and twisted control away from the Government and vested it in themselves.

Mr. HOLLISTER. The fact remains that six directors must be elected by the stockholders. The stockholders are the member banks whose money has bought the stock. Three directors are appointed by the Federal Reserve Board. That is certainly a system whereby private money, money which belongs to the member banks, goes to make up the stock of the regional bank. Is that not so? I do not know what the gentleman means when he says there is no private ownership.

Mr. HANCOCK of North Carolina. The gentleman agrees with me that in the original act, control of the bank was intended to be vested largely in the executive officer, who was to be the chairman, appointed by the Federal Reserve Board, and was to serve as the liaison between the Board and the bank.

Mr. HOLLISTER. He was to be the chief executive officer. I think that was probably the intention, but control of the bank is never in the hands of the chief executive officer, as control of no corporation is. The control of any corporation or bank is in the board of directors.

Mr. HANCOCK of North Carolina. Well, that is my viewpoint about it. I am sorry that we differ.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. GOLDSBOROUGH. As a matter of fact, is not the stock which member banks own in Federal Reserve banks, required by law to own, more in the nature of a franchise tax which they have to pay?

Mr. HANCOCK of North Carolina. Of course, that is about all it amounts to. It is almost a fiction.

Mr. GOLDSBOROUGH. It is not an investment which they can or cannot make in a private institution. They are required to make an investment in order to conduct their bank. The investment is made in the interest of the public, is it not?

Mr. HANCOCK of North Carolina. That is correct. I do not think ownership is so important, anyway. It is a question of management or control that counts.

Mr. KENNEY. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. KENNEY. The gentleman made reference to the house of Morgan having representation on the Bank of England. Does the gentleman care to tell us who that is?

The CHAIRMAN. The gentleman has consumed 1 hour.

Mr. HANCOCK of North Carolina. I cannot recall the name right now, but if the gentleman thinks it important, I will be glad to furnish it tomorrow.

Mr. KENNEY. He is not a banker, I understand, in any case.

Mr. HANCOCK of North Carolina. I understand he is; but, of course, he is not active as a commercial banker.

The CHAIRMAN. The gentleman from North Carolina has consumed 1 hour. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, first let me make the customary proverbial confession that I am not a banker. In fact, I am going to be honest and in all humility confess to you that going through this banking bill has been something of a mental effort for one like me, who is new on the committee and who has to dig like a coal miner for all of these abstruse and seemingly theoretical truths. I do not mind confessing to you that I have had difficulty with it, but I have been just as diligent as I know how. I hope that perhaps I can contribute one or two thoughts to the discussion that has taken place on this bill.

I am not going to worry you with any discussion about the merits or demerits of Federal deposit insurance; but there was one provision in the original bill as it came to the committee which recited the fact that on and after the 1st of July 1937, which is substantially 2 years hence, all banks would have to come into the Federal Reserve System or otherwise automatically have their insurance discontinued. Now, that is a hold-over from the previous banking legislation, and it would simply mean that those State banks which are not now members of the Federal Reserve System, and which did not enter the Federal Reserve System as of July 1, 1937, or sooner, would have their insurance discontinued. It appears to me that that is entirely unfair; first, because we have so many State banks that are serving a great many small communities. Now, just write these figures down in a book: Over 41 percent of all the banks in the United States right now are in towns of less than 1,000 people. You know what kind of banks they are. For the most part that is where you will find the State banks. Seventy-three percent of all the banks in this country are capitalized for less than $1,000,000. I am thinking of the small banker in the little community, trying to divine some definite reason other than the academic consideration of wanting unification of the banking system, for the purpose of that kind of a provision in the bill. Fortunately we took that provision out in the committee; but when I got to my office this morning there was a mimeographed circular lying on my desk. The first paragraph of that circular reads as follows:

> The present law will prohibit banks getting benefit of full Deposit Insurance Corporation after January 1, 1937, unless members of Federal Reserve System.

That is in the law at the present time.

To continue:

> The nonmember banks will be permitted to enter the System without capital changes. It is in the interest of the general welfare that we have a unified banking system. Congress cannot coin money and regulate the value thereof according to the constitutional mandate without a unified system.

And then in capital letters:

> This bill repeals the present law making this requirement. Congressman HANCOCK of North Carolina, a member of the committee, will offer a motion to strike it out. I hope it is adopted.

That communication is signed by Congressman PATMAN, of Texas. Now, after thorough consideration of that provision, we struck it out in the committee.

As you have been notified by a similar circular today, an effort will be made to restore this language to the bill. I want simply to express my opposition to the restoration of the language in the bill. I believe there is a place in this country for a dual banking system. When they come along with a lot of fancy facts and figures as to how many national banks failed, as to how many State banks failed, as to how many member State banks failed, it does not mean a thing, and it does not prove a thing. After all, it does not make any difference whether it is a State bank or a national bank, whether it is a metropolitan bank, or a bank in a town of 300 people out on the prairies of Illinois, the first prerequisite is good management. If they are well managed those banks will succeed and do not have to be members of a Federal Reserve System. To get into the System they have to subscribe for Federal Reserve stock equal to 6 percent of the capital and surplus of the bank. Here is a little two-by-four bank hardly large enough to accommodate 10 people at a time, doing good business, solvent, with a capital of $25,000 and with a surplus of perhaps another $25,000, which makes $50,000, 6 percent of which is $3,000. So they have to subscribe to $3,000 of stock in the Federal Reserve System before they can come in. They secure dividends, to be sure, but if those banks are amply serving their individual communities and have no particular need for the rediscount privileges of the Federal Reserve System, why use a club to force them in? That is all that provision was and all it will be if it is restored to the bill. It is just like a club in the hands of an agency here in Washington which says: "Join the Federal Reserve System or we are going to take away your insurance privileges."

In a community which is insurance conscious it may mean putting some of these little banks out of business. No good reason has been advanced for it. You say to me: "We want a unified system." That sounds rather academic and theoretical. If the bank is well managed and serving the borrowing needs of the community and taking care of the banking requirements of the small community, is there any reason, by restoring this provision to this bill, to force them into the Federal Reserve System or take away their insurance?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PATMAN. Does not the gentleman remember that when we conferred that Federal benefit on State institutions it was with the understanding that later they would come into the Federal Reserve System or would not continue to get the benefits?

Mr. DIRKSEN. Let us presume that that was the understanding, although I am not at all sure that the Chairman of the Committee on Banking and Currency would put his stamp of approval upon that interpretation of the language; it was a kind of compromise, and we could not get away from it.

Mr. PATMAN. One further question, if the gentleman will permit: How can the gentleman justify a bank receiving the benefits of a Federal institution unless it is willing to join the Federal system?

Mr. DIRKSEN. It can be justified on two grounds. In the first place, they pay for the insurance they get. In the second place, they are examined as scrupulously under that bill as are the Federal Reserve banks, and perhaps even more strictly, for obviously there would be some suspicion attaching to a State bank that it might not be as solvent as a national bank. Under the extraordinary requirements of that bill, 7,000 State banks have qualified for this insurance. Let us be fair. Does the gentleman in good conscience think we should say to a responsible State bank that it cannot longer obtain the benefits of deposit insur-

ance because it has not joined the Federal Reserve System, when they say to us there is no need for joining the Federal Reserve System, that they do not need its privileges?

Mr. PATMAN. Mr. Chairman, will the gentleman yield further?

Mr. DIRKSEN. I shall be pleased to.

Mr. PATMAN. The United States Government is paying by far the greater share of the premium. The initial premium on this insurance was $339,000,000, of which the Federal Government provided $300,000,000, the banks being required to supply only $39,000,000. Is it fair for the Government to pay $9 to the bank's $1? These State banks certainly should pay their part of the premium if not compelled to enter the system.

Mr. DIRKSEN. Let us be perfectly honest with each other. That is not the real reason the gentleman from Texas has in mind. He appreciates that the currency can be manipulated so much more expeditiously if all the banks are gotten into a unified system. That is what the gentleman is interested in rather than the portion of premium paid by the banks; he wants to get the banks into the system. Is not that the reason?

Mr. PATMAN. The reason is that it is the Government's business to handle currency and credit and not the State's or private banker's business. Therefore, the Government should have charge of the monetary system and not a particular State or 48 States.

Mr. DIRKSEN. That is a confession on the gentleman's part that he is more interested in monetary control through these banks than he is in the welfare of the banks or any particular consideration for the banks coming in.

Mr. PATMAN. It will promote the general welfare of the people to unify the system.

Mr. DIRKSEN. In line with this effort to compel these banks to come into the system, J. F. T. O'Connor, the Comptroller, was in Chicago on the 7th of September 1933 and made a speech there to the Chicago bankers, in which he quoted from a letter written by the President of the United States to the governors of all the Federal Reserve banks. I want to read a quotation from the President's letter to the governors:

> It is not the purpose of this section—

Referring to the 1933 bill—

> to discriminate, in any manner, against State nonmember and in favor of national or member banks.

There was to be no discrimination against State nonmember banks. This is from the President of the United States:

> But the purpose is to provide all banks with the same opportunity to obtain and enjoy the benefits of this (insurance) title.

Somebody circulated a letter stating that a great onslaught was being made against the independent banker, and I quote from this letter without giving the name of the author, because it is not contained in Mr. O'Connor's speech. The letter says:

> In the parlance of the street the independent bank is to be ironed out. Powerful influences are at work to wipe out the small banks, and the independent banker has been placed on the defensive.

Here is what Mr. O'Connor, the Comptroller, had to say about that:

> I know of no more vicious, unwarranted, and untruthful propaganda. The present administration has demonstrated its policy of protection for the little fellow, whether individual or corporate.

So from the Comptroller and from the President himself we have had assurances there would be no discrimination against State nonmember banks. Is not that precisely the reason for the amendment the gentleman proposes to put back into this bill after we struck it out after due deliberation and a couple of votes in the committee?

Mr. PATMAN. Since most of the banks that failed were nonmember banks and very few member banks failed, would we not be protecting the small banks by bringing them into the Federal Reserve System, where they can be protected?

Mr. DIRKSEN. Let me point out a difficulty to the gentleman. May I say that I sat in on 10 or 12 State bank reorganizations when I went back home last year. Here is what we found: There is a little bank we will say down in Podunk. The bank fails and they go to the depositors and say: "Will you waive 30 percent of your deposits?" The answer is, "Yes." So they get them to sign a waiver of their deposits. But the auditor in Illinois requires that when you ask for a waiver of a deposit you must give the depositor a preferred certificate equal to the amount of money waived, and that becomes a charge against the earnings of that bank.

There were banks out there that had these preferred certificates outstanding, and some of them may be outstanding for 10 or 15 years depending on the earnings of the bank, but they are no liability other than against the earnings of the bank. Some of the banks went to the Federal Reserve System of Chicago for the purpose of applying for admission. Do you know what the ruling was? The banks were told that that was a contingent liability and so long as it is outstanding they cannot come into the Federal Reserve System.

Mr. Chairman, there is a provision in this bill that waives not only capital requirements but a great many other requirements for the purpose of facilitating entry into the Federal Reserve System; but it says nothing specifically about these deferred certificates. Would you like to see the spectacle of two or three thousand banks that are doing business, but have these deferred certificates outstanding, being left high and dry on account of some regulation of the Federal Reserve System, confirmed after this bill becomes law? This beautiful amendment which the gentleman from Texas is trying to get into this bill is going to crucify them. The gentleman would not want to crucify several thousand good American communities whose very life revolves around a little bank which serves their needs. This is what the gentleman is going to do.

Mr. PATMAN. The gentleman gave as an illustration a bank with $25,000 capital and $25,000 surplus, stating that such a bank would have to put up $3,000 as an investment in stock in a Federal Reserve bank.

Mr. DIRKSEN. Is not that right?

Mr. PATMAN. That is not right. They will have to put up only $1,500.

Mr. DIRKSEN. My statement is true, because even though it is not paid, it is a liability.

Mr. PATMAN. No; it is not. They do not need it and it will never be called.

Mr. DIRKSEN. How does the gentleman know it will not be called?

Mr. PATMAN. Read the testimony of the Governors of the Federal Reserve Board. They testified they never expected to call these commitments. Mr. W. P. G. Harding said it was never intended that more than 3 percent would be paid.

Mr. DIRKSEN. But the law says they are liable.

Mr. PATMAN. Therefore the gentleman is 50 percent incorrect in his statement that it will require a $3,000 investment by the bank given as an illustration.

Mr. DIRKSEN. They owe it even if they do not pay it in. The gentleman will admit the truth of that statement?

Mr. CASTELLOW. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. CASTELLOW. A statement was made a moment ago that the number of nonmember banks which failed was largely in excess of the number of member banks that failed. However, is it not true that the losses sustained by the failure of the member banks largely exceeded the losses sustained by the nonmember banks, even though there was a greater number of failures among the nonmember banks?

Mr. DIRKSEN. I will say to the gentleman that they had a chain-bank failure here in the East involving one bank and the losses amounted to more than the total losses sustained by all the closed banks in the State of Illinois, and therefore when they talk about numbers it does not mean anything. The amount that is involved is the important item.

Mr. CASTELLOW. And is not that of much greater consideration than the number involved?

Mr. DIRKSEN. Oh, yes, indeed.

Mr. PATMAN. But the gentleman is arguing for numbers, because he is pleading for the small banks.

Mr. DIRKSEN. I am talking about quantity, because that is the way we figure the interests of the American people today.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the distinguished gentleman from California.

Mr. COLDEN. The gentleman referred to a small bank at Podunk. I want to ask the gentleman if he is not considering the interests of the bank as paramount to the interests of the depositors, when our first thought should be the interests of the depositors and not the bank?

Mr. DIRKSEN. Absolutely; and here are over 7,000 banks that have qualified for deposit insurance and they will qualify all over again. What reason can you assign for having them come here on an arbitrary date and then saying, "You have qualified after 3 or 4 years, but here it is July 1, 1937, and we will have to take it away from you unless you join the Federal Reserve, even though you have no use for its facilities.

Mr. COLDEN. I will say to the gentleman I think the interests of the depositors should be considered, and if it is necessary for them to go into the Federal Reserve System in order to provide for protection, the banks should do it.

Mr. DIRKSEN. They have got it now and there is no disposition to take it away from them unless we follow out this idea of unification, and that is absolutely arbitrary and inequitable.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the distinguished chairman of the committee.

Mr. STEAGALL. I want to make this suggestion, which, it seems to me, is very pertinent right here. The history of the difficulties of the 1933 law show that the Federal Reserve banks, the national banks, were permitted under the law passed by the Congress to fold up and cease their operations in a normal way or to continue on a restricted basis under orders from the Comptroller, and through this action thousands of State independent banks responding to that situation had to close their doors, and many of them were banks that could have operated until now uninterrupted but for the action of the Federal Government in dealing with the Federal Reserve System.

Mr. DIRKSEN. I think that is an accurate and a correct statement, and let me add this brief remark. If we are going to fight out this issue of unified banking versus a dual banking system, why do we not join the issue squarely and honestly instead of bringing it in here in the form of a sandwich somewhere tucked away between the upper and lower halves? Let us bring in some legislation to join the issue squarely and fight it out. It seems to me that would be the proper way to meet the issue, but here it comes to us in the form of an obscure paragraph in the bill, and I cannot help but feel it means that somebody is trying to take an unfair advantage and cripple a lot of these little banks for the purpose of vesting further control here in the national capital.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I shall be pleased to yield to my distinguished colleague from North Carolina.

Mr. HANCOCK of North Carolina. The gentleman understands that under the present law all nonmember State banks, if they are to continue to enjoy the benefits of Federal deposit insurance, shall go into the system on July 1, 1937, under the law as it exists today.

Mr. DIRKSEN. That is quite true, and the gentleman is quite familiar as to how it probably got into the law.

Mr. HANCOCK of North Carolina. My version of it is entirely different from that of my good friend from Illinois.

Mr. DIRKSEN. I presume it is.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to my friend from Massachusetts.

Mr. McCORMACK. I shall not ask the gentleman any questions on that point, but I am quite interested to find out if the gentleman can give me approximately the number of bank failures we have had since January 1, 1934.

Mr. DIRKSEN. I am sorry I have not that information in mind. It was submitted in the data that came to our committee, and perhaps the chairman can volunteer the information.

Mr. HANCOCK of North Carolina. The gentleman will find that in the back of the report.

Mr. McCORMACK. I was then going to ask what percentage of the failures were members of the Federal Deposit Insurance Corporation.

Mr. DIRKSEN. It seems to me there have been about 13 or 14.

Mr. STEAGALL. They have had 11 failures since the operation of the Deposit Insurance Corporation, and there have been 47 failures outside the Insurance Corporation, as I recall it.

Mr. DIRKSEN. I want to add to that statement that the first failure in the United States under the F. D. I. C. was in my congressional district, which is perhaps a doubtful distinction, but that is what actually happened.

Mr. McCORMACK. In other words, the Federal Deposit Insurance Corporation on its record has been a very powerful contribution.

Mr. DIRKSEN. I think it has and I am entirely in favor of title I, but I am thoroughly opposed to restoring to this bill any language which seeks to penalize State banks by taking away their insurance unless they are clubbed into the Federal Reserve System.

Mr. McCORMACK. I am keeping my mind open on that. I believe there should be one charter-granting power and one supervisory power over commercial banking. I think it has left State lines behind. However, you have given me some evidence, and, as I understand, it is still under the supervision of the F. D. I. C. under this bill.

Mr. DIRKSEN. More so than ever before, and they will be thoroughly examined at all times, and every safeguard has been placed around them.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Oh, let me have a little of my own time.

Mr. PATMAN. Just for a short question. The gentleman will admit, however, that the reserve requirements will not be in the control of the Federal System.

Mr. DIRKSEN. That is true.

Mr. PATMAN. The States will still control them, and if a State wants to let a bank lend $20 to one or $10 to one, it will be all right.

Mr. DIRKSEN. But when the F. D. I. C. examines one of those banks, it does not overlook anything. It will be thoroughly examined before it is given the privilege of having that insurance.

Mr. McCORMACK. And if the F. D. I. C. finds that a bank is unsound, I assume that it can withdraw the insurance protection.

Mr. DIRKSEN. Yes.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Oh, let me have a little of my own time.

Mr. BROWN of Michigan. Just to tell us whether or not the bank which failed in the gentleman's district was a member or a nonmember bank.

Mr. DIRKSEN. I think, incidentally, it was a member bank. I am reasonably sure it was, although I will not be positive.

Mr. GRAY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. GRAY of Indiana. We now have a privately owned banking system, a privately controlled banking system, a privately operated banking system, and I can see the reason why the gentleman would not want the small banks of his community to be forced into that kind of a system. But suppose some of these suggestions here should be accidentally carried out.

Mr. DIRKSEN. Is the gentleman going to ask a question or make a speech?

Mr. GRAY of Indiana. I have to be preliminary about it. Suppose we should have a publicly owned banking system, operated and controlled publicly, recognition that the public currency is vital, what objection would the gentleman then have to going into the public banking system, to be controlled by the Government?

Mr. DIRKSEN. I am not interested in any mere academic considerations of this subject. I am thinking of those State banks that might be penalized and those communities that might be penalized, and I am thinking further of this constant invasion of State rights, when we are fully capable through the banking department of the State of Illinois of doing something in behalf of our State banks. I do not know that all the brains are concentrated down here in the Treasury Department in Washington. We have gotten along pretty well so far, and our derelictions have not been any greater on the average than they have been in the national banks.

Mr. GRAY of Indiana. But the currency of this Nation is a national function. What objection would the gentleman have to going into a national system controlled by the public?

Mr. DIRKSEN. I confess to the distinguished gentleman from Indiana that I am the veriest amateur when it comes to this subject of expanded currency and inflated currency and of controlled or manipulated currency, and I am afraid to venture into those deep waters, which I leave to my distinguished friend.

Mr. GRAY of Indiana. How could the currency be controlled and directed without the banks of the country coming into the national system?

Mr. DIRKSEN. I suppose if we oiled up the printing presses down here on Fourteenth Street we probably would have some difficulty in that direction. I do not anticipate that is going to be done, however. I want to say a word about title II of the bill, and by way of preface let me say that in 1816 we chartered the Second Bank of the United States. If I recall, it was up here in Philadelphia, only an hour's ride by plane. Nicholas Biddle became the president of the bank. If I recall correctly, about 20 percent of the stock was subscribed by the United States and the rest of it was privately sold. It operated there for quite a while and did a note-issue business and general banking business. What happened? One fine day Nicholas Biddle decided to discipline the Members of Congress and discipline politicians and others, and he started a program of money contraction, which left distress and despair wide-spread in this country. It is refreshing to read in his memoirs that Biddle left—and they have not been published so many years—that he went up to Boston and talked there to the head of the branch bank of the United States Bank and said to him:

> It is necessary to teach them a lesson or two and to discipline them by scattering distress over the land.

That is from the president of the Second Bank of the United States, which was dominated by politicians, and to some extent dominated those identified with the Government.

Mr. GRAY of Indiana. Will the gentleman yield?

Mr. DIRKSEN. Will the gentleman please let me go ahead?

Mr. GRAY of Indiana. Does not the gentleman know that that was a private banking corporation and not a public institution at all?

Mr. DIRKSEN. Part of the stock, I think, was owned by the United States Government, as I remember. What happened? Why, even Daniel Webster was on the pay roll of that bank. One of the greatest messages I ever read in my life was the little message that he sent to Nicholas Biddle. He said:

> I hope it is agreeable that my usual retainer be renewed and refreshed.

I thought that was such elegant language. [Laughter.] Here was Daniel Webster on the pay roll. There is no doubt about it. They made their brags how they were going to dominate the fiscal system of this country. Daniel Webster even admitted to Biddle, he said:

> I think it has a salutary effect on the people to discipline them by contraction.

That great structure just dominated this country at that time. Finally, old Andy Jackson, all power to his name, reared up on his haunches and he carried the fight to Nicholas Biddle. He pointed out to the people that over one and one-half million dollars of the profits of that bank every year came from nine Western States where they did not hold over $140,000 worth of stock. It was a great bloodsucking enterprise, if you please, that reached out everywhere into the arteries of trade and commerce. But, oh, what distress, despair, and anxiety it cast over this country, like a great darkened shadow.

Now, then, so much for the Bank of the United States. In my opposition to title II, I cannot escape the implications of that earlier experience. Let me put it to you in this fashion: The Federal Reserve System was a Christmas present to the United States. It came into being, if I recall, on the 23d day of December 1913, just 2 days before Christmas.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman from Illinois 10 additional minutes.

Mr. DIRKSEN. Up here is the Federal Reserve Board, 6 members appointed and 2 ex-officio members. Leading off from that are 12 regional Federal Reserve banks, located in Dallas, San Francisco, Richmond, Philadelphia, Chicago, New York, Minneapolis, and Kansas City. They are offshoots of this central body, as it were, this controlling authority. Then out from all those are perhaps 5,500 national banks and perhaps 1,000 State member banks. They are all part and parcel of this great Federal Reserve structure. Now, let us see what we are doing with the control of this thing at the present time. It has been said here that substantially we are not enlarging the control of the central board over this banking system. I asked Mr. Eccles, when he came before the committee, this question. I said:

> Could you go to New York and get a governor and, by your power of approval, set him over the Chicago bank?

I said:

> Would he be eligible to preside there?

He said:

> Yes, sir; that would be possible under the law, and it would be possible under this.

They changed some of the qualifications. They have rolled the chairman and the governor into one. Then they have approval power. You know full well that the approval power is the same as the appointive power. Suppose somebody wants to make my friend LEWIS Comptroller of the Treasury and I have the approval power. I say, "You cannot do that. I will not approve it." They will have to submit somebody else. They will have to get somebody who is agreeable to me before I will approve it. Is that not substantially appointive power? So when they finally eliminate this governor, for whom no provision has been made in existing law, and roll him into one with the chairman and make him more or less responsive to the Federal Reserve Board, no one can deny that you are concentrating that power and giving the Federal Reserve Board controlling power over all Federal Reserve banks.

Mr. PATMAN. Will the gentleman yield for a question?

Mr. DIRKSEN. No; I only have a few minutes. In the exercise of this immense power it seems to me some things have been overlooked in the discussion. Let me point out a few of them. First, the power over the reserves. I am no banker and I do not know much about the technicalities of this thing, but it seems to me if they raise the reserve requirements above those now prevailing, namely, 3 percent for time deposits, and above 7, 10, and 13 percent on demand deposits—suppose you double it, what do you do? You drain that money out of our little communities and into the larger centers. That is a tremendous lever to put into the hands of the Federal Reserve Board. Certainly you are giving them virtual life and death control over the banks when you do that.

Secondly, in the case of open-market operations, there was a time when we had a check and balance on that power. The Federal Reserve bank in Chicago, for instance, could notify the Federal Reserve Board that it refused to comply. They could do that in writing and then they would not have to comply with the open-market policy. Under the pending bill that discretion is taken away. That check and balance is taken away. Now, by way of justification they say this has to be a national policy. We raise corn and hogs out in that country. They raise cotton down South. They raise wheat out in the West and Southwest. They have industries in Pennsylvania. Sometimes our interests are not exactly identic in all these great sections of the country. It is difficult to make a national policy apply. Then, is one section of the country to be impaled upon the altar of benefits to some other section? That can happen. It was mentioned that in 1929 the Federal Reserve bank in New York came down to Washington and begged to have the rediscount rate raised. There is a story ahead of that, that goes back 2 years, to 1927. When they lowered the rediscount rate to stop the flow of gold to Europe and to induce some investment, what happened? The Federal Reserve bank of the seventh district in Chicago protested the lowering of that discount rate. Did they pay any attention to it? No, they did not. Hindsight tells us that the Chicago bank was justified in their attitude. What they did then was not particularly salutary for the Chicago area. It might have been for the New York area.

So there is going to be that conflict of interest constantly that is going to come about through the administration of the open-market policy that is supposed to act as something of a monetary-control blanket over all 48 States. I do not mind telling you that I cherish some apprehensions about it.

The Federal Reserve Board is all-powerful. It can determine the interest rate on time deposits; it takes care of admissions to the system, examinations; it has the power to suspend banks; it has the power to discipline directors; and, finally—this is the thing I want to bring out particularly, lest you forget it—we wrote into the Securities Act of the Seventy-third Congress several powers to the Federal Reserve Board. This was not alluded to before the committee; I do not suppose any of us thought about it. Here is what we wrote into that act, known as "Public 291." I want to read just a little from section 7 (a)—this is not N. R. A.; this is the securities-exchange bill—dealing with margin requirements:

> For the purpose of preventing the excessive use of credit for the purchase or carrying of securities the Federal Reserve Board shall, prior to the effective date of this section, and from time to time thereafter, prescribe rules and regulations for the initiation and the maintenance of credit.

There is a tremendous power.

I quote further:

> The Federal Reserve Board is invested with the power to raise and lower the margin requirements in the market from time to time.

Have you forgotten that?

I read still further:

> It shall be unlawful for a dealer or a broker or a member of a registered securities exchange to extend any credit to a customer on any security other than exempted securities in contravention of the rules of the Federal Reserve Board.

What is an exempted security? The law says it is a direct obligation of the Government, or it is a guaranteed obligation of the Government. So you have said to the dealer and to the broker and to the member of the securities exchange: "You shall give no credit on any security except Government securities unless you abide by the rules of the Federal Reserve Board."

Do you see the power that is invested there, that may be exercised arbitrarily, power over every market and trading transaction in the country? And so the pending bill is going to be the capsheaf of a great, centralized, controlled structure that is positively dangerous to our future well-being. Somehow we have forgotten the tremendous powers we have invested in the Federal Reserve Board.

Another power that is defined in the securities bill reads as follows:

> It shall be unlawful for any member of a national securities exchange or any broker or dealer to transact a business in securities through the medium of such member directly or indirectly to borrow in the ordinary course of business from any other institution.

To carry on his business he has got to borrow from a member of the Federal Reserve System or, secondly, a State bank, a nonmember that has agreed in writing to comply with all of the provisions of that act; or, third, by special permission of the Federal Reserve Board.

Do you appreciate the power they have? Do you remember that we give them the additional power in title II? And what is the practical implication of it? I think I can honestly and truthfully say that I have never tried to find any political implications in any bill, but you have made it possible for the Federal Reserve Board to penalize all forms of securities and to finance these exempted Government securities through the Federal Reserve System, and have concentrated control in such a way that ultimately it may prove dangerous.

This, in substance, is the reason I am apprehensive about title II. I would like to see this bill divided and title II set aside to wait until we can study it further. We should pass titles I and III and then consider a little bit more some of the tremendous implications of title II. Much as I dislike to do it, because I want to be deferential to our distinguished chairman, who has been so courteous in the consideration of this bill, I am afraid I am going to have to vote against it if title II remains in the bill in its present form. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. Before the Chair puts the motion of the gentleman from Alabama, the Chair states for the information of the Committee that there remain 8 hours and 34 minutes of general debate. The gentleman from Alabama has 4 hours and 4 minutes remaining; the gentleman from Ohio has 4 hours and 30 minutes remaining.

The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 7617, the Banking Act of 1935, had come to no resolution thereon.

EARNINGS, EXPENSES, AND SECURITIES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a letter received from the Chairman of the Federal Deposit Insurance Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from the Chairman of the Federal Deposit Insurance Corporation:

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, May 1, 1935.

Hon. JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: In response to your telephone request for information relative to the earnings, expense, and securities owned by this Corporation, I am pleased to submit to you the following figures:

During the period from September 11, 1933, to March 31, 1935, the income and cost of operation and estimated losses were as follows:

Interest on securities owned	$8,485,801.46
Profit on sale and exchange of bonds	1,287,055.69
Total	9,772,857.15

Operating expenses	$4,954,123.75	
Provision for suspense items and adjustments	617,088.67	
Provision for payment of claims of depositors and expenses in connection therewith	1,724,954.83	
Total	7,296,167.25	
Less expenses allocated to members withdrawing from the fund June 30, 1934	221,137.76	
		$7,075,029.49
Surplus Mar. 31, 1935		2,697,827.66

In arriving at the surplus of $2,697,827.66, as stated above, there has been included in the losses the sum of $1,051,500, representing the amount authorized for payment of claims to depositors in three banks for which no estimate of the recovery is available at this time. There has also been deducted the sum of $617,088.67 set aside for suspense items and adjustments. It is conservative to say that probably $500,000 of this amount may be restored to surplus, increasing it to $3,197,827.66. At March 31, 1935, the securities owned by the Corporation cost $315,692,816.98, and had a market value at the close of business that day of $324,658,940.35. The increase in this market value over cost of the securities owned is not reflected on the records of the Corporation. If the securities had been sold at this market value, the Corporation would have realized a profit of $8,966,123.37, which would have given it a surplus of $12,163,951.03 on March 31, 1935. This amount is equal to 3.68 percent of the money paid to the Corporation by fund members, Federal Reserve banks and the United States Treasury in the aggregate amount of $330,680,582.33, as follows:

Fund members	$41,381,025.34
Federal Reserve banks	139,299,556.99
United States Treasury	150,000,000.00
Total	330,680,582.33

Estimate of income and expenses for the 3 months from April 1, 1935, to June 30, 1935. are as follows:

Interest on securities owned	$2,177,000.00	
Operating expenses	647,000.00	
Net income		1,530,000.00
Gross amount authorized for payment of claims of depositors in banks closed during April 1935 without consideration to the probable recovery (no estimate available in respect to losses of this type for the months of May and June 1935)		275,000.00
Net addition to surplus		1,255,000.00
Surplus Mar. 31, 1935, after giving effect to the restoration of the sum of $500,000 previously charged to provision for suspense items, and giving effect to appreciation in bond holdings at Mar. 31, 1935, in the amount of $8,966,123.37		12,163,951.03
Total		13,418,951.03

It is estimated that the income of the Corporation for the 6 months ending December 31, 1935, will amount to $4,355,000 and the operating expenses for that period are estimated to be $1,209,755.

I hope that the information contained herein is sufficient for your needs; however, if not, I shall be glad to furnish you with any additional information you desire.

Cordially and sincerely,

LEO T. CROWLEY, *Chairman.*

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 408. An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 16 minutes p. m.) the House adjourned until tomorrow, Thursday, May 2, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KNUTE HILL: Committee on Irrigation and Reclamation. S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana"; without amendment (Rept. No. 810). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Merchant Marine and Fisheries. H. R. 4239. A bill authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.; without amendment (Rept. No. 811). Referred to the Committee of the Whole House on the state of the Union.

Mrs. GREENWAY: Committee on Indian Affairs. H. R. 7741. A bill to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; without amendment (Rept. No. 814). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 2394. A bill for the relief of David Hughes; without amendment (Rept. No. 812). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 2393. A bill for the relief of John P. Smith, deceased; without amendment (Rept. No. 813). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EATON: A bill (H. R. 7833) to provide retirement annuity to civil-service employees with 20 years' service, involuntarily separated from the service; to the Committee on the Civil Service.

By Mr. EKWALL: A bill (H. R. 7834) to repeal the excise tax on manufactures of furs; to the Committee on Ways and Means.

By Mr. LUCKEY: A bill (H. R. 7835) to authorize the erection of an addition to the existing Veterans' Administration facility, Lincoln, Nebr.; to the Committee on World War Veterans' Administration.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 7836) to amend section 7 of the act approved February 27, 1925 (43 Stat. L. 1011), relating to the descent of restricted Osage Indian property; to the Committee on Indian Affairs.

Also, a bill (H. R. 7837) to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes; to the Committee on Indian Affairs.

By Mr. MITCHELL of Tennessee: A bill (H. R. 7838) to promote the foreign trade of the United States, to authorize the creation of foreign-trade promotion corporations, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EATON: A bill (H. R. 7839) for the relief of C. E. Rightor; to the Committee on Claims.

By Mr. HENNINGS: A bill (H. R. 7840) for the relief of Frances Marie Broz; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H. R. 7841) for the refund of income and profits taxes erroneously collected; to the Committee on Claims.

By Mr. McCORMACK: A bill (H. R. 7842) for the relief of Charles A. Wallace; to the Committee on Naval Affairs.

By Mr. MITCHELL of Illinois: A bill (H. R. 7843) for the relief of Robert Taylor; to the Committee on Military Affairs.

By Mr. PLUMLEY: A bill (H. R. 7844) granting a pension to Sarah M. Morey; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 7845) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi; to the Committee on Indian Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 7846) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Florida R. Greer; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8196. By Mr. GOODWIN: Petition of patrons of star mail route, Carlisle, N. Y., urging support of House bill 3994, which provides for the issuance of route certificates to carriers on star routes and fixing the compensation of such carriers; to the Committee on the Post Office and Post Roads.

8197. By Mr. HART: Petition of Columbia Council No. 8, of New Jersey, representing the Sons and Daughters of Liberty, urging upon Congress favorable consideration and immediate passage of House bill 5921, which has for its object the strengthening of our present law pertaining to deportation of aliens; to the Committee on Immigration and Naturalization.

8198. By Mr. KRAMER: Petition adopted in California State Senate and Assembly on April 16, 1935, relative to memorializing and petitioning the President and the Congress of the United States to include the Central Valley project in the national program of work relief; to the Committee on Ways and Means.

8199. By Mr. MERRITT of New York: Resolution of the Holy Name Society district committee, twenty-fourth district, Brooklyn Diocesan Union, protesting against the religious persecution in Mexico, and calling upon the President of the United States and the Congress to take such steps as may be necessary to restore to the Mexican people the liberty and freedom to which they have the inalienable right, etc.; to the Committee on Foreign Affairs.

8200. By Mr. TABER: Petition of Maud I. Randall and others, regarding chiropractors; to the Committee on the Judiciary.

8201. By Mr. TRUAX: Petition of the Packers and Wrappers Union, Local 19499, of Cleveland, Ohio, by their secretary, Herbert Schranfl, requesting support of the Wagner-Connery labor-disputes bill, the Black-Connery 30-hour-week bill, and the amended National Recovery Administration bill, because the present National Recovery Administration expires in June of 1935 and section 7 (a) of the present National Recovery Act has proven inadequate and it is necessary to further reduce the hours of labor in order to reemploy some of the millions of unemployed; to the Committee on Labor.

8202. Also, petition of Robert Beyer and numerous citizens of Cincinnati, Ohio, requesting the support of House bill 6995, relative to Spanish War veteran legislation; to the Committee on Pensions.

8203. Also, petition of Veterans of Foreign Wars of the United States, Edgewater Post, No. 496, of Cleveland, Ohio, by their adjutant, Fred Scain, endorsing House bill 6995, otherwise known as the Smith bill; to the Committee on Pensions.

8204. Also, petition of United Mine Workers, Local Union 1486, of Lore City, Ohio, by their secretary, A. Lystak, requesting the support of the Guffey coal bill, the Wagner bill, and the Black-Connery bill, because these bills are of the utmost importance to the miners and coal industry as a whole; to the Committee on Labor.

8205. Also, petition of the United Spanish War Veterans, Camp 78, of Athens, Ohio, by their commander, H. E. Sutter, requesting the support of House bill 6995; to the Committee on Labor.

8206. By Mr. WOLCOTT: Petition of Otto Jacob, of Armada, Mich., and 100 other citizens and voters of Lapeer and Macomb Counties, Mich., favoring the enactment of the Frazier-Lemke bill; to the Committee on Agriculture.

8207. Also, petition of George E. Cripps, of Marlette, Mich., and 25 other citizens of the seventh district of Michigan, urging the support of House bill 6995; to the Committee on Pensions.

SENATE

THURSDAY, MAY 2, 1935

(Legislative day of Wednesday, May 1, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 1, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Metcalf	Townsend
Brown	Glass	Minton	Trammell
Bulkley	Gore	Moore	Truman
Bulow	Guffey	Murphy	Tydings
Burke	Hale	Murray	Vandenberg
Byrnes	Harrison	Neely	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Clark	Johnson	Pittman	White
Connally	Keyes	Pope	

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. REYNOLDS], called away on official Government business; the absence of the Senator from Georgia [Mr. GEORGE], detained on official departmental business; and the absence of the Senator from Connecticut [Mr. MALONEY], occasioned by illness.

Mr. AUSTIN. I wish to announce the necessary absence of the Senator from South Dakota [Mr. NORBECK] and of the Senator from Nebraska [Mr. NORRIS].

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Agriculture and Forestry:

A memorial to the Congress of the United States

Whereas an infestation of Mediterranean fruit fly, from an unknown source, was lately discovered in the State of Florida, and in accomplishing its complete eradication, through regulations promulgated by the United States Department of Agriculture, growers of citrus fruits, vegetables, and other agricultural products in the State of Florida suffered great losses and had to sacrifice their own property to the common good; and

Whereas the Mediterranean fruit fly is a pest that might well destroy the fruits, vegetables, and other farm products throughout the entire southern half of the United States, and to permit its spread would have cost untold millions of dollars in control and a shortage in essential food products: Therefore be it

Resolved by the Senate and the House of Representatives of the State of Florida—

SECTION 1. That the Congress of the United States be, and it is hereby, requested and urged to provide an appropriation of money from the Treasury of the United States to reimburse citrus and vegetable growers and others who were damaged by reason of the campaign for the eradication of the Mediterranean fruit fly.

SEC. 2. That copies of this resolution be duly authenticated and delivered to the President of the United States and to the presiding officers of the United States Senate and the House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate petitions of several citizens of the States of Arkansas and Texas, praying for the enactment of old-age pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate petitions of several citizens of the States of California and Washington, praying for the inclusion in pending social security legislation of the so-called "Townsend old-age pension plan", which were referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a letter in the nature of a petition from the Tennessee State Club of the District of Columbia (P. H. Harris, president), praying for the prompt enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by Charles Faust Post, No. 281, American Legion, of Cuyahoga Falls, Ohio, protesting against the enactment of the so-called "administration bonus bill", and favoring the enactment of bonus legislation as provided for in the so-called "Vinson bill", which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by the trustees and board of stewards of the German Methodist Episcopal Church, Vine Street, Lawrence, Mass., favoring repeal of the cotton processing tax and the taking of other remedial measures for the assistance of the textile industry, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the City Council of Fitchburg, Mass., favoring the allocation of work-relief and P. W. A. funds for the development of the Nashua River and its tributaries in the interest of health, control of pollution and floods, and recreation, etc., which was referred to the Committee on Commerce.

He also presented a resolution of the City Council of Malden, Mass., favoring the imposition of higher tariff duties on importations coming in competition with home industry, which was referred to the Committee on Finance.

He also presented a resolution adopted by Aerie No. 1649, Fraternal Order of Eagles, of Attleboro, Mass., favoring inclusion in pending social security legislation of a provision for monetary assistance to the States in the payment of old-age pensions, which was referred to the Committee on Finance.

He also presented a resolution of the Arizona State Chamber of Commerce and endorsed by the Leominster (Mass.) Chamber of Commerce, favoring the extension of the present excise tax on copper, which was referred to the Committee on Finance.

He also presented the petition of members of Middlesex County (Mass.) Council of Veterans of Foreign Wars, praying for the enactment of the so-called "Patman soldiers' bonus bill", which was ordered to lie on the table.

He also presented a letter in the nature of a petition from the Committee on Moral and Social Welfare (signed by Rev. Alred Schmalz, its chairman), of the Massachusetts Congregational Conference and Missionary Society, Boston, Mass., praying for the prompt enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by the Federation of Citizens' Associations of the District of Columbia, expressing gratitude to the subcommittee on the District of Columbia of the Appropriations Committee, and especially to Senator THOMAS of Oklahoma, its chairman, for the consideration given to representatives of the federation and other civic organizations at hearings before the committee, and favoring retention in the pending District of Columbia appropriation bill of items and projects vitally necessary to the welfare of the citizens of the District, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Exchange Club, of Utica, N. Y., favoring the revival of private enterprise as being of vital importance to economic recovery, which was referred to the Committee on Finance.

He also presented a resolution adopted by Chenango Valley Aerie, No. 2119, of Binghamton, and Lockport Aerie, No. 825, of Lockport, both of the Fraternal Order of Eagles, in the State of New York, favoring inclusion in pending social-security legislation of a provision for Federal monetary assistance to the States in the payment of old-age pensions, which were referred to the Committee on Finance.

He also presented a resolution adopted by the National Council of the Steuben Society of America at Rochester, N. Y., favoring the enactment of legislation providing that before a declaration of war by the Congress the people of the country shall have an opportunity to declare by referendum their decision on the question, and also to take the profits out of war, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the board of directors of the United Taxpayers' League, of Buffalo, N. Y., favoring making the matter of sewage disposal along the Niagara River a Federal works project, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Bohemian Typographical Union, No. 131, New York City, N. Y., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Puritan Council, No. 27, Junior Order United American Mechanics, of Southampton, N. Y., favoring the enactment of legislation to eradicate the activities of subversive groups in the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Transportation Committee of the Association of Commerce of Elmira, N. Y., favoring the enactment of the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes, which was ordered to lie on the table.

He also presented the petition of members of the National Auxiliary, United Spanish War Veterans, Department of New York, Brooklyn, N. Y., favoring the enactment of House bill 5541, known as the "American Flag Act", which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the North Shore of Long Island Chapter of the Reserve Officers Association of the United States, Manhasset, Long Island, N. Y., favoring the making of provision for a hangar and complete permanent facilities for administering and training Air Reserve officers at Mitchel Field, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the Oneida County Council of Postal Workers, at Rome, N. Y., favoring the enactment of legislation placing postmasters of the first, second, and third classes under the civil service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Oneida County Council of Postal Workers, at Rome, N. Y., favoring the enactment of the bill (H. R. 3898) for the equalization of letter carriers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Oneida County (N. Y.) Postmaster, endorsing the bill (H. R. 2890) fixing annual compensation for postmasters of the fourth class, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Central Bridge, N. Y., praying for the enactment of the bill (H. R.

3994) to provide for the issuance of route certificates to carriers on star routes, fixing the compensation of such carriers, and for other purposes, which was referred to the Committee on Post Offices and Post Roads.

He also presented the petition of Bearing Workers Association Union, No. 18482, American Federation of Labor, of Syracuse, N. Y., praying for the prompt enactment of the so-called "Wagner labor disputes bill", which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 2097) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, reported it with amendments and submitted a report (No. 571) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 1943) to prescribe the procedure and practice in condemnation proceedings brought by the United States of America, including acquisition of title and the taking of possession under declarations of taking, reported it with an amendment and submitted a report (No. 572) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes, reported it with amendments and submitted a report (No. 573) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 4005) to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission, reported it without amendment and submitted a report (No. 574) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 92) making final disposition of records, files, and other property of the Federal Aviation Commission, reported it with an amendment and submitted a report (No. 575) thereon.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. CLARK. By direction of the Committee on Finance, I report back favorably without amendment Senate Joint Resolution 113, to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, and I submit a report (No. 570) thereon. As will be noted, the joint resolution has reference to the proposed extension of the N. R. A.

The VICE PRESIDENT. Without objection, the report will be received and placed on the calendar.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 1st instant that committee presented to the President of the United States the enrolled bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GUFFEY:

A bill (S. 2734) to confer jurisdiction upon the United States Court of Claims to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, estate of Harry B. C. Margerum, and George H. Custer, of Falls Township and Borough of Tullytown, Bucks County, Commonwealth of Pennsylvania (with accompanying papers); to the Committee on Claims.

By Mr. METCALF:

A bill (S. 2735) for the relief of Rocky Brook Mills Co.; to the Committee on Claims.

By Mr. BARKLEY:

A bill (S. 2736) to provide that all 50-cent pieces coined in commemoration of the two hundredth anniversary of the birth of Daniel Boone shall be inscribed with "1934"; to the Committee on Banking and Currency.

A bill (S. 2737) authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway; to the Committee on the Library.

By Mr. COPELAND:

A bill (S. 2738) to authorize the use of park property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree; to the Committee on the District of Columbia.

(By request.) A bill (S. 2739) to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. COSTIGAN:

A bill (S. 2740) for the relief of Julia C. Gray; and

A bill (S. 2741) for the relief of Maj. Joseph H. Hickey; to the Committee on Claims.

(Mr. BORAH introduced Senate bill 2742, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. SHEPPARD:

A bill (S. 2743) to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone; to the Committee on Military Affairs.

By Mr. ASHURST:

A bill (S. 2744) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. COPELAND:

A joint resolution (S. J. Res. 114) directing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

A joint resolution (S. J. Res. 115) designating the last Sunday in September as "Gold Star Mother's Day", and for other purposes; to the Committee on Military Affairs.

PROCEDURE IN ENFORCEMENT OF REGULATIONS OF GOVERNMENT AGENCIES

Mr. BORAH. Mr. President, I introduce a bill for reference to the Committee on the Judiciary, and ask that it may be printed in the RECORD.

The VICE PRESIDENT. Without objection, the bill will be received, printed in the RECORD, and referred, as indicated by the Senator from Idaho.

The bill (S. 2742) relating to the enforcement of regulations adopted by agencies of the United States was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in the trial of any case, civil or criminal, at law or in equity, and in all other proceedings, growing out of attempts to enforce, or to exact penalties for noncompliance with, any regulation adopted by any officer, board, commission, regulative body, or other agency of the United States, there shall be a presumption that any restriction imposed by such regulation upon individual liberty is unlawful; and such presumption shall be overcome only by showing to the satisfaction of the court that the regulation is within the power of the officer, board, commission, regulative body, or other agency of the United States adopting and proposing to enforce it, and that it is reasonably necessary to the accomplishment of the object of the law, or laws, from which such officer, board, commission, regulative body, or other agency of the United States derives its authority.

INVESTIGATION OF SUGAR-BEET INDUSTRY

Mr. MURRAY submitted a resolution (S. Res. 124), which was referred to the Committee on Banking and Currency:

Whereas it is alleged that serious disputes arise annually between sugar-beet growers and processing companies; and

Whereas certain sugar-beet growers of Montana are at present in a deadlock with the Great Western Sugar Co. and refuse to sign a contract with such company because of alleged discrimination practiced by such company; and

Whereas it is alleged that such annual disputes cost the areas affected large sums of money and keep the industry in an unsettled and precarious state; and

Whereas the recent increases in the price of sugar to the consumer are alleged to be sufficient to justify a higher price being paid to the sugar-beet grower by the processing companies: Now, therefore, be it

Resolved, That a special committee of three Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the sugar-beet industry in the United States. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

MANIPULATION OF THE COTTON MARKETS

Mr. SMITH submitted the following resolution (S. Res. 125), which was referred to the Committee on Agriculture and Forestry:

Resolved, That in addition to the authority conferred upon the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, under Senate Resolution No. 103, Seventy-fourth Congress, first session, agreed to March 16, 1935, the committee, or any duly authorized subcommittee thereof, shall have authority to investigate, with a view to determining whether there has been any manipulation, direct or indirect, of the cotton markets, or any undue influence thereupon in connection with the issuance or publication of cotton reports or statements, (1) the causes of the decline of the price of cotton on the cotton exchanges prior to March 11, 1935, and (2) the activities of the Department of Agriculture, cotton exchanges, cotton merchants, cotton millers, bankers, and any other persons, firms, or corporations connected with the cotton business.

CITY OF BALTIMORE, MD.—MOTION TO RECONSIDER

Mr. KING. Mr. President, I desire to enter a motion to reconsider the vote whereby the bill (S. 672) for the relief of the city of Baltimore was passed yesterday.

The VICE PRESIDENT. The motion of the Senator from Utah, to reconsider the vote whereby Senate bill 672 was passed, will be entered.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement in the form of a telegram coming from Mr. Ward Cheney, representing the Industry and Business Committee for N. R. A. Extension; also a resolution adopted by that organization, and a telegram from Peter Van Horn, president of the National Federation of Textiles, Inc.

There being no objection, the statement, resolution, and telegram were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *May 2, 1935.*

Temporary 10-months or 1-year extension of emasculated N. R. A. would be utterly disastrous to business and industry. This is conclusion of our committee, representing 60 groups of industry and business operating under codes with over 300,000 units employing several million workers, doing annual business of over $10,000,000. Our committee staunchly supports passage of Harrison bill with necessary changes and prompt action to end serious present business unrest and uncertainty.

WARD CHENEY,
Chairman Industry and Business Committee for N. R. A. Extension.

Whereas the Industry and Business Committee for N. R. A. Extension, representing many hundreds of thousands of business and industrial units—largely smaller ones—employing millions of workers, met today further to consider the extension of the N. I. R. A.; and

Whereas this committee, on April 2, by resolution respectfully requested the Senate Finance Committee to expedite its investigation of the N. I. R. A. and report out at the earliest date the best obtainable legislation to extend an improved and strengthened law, and in such resolution further set forth that the prolonged investigation was creating an atmosphere of uncertainty and unrest in the business world, costing American business millions of dollars; and

Whereas Senator BENNETT CHAMP CLARK, of Missouri, now has proposed that the N. I. R. A. be extended for a temporary period of 10 months, and, we are informed, his proposal is having serious consideration: Now, therefore, be it

Resolved, That the members of the Industry and Business Committee for N. R. A. Extension are unalterably opposed to Senator CLARK'S proposal in that it would merely aggravate the present uncertainty and unrest in the business world, to which this committee already has objected, and would continue this uncertainty for another 10 months; and further

That the attitude of this committee remains unchanged in that the industries and businesses it represents desire the extension of an improved and strengthened law; and further

That a copy of this resolution be telegraphed to Senator PAT HARRISON, Chairman of the Senate Finance Committee, and copies be mailed to the other members of that committee.

INDUSTRY AND BUSINESS COMMITTEE FOR
N. R. A. EXTENSION,
New York, N. Y.

This committee was organized about April 1, 1935, as a result of a spontaneous demand from many sources that industry and business favoring the extension of N. R. A. should unify its efforts under a single committee and represent industrial and business groups, with headquarters in New York City.

Business and industrial men are members of the general committee representing the following industries: Cotton industry, paper and pulp industry, steel casting industry, retail tobacco dealers, velvet industry, boiler manufacturing industry, silk and rayon industry, infants' and children's wear, industrial alcohol institute, freight forwarding and carloading industry, foundry supplies, national retail jewelers, photoengraving industry, retail pharmacists, lace manufacturing industry, wooden box manufacturing industry, throwing industry, carbon dioxide industry, advertising typography industry, tag manufacturing industry, master painters and decorators, textile processing industry, garter, suspender, and belt manufacturing industry, organ builders, ladies' handbag manufacturing industry, master plumbers, handkerchief manufacturing industry, men's neckwear manufacturing industry, book manufacturers and binders, textile shrinking and refinishing industry, specialty paper products industry, smoking pipe manufacturing industry.

These industries indicated above, and other represented by this committee, operate over 300,000 units located in all States of the Union. The total number of workers employed exceeds 3,000,000, and the annual gross business volume exceeds $10,000,000,000.

The committee has operated on a quiet program without ballyhoo to encourage industry and business units throughout the country to express themselves about the N. R. A. direct to the Senators from their States and the Congressmen from their districts.

Ward Cheney, president of Cheney Bros., silk manufacturers, South Manchester, Conn., is chairman.

More detailed information will be furnished upon request.

GENERAL COMMITTEE OF THE INDUSTRY AND BUSINESS COMMITTEE FOR N. R. A. EXTENSION

G. H. Door, cotton industry; Carl Whitney, paper and pulp industry; Col. Merrill G. Baker, steel casting industry; Eric Calamia, retail tobacco dealers; Ward Cheney (chairman), velvet industry; A. C. Weigel, boiler manufacturing industry; William Menke, silk and rayon industry; Leo J. Goldberger, infants' and children's wear; A. K. Hamilton, industrial alcohol institute; E. M. Dillhoefer, freight forwarding and carloading industry; J. H. Whitehead, foundry supplies; Kenneth I. Van Cott, national retail jewelers; David Orans, photoengraving industry; Frank L. Grennie, retail pharmacists; Hugo N. Schloss, lace manufacturing industry; Nathan Tufts, wooden box manufacturing industry; H. E. Bishop, throwing industry; A. R. Ludlow, carbon dioxide industry; Kurt H. Volk, advertising typography industry; F. H. Baxter, tag manufacturing industry; Otto Grimmer, master painters and decorators; Harry E. Kenworthy, textile processing industry; A. C. Knothe, garter, suspender, and belt manufacturing industry; Arthur Hudson Marks, organ builders; Sol Mutterperl, ladies' handbag manufacturing industry; John Murphy, master plumbers; Alex G. Ritchie, handkerchief manufacturing industry; Jacob Roth, men's neckwear manufacturing industry; E. W. Palmer, book manufacturers and binders; Max J. Schneider, textile shrinking and refinishing industry; John W. Willmore, specialty paper products industry; George St. John, Jr., smoking pipe manufacturing industry.

NEW YORK, N. Y.

HENRY I. HARRIMAN, Esq.,
President United States Chamber of Commerce,
Washington, D. C.

As president of an organization which has been supporting and admiring member of the United States Chamber for many years, I wish to point out to you personally that I am most fearful that

your splendid organization is being used as a catspaw by a small group of members with selfish political and business interests who seek to accomplish, through the chamber, purposes which they could not attain alone. Our organization has been active supporter of the industry and business committee for N. R. A. extension, with offices in New York, representing 60 important industrial and business groups operating under codes representing over 300,000 business and industrial units employing millions of workers, and doing annual business volume exceeding ten billions.

This committee and our industry are vigorously opposing temporary 10-month extension of emasculated N. R. A., which will add to present business unrest and uncertainty, and, as a member of chamber we call upon your good office to oppose yesterday's action of Finance Committee and recommend 2-year extension of improved law. Kindly have list of members of chamber sent to our office in New York so that we may present our views to other members. If minority of chamber members are successful in misusing your organization I will recommend to our board of directors that we submit our resignation with regret. Filing copy of this telegram with the President and members of Senate Finance Committee. If opportunity affords today will express these views in person from the floor of your convention.

PETER VAN HORN,
President National Federation of Textiles, Inc.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

FREEDOM OF THE AIR—ARTICLE BY DAVID LAWRENCE

Mr. WHITE. Mr. President, I ask unanimous consent to have printed in the RECORD an article by David Lawrence entitled "Freedom of the Air", appearing in the United States News under date of April 29, 1935.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the United States News of Apr. 29, 1935]

FREEDOM OF THE AIR—POLITICAL CONTROL OF THE RADIO HAS MADE BROADCASTING A TOOL OF THE POLITICIANS AND A BOON TO THE PARTY IN POWER—LICENSING FEATURE OF PRESENT LAW HAS PROVED A DEMORALIZING INFLUENCE AND A MENACE TO FREE EXPRESSION OF OPINION

By David Lawrence

Radio broadcasting is the most powerful means of instantaneous communication the world has ever known.

As such it has become the tool of dictators in Europe and it bids fair to become in America the weapon by which free government may be destroyed.

For this reason it is pertinent to examine without gloves the sorry state into which radio broadcasting in the United States has fallen as a result of Government intimidation, on the one hand, and abject surrender on the other by the broadcasting companies themselves.

To understand the problem and many of its implications it is necessary merely to point out that every radio station is licensed with a permit which may or may not be renewed every 6 months, according as a Federal commission of political appointees may decide what is meant by five words in the Radio Act, namely, "public interest, convenience, or necessity."

Does a broadcasting station satisfy the whims of a Federal tribunal? If so, it keeps its license. Does it become the coveted object of some rival interest in a given community with the proper amount of political pull and influence at Washington? It then loses its license or its "clear channel" to one of the competing beneficiaries of this rule of special privilege.

The National Broadcasting Co. owns or operates 15 broadcasting stations. The Columbia Broadcasting System has 8. All these are key stations. To lose them would mean a serious financial loss and possibly a break-up of whole chains or networks.

LIMITATIONS ON CRITICAL BROADCASTS

It is important, indeed it is vital, for the N. B. C. and the C. B. S. to remain on terms of almost excessive friendliness with the party in power in Washington, and to some extent with the minority party because some day the minority may become the majority.

The whole concept of the broadcasting companies as to their obligation is political. Their policies are made with an eye to the political damage that might ensue or the political benefit that might accrue.

Hence there is a rule that no speaker may appear on their networks for a regular series of broadcasts if his addresses are in any way critical of the national administration at Washington. Almost the first question asked by the director of programs about a projected program on public affairs is: "Will it be antiadministration?"

Faced with the problem of presenting views on controversial issues, both broadcasting systems give the bulk of their time in this field to addresses by the politicians in Congress or in the executive agencies.

Members of the Senate and House can have the privileges of the air right along, but private individuals are permitted occasional speeches, and then only when presented under the auspices of the so-called "national pressure groups" or of educational organizations which, too, might be presumed to have a nuisance value from a political standpoint.

The educators of the country, for instance, have been clamoring for 15 percent of the wave lengths. This is impractical. Still it is recognized that educators have indirect influence at Washington.

CHAINS FEAR REPRISALS BY POLITICIANS

Efforts, therefore, are constantly made by the broadcasting companies to placate the educators. Unfortunately, the educators aren't always interested in the technique of producing attractive programs from the viewpoint of the listener and are still thinking in terms of dull, high-brow discussions which the average man looks on as a waste of valuable time.

But the basic idea of the broadcasting companies is to avoid political reprisals. They give their facilities generously to the politicians on the theory that this is their main obligation to the public and that it will be the best means of protecting themselves against arbitrary action by the Federal Communications Commission.

Thus while nonpolitical persons who wish to make criticisms of the administration are barred from repeated or regular appearances on the radio, the chairman of the Democratic National Committee, who is also Postmaster General, appeared 22 times over the N. B. C. stations in 1934, to say nothing of his broadcasts on the Columbia system. The N. B. C. in a formal report announced last December that the Cabinet had had 78 periods in 1934 and that the Assistant Secretaries had an additional 34 addresses, the emergency agency heads 21, and Mr. Roosevelt had the radio 23 times, thus making a total of 156 times for the party in control of the executive branch of the Government during 1934.

Now, if we take the statistics on Members of Congress we find there was a total of 308 addresses for both parties and for both Houses. While the figures do not indicate what proportion were Democrats and what were Republicans, or the length of time each speaker had, we may assume that the N. B. C. divided the number equally so that 154 appearances were Republican and 154 were Democratic.

BIG ADVANTAGE LIES WITH THE PARTY IN POWER

If we add the 154 congressional broadcast periods which the Democrats were given to the 156 times the Democrats in the executive branch of the Government had the privileges of the air, we find the score is 310 to 154 in favor of the administration in power—more than twice as many.

The usual answer made by spokesmen of both broadcasting systems—for their policies and their statistics are very much alike—is that when the Republicans were in power the allotment of time was in their favor.

The fundamental fallacy is in assuming that a minority in Congress always represents or reflects the intelligent or constructive opposition in America to the economic policies of the administration in power or that we can have free institutions when Government-issued propaganda is not checked or challenged in specific terms on the radio immediately after it is broadcast or within the same 24 hours, as is the case in newspapers.

There have been published in the newspapers plenty of statements and interviews with prominent persons on current problems which the broadcasting companies could have presented had they dared. They cannot convincingly plead lack of space. They could have set aside time for a limited amount of opposition. They could have transmitted criticism if they so desired. But the bugaboo of a Federal Communications Commission prevented them from being alertly or aggressively impartial.

INTIMIDATION AS A WEAPON IN LICENSING

Under the present law the Commission is supposed to follow "an equitable distribution" of wave lengths. The quota system by States has been applied. There is nothing, however, in the law to prevent the Commission from reallocating all wave lengths on a county basis or from using the political gerrymander idea in any other form to exclude stations which fall under the ban for one reason or another.

The record of licenses not renewed will show some cases, of course, in which defamatory language has been used on a radio station repeatedly, and hence the license has been withheld. But there are other instances in which licenses have not been renewed on technical grounds more or less related to the political pressure of the other fellow, who wanted a license or a share of the precious wave length.

When a governmental commission has the power of life and death over a radio station or a network, it is natural that intimidation should develop in most insidious forms.

MANY SPEECHES OF OPPOSITION WERE ON RECORD

The broadcasting companies vehemently deny any prejudice or any favoritism toward the present administration. They argue that they have been willing to offer their facilities to the "opposition" any time, but that for many months the Republicans were tongue-tied and, of course, didn't want to say anything against the Roosevelt administration.

This is rather surprising in view of the many speeches in the CONGRESSIONAL RECORD and in the press in 1933 and 1934 taking issue with many aspects of administration policy.

It would have been very helpful on this point if the broadcasting companies had reduced to writing their proffer of radio time and had made it a matter of record with the entire membership of the House and Senate, because there are Republicans who say

they did not know until quite recently that radio facilities had presumably been available to them at all times.

Within the last few weeks both the broadcasting systems have set up an hour a week for congressional opinion and have begun to rotate the requests for space on the air, but this does not erase the fact that opposition to the administration on the radio has been effectively diffused, if not squelched, by the simple method of now and then putting a few Republicans on the radio to keep up appearances of nonpartisanship.

Constructive criticism is the foundation of free government. The American press throughout our history has been the defender of American constitutionalism and American principles of fair play. The newspapers have not shown any hesitancy to publish material regularly which pointed out the unsoundness of certain of the administration's economic policies.

This was because they could assert themselves under the protection of the freedom-of-the-press clause of the Federal Constitution. They fought against being licensed under the N. R. A. when they saw what was happening to radio broadcasting. The radio has the same constitutional protection if the broadcasting stations will acquire the same courage to assert their rights.

INDISPENSABLE BULWARKS OF OUR LIBERTY

The analogy of the press to the radio is important. Free speech and free press go together. They are the bulwarks of our liberty. They must protect us against dictatorship and despotism.

The newspapers open their news columns to anybody with interesting material and their advertising columns to anybody who wishes to buy space for the presentation of a controversial viewpoint or for the sale of merchandise.

The broadcasting companies, however, permit the purchase of time to sell laxatives but not to present ideas on public affairs. Their objection is ostensibly to "propaganda." But the effect of their rule is to deprive investors and owners of properties of an opportunity to obtain ample radio time to protect their investments from spoliation by political racketeers and demagogues. The broadcasting companies overlook the fact that they are not only refusing facilities to businesses affected by destructive legislation but they are furnishing free time on the air regularly and in abundance to the wrecking crews in government who are undermining our whole economic system.

SHOULD EXTEND LICENSES TO 3 YEARS

All this is because the licensing system is a cancer which eats into the judgment of the broadcasting companies and the stations.

The President of the United States appoints the members of the Federal Communications Commission. He can remove them at will without cause. Nevertheless, to free itself from suspicion of White House domination, the Commission ought to issue licenses for 3 years instead of 6 months. This can be done by the Commission under the present law whenever it wishes to exercise that discretion.

The power of intimidation, of course, will not be completely removed until the Congress specifies in the law the exact technical grounds on which licenses may not be renewed and also makes the facts as well as the decisions reviewable by Federal courts.

This is the great crusade which radio has ahead of it. And the press should enlist in it with a spirit of patriotic comradeship.

For while control of the radio may be thought by the present administration to be essential to the perpetuation of a party in power, it will lead ultimately to a public reaction. "Freedom of the air" may, indeed, become some day an issue at the polls.

If the truth is suppressed, a free people cannot exercise their independent judgment.

A radio broadcasting situation, untrammeled by Federal bureaucracy, is the biggest single need of America in its hour of crisis.

The sooner the American people realize the perils in the present political domination of broadcasting, the quicker will America be saved from the most dangerous form of exploitation it has ever faced—exploitation by the politicians.

EQUIPMENT NEEDS OF AMERICAN INDUSTRY—ADDRESS BY JOHN W. O'LEARY

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "Equipment Needs of American Industry", by John W. O'Leary, president Machinery and Allied Products' Institute, before the United States Chamber of Commerce Round Table on Durable Goods and Housing.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is especially gratifying that we have a round table on equipment needs of American industry at this, the Twenty-third Annual Meeting of the United States Chamber of Commerce. I know the important place this subject has in the considerations of the Chamber's board of directors, and I look forward to an even greater emphasis upon it and to a larger, more general understanding of its implications on the part of our Federal administration officials and our fellow citizens.

The equipment needs of American industry today have a broad significance. Never before in my experience have either volume or possibilities been so great, and never before has there been a time when we should strive harder to capitalize our opportunities.

Five years of depression have gone by—busy, throbbing years of many events. But days, weeks, and months of this period have passed with but little observation of the natural process taking place. The building of sources of employment for our people, the storing up of a new cycle of industrial activity, and the setting of the course of resumption of America's march toward the greater realization by all its people of higher standards of living is worthy of our thought. Our world-envied standard of living achieved through the efficient functioning of industry in the production of goods and services at constantly lessening cost, to the greater use and enjoyment by all is worth preserving.

We, as thinking business men, whose individual businesses as well as our interest in the preservation of America's standards, counseled earnestly against too extreme experimentation, pointing to the experience of earlier depressions and to the fundamental principles of sound recovery. We were and are still to considerable though lessening extent accused of a failure to recognize supposed basic changes in our economic order. Early in the depression our statements of the necessities of recovery were premised upon previous experience and recognition of the real causes of depression. In 1935 we see before us the evidence of the effect of ignoring these economic truths in continued unemployment and increasing debt. The philosophy of scarcity cannot result in improved conditions.

We have lost much by confusion of principles; the depths of depression have been prolonged. But we have accumulated a portion of the business, or wants, which would more naturally have been earlier supplied. These postponed requirements, the present equipment needs of American industry, are now before us for future utilization.

Equipment needs are capital goods. In our discussion of our subject we shall wish to trace the possibilities of recovery through utilization of equipment needs. It is appropriate, even before we discuss what these needs are, that we review the facts concerning capital goods economics.

Business and industry fall into three distinct categories.

The first we speak of as the consumers industries, composed of the establishments which have to do with the supplying of the necessities of existence—the things we cannot very well get on without, such as food, clothing, heat, furnishings—consumption goods. Depression or no depression, these industries must go on if we are to survive. They have gone on. We may eat a little less and wear our clothes a little longer and huddle more closely together, but there are limits in this respect beyond which we cannot go. Sheer necessity demands the continuation of these industries and they will not fall below a certain level. Even in the depths of the depression they have been well sustained.

In the second classification circumstances are different. In this latter class are the industries which meet the requirements and supply the tools and equipment of the primary supply industries which meet directly the human needs. Included are machinery, construction, manufacturing, and material supply industries which build our national plant—capital goods. It is upon these industries that the impact of depression is more severe. These industries are the first to fall back before its advances and the last to resume activity. Their status most accurately reflects the difference between good times and bad.

The objective of recovery is employment of the idle, and employment is the measure of the status of the capital-goods industries, as well as the gage of the extent to which the equipment needs of American industry may be utilized in bringing about recovery.

Estimates which have been generally accepted indicate that in 1930 there were 49,000,000 gainfully employed in America, 17,000,000 in the consumers'-goods industries, 22,000,000 in the service trades, and 10,000,000 in the capital-goods industries. In 1934 we had one and one-half million unemployed in the consumer industries, or unemployment of 9 percent. This compares with 5,000,000 unemployed in capital goods, or 50 percent unemployment. Service trades in 1934 had 4,000,000 unemployed, or 18 percent.

By far the greatest unemployment exists in the capital-goods industries. The service industries, the third classification, are also dependent, to a large extent upon a revival in the capital-goods industries, there being three employed on the average in servicing, supply, and material lines for each one at work in capital-goods manufacturing. Obviously the possibility of taking up the slack in unemployment by stimulating the consumers' industries is remote. We cannot, in other words, eat our way to recovery. But no such limitation exists in the case of the capital-goods industries. They are, in fact, the measure of our possibilities.

It is important to remember that in normal times annual purchases in the United States of consumers' goods totaled about $30,000,000,000, while capital-goods output was more than $40,000,000,000, and that since 1929 consumers' goods have never declined more than 35 percent from normal and are within 10 percent of normal, while capital goods have dropped in volume 75 to 80 percent.

The motivating forces behind these two classes are quite different. Consumers' goods owes existence to the urge of necessity. Capital goods depends upon what might be called the spirit of progress. The sustaining force behind the capital goods industries is the belief that we shall go onward, the expectation that our development will continue—confidence in ourselves and our institutions. If that confidence is lacking, investment lags, we begin to husband our resources instead of placing them in enterprise, and depression is upon us.

Investment, then, is also a measure of the status and possibilities of the capital goods industries. During the 10 years ending with 1930 the volume of savings flowing into investment in new

securities, exclusive of refundings of every kind, averaged about $3,500,000,000 per annum. In 1931, because of the liquidation then in progress, this had dropped 53 percent, to something less than $1,600,000,000. By 1933, due to various restrictive measures and uncertainties, the figure was only $125,000,000, or but 3½ percent of the 1920 to 1930 average. For the 12 months ending September 30, 1934, this had increased to $137,000,000, which is but 3.9 percent of the 1920 to 1930 average.

With this background of the status of our industries the significance of the figures on equipment needs, which we shall now consider, may be readily recognized.

There are a number of sources of partial information concerning the current equipment needs of American industry, but America is a large country with a great diversity of industries, and it is difficult with a high degree of accuracy to define or identify and consolidate its equipment needs. Were this wholly possible, I am confident that a more striking picture of our potentialities would result. Nevertheless, the information which is available to us, conservative though it necessarily is because incomplete, represents a total of such tremendous proportions that we may well base our discussion upon it with disregard of possible omissions.

The consideration of normal production and in comparison and accumulation of unrealized output is of early interest to us. Figures of the National Industrial Conference Board based upon 1929 production value of manufactured goods of $61,300,000,000, show that there has been an unrealized output during the 5 depression years 1930 to 1934 of 133.1 billions of dollars. All production of goods including agriculture and nonmanufactured goods in 1929 was something more than $70,000,000,000. Reasonably assuming that approximately the same ratio would apply to the enlargement of the figure, the unrealized output of industry for each of the 5 years would have been 43.3 percent, or $30,380,000,000 per year, or an aggregate of $151,900,000,000. Now, of course, it does not necessarily follow that this $152,000,000,000 of unrealized output, or the greatest portion of it, is accumulated into an effective present-day demand, or even if not a present demand that it may in large part become a future realization. But we do know from these figures that a staggering sum of unrealized output is recorded evidencing the fact that repression of our requirements has been most severe, and we do know that millions of our citizens are in need, and if not in actual want, are eager potential purchasers for innumerable commodities, services, and improvements. Our knowledge of the regular requirements of our people compels attention to the fact that a very large demand does exist and will continue to exist until satisfied. What this demand, as distinguished from the forementioned deficiency of production is we shall undertake to discuss as far as possible, with relation to the needs of industry.

A further consideration pertinent at this point is whether this production of 1929 was beyond America's normal capacity to consume, or whether, conversely, our plants were equipped for production far beyond actual productive output, with resultant superfluity of fixed capital and the harmful effects of steadily increasing excess. This is a subject of exhaustive possibilities for discussion, but, though we may wish to go into it later at length, suffice it at this point to refer to certain conclusions in the careful analyses recently made by the Brookings Institute, first that with reference to capacity to consume the "United States has not reached a stage of economic development in which it is possible to produce more than the American people as a whole would like to consume", and second, with reference to capacity to produce that "19 percent is a fair estimate of the amount of added production of which our industrial plant was technically capable under the conditions prevailing in 1929."

In considering the amounts of actual present equipment needs of American industry we have, as I have said, a number of sources of partial information.

Foremost among them, partly because of my own familiarity with the details of the survey and partly because of the completeness of its treatment of an important segment of the capital-goods industries—the machinery industries—I shall refer to the recently completed survey of the potential machinery requirements of American industry made by Machinery and Allied Products Institute. This survey shows potential requirements for machinery alone of eighteen and one-half billion dollars—enough to employ 4,000,000 men full time for 2 years. An essential consideration of the survey was its premise upon the establishment of sound governmental policies and return of normal business confidence. The survey was based upon itemized reports of actual machinery requirements obtained through the members of the 58 trade associations comprising the institute. A striking picture of the survey was the detail in which the reports were rendered. Quotations as to cost were given in practically all instances, specifically, in dollars and cents, and machines were itemized not only by classification but in many cases by name or type, capacity, and catalog or design number. These employers knew their needs, were well impressed with the economic desirability of replacement, they had received actual quotations, in many cases had made decisions as to the machines they would purchase, and had obviously given careful consideration to the question of whether to invest or to postpone investment. That they had postponed investment is evidenced by the inclusion of the requirements as future needs. Here is an eighteen and one-half billion dollar order to machinery manufacturers. Here is a $12,000,000,000 potential order to labor—4,000,000 men full time for 2 years—and it is estimated that for each worker employed in machinery manufacture 3 others find employment therefrom.

A second source of specific information also centers upon machinery—the American Machinist obsolescence survey announced just last week.

This survey enables us to approach the subject of machinery requirements from another direction, for this detailed survey is a measure of the age and life usefulness of metal-working machinery. Of much significance among its findings is the revelation that 65 percent of America's metal-working machinery is more than 10 years old, this percentage having increased from 48 percent in 1930. The American Machinist also brings out in this research its conclusion that the life usefulness of metal-working machinery has decreased during recent years through advancement in design, precision, and productivity to 10 years. Several years ago we would have placed this at 15 years. An interesting though rough calculation may be made from this that since metal-working machinery in use totals 3.5 percent in dollar value of all machinery, if 65 percent of metal-working machinery is now obsolete and not 65 percent but only 35 percent of all other machinery is obsolete, it follows that approximately $23,500,000,000 of machinery may be obsolete and require replacement. Compared with this theoretical potential replacement need, the Machinery Institute survey found that demand for machinery is $18,574,000,000.

The railroads next present a formidable array of potential equipment needs. The equipment purchases during 1933 of rolling stock by class I railroads were 94.4 percent less than the 12-year average, 1922 to 1933, inclusive. In other words, the railroads in 1933 purchased only 5.6 percent of their normal annual requirements. An upturn in business for the railroads would make possible normal additional purchases of $250,000,000 annually. The potentialities for modernization are enormous. The Interstate Commerce Commission reports that as of December 31, 1934, 61.3 percent of all locomotives were more than 20 years old. The rate of advancement in locomotive construction is such that it is fair to regard all equipment more than 10 years of age as obsolete, in which case all motive power numerically would be 91.7 percent obsolete. Were the 46,401 locomotives replaced by 40,000 units of modern design and economy, expenditures of $2,750,000,000 would be involved at present prices. Additional track, signal equipment, shops and housing, heavier rail, electrification, Dieselization, air conditioning, equipment replacement, elimination of grade crossings, and other improvements normally required or necessary for improved service and decreased running time, present a potential demand of tremendous proportions.

The Iron and Steel Institute reported recently a backlog of steel requirements of 67,000,000 tons representing 17 months' production. Equipment needs to properly handle this tonnage are already reflected by an announced modernization program of $125,000,000.

Electric World, in cooperation with the utilities, has released just this month in a special recovery issue its measurement of the possibilities. Here, in normal replacement and expansion of electrical facilities for farm, home, and industry, it is recorded that with friendly governmental encouragement the completion in 2 years of but 10 percent of the program would mean expenditures totaling $16,813,000,000.

Housing rehabilitation and construction cannot be classed directly as equipment needs of industry. The impulse to industrial activity and the demand upon industrial equipment in the furnishing of materials would directly result, however, in additional equipment requirements, for potential housing rehabilitation and construction have also assumed large proportions. According to the Federal Housing Administration 16,000,000 homes need repair, with estimated average cost of repair as $300, making a total of $5,000,000,000. The necessary new construction for 1,000,000 families is estimated at $5,000,000,000.

Obsolescence of equipment in stenotype foundries and pressrooms is reported to amount to $44,000,000. The cotton-textile industry faces the necessity of extensive replacement of machinery in order to successfully compete with other nations. Highway construction planned during the next few years will require road-building machinery estimated to cost $125,000,000.

The news of equipment needs continue to reach us day after day. There are many omissions of entire industries. It has been difficult for us, and is apparently doubly difficult for administration officials to comprehend the extent to which the passage of time has laid the foundation for sound recovery.

Even the most casual observer of the trends of design and efficiency of the equipment with which American industry will make its replacements will recognize that industrial activity will be spurred by more efficient mechanization. Much has been said during this depression, as in previous depressions, of the threat of the machine age to employment. This, again, is too exhaustive a subject to present fully at this time, but it is interesting to refer to the previous expressions of concern on the point issued during earlier depressions. For example, in 1886, at the bottom of that major depression, the Commissioner of Labor officially reported:

"The United States has gone on perfecting machinery, duplicating plants, crowding the markets with products, until today this country is in the exact position of England, with productive capacity far in excess of the demand upon it and her industries stagnated, the wages of labor reduced, prices lowered, and the manufacturers and merchants trying to secure an outlet for surplus goods.

"It is true that the discovery of new processes of manufacture will undoubtedly continue, but this will not leave room for a market extension such as has been witnessed during the last 50 years nor afford a remunerative employment of the vast amount

of capital which has been created during that period. The market price of products will continue low, no matter what the cost of production may be. The days of large profits is probably past. There may be room for further intensive but not extensive development of industry in the present era of civilization."

Other similar prognostications have been made by writers and analysts during poor times. Our experience, as we all know, has been quite different. Figures on employment completely disprove any such possibility of increasing unemployment, for in the period from 1910 to 1930 the number gainfully employed increased from 38,000,000 to 49,000,000, a gain of 11,000,000. Department of Labor figures issued by the Department of Commerce indicate that farm workers decreased in number during this period from twelve and one-half to ten and one-half millions, a loss of 2,000,000, while industrial workers increased from eleven and one-half to fifteen and one-half millions, a gain of 4,000,000, and workers in service trades increased from fourteen to twenty-two millions, a gain of 9,000,000. It is obvious from these figures that an improving standard of living through enjoyment of goods and services by an increasing number of our population, made possible through production at constantly lessening costs, opens up new avenues and opportunities for employment in other fields.

That huge potentialities of general business and industrial activity with consequent reemployment of millions of workers exists there can be no reasonable doubt. The natural processes—the passage of time alone—under the circumstances which existed during the past 5 years have set the stage for a resumption of normal production, distribution, and consumption It is of paramount importance that we shall recognize that these possibilities are now before us, and what is more to the point, that those who are charged with legislative initiation and administration shall comprehend the extent of normal recovery naturally and immediately possible through private initiative.

While we see about us these real and tangible needs, the fact remains that American industry is only slowly responding to the purchase of equipment. The capital-goods industries remain depressed, and deferred programs, postponed purchases and a spirit of caution and watchful waiting beset us.

What may be the reasons for this situation? I think that we may segregate and discuss the possible reasons under the following three general headings: (1) Price; (2) purchasing power, or credit facilities; (3) absence of business confidence.

(1) Price: Industry's equipment needs are capital goods. As I have indicated the capital-goods industries are subject to cyclical fluctuations—they are the first to experience the impact of depression and the last to resume normal activity. This is true because of the durable character of the products, which, in sharp distinction to consumers' goods, permits a postponement of purchase, an indefinite deferment of demand. This ability to defer demand constitutes an ability to shop closely and place pressure on prices. The price which the buyer will pay for a product, and the price at which the economic soundness of buying can be demonstrated, determines the maximum price the seller can obtain. The replacement of obsolete facilities and the opening up of new ventures will be undertaken only in anticipation of profit, and it is essential that equipment be procurable at prices sufficiently low to make probable a profit in their future use.

We have been embarked under the National Recovery Administration upon the trial of a new economic philosophy which has had a profound effect upon prices through its effect upon all labor costs, direct and indirect, involving every phase of development of materials, manufacture, and distribution. Whether the shortening of hours to such an extent that a living wage necessitates 1929 wage rates in the middle of a major depression, with 10,000,000 idle men and a national income not greatly in excess of one-half of the pre-depression volumes, makes possible the sale of capital goods is open to serious question. We know that in the capital-goods industries goods have not been sold. The accomplishment of recovery through an economy of plenty instead of an economy of scarcity would appear to require such flexibility of hours as to facilitate production through a unit labor cost which without denial to the workman of a living wage, will result in a price for the product that will make it salable.

(2) Purchasing power—credit facilities: When we consider that for the 12 months ending September 30, 1934, the total of new securities issued, exclusive of refundings (four-tenths of 1 percent higher than the year 1935) was but 3.9 percent of the average annual amount issued during the 10 years 1920 to 1930, it is apparent that a vast proportion of purchasing power of industry either does not exist or is not being utilized. At the same time we note that in common with all business throughout the Nation industry is maintaining large cash balances and is otherwise maintaining a high degree of liquidity.

Credit facilities are undoubtedly largely deficient. The banks continue to place first emphasis upon liquidity and have heavy holdings of Government bonds. Short-term bank credit is neither possible nor appropriate for industry's purposes. A real need for intermediate credit up to 7 years is felt, and is obtainable through the Reconstruction Finance Corporation under rather severe restrictions. There has been wide-spread disinclination on the part of manufacturers to avail themselves of this medium of credit. A decided preference for privately financed credit is reflected in the greater interest in the operations of the Federal Housing Administration, but these facilities if extended for industrial-plant rehabilitation and replacement would be limited to maximum loans of $50,000. As to long-term and intermediate credit, it is the belief of most business men that such credit could and would be promptly made available if regulatory measures which preclude the establishment of private facilities to handle business of this character were properly modified.

The extent to which lack of credit facilities is responsible for failure of the dammed-up equipment requirements to move is not known. It appears, however, that this factor is not of first importance as a reason for the condition which exists.

(3) Business confidence: Every purchase of plant equipment is an investment, either of cash capital or through use of credit, and it is an investment for long-time use and in expectation of profit. The purchase of capital goods is always dependent upon business confidence and is invariably a demonstration of confidence. Business confidence is intangible, but it is a vital dominating factor which motivates every constructive and enterprising business transaction. It is something we cannot artificially produce or regulate, or even stimulate. It must exist with reason.

That there is present today a wide-spread feeling of uneasiness, a tendency to await unknown developments, a general lack of confidence in ability and opportunity to invest safely and profitably, is beyond doubt. It will be well in our discussion to explore the probable sources of lack of business confidence and the means of overcoming them.

The probable reasons for lack of business confidence may be summarized as follows:

(1) Questioning of the profit motive. Inferences and advocations of reduction or elimination of profits have been frequent. Talk of redistribution of wealth has been disturbing. Emphasis upon benefits to the minority without jobs to the detriment of the majority with jobs is a source of concern. Spokesmen have told of fundamental changes in our economic order and of the collapse of the American capitalistic system. It is important to recognize the necessity for assurance to private enterprise that the profit incentive will continue to receive public approval, if we are to have progress toward recovery.

(2) Burdensome taxes, uncertain monetary policies, generous relief of constantly increasing amount, enormous Federal expenditures, uncertainty as to when and how the Budget will be balanced, as to whether or when further devaluation of the dollar may take place.

It is necessary that there be public recognition that the only legitimate purpose of taxation is to provide necessary revenue for government and not to effect sharp punitive redistribution of wealth which, or the possibility of which, paralyzes business initiative. Also that the threat of inflation be removed by establishment of a program definitely working toward the balancing of the Federal Budget.

(3) Increasing activity by our Government in establishing or subsidizing enterprises in competition with private business.

The activity of the Federal Government in more than 200 types of business carries with it the threat of extension into additional fields. Spokesmen have repeatedly warned that if private business did not function, Government would. It has, and has profoundly shaken the confidence of millions. Since private enterprise supplies all public revenue, Government competition, historically inefficient and unsuccessful, not only stifles private enterprise but also dries up the source of its own support, leading toward socialism.

(4) Increasing activity in the exercise of control over the management of private business by Government bureaus and officials.

Utilities, banks, and railroads have felt the threat or experience of governmental regulation. Industry has been subjected to increasing bureaucratic control. The effect has been to discourage individual initiative. All history records this policy as thoroughly destructive.

Increasing development of administrative law is destructive of confidence and undermines our institutions. It was intended that our Congress should create and enact our laws. The laws thus created were to be specific in their terms. Where doubt occurred, the courts would determine the doubt. The administrative branch of the Government had the duty of administering the laws as written and interpreted by the courts.

But there is being enacted administrative law in increasing number—law whereby departments, bureaus, or individuals are given powers which were intended by our form of government only for Congress and the courts. The result is confusion. We know not what the law will be tomorrow. We are dependent on the determination of a multitude of individuals who have their own views and prejudices.

An example of what happens when Congress passes an act which leaves interpretations to administrative bureaus is contained in the workings of the Vinson Act. A provision of this act limits the profit on Navy contracts to 10 percent, a checking of the costs to be made, following the rulings of the Secretary of the Navy and the Secretary of the Treasury. The Secretary of the Navy has passed to the Secretary of the Treasury the job of performance under this provision. The Secretary of the Treasury has delegated determination of profit to the Bureau of Internal Revenue, where some individual will give the interpretation.

Since the passage of the act the following interpretations have been made by the Bureau covering items which may not be included in establishing the cost on which the profit is to be based. So far these rulings have been:

(1) Selling expenses not part of cost.
(2) Federal income taxes not cost of performing contract.
(3) State income taxes not cost of performing contract.
(4) Allowance for interest on invested capital not cost of performing contract.
(5) Interest on borrowed money not cost of performing contract.
(6) Interest on funded indebtedness not cost of performing contract.

(7) Administrative expenses and salaries impossible to apply directly to product subject to audit to determine if reasonable.

The practical effect of eliminating these standard charges used in all organized business practice and necessary to maintain solvency is to bring the real profit down to between 4 percent and 5 percent. There is no question but that as time goes on other items will be excluded, and it is apparent that ultimately there will be no profit left.

In connection with technical operations, of which there are so many in navy work, the possibilities of loss are very great. While the original 10 percent might be considered fair margin for many purchases, it is not sufficient to encourage the development necessary to keeping our national defense in a leading position. To further hamper through interpretations of administrative bodies to an extent which makes any profit doubtful is completely destructive not only of our industry but of our position as a world power.

The trend to administrative law is opposed to democracy, retards progress, and prevents confidence. Industry can adjust itself with varying degrees of success to laws and rules, if industry knows what the laws and rules are. But it cannot plan with confidence, with uncertainties confronting it, and administrative laws assure uncertainty.

The summary of comment on the lack of business confidence may well be that industry is in the position of a patient fully capable of, and in fact breathing deeply, upon whom is being forced artificial respiration—distasteful, unwanted, unneeded, and destructive to his power of motivation.

Some of these deterrents of confidence we will overcome through our natural unwillingness to be discouraged, some we must hope will be overcome through a recognition by our legislators of the need of business to provide the wherewithal for government. It is just as vital to our governments to cooperate with business as for business to cooperate with governments, and without both there is no cooperation, no business, no government.

Confidence will return. No nation with the resources, the energy, the potential possibilities of this country can fail to reverse the progress of the depression. The Jesse Jones', the John Fahey's, the James Moffett's, and many other able, patriotic citizens have given their time and great abilities to holding the lines. The pent-up equipment needs of industry have meanwhile developed to such a stage that the current has already begun to flow in the opposite direction. Its speed and permanence are detracted by the deterrence of confidence, but even that will eventually be overcome by the force of the demand.

It is your job and mine to hasten the flow toward recovery through constructive and determined effort. We are reminded of that inscription upon the walls of the Capitol, of American business, expressed by Daniel Webster: "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also, in our day and generation, may not perform something worthy to be remembered." With a determination to follow this admonition we may hasten rather than retard the return to prosperity.

CONSTRUCTION OF RAILROAD EQUIPMENT

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by John T. Flynn appearing in the Washington Daily News of May 2, 1935, relative to the construction of railroad equipment.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of May 2, 1935]

PLAIN ECONOMICS

By John T. Flynn

ONE GREAT INDUSTRY IN THIS COUNTRY IS PRACTICALLY DEAD BECAUSE MOST OF ITS BUYERS ARE PRACTICALLY BROKE

One great industry in this country is practically dead because most of its buyers are practically broke. That industry is the business of building railroad equipment. The busted buyers are the railroads.

Daily for some years we have been told of the paralyzing influence of our vast long-term debt. More cheerful souls assure us that it is nothing measured against our vast national wealth. There is a notion that the debts are all neatly spread out over the wealth and that the debt coating is hence quite thin. But this is not so. These debts press down only on spots. They paralyze the spots where they rest. And the spots on which long-term debts rest are the railroads, utilities, construction industries, the States, counties, and cities.

Consider the railroads. They make their chief purchases of equipment and construction with borrowed funds. Thus they are large buyers in the capital-goods market. When they are excessively loaded with debt they can borrow no more. Then they can buy no more. That part of the capital-goods industry which sells to the railroads ceases to do business.

Let us look at a single great railroad. Its capital stock is carried at half a billion dollars. But it has long-term debts of nearly $700,000,000. It must pay over $30,000,000 a year in interest. For 3 years it has not made enough money to pay this interest. This is bad for that road. But consider the effect upon general business. The road must spend less for equipment. In 1929 it spent $58,000,000. In 1933 it spent half this. It was the same with road maintenance.

This would be a fair picture of most of our roads. Their roadbeds are in desperate need of repair. Their coaches are shabby. Their locomotives are ancient and run-down. Amazing modern inventions have rendered all this existing rolling stock hopelessly obsolete.

Yet the roads can buy no locomotives, rails, cars, because they have no credit. They have no credit because they are hopelessly crushed under debt. No one is willing to lend money to a corporation which can't pay its interest charges. Yet all the while here lies one of the greatest markets in America, lifeless.

What follows from this? 1. These roads must be revived as buyers of capital goods. 2. To do this they must be relieved of excessive debt. 3. This can be done only by reorganizations. This would injure neither railroad, bondholder, or stockholder. Take the road already pictured. Its stocks sold at 256 in 1929. They sell at 16 now. Some of its bonds are priced as low as 52. The injury is already done. At least half of the junior bonds should be changed into stocks. The existing common stocks should be written down at least one-sixth. The credit of the road would be revived immediately. It would resume buying on a great scale. This could be applied to scores of roads. The effect on the capital-goods industries would be enormous. We would see a great era of railroad rebuilding.

To accomplish all this the following steps are essential: 1. The Government should stop paying railroad interest and preserving these debts. 2. The Wheeler investigation of railroad financing should be vigorously pressed. 3. It should serve as the basis for an intelligent railroad bankruptcy and reorganization law, under which the companies could be reorganized in the interest of bondholders and the public. This would be a genuine recovery measure.

CLAIMS AGAINST THE GOVERNMENT ARISING IN FOREIGN COUNTRIES

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I transmit herewith a letter and enclosure from the Secretary of State, suggesting the enactment of legislation authorizing the Secretary of State, in his discretion and in furtherance of the international relations of the United States, to determine, adjust, and settle personal injury and death claims against the United States arising in countries in which the United States exercises privileges of extraterritoriality.

I am heartily in accord with the proposal as outlined by the Secretary of State, and I recommend that the Congress enact legislation, in accordance with the recommendation of the Secretary of State, to make it effective.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 2, 1935.*

(Enclosure: From the Secretary of State, with enclosures.)

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

Mr. HARRISON obtained the floor.

Mr. CLARK. Mr. President, will the Senator from Mississippi yield to me?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Missouri?

Mr. HARRISON. I yield.

Mr. CLARK. On behalf of the Senator from Georgia [Mr. GEORGE] and myself, I offer an amendment in the nature of a substitute for the committee amendment to the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, and ask that it be printed and lie on the table.

The VICE PRESIDENT. Without objection, the amendment intended to be proposed by the Senator from Missouri and the Senator from Georgia to House bill 3896 will be received, printed, and lie on the table.

Mr. HARRISON. Mr. President, I shall not unduly impose myself upon the Senate by an extended discussion at this time of the bill which has been reported from the Com-

mittee on Finance touching the payment of the adjusted-service certificates of World War veterans. I shall content myself with a brief discussion of the issues before the Senate.

It will be recalled, Mr. President, that back as early as 1919 there began an agitation for legislation to adjust the compensation of the ex-service men of the late World War. It found fruition in 1920. Innumerable bills were offered at that early date—56, I believe, in number—in the House and the Senate. One of the committees having the matter in charge at that time suggested to the executive committee of the organization of ex-service men, namely, the American Legion, that such committee take the various bills, consider them, and make a concrete suggestion as to what, in its opinion, would be the most appropriate legislation the Congress could enact.

There was a recommendation made in 1920 known as the "four-point program", which proposed to give to the ex-service men compensation in proportion to the number of days served in the World War on the basis of $1 per day for service at home and $1.25 per day for service abroad, granting them, up to the amount to which they were entitled for their service, an option to receive vocational training or credit on a home or farm. For instance, if a man was entitled to $400, the Government would provide him this credit on a home, or it might buy him a farm, or he might take vocational training. The plan was finally broadened to include a provision for a 20-year endowment insurance policy. At that time there was no concrete proposal for a cash payment of the bonus. It was not suggested by the American Legion committee and there was no great agitation about it.

It will be recalled that in 1922 a bill was passed by the House and the Senate to carry forward the four-point program, but it contemplated nothing with reference to the payment of a cash bonus. It dealt with providing the ex-soldier with vocational training or providing him a farm or insurance. That bill, which passed both the House and the Senate, went to the President, President Harding, who vetoed it, and the Presidential veto was sustained.

The agitation continued. It will be recalled that in 1924 some of us advocated the optional cash feature, but the bill passed at that time, and which is the present law, provides for giving to the ex-service men adjusted-service certificates, which entitle them to endowment insurance. That bill was vetoed by President Coolidge, but his veto was overridden, and so we have that law on the statute books today.

I desire to refresh the minds of Senators that in the legislation of 1924, which culminated in the present law, many of the representatives of the ex-service organizations took the position that the present plan was the best plan and that it would be unwise to give the men the optional cash plan. If that statement is controverted, I have here a long array of utterances by those representatives of the ex-service organizations to that effect.

I make this statement notwithstanding the fact that at that time I supported the optional cash plan, as did many others on this side of the Chamber. I have just read a speech made at that time by the leader on this side of the Chamber, the senior Senator from Arkansas [Mr. ROBINSON], a very eloquent speech, and in keeping with his custom of making eloquent speeches.

However, we did not carry out that idea. I think I might read just one or two utterances to show how the minds of the ex-service men worked at that time on this matter.

The chairman of the Legion legislative committee was a Mr. Schrugham, from Nevada. In the testimony before the committee in 1920 he said:

> The representative opinion was that the majority, perhaps the large majority, of the men wanted direct adjusted compensation. I will speak frankly to you there. In the opinion of many of the men who were post commanders, or department commanders, or national executive committeemen, this was not the best thing for them; but we desired to give every man the option, in order to be perfectly fair with every man; and if you gentlemen will pass a measure of this kind, we proposed to carry on a campaign of education in every department of the Union, in every town and village, through every post we have, and we will reach literally millions of men who served, and try to get them to take something along the line of a constructive measure which will make them better citizens.

He stated further that he advocated a plan by which they could not get the cash at that time to spend, and urged that the Government should give them something in the form of an opportunity to get a home or a farm or vocational training or an insurance policy.

Mr. John Thomas Taylor, who was then with the Legion, appeared before the committee in 1921 and said, in response to the question:

> Do you not think that there is some danger now that because of nonemployment their condition is such that they are more inclined to take the cash?
>
> Mr. TAYLOR. It never has impressed me that the men would take cash. * * * The American Legion is within itself—we have said this before your committee—within itself pledged to work for the productive features of this bill. * * * We want help for the ex-service man, and I need not tell you we know what will help him best, because we do know what will help him best. The other features of this bill have been made attractive for that reason, and just as soon as the likelihood of this thing going through appears we will be active; indeed, already we are getting in motion machinery to show the men just what they should take. * * *
>
> When this adjusted-service certificate—which is the insurance plan of this bill—is properly set forth to the ex-service man, and I have seen it with hundreds of them, these young men who have just married and who are starting out to make a home for themselves, when this possibility for their families is set forth to them, they think it over very seriously; and when they talk it over with their wives and mothers and fathers at home, they will see that here is something that has never been done before; here is insurance given to them. All they have to do is to leave it alone; that is all, just leave it there, not disturb it, and they may have something for their family. * * * When the other features are shown to the men and the attractiveness is impressed upon them, we never hear any word about the cash; every one of them thinks about the other plan.

In 1922 Mr. Taylor said further:

> * * * This legislation is intended to provide in some way an equalization; in some way to demonstrate to those men that the Government was not watching the fellow who stayed at home and encouraging him and aiding him to make his plenty while the other man was away and doing the service at a loss; * * * I think this, that the adjusted-service certificate, which personally I believe 80 percent of the ex-service men and women will take, will give to the ex-service man and his wife and his dependents a certain sense of security against future want. I do not think there is any doubt about that—that if a man has in his possession the certificate of the United States, drawing 4½ percent interest compounded semiannually, and he knows that if in need he can use that, I think that that instills in that man's heart and mind a certain sense of security against want. * * * I think that 80 percent of the ex-service men and women of the country will take advantage of the adjusted-service certificate. Any man who understands the provisions of the bill will take advantage of it, unless he is desirous of having home aid or land aid.

Mr. Daniel Steck, then chairman of the legislative committee of the American Legion, on January 31, 1922, said:

> We realize and we know, as you gentlemen do, that the cash feature, which is really the basis of computing all the other features, is the least desirable feature of the bill, not only financially, as far as the return in dollars and cents is concerned, but insofar as the economic advantage to the country is concerned. But we realize also that there are a great number of men who were in the service who are not so situated so that they can take advantage of any other feature or option of the bill, and it was in order to take care of these men that the cash feature was written into the bill and very properly kept there when this committee reported the bill.

Mr. Houghton, a member of the Ways and Means Committee, then asked:

> What have been the reports * * * where the cash has been paid as to whether or not such payment has been satisfactory to the men?
>
> Mr. STECK. It has been; yes, sir.
>
> Mr. HOUGHTON. So that the experience of the men where a cash bonus has been paid by the States would favor, perhaps, the acceptance of cash from the Federal Government.
>
> Mr. STECK. I do not believe that is a fair illustration, because the only thing that was offered to the men was the cash and they were satisfied with what their State gave them. * * * We believe it is the duty of the soldier organizations and the committees of Congress to evolve a bill which is constructive insofar as possible and give the men opportunities who wish to take advantage of other features which are more valuable than is the cash.

Mr. Hanford MacNider, then national commander of the American Legion, on January 31, 1922, said:

We believe ourselves that the other options (excepting the cash) of the bill are more advantageous to the veteran if he can afford to take advantage of them. The Legion intends to carry on a comprehensive educational campaign to see that the men affected understand the effect of every option. * * * With reference to this cash feature we believe that every other option in the bill is more advantageous to the veteran. The Legion intends to carry on a comprehensive educational campaign to see that the men affected understand the advantages of every option. * * *

I will give you my own post in Iowa, in a town which is in an industrial center. Ninety-eight percent of the men out of 1,100 stood up for paid-up insurance. * * * Ninety-eight percent out of 1,100 men stood up in my post for the adjusted-service certificate.

Mr. Taylor, John Thomas Taylor, of the American Legion, said further during the hearings on February 7, 1922:

* * * We were very, very careful in our study, and we considered that $1 a day was just about the right amount, because that would give to each man about $400, and we felt that that was about the very lowest sum that would assist this man in properly getting back on his feet. * * *

* * * After the men have had pointed out to them the vast advantages of the adjusted-service certificates, the ratio will be about 80 percent for the productive features and 20 percent for the cash option.

* * * We decided that $1 a day was the minimum upon which to base this legislation, and that was carefully considered by the first convention, by the second convention, and by the third convention, and at those conventions the delegates for the most part were brand-new men practically every time. Forty percent of them are brand-new men. That has been the case at all of the conventions. This is one of the big features of our conventions, one of the big questions. Whether there should be an increase or a decrease was brought up in the executive committee meetings at each of those conventions, and it was always decided that $1 a day was a fair estimate of what the basis should be. Personally I feel that way about it. * * *

I believe that when these men are offered a paid-up policy, all that will have to be done is just reach the wives, and they know that if anything happens to them they are protected. We can say to them, "If anything happens to you your wife and your child are taken care of", and, believe me, the young wives throughout this country are not going to let their husbands get away with a few dollars cash when they can obtain that security. That is just common sense.

Mr. President, we now come down to the present. We have before us three proposals. One is a measure passed by the House, the so-called "Patman bill." The Patman bill seeks to give full payment at this time of the adjusted-service certificates and to make that payment in money, which is to be printed by the Government. It releases the interest incurred by the soldiers since October 1, 1931, on any loans obtained by them on their certificates. It adds $60 in addition to the aggregate based on the number of days served here and abroad. The argument is that when the soldiers entered the service they gave up civilian clothes, and so on, which were sent to the Red Cross or given away, and that the $60 should be added to compensate them for that loss. The bill adds also the 25 percent which was included in the adjusted-service certificates based on the length of service at home and abroad. That, in brief, is the so-called "Patman bill."

The estimated maturity value of the outstanding certificates, under the Patman bill, is $3,479,000,000. There is now an estimated value in the adjusted-service certificate fund of $1,460,000,000. Interest to be refunded under the Patman plan is $182,000,000. Consequently it would cost the Government $3,661,000,000, less $1,460,000,000, or $2,201,000,000, to carry out the Patman plan.

Mr. LEWIS. Mr. President, will the able Senator from Mississippi allow me to ask him a question?

Mr. HARRISON. I yield to the Senator from Illinois.

Mr. LEWIS. In the figures just given by the Senator from Mississippi, speaking for his committee, is a difference recognized between the conclusion of the Senate committee and the conclusion of the House committee on the subject of the amount which it would be necessary to raise under the Patman bill?

Mr. HARRISON. I think there is no difference of opinion as to that, because these figures are furnished by the Veterans' Administration, and the House committee was given the same figures that were given to the Finance Committee of the Senate.

Mr. CONNALLY. Mr. President——

Mr. HARRISON. I yield to the Senator from Texas.

Mr. CONNALLY. As I understood the interrogatory of the Senator from Illinois, he asked whether there was any difference in the amount.

Mr. LEWIS. Yes; whether there is any difference in the amount as stated by the committee of the House and the amount as concluded by the committee of the Senate.

Mr. CONNALLY. The computation of the committee is on the basis of the bill which passed the House.

Mr. LEWIS. I regret that it seems to be a little difficult for me to make my meaning clear in this matter. I refer to the conclusion. Does the House committee contend that the cost under the Patman bill would be the same as the amount now stated by the Chairman of the Finance Committee?

Mr. HARRISON. I have never heard of any difference on that point.

Mr. LEWIS. As to the cost?

Mr. HARRISON. Yes. In other words, the additional cost to the Government under the Patman bill would be $2,201,000,000.

Mr. LEWIS. And that is conceded as a preliminary fact by the committees of both House and Senate?

Mr. HARRISON. I have never heard of any difference of opinion on the subject.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. THOMAS of Oklahoma. In order to make this matter clear, I wish to call the attention of the Senator from Mississippi, and likewise the attention of the Senator from Illinois, to page 158 of the hearings. On that page we have the testimony of General Hines; and if the Senator from Mississippi will permit me to do so, I desire to read three statements from his testimony.

General Hines is making a statement as to the cost of the payments under the Patman bill, and here is what he says:

The amount of appropriation required under the Patman plan, or the amount of currency to be issued, would be $2,201,934,710.

Then, a few lines farther down, General Hines makes the following statement:

The Vinson bill would be $2,263,545,684.

In other words, the Vinson bill would cost something like $60,000,000 more than the Patman plan.

On the same page General Hines, still testifying, states as follows:

The Harrison bill would require $1,199,686,958. That means either currency or bonds, or whichever you wish.

On page 158 will be found a statement of the cost of the three plans as testified by General Hines.

Mr. HARRISON. I may say that that is exactly what I was about to read to the Senate; and the statement I intended to make was based upon the testimony, which has not been controverted, as to the cost of these plans. So, as stated in that testimony, the Patman plan would cost, in addition to what it already has cost, $2,201,000,000. That is the amount of money the Government would have to provide; and the author of that plan, of course, proposes to print the money. Under the Vinson plan, which has been offered as a substitute for the other one, the maturity value of the outstanding certificates would be $3,479,000,000. The interest to be refunded—because the Vinson bill seeks to refund all the interest—would be $243,743,000. The total amount would be $3,723,000,000. The amount now in the certificate fund, as stated a while ago, is $1,460,000,000, which would make the amount to be raised under the Vinson bill $2,263,000,000; and, as Senators appreciate, the Vinson bill does not propose any particular plan to raise the money. It authorizes appropriations which naturally will call for a bond issue to raise the money.

I have no controversy with anyone who desires to vote for either the Vinson bill or the Patman bill. I have, however,

offered a plan which I believe will be approved by the President of the United States as a basis of compromise, in the hope that we can at last get this vexatious question behind us.

Under that plan, as stated, so far as cost is concerned, the estimated surrender value of the outstanding certificates—the plan is to pay the present value of the certificates—would be $2,659,000,000, and there is now in the fund $1,460,000,000; so it would call for the raising of $1,199,000,000. The plan does not propose to refund any interest upon money borrowed by the ex-service men upon their adjusted-service certificates.

Mr. CONNALLY. Mr. President——

Mr. HARRISON. I yield to the Senator from Texas.

Mr. CONNALLY. Will the Senator develop for us how he arrives at the present cash surrender value as fixed in his bill? I think there is some confusion in the minds of Senators and others as to how the present face value of the certificates was originally arrived at, and how the Senator's bill goes back and computes the amount from November 11, 1918, and proposes to pay 4-percent interest thereon.

Mr. HARRISON. When the adjusted-service certificate law was enacted and the certificates were issued, there was taken as a basis the number of days that the ex-service man was in the Army at home and abroad. If at home, $1 per day was allowed; if abroad, the amount was $1.25 per day. The average amount that the ex-service man was to receive was about $400. That was taken as a basis; and, just as the insurance companies work out a 20-year endowment policy, these adjusted-service certificates in the nature of insurance were given to the ex-service men, and it was provided that the certificates should reach their full face value in 20 years. The average time of maturity is 1945 under the present law. Up until that time the holders of the certificates have the insurance feature. If an ex-service man dies, his dependents or his heirs will receive the full $1,000. Many of them have received it. The evidence before us was that some 199,000 ex-service men had already passed away, and their widows or their dependents had received the full value of the certificates.

I desire to say, in that connection, that the testimony before the committee was that in more than 80 percent of the cases of death of ex-service men all they left was their adjusted-service certificates. That was all that was given over to their dependents and their widows.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator.

Mr. LONG. That statement will apply to anybody else as well.

Mr. HARRISON. Oh, yes. Of course, my argument is confined to this particular issue; but that was the testimony before us at that time.

Under some process of reasoning of the experts, the cash surrender value of these insurance policies is computed. These particular adjusted-service certificates did not carry any cash surrender value; but the experts have worked it out on the same plan as it is worked out in all 20-year-endowment insurance policies, and they have figured the present value of the certificates. So the figure I have given as to the present estimated surrender value of the outstanding certificates is $2,659,000,000; and there is estimated, in the adjusted-service certificate fund, $1,460,000,000, which, under the plan I have proposed, would call on the Treasury for $1,199,000,000. In other words, when it is compared to the Patman bill there would be about a billion dollars less cost to the Government under the plan the Committee on Finance have proposed; some $1,100,000,000 less than the plan proposed in the so-called "Vinson bill."

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Michigan.

Mr. VANDENBERG. I think the Senator from Mississippi still is overlooking the question suggested by the Senator from Texas [Mr. CONNALLY]. Is it not a fact that under the existing arrangement the calculation is figured only from 1925, or thereabouts?

Mr. HARRISON. I was just coming to that.

Mr. VANDENBERG. I think that is very important.

Mr. HARRISON. Yes. The great majority of these certificates were issued on the 1st of January 1925. Some were issued afterward. Two hundred and fifty thousand have not been applied for at all by the ex-service men of the country. In the case of about 500,000 no loan has been requested from the Government. So if we should make the computation from the date of January 1, 1925, naturally the estimated surrender value would not approach the figure I have stated; but in order to make the certificates more valuable, and have them reach their full face value at an earlier date, the Committee on Finance said, "Let us date them from the close of the war. Let us start with Armistice Day, November 11, 1918"; and on the basis of the number of days the men served here and abroad, taking $400 as the basis, we added 4-percent compound interest from November 11, 1918, up until January 1, 1925, or up until the time the application was made for the issuance of the certificate. So by adding 4-percent compound interest from the close of the war we have made every adjusted-service certificate much more valuable, and it will accelerate the time when the full face value will be reached.

Mr. VANDENBERG. Mr. President, may I ask the Senator a further question?

Mr. HARRISON. Yes.

Mr. VANDENBERG. There is a 25-percent factor for deferment in the present situation. Is that included in the Senator's plan, or is it not included?

Mr. HARRISON. That is not included in the plan. I may say that in the testimony before our committee and before the other committees there was a great difference of opinion as to why the 25 percent additional was added to the credit for service performed by the ex-service men. There was a viewpoint that the 25 percent was added because we were not giving the men cash, but were giving them these certificates under which they had to wait some time for the money. Others since have contended that it was because we had delayed the issuance of the certificates until 1925 from the close of the war.

Mr. CONNALLY. Mr. President, will the Senator yield right there?

Mr. HARRISON. Yes.

Mr. CONNALLY. In answer to the suggestion of the Senator from Michigan, I desire to say that while the original computation included the arbitrary addition of 25 percent, it did not include interest from 1918 to 1925; so when this bill gives the ex-service men interest from 1918 to 1925 it is a little more, as I now recall, than they would have gained by the arbitrary addition of the 25 percent. So there is no denial in this measure of the right to receive interest during that 7-year interregnum.

Mr. HARRISON. As pointed out by the Senator, with the 4-percent compound interest from November 11, 1918, added, the amount is much more than with the 25 percent added, whether one takes one horn of the dilemma or the other in figuring the 25 percent, or whatever may have been the reason advanced.

Mr. President, if the contention is accepted that the so-called "bonus" should have been paid in 1925 on the basis to which all the ex-service men's organizations agreed, at 4 percent up to date, they would get much more in cash under the proposal of the Finance Committee than they would have received at that time, taking into consideration the 4-percent interest. In other words, they would fare just as well under the plan of the Finance Committee, as far as obtaining cash is concerned, as they would have fared if they had taken the cash under their suggestion in January 1925.

I will now state what a soldier would receive under the various plans, figured on the basis of an average thousand-dollar certificate not borrowed upon.

Under the Patman plan, the soldier would get a thousand dollars now. Under the Vinson plan, he would get a thou-

sand dollars now. Under the plan proposed by the Finance Committee, he would receive $768.

Mr. CONNALLY. Or a bond.

Mr. HARRISON. Or a bond. We proposed to amend the law by granting an option of payment in cash or in 3-percent bonds. Senators are familiar with the fact that Government 3-percent bonds are selling on the market at between 103 and 104. The committee amended the provision at the suggestion of the Senator from Texas [Mr. CONNALLY], so that if the veterans who did not want to take bonds could take the cash. Now, therefore, they have the option of either taking cash or bonds based on the estimated surrender value of a certificate.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. BORAH. The Senator spoke of the amount which would be received by the veteran who had not borrowed on his certificate. Suppose a veteran has had to borrow $500; how much would he receive?

Mr. HARRISON. I was coming to that. Suppose a veteran had borrowed the maximum he would be permitted under the law to borrow. Under the Patman plan he would receive $487. Under the Vinson plan he would receive $500. Under the plan proposed by the committee he could realize $180.

Mr. SMITH. Mr. President, is the Senator making his estimate based upon the 50 percent the veteran has already borrowed?

Mr. HARRISON. If the soldier had borrowed to the very limit he could borrow under the law, that would be deducted.

Mr. SMITH. What was the limit?

Mr. HARRISON. The limit was 50 percent.

Mr. SMITH. That was my understanding.

Mr. HARRISON. We passed the law in 1931 making that the limit.

Mr. SMITH. Therefore, taking a $1,000 certificate as the basis, what would a veteran receive on the $500 still due under the Patman plan?

Mr. HARRISON. Under the Patman plan, if the veteran had borrowed on his certificate up to the limit, that would be deducted and he could receive $487. Under the Vinson plan, if he had borrowed to the limit, he could receive $500. Under the plan of the committee, he would in that case receive $180.

Mr. SMITH. Am I to understand that under the Patman plan the veteran would be relieved of the payment of interest?

Mr. HARRISON. Interest accruing since 1931.

Mr. SMITH. But there is no release from the payment of interest under the Vinson plan?

Mr. HARRISON. The Government would release the soldier from the payment of interest on the money he borrowed under the Vinson plan.

Mr. SMITH. The interest is canceled under the Vinson plan?

Mr. HARRISON. Yes.

Mr. WALSH. Of course, no two certificates represent the same amount of money.

Mr. HARRISON. No.

Mr. WALSH. Under the illustration, the veteran whose certificate is for the maximum would receive what?

Mr. HARRISON. It depends on the maximum amount of loan made.

Mr. WALSH. I refer to the maximum amount of the certificate.

Mr. HARRISON. The certificates are issued according to age. If the Senate Finance Committee bill should become law, there are certain certificates which would become due immediately, and the veterans would receive their full face value. There are others who would have to wait 2 or 3 years, but the average—because the greatest number were taken out in January 1925—would become due in 1942, instead of 1945.

Mr. BORAH. What percentage of the soldiers have borrowed under the act permitting them to borrow? I understand that only a very small percentage have not borrowed.

Mr. HARRISON. Two hundred and fifty thousand ex-service men have not applied for their adjusted-service certificates, and 500,000 veterans have not borrowed on their certificates.

Mr. President, there is another feature of the Senate Finance Committee bill to which I wish to call attention; that is, it makes it optional with the ex-service man as to whether he will take cash, according to the estimated surrender value of his certificate, or take a Government 3-percent bond. He could do either. If he does not wish to do either, but wants to continue his insurance policy for the benefit of his family, and as an investment, he is given the option to do so, and when the certificate reaches its full face value, say, in 1940, it would be optional with the ex-service man whether he would then cash in and take his money or not. He could carry on the policy with the Government as an investment if he desired to do so, until 1945, and draw 4-percent compound interest upon his investment.

Under the first feature—that is, giving him bonds if he desires to cash in his certificate—under the Senate Finance Committee plan we insert a provision that no person can buy one of those bonds from the ex-service man within a period of 6 months without paying him par value for his bond, because we appreciate there might be some danger that certain people would try to practice fraud upon the ex-service men and obtain the bonds at lower prices, or the prices might be driven down in some way. So we have provided a heavy penalty—a fine of $10,000 and imprisonment—for those who might buy one of these bonds from an ex-service man at less than 100 percent of the face of the bond.

Mr. President, this in a nutshell is the plan proposed by the Finance Committee. In addition to that, it has written into the bill a declaration of policy with reference to general pension legislation for the World War veterans in the future. Of course, we appreciated when that was written into the bill, and we appreciate now, that one Congress cannot bind another Congress. We believe it would have a wholesome effect upon the country and upon the ex-service men, because there are millions of them who do not believe in general pension legislation, and in the hearings before committee after committee expressions of that idea have been given to the committees by the representatives of the ex-service men's organizations.

I shall be very glad to answer any question I can, but I believe I have stated succinctly the differences between the various propositions.

Mr. MINTON. Mr. President, will the Senator yield to me?

Mr. HARRISON. I yield.

Mr. MINTON. How much would it add to the cost under the committee bill if the Government should release the interest which the veterans have incurred on the loans they have made against the certificates?

Mr. HARRISON. It is estimated that it would amount to about $250,000,000. As testified by General Hines, many of the ex-service men borrowed from banks, and some of them paid too high a rate of interest; but that was the fault of the banks. It has been said that as a matter of bookkeeping, as a matter of adjustment, it would create a great entanglement if there had to be refunds to the ex-service men, and adjustments with the banks in the matter of interest.

Mr. McKELLAR. Mr. President, if the interest were conceded to the veterans, how much would it add to the amount each veteran would receive?

Mr. HARRISON. May I say to the Senator from Tennessee that it would be appreciably increased. The expert is working on the figure, and I will give it to him in a moment.

This fact must be pointed out, that if the interest on the loan which has been effected to the ex-service men should be remitted, then something must be done in order to do equity—because every ex-service man must be treated alike with reference to this matter—otherwise there would seem to be a very gross discrimination in the case of those 500,000

men who have not borrowed, and those 260,000 men who have not even made application for adjusted-service certificates, and have not borrowed. They would not be receiving the amount in the end which those who have borrowed upon the certificates will receive if the latter should be released from the interest charges.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. WALSH. The Senator has just developed the argument which General Hines made in the committee. It was his position that in order to do equity to those who had not yet taken out certificates, and to those who have certificates but have not borrowed upon them, it would be necessary to appropriate the same amount of money we deduct in favor of those veterans who have paid interest, and add it to the certificates of those others, which would make about $500,000,000.

Mr. HARRISON. I thank the Senator from Massachusetts. I am told that the estimated surrender value in the event the interest should be remitted would be about $81 more than the $180.

Mr. McKELLAR. About $261.

Mr. WALSH. What is that amount?

Mr. HARRISON. About $261. Are there any other questions Senators wish to ask me at this time?

Mr. VANDENBERG. There is one further figure the Senator has not given which interests me. If the typical $1,000 certificate is permitted to continue to run to its 1945 maturity, and the veteran chooses to take it in that form, how much will it amount to in 1945 under the Senate committee bill?

Mr. HARRISON. One thousand one hundred and fifteen dollars.

Mr. VANDENBERG. In other words, the veteran would be $115 better off than he would be under his existing contract?

Mr. HARRISON. Yes. That veteran would have the finest investment which is offered by the Government today to any investor.

Mr. MINTON. Would that not take care of any apparent discrimination which there might be against him by reason of the fact that the interest is remitted to the veteran who had made a loan against the certificate?

Mr. HARRISON. It might take care of it in the case of that one who was able to carry on and let his certificate run until 1945.

May I say one further word. Under the bill which the committee has reported there will be an additional cost to the Government of about $550,000,000. That is the additional cost which would result from the pending proposal. That is about $1,000,000,000 less than the cost of the one proposal and about $1,100,000,000 than the other.

In the 1st of July there will be in the certificate fund about $260,000,000 in cash or in Treasury notes which can immediately be converted into payment. The rest, of course, is in other securities.

Mr. VANDENBERG. Mr. President, will the Senator further yield?

Mr. HARRISON. I yield.

Mr. VANDENBERG. I did not understand the last figure which the Senator from Mississippi gave. What is the relationship between the $550,000,000 and $1,000,000,000 which he originally stated was the cost of the Senate committee bill?

Mr. HARRISON. The amount that I first cited was the additional amount which must be raised in the event the pending bill shall be passed—the $1,199,000,000. The $550,000,000 is the additional cost over and above the theoretical present value, which would be added by virtue of the bill of the Finance Committee.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. ROBINSON. May I ask the Senator what is meant by the additional amount which must be raised? Additional to what?

Mr. HARRISON. Under the present plan, of course, these certificates mature in most instances in 1945, and they can be taken care of under the arrangement we have made of Congress appropriating $112,000,000 every year. That is what we have been doing. If we now make provision to pay up the certificates, we must immediately raise $1,199,000,000, but that is only if Congress adopts this pending plan. It only involves $550,000,000 more cost than the present plan which is in the law.

Mr. ROBINSON. I understood that latter figure, but it was the use of the word "additional" which confused me in connection with the billion dollars plus which would have to be raised to meet the expenses of this bill.

Mr. HARRISON. That is due to the shortening of time and so forth.

Mr. THOMAS of Oklahoma. Mr. President——

Mr. HARRISON. The Senator from Oklahoma wanted the floor, did he?

Mr. THOMAS of Oklahoma. Yes. Has the Senator from Mississippi completed his statement?

Mr. HARRISON. Yes.

Mr. THOMAS of Oklahoma. Mr. President, I am not at this time a member of the Finance Committee, and because of that fact I am at a disadvantage in not having heard the testimony and not having had time to read the testimony. The bill pending before the Senate is House bill 3896, known as the "Patman bill", which, of course, has passed the House. It came to the Senate and was referred to the Finance Committee.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Has the Senator offered the Patman bill?

Mr. THOMAS of Oklahoma. I was going to explain the status of the matter and if the Senator will permit me to proceed for a moment, I will do so.

The Senate Finance Committee in considering the Patman bill in effect disregarded it. The committee retained the number of the House bill and the title but struck out the preamble and the remainder of the text and submitted a new text in its stead, the new text being the Harrison bill which was introduced by the Senator from Mississippi [Mr. HARRISON] a few days ago.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HARRISON. Of course, the number of the pending bill is the number of the so-called "Vinson bill", the House having stricken out everything after the enacting clause of that bill and inserted the Patman bill, and the Finance Committee had to follow the same course and strike out the Patman bill and insert the proposal now before the Senate.

Mr. THOMAS of Oklahoma. The Senator from Mississippi is correct. The original Patman bill was House bill no. 1, the first bill introduced in the present session of the Congress. In its consideration of the question the House committee declined to report House bill no. 1, the Patman bill, but reported the Vinson bill; so the Vinson bill, with the number carried by it, came from the Ways and Means Committee of the House of Representatives. Then when the bill reached the floor of the House the House membership struck out the subject matter of H. R. 3896, being the Vinson bill, and inserted the exact copy of House bill no. 1, the original Patman bill. Therefore, insofar as substance is concerned, H. R. 3896 is the original Patman bill.

This bill is now before the Senate with a report from the Committee on Finance that the Patman bill be stricken from the text and that the Harrison bill be substituted.

Now, Mr. President, a parliamentary inquiry! Under our procedure, is it not proper that the Senate proceed to consider the committee amendment as reported by the Finance Committee?

The PRESIDENT pro tempore. It is the opinion of the Chair that the committee amendment is in order.

Mr. THOMAS of Oklahoma. Mr. President, in order to protect the parliamentary status I now move that the committee amendment be stricken from this bill.

Mr. HARRISON. Mr. President——

Mr. THOMAS of Oklahoma. Mr. President, I do not yield except for a question.

Mr. HARRISON. I merely wanted to have made clear the present status.

Mr. THOMAS of Oklahoma. I will explain that.

Mr. HARRISON. I was in conference with the Senator from Oregon [Mr. McNARY] and failed to hear the last part of the proceedings.

Mr. THOMAS of Oklahoma. I will be glad to yield for a question.

Mr. HARRISON. Is it the intention of the Senator from Oklahoma to move to strike the Finance Committee amendment from the bill?

Mr. THOMAS of Oklahoma. Yes.

Mr. HARRISON. In other words, he desires to have the question come in that way rather than in the other way?

Mr. THOMAS of Oklahoma. Exactly so. The Senator from Mississippi caught my point. [Laughter.]

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LONG. As I understand, the motion now pending is that of the Senator from Oklahoma to strike out the Harrison amendment, which would leave the Patman bill standing?

Mr. THOMAS of Oklahoma. That is correct. But pending the putting of my motion the Senate has the right and will exercise the right to perfect the committee amendment.

Mr. FLETCHER. Is not the question one of agreeing or disagreeing to the committee amendment?

Mr. THOMAS of Oklahoma. The effect is the same, I will say to the Senator from Florida; that is, the effect is the same in substance. The effect might not be the same when the vote comes to be taken.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HARRISON. I am not particularly interested as to how the proposition comes up. The Senator from Missouri [Mr. CLARK] asked unanimous consent, and there was no objection raised, that the so-called "Vinson bill" be offered as a substitute for the pending bill. Would the vote come first on that motion, or would it come first on the motion to strike out the entire Senate committee amendment?

The PRESIDENT pro tempore. The present occupant of the chair understands that the question is on the motion to strike out all after the enacting clause and to substitute the amendment reported by the committee.

Mr. HARRISON. As I understand, the Senator does not desire to offer a substitute for it, but to strike it out.

The PRESIDENT pro tempore. Permit the Chair to complete his statement. The amendment reported by the committee, which is in the nature of a substitute, is open to amendment, and there may be a substitute offered for it. The Chair holds, however, that a motion to strike out the amendment in the nature of a substitute reported by the committee, being the same as the question submitted, namely, on agreeing to the committee amendment, is not in order, because a vote on that question determines the issue. However, the offering of a substitute for the substitute is in order, providing it is not in exactly the same form as the matter proposed to be stricken out, and such a substitute would not be in the third degree.

Mr. THOMAS of Oklahoma. Mr. President, I gladly accept the ruling of the Chair. The only purpose I had in raising the question was to enable the Senate to understand at a later date just what the vote will mean when the vote shall be taken.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. The Chair has ruled, as I understand, that the substitute may now be offered for the substitute. In other words, the Harrison bill has been reported as a substitute for the Patman bill, and now we may offer the Patman bill as a substitute for the Harrison bill. In other words, it is "whipping the devil around the stump", but getting the same result. [Laughter.]

Mr. BARKLEY. Mr. President, that is hardly correct, because the Patman bill is before the Senate, having been stricken out by the committee and a substitute offered. The vote will be on the substitute as against the Patman bill, which the committee has reported to strike out. If the committee substitute should be defeated, of course, the Patman bill would then be up before the Senate. It is not necessary to move to reinsert the Patman bill.

Mr. LONG. Mr. President, it is not necessary to do it, but if the Senator will pardon me while I make another remark or two; I do not wish to transgress on his time——

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. What we would like to do, as I understand the Senator from Oklahoma, and I think the better thing to do is to see whether we are going to adopt the Patman bill and give the soldier something or nothing. There is a lot of shadow boxing around here over $100 of money it is proposed now to give the veterans. It does not amount to anything; we know that. We ought to get down to cases and decide if the soldiers are going to get something or merely a whole lot of talk. I think the Senator from Oklahoma ought to offer a substitute for the substitute and let us find out if we are going to do anything. If we are going to do something, all right; but if we are not, then those of us who are waiting around here can go back and do something else. [Laughter in the galleries.]

Mr. THOMAS of Oklahoma. Mr. President, there is no difficulty about the parliamentary situation.

The PRESIDENT pro tempore. Let the Chair remind the occupants of the galleries that they are guests of the Senate. It is not permissible to laugh, applaud, or disturb the proceedings of the Senate in any way, and if order cannot be preserved in the galleries there is only one thing to be done, and that is to clear the galleries. The Senator from Oklahoma will proceed.

Mr. THOMAS of Oklahoma. Mr. President, I just made the statement that there is no difficulty about the parliamentary situation. We are now considering the committee amendment which is in the nature of a substitute. The Senate has the right to perfect that amendment before it votes to strike it out, in the first instance. When the committee amendment shall have been perfected, the vote will come upon whether or not the Senate will approve of the committee amendment in lieu of the Patman bill.

My motion refers to both. If my motion had been held in order, I would have moved to strike out the committee amendment, and a vote in the affirmative would have meant a vote in favor of the original Patman bill. Under the ruling of the Chair, when the motion shall come hereafter, if we approve the committee amendment, then, those who favor the amendment will vote against the Patman bill and those who are opposed to the committee amendment will vote in favor of the Patman bill. I shall keep that before the Senate, if I may, until the vote comes, and to the end that there may be no mistake when the final vote comes on this proposition. If I am in error, I will be glad to yield to the Senator from Mississippi to make a correction.

Mr. HARRISON. I think the Senator from Oklahoma is absolutely correct.

Mr. LOGAN. Mr. President, may I inquire what becomes of the amendment offered by the Senator from Missouri [Mr. CLARK] to substitute the Vinson bill for the Senate committee amendment to the Patman bill?

Mr. THOMAS of Oklahoma. Under the parliamentary status of the matter, that motion would not be in order until the Senate had perfected the committee amendment. When the Senate shall have completed its consideration of the committee amendment, then, as I understand the parliamentary practice, it will be in order for the Senator from Missouri to offer the Vinson bill as a substitute for the committee amendment as perfected. Then we will have a chance to vote for either the Harrison bill, or the Vinson bill. If the Vinson bill should carry, then it will take the place of the Patman bill originally. If the Vinson bill should fail, then we will have a vote upon the committee report, which is the Harrison bill, and that will be final, if it shall carry.

Mr. LONG. Mr. President, will the Senator pardon a further interruption?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I think the better plan would be to offer a modified Patman bill as a substitute for the pending substitute, and I intend to offer it unless the Senator from Oklahoma does so. I say that for this reason: There are some of us who, if we cannot get the Patman bill, will take the Vinson bill. In other words, the person who favors giving to the veterans the very most that he can give, as I see it, would be for the Patman bill first, for the Vinson bill next, and, after that for the other proposal.

Mr. THOMAS of Oklahoma. I intend, if I may, to explain the various bills. If the Vinson bill should carry, it would be of no more importance than a resolution adopted this day by the United States Chamber of Commerce or any other chamber of commerce or any other body anywhere at any time. The Vinson bill does but one thing; it says that we owe the soldiers and owe them now, but it does not provide for a single penny with which to pay the debt. Of what benefit will it be to the soldiers to pass the Vinson bill? It simply declares the debt created back yonder, during the World War, if created at all, is now due. Then, it authorizes an appropriation to pay it. If we pass the Vinson bill we simply have gone on record in favor of the payment now to the soldiers. Then, there must follow an appropriation bill, which must originate in the House of Representatives and come to this body. So there would be two fights. Does anyone think that we can pass a soldiers' bonus bill at this session and then follow it by an appropriation bill providing for payment of the amount? I have it on authority that the distinguished Chairman of the House Committee on Appropriations has made the statement that he will never agree to any appropriation to pay the amount called for by the Vinson bill until and unless taxes are first imposed to meet the appropriation. There is no occasion for the Senate to deceive the country and we should not at least deceive ourselves. The Vinson bill is merely a resolution in favor of the payment of the soldiers' bonus, but it carries not a single penny of money with which to meet that payment.

Mr. President, this bonus proposition is a very practical matter.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. It was contended in the House that the committee which had charge of the soldiers' adjusted-service compensation bill could not provide an appropriation, and for that reason it was not practicable to do so. What has the Senator from Oklahoma to say about that?

Mr. THOMAS of Oklahoma. It is my contention, my conviction that the Vinson bill is a studied effort to defeat the payment now of the bonus.

Mr. BORAH. Would the supporters of the Vinson bill be in favor of it if they did not think that the amount was going to be paid at this session?

Mr. THOMAS of Oklahoma. I do not think they would, but I cannot speak for them.

Mr. President, someone has circularized the ex-service men of the United States and convinced great numbers of them that they favor the Vinson bill over and above the other proposals pending before the Congress. I think that was done on the theory that if the Vinson bill should be passed the interest would be canceled and they would get more money. The chairman of the committee admits that on a thousand-dollar certificate, on which a soldier has borrowed $500, under the Vinson bill, when payment was made the soldier would get the full $500 due. I think some of the soldiers, realizing if they had taken in the form of a loan, $500, that the $500 on their certificates that has not been paid, would under the Vinson bill be paid, have favored that measure, for that is a larger sum than the Patman bill would provide and a larger sum than the Harrison bill would provide. They want the larger sum, and, therefore, they are for the Vinson bill; but they were not advised that if the Vinson bill should be passed there would be no money available under it.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Illinois.

Mr. LEWIS. I ask the able Senator from Oklahoma to respond to me with his best judgment on the point I am about to suggest. If he feels there is an absence of appropriation under the Vinson bill or any other bill touching the payment of the bonus, what will the Senator say might be the effect of the Congress passing a measure requiring the payment of the money owed us by our foreign debtors, the money so paid to be applied to the payment of the bonus to which the able Senator alludes but as to which he says at present there is an absence of provision for payment?

Mr. SMITH. When would the veterans get it if they had to wait until the foreign debt due us was paid?

Mr. THOMAS of Oklahoma. The suggestion should sound well to the 4,000,000 soldiers in these United States, that we are going to pay them the debt we owe them when some foreign nations pay us.

In order that there may be no mistake about my construction of the Vinson bill, I will read one or two lines from it. On page 2 it provides:

> The adjusted-service certificates issued under the authority of such act—
>
> Meaning the original act—
>
> are hereby declared to be immediately payable.

That is the first proposition of the Vinson bill, that the certificates are immediately payable. Then, on the last page, we find these words in section 5:

> There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

Not a penny is appropriated by the bill. The authority is there for the appropriation, and if the bill carries, then a future Congress must make the appropriation to pay the amount due.

Mr. President, the Vinson bill is a studied effort to prevent the present payment of the soldiers' bonus. That may not have been the idea in its inception; that may not have been the reason; but that is the effect of it. It is a studied effort to prevent, and will have the effect of preventing, the payment of the soldiers' bonus at this session of Congress.

The Harrison bill, which is before the Senate, is a bill that proposes to cut down the amount due the soldiers, as they believe, by $1,100,000,000. Some people jollify by saying that if we can pass the Harrison bill we will save the United States Treasury $1,100,000,000; but, Mr. President, if we save the money, who loses it? The soldiers of the Nation lose it. The Harrison bill is a bill to repudiate, in my opinion, $1,100,000,000 of the debt which the Congress and the Government have acknowledged is due to the soldiers of the Nation.

Mr. CLARK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I yield.

Mr. CLARK. Mr. President, I offered the Vinson bill a little while ago on behalf of the Senator from Georgia [Mr. GEORGE] and myself as a substitute for the committee amendment. I am advised that while I was temporarily absent from the floor there has been some discussion about the parliamentary situation. Will the Senator from Oklahoma yield to me for the purpose of offering the amendment?

Mr. LONG. Mr. President, a point of order. Will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield for a statement.

The PRESIDENT pro tempore. The Senator from Louisiana will state his point of order.

Mr. LONG. I just want to ask the Senator to yield, instead of rising to a point of order. I withdraw the suggestion of a point of order. I was not here when the Senator made the request yesterday. I ask the Senator from Oklahoma to give us a chance to be heard before yielding for that purpose.

I think this is the status under which the bill ought to come up: We ought to be allowed to have the Patman bill

offered as a substitute for the substitute. That is what ought to be before us. Then, if the Patman bill is not acted on favorably, let us take up the Vinson bill. If we should adopt the Vinson bill, I am afraid that would settle the form of the amendment, as a further amendment would be liable to be in the third degree. That is the point I am making.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield for a question.

Mr. CLARK. As I understand the parliamentary status, if the Vinson bill were to be substituted for the Harrison bill, the question would then recur, in the final analysis, on a vote between the Vinson bill and the Patman bill. In other words, a motion would still be necessary to substitute the committee amendment, as amended, for the Patman bill. If the Senator from Oklahoma does not want to yield, I shall submit my motion at the conclusion of the Senator's remarks.

Mr. THOMAS of Oklahoma. Mr. President, there is no way by which anyone can prevent the Senate from having a direct vote on the Patman bill. We may have to vote "nay" in order to vote for it, but the Senate will understand it is going to have that chance.

Mr. CLARK. I agree entirely with the statement of the Senator from Oklahoma that there is no way on earth—and there is no disposition on the part of anybody, so far as I know, to prevent a vote on the Patman bill. Whether or not the Vinson bill be substituted for the Harrison bill, the crucial vote must still recur as between the committee amendment, on the one hand, whether amended or not, which would be either the Vinson bill or the Harrison bill, and, on the other hand, the Patman bill.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I am wondering if we cannot get together on an understanding that will simplify the situation. The real issue is the Patman bill or not the Patman bill. The Vinson bill is an entirely different thing, and so is the Harrison bill. I do not know which is the worse. Why not settle the question in this way: Let the Senator from Oklahoma offer the Patman bill as a substitute for the pending Senate committee amendment.

Mr. CLARK. That would clearly be subject to a point of order.

Mr. LONG. No; it would not; it is not in the third degree.

Mr. CLARK. The Senator could not offer the original bill as a substitute.

Mr. LONG. We could strike out two or three words or change a sentence around and make it different.

The PRESIDENT pro tempore. The bill H. R. 3896, designated as the "Patman bill", is pending before the Senate. An amendment has been offered by the Senator from Mississippi, on behalf of the Committee on Finance, to strike out all of that bill and substitute matter which constitutes a new bill. The Senator from Missouri desires to offer a substitute to be inserted for the committee amendment, which would be in order when offered. The vote then would come on the substitute offered by the Senator from Missouri for the amendment offered by the Senator from Mississippi in behalf of the committee. If the amendment of the Senator from Missouri should be defeated, then the question would be on the amendment of the Senator from Mississippi offered on behalf of the committee. If that should be defeated, then the question would recur on the passage of the pending bill.

Mr. THOMAS of Oklahoma. There is no difficulty about the parliamentary situation, as I understand it.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HARRISON. In order that no one may get the impression that any Senator is trying to prevent a vote on this matter, I desire to say I shall not be a party to anything of that kind. I think the Senator from Missouri [Mr. CLARK] stated the true parliamentary situation. Certainly the Chair stated it accurately. However, even going further than that, if, after the bill shall have reached its final stages, any one Senator shall desire to move to recommit the bill with instructions to report it back immediately "as follows", including the Patman bill, we can in that way get a vote on that proposal.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield for a further statement?

Mr. THOMAS of Oklahoma. I yield.

Mr. CLARK. My purpose in asking the Senator from Oklahoma to yield was simply because the question had arisen as to whether I had offered the substitute for the committee amendment or whether I merely gave notice. As a matter of fact, I offered the substitute. I asked the Senator to yield for that purpose, and not for the purpose of changing the parliamentary status in any form.

Mr. THOMAS of Oklahoma. We will consider for some time the committee amendment, which is the entire Harrison bill. In the perfection of that amendment, as I understand the parliamentary situation, it will be proper for any Senator to offer any substitute he may choose as an amendment to the committee substitute. If in that way a complete substitute should be adopted, of course, that would in effect become the committee report. If the substitute should be rejected and some other Senator had some other proposal he desired to offer as an amendment, it would be in order as a further substitute. I do not understand there is any limit to the number of substitutes which may be offered if they are taken in order.

Mr. CLARK. My understanding of the parliamentary situation is that since the Patman bill has come here as a House bill, the committee has reported the so-called "Harrison bill" as an amendment to the House bill. I have offered the Vinson bill as a substitute for the committee amendment. My understanding of the parliamentary situation is that it is first in order to perfect the committee amendment, next to perfect the substitute, and then to vote on the substitute. If the substitute be voted down, then it is in order to further perfect the committee amendment, and any other substitute any Senator may desire to offer will be in order. I am not attempting to bind the Chair with my view of the parliamentary situation.

Mr. THOMAS of Oklahoma. That is my understanding of the situation.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McGILL. I desire to submit an inquiry to the Senator from Missouri. As I understood, he submitted his substitute and asked to have it lie on the table. It is not my understanding of the parliamentary situation that the substitute is now before the Senate.

The PRESIDENT pro tempore. That is the understanding of the Chair.

Mr. McGILL. It has never been offered as a matter of fact.

The PRESIDENT pro tempore. That is the understanding of the Chair.

Mr. THOMAS of Oklahoma. Mr. President, the question before the Senate is the perfection of the committee amendment, which means perfection of the Harrison bill.

The three propositions have for their purpose the immediate payment to the ex-service men of the amount due them. The three bills determine the amount due the soldiers by different methods and therefore they come to different conclusions.

The Patman bill, which I favor, provides for payment of the soldiers' bonus now; it provides for payment in full, and for payment in cash. Of course the soldiers are not particular whether they get a check on the United States Treasury or whether they get a $20 bill. If we should listen to the admonitions of the distinguished Senator from Virginia [Mr. GLASS], the $20 bills might not be money; but I think I can guarantee that the soldier will accept them as if they were money even though they be $20 bills.

Mr. GLASS. Yes; but many people in Germany accepted marks as though they were money, too; did they not?

Mr. THOMAS of Oklahoma. But that was in Germany.

Mr. GLASS. And this will be in the United States!

Mr. THOMAS of Oklahoma. The veterans throughout the country did not have a word to say about the passage of the original bonus bill, and they have not had much to say about the payment of the bonus since that bill was passed in 1924. The original bill was purely arbitrary. The soldiers took what the Congress gave them, a certificate. It was not of their choice. The Congress made the bill—perhaps I should not say the Congress made it, but it was prepared and came here and the Congress passed it—the President vetoed it, and the Congress then passed the bill over the President's veto, and it became the law.

The original bonus bill is very little understood by the people of America. The original bonus bill, passed in 1924, gave the veterans a certificate made up in a very technical manner. The first point was that the time the soldier had served in the Army was computed. If he served abroad, he received a certificate on the basis of $1.25 per day, and if he served in the United States, he received a certificate based upon service at $1 per day. That made a certain number of dollars for a certain number of days. Then, for some reason, those who prepared the bill provided that in the computation 60 days should be deducted from the veteran's service, representing a deduction of $60. As explained by the Senator from Mississippi, that sum was deducted for the purpose of making up the $60 which the Government paid the veterans when they were discharged.

When the veterans enlisted in the service they had to surrender what clothing they had. That was taken for Red Cross purposes or some other purposes. When the boys came back from the service their old clothing was gone. All they had was the military uniform; and, no doubt being very tired of wearing the uniform, they wanted to procure civilian clothes, but they had no money. So the Congress passed a bill appropriating $60 for each of the soldiers in order that they might have that much money with which to outfit themselves on going back to their former homes or in trying to find jobs in private life.

When the bonus bill was formulated, that $60 was taken from the soldiers. I contend that that was an unjust act. It is indefensible for a nation proposing to adjust the compensation of soldiers on the basis of per diem pay to take from that adjustment the amount necessary to outfit the soldier and return him to private life, especially when the soldiers had turned over their original clothing to the government or to some public charitable institution. So I contend that the $60 should be restored to the adjusted-service certificates.

Mr. President, after those who framed the original bill had figured the amount due each soldier, they added 25 percent to the amount of the adjustment, and that made an amount ranging from a few hundred dollars to six or seven hundred dollars.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from North Carolina.

Mr. BAILEY. Why was the 25 percent added? What was it for?

Mr. THOMAS of Oklahoma. I think those who wrote the bill, when they found out how small an amount they were giving to the soldiers, became conscience-stricken, and added 25 percent just to make the sum a little bit respectable. Of course, someone might say that the 25 percent was added because the war was over in 1918 and the bonus bill was passed in 1924, and administered probably late in 1924 and 1925. Seven or eight years had elapsed after the service was rendered, and a dollar and a quarter a day or a dollar a day did not make a very large amount; so 25 percent was added, perhaps to enhance the value of the certificate because it had not been paid for those 7 or 8 years. As to the reason, I cannot say; but that is the most reasonable explanation that occurs to me.

Mr. BAILEY. The Senator says it was either interest or conscience money?

Mr. THOMAS of Oklahoma. It may have been interest; but, if it was a conscience addition, it was a very small piece of conscience.

When we ascertained how much was due the veterans, those who wrote the original bill figured out that the sum provided would buy a 20-year endowment insurance policy for a certain amount and pay for it all at once; so, in the case of any particular soldier, they found out how much was due him—say $500—and, if he was 21 years of age, how large an insurance policy $500 would buy due in 20 years. Going by the accepted standards of insurance tables, it was easily ascertained that $500 would make a down payment on an insurance policy of a certain amount maturing in 20 years, and that was the amount of the bonus certificate.

I received this morning a statement signed by numerous Members of the House of Representatives, explaining the so-called "Patman bill." At this point in my remarks I ask unanimous consent to have incorporated in the RECORD the statement received on this date. I shall not read the statement. It will appear in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

MAY 2, 1935.

DEAR SENATOR: The bill to pay the adjusted-service certificates to veterans of the World War passed by the House of Representatives may be summed up as follows:

1. It will pay three and one-half million veterans $2,000,000,000 remainder due.

2. The payment will be made without a bond issue or an increase in taxes.

3. The bill is not inflationary, as the Secretary of the Treasury will be empowered to retire Federal Reserve notes, if necessary, as United States notes are paid the veterans. In other words, the payment may be made without necessarily increasing the circulating medium by one dollar.

4. The Government has title to the $8,700,000,000 in gold in the Treasury. This is sufficient gold to permit the Government to have 111-percent gold reserve behind all money if the $2,000,000,000 is paid to the veterans. In other words, the Government now has $15 in gold and $2 in silver to pay every outstanding $10 bill.

5. This money will be distributed into every nook and corner of the Nation quickly, uniformly, and without the possibility of graft or favoritism. It will be a distribution of purchasing power very much needed.

6. Although the certificates are payable in 1945, we have shown conclusively that each veteran was entitled to the face value of his certificate in 1931, if the debt to him is liquidated in the same way and manner that all other debts growing out of the World War were liquidated.

Respectfully submitted.

House of Representatives Steering Committee for the Passage of H. R. 1: Wright Patman, Chairman; Abe Murdock, Secretary; Sabath, Illinois; Scrugham, Nevada; Greenwood, Indiana; Colmer, Mississippi; Randolph, West Virginia; Cannon, Missouri; Connery, Massachusetts; Berlin, Pennsylvania; Hancock, North Carolina; Johnson, Oklahoma; Richards, South Carolina; Boileau, Wisconsin; May, Kentucky; Hildebrandt, South Dakota; Smith, Washington; Dies, Texas; Miller, Arkansas; Dondero, Michigan; Kvale, Minnesota; Ayers, Montana.

Mr. THOMAS of Oklahoma. Mr. President, as I stated, the Vinson bill provides no funds for the payment of the certificates. The Harrison bill likewise provides no funds, except that it authorizes the Treasury Department to go into the open market and sell bonds, and from the sale of such bonds to secure money with which to make the adjustment to those who desire cash; and, of course, those who prefer a bond can take the bond without its having first been sold.

We are told in some places that if we should undertake to pay the bonus with money—what is called "printing-press money"—that would be liable to upset the credit of the Nation. Those who take that view call this money "printing-press money"; they call it "fiat money." Mr. President, that is the only kind of money we have. There is but one kind of money that we now have in the entire United States, and that is printing-press money. There is some silver in circulation, about $31,000,000; then we have some subsidiary coins, amounting to three or four hundred million dollars; but the only real money we have is printing-press money, money printed by the Bureau of Engraving and Printing here in Washington.

If the Patman bill should pass, and the soldiers should be paid with the kind of money which the Patman bill provides, it would be the same kind of money which the people of the country now have in their pockets—those who may be so lucky as to have some money in their pockets. If the money we now have is printing-press money, the money provided by the Patman bill would be printing-press money. If the money we now have is bad money, the money provided by the Patman bill would likewise be bad money. But, Mr. President, I contend that the money we now have is the best money in the world. The money we shall have tomorrow will be the best money in the world; and if the Patman bill should pass, authorizing the issuance of $2,000,000,000, and more, of new money, it would be the same kind of money we now have, and that money would be the best money in the world.

Certain persons call it fiat money. Let me call attention to the facts.

On April 29, just 2 or 3 days ago, we had in the Treasury total gold to the amount of $8,706,000,000. At the same time we had in the Treasury silver of the value of $805,000,000, which, added to the total gold, made an aggregate amount of gold and silver in your Treasury and mine of over nine and a half billion dollars. On the 24th of April, less than a week ago, the total amount of money in circulation was $5,459,000,000. Subtracting the amount of money in circulation from our total amount of gold and silver, we have in our Public Treasury over $4,000,000,000 of gold and silver that is not in use.

Mr. President, the Patman bill provides for the issuance of sufficient new money to pay the soldiers. It is estimated that that amount would be about $2,285,000,000. If we should issue this new money, and pay the soldiers, and place that money in circulation, and add it to what we now have, we should still have, after that money had been placed in circulation, over $1,700,000,000 of gold and silver against which there would be no money in circulation. In other words, if we should pay the bonus bill in printing-press money—the same kind of money that is now in circulation—we should have dollar for dollar behind every dollar of that money, and when it was all in circulation we should have almost $2,000,000,000 left of gold and silver against which there would be no money in circulation.

Mr. President, we have heard much about fiat money. I desire to place in the RECORD at this point a definition of fiat money, so called. The dictionary states that fiat money means the following:

> Paper currency of Government issue, which is made legal tender by fiat or law, does not represent, or is not based upon, specie, and contains no promise of redemption.

That is what the dictionary says fiat money is. It is money back of which there is no gold or silver, or, if any, little, not based upon specie, and containing no promise of redemption.

The dictionary defines specie as follows:

> Coin, usually of gold or silver; hard money.

Mr. President, there is no possible way in which anyone can define the money proposed to be issued under the Patman bill as fiat money. There is specie back of it, there is gold back of it, there is silver back of it, dollar for dollar; and then we should have almost $2,000,000,000 left.

Mr. President, we could redeem with gold tomorrow, or this afternoon, every dollar of money outstanding in the United States, and when it was all redeemed we would have over $4,000,000,000 of gold and silver left against which there would be no money issued and outstanding. Then, if the Patman bill should pass, we could put $2,000,000,000 more in circulation, and we would still have in the Treasury more gold and silver against which there would be no money in circulation. How can anyone call that kind of money fiat money under the definition given in the dictionary?

A little while ago I made the statement that the Vinson bill was no more important than a resolution passed by the United States Chamber of Commerce—and when I say that, I think I am not overstating the case. All that the Vinson bill does is to declare this debt due, and then authorize an appropriation at some time in the future to pay the debt. If the Vinson bill should be enacted, the press of the country, perhaps not advised of the true import of the measure, would probably carry the statement that the Congress had passed the soldiers' bonus bill. Three million soldiers throughout the Nation would jollify, expecting very shortly to have paid to them every dollar due them—$500 on a $1,000 certificate, without interest.

Mr. President, what must the awakening be, if that should happen, when they find that before they can get a single penny, the Congress must pass a second bill making an appropriation. By that time the present session of Congress will have about concluded its labors, and if a bill should be launched in either House of Congress, there would be a fight against the appropriation, as there is a fight against the bonus. If the House should make provision and it should come to the Senate, a fight would be made here, as a fight is being made against the Patman bill.

There is no chance, in my judgment, to pass through the Congress a second bill making an appropriation. So, if the Vinson bill should be enacted, as a result of its enactment the soldiers would have absolutely nothing except an illusion, and the shock they would receive when the truth dawned upon them at a later date.

Now let me call attention to some of the provisions of the so-called "Harrison bill." The Harrison bill provides a policy which does not bind anyone. It is a statement of policy that the old pension system shall not be applied to the World War veterans.

The veterans of the Union Army of the War between the States, known as the "Civil War", have the pension system, and many States in the South have the pension system to take care of the Confederate veterans.

The pension system was extended and applied to the veterans of the Spanish-American War, and of other wars in which our Nation has been engaged. But when the World War came on, in place of providing a pension system, we provided for a system of compensation, a system of insurance, a system of hospitalization, a system of homes, and the pension system has not as yet been adopted. So, if Congress should enact the Harrison bill, it would recite that pensions shall never be extended to the veterans of the World War.

Mr. President, such a declaration would bind this Congress, at least during the time the vote is being taken upon the bill. Of course, if the bill should be enacted, tomorrow Congress could amend the law and pass a law providing exactly the opposite. So it is a declaration of policy, but the policy would bind only this Congress, and need not necessarily bind this Congress longer than the time necessary to take a vote. However, I am for the policy, I may say.

I shall now refer to the second proposal in the Harrison bill. The original bonus law provided that the 20-year period should start in 1925 and end in 1945. In other words, this mythical insurance policy, a 20-year endowment policy, a paid-up policy, would start to run in 1925, and the policy would be matured and subject to be paid in 1945.

In order to place this matter in a position where immediate payment could better be justified, the Harrison bill provides for moving the 20-year period back, and for starting the period on Armistice Day, November 11, 1918, which would make the 20-year period end on November 11, 1938.

If the date is moved back, I shall offer an amendment to strike out "Armistice Day" and insert in lieu thereof the date when war was declared. This Nation declared war against the Central Powers on April 6, 1917. On that date every regular soldier was in the service. On that date every national guardsman was called to the colors. On that date every youngster of military age had served upon him constructive notice that he would be liable to call to the colors.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I yield.

Mr. CLARK. Does not the Senator think that, so far as fixing the date is concerned, the proposition advanced by the author of the Patman bill, Representative PATMAN, of striking a mean, which he has attempted to do, is fairer than taking either the date of the armistice or the date of the declaration of war? In other words, it seems obviously unfair, in the case of a man who served 2 years, to start the time running on the date of the armistice; and it seems equally unfair, in the case of a man who served 11 days, or 7 days, as some of them did, to start the time at the date of the declaration of war.

Of course, taking into consideration the clerical work, it would be impossible to fix the date at the time when each man went into the service. Does not the Senator think that the proposal of Representative PATMAN, striking a mean date, is fairer than either one of the other proposals?

Mr. THOMAS of Oklahoma. This is a purely arbitrary matter, so far as the soldiers are concerned. Each veteran has a certificate, a piece of paper, which states on its face that there is so much money due him. The veterans do not know how that time was computed. They do not know that there was fixed a 20-year period beginning in 1925 and extending to 1945. They merely know that the Government gave them a piece of paper stating that at some time in the future they were to have a certain amount of money, and that under the terms of that paper they were not to get the money until 1945. They have never yet understood that; they do not understand it today; and it is the purpose of those proposing the legislation to move the date back. They probably would understand it then. It is not material, but it vests in Congress, in conscience, a right, a reason, an excuse, for making the certificates payable now. If we move the period back to April 6, 1917, when war was declared, then the 20-year period will end on April 6, 1937. That will be less than 2 years hence, and some of the soldiers might wait for less than 2 years. They might not for the best of reasons want to wait until 1945.

I think the soldiers are wise in trying to get the payment made now. If I do not mistake, if they have to wait until 1945, they will not get very large dollars. They will get dollars, and the dollars will pay their taxes, whatever they may be; the dollars will pay their debts, whatever their debts may be; but those dollars will be small in buying power, and it is my judgment that the soldiers see that, though some Members of the Congress have not seen it yet.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. I wish to ascertain if I understand the last observation made by the Senator. Does he contemplate that our Government is going to enter upon a policy of inflation, so that in 1945, when these obligations will be due, the dollar will be so valueless, measured by commodity prices, that it will buy only a small quantity of what it now will purchase?

Mr. THOMAS of Oklahoma. Of course, in answer to the suggestion, or question, I may say that no one knows; I do not know; but, reasoning from the information I have, I cannot possibly see where the dollar in 1945 can have the value it has today. Today there is a national debt of more than $30,000,000,000. There is a total tax bill throughout the entire country of more than $15,000,000,000 a year. There is a total interest bill of something like $10,000,000,000 a year. It is my judgment that we can never pay those taxes, we can never pay that interest bill, we can never pay the debts we owe, which, in the mass, amount to $250,000,000,000, with the present high-price dollars.

If my reasoning is sound, and my forecast comes true, in 1945 the American dollar will have a much less buying power, measured by commodities and by wholesale prices, than it has today. I think it should have. I am not for cheap money, but I am for a cheaper dollar than the one we have today. Yesterday the dollar still had a buying power of 124½ cents. That means that every man in debt, every man who pays taxes, every man who has to pay interest, must sever from himself goods, wares, or services to the value of 124½ cents in order to obtain a dollar with which to meet a dollar's worth of debts. That is unfair, it is unsound, it is unjust, to me it is dishonest, and the Congress alone is responsible.

Mr. KING. Mr. President, will the Senator yield again?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. I received a number of communications yesterday, and one today, challenging attention to the rapid rise during the past few months, or during the past year, in the prices of commodities. One of the communications stated that the prices of food supplies and of many of the textile commodities, clothing, and so on, were as high as they were in some period between 1926 and 1929, if not higher.

I do not know whether or not that statement is accurate—I doubt it—but I do know that prices are mounting very rapidly, and I have received a number of communications from residents of the District of Columbia—I suppose because I am Chairman of the Senate Committee on the District of Columbia—protesting against the rapid rise in food prices in the District and demanding that some steps be taken, by investigation or otherwise, to prevent the rise in prices, which my correspondents say are getting so high that many of the people are unable to purchase the necessities of life.

Mr. THOMAS of Oklahoma. Mr. President, does the Senator from Utah believe that the farmers of Utah are receiving too much for their wheat and potatoes and livestock, their cattle, hogs, and sheep?

Mr. KING. I have made no comment at all as to whether the producers have been receiving too much. I am merely telling about the certainty that prices of many commodities are rising, perhaps, more rapidly than wages are rising; rising, perhaps, in advance of any proper justification.

Mr. THOMAS of Oklahoma. Mr. President, the rise in prices is not to be wondered at. The fact that the Government last year killed more than six and a half million pigs was calculated to make pork higher. The fact that the Government paid farmers to not sow wheat and to curtail their wheat production, plus the drought, was calculated to make wheat scarcer and higher. The further fact that farmers are paid not to plant cotton is calculated to make cotton higher.

The economic law of supply and demand has been recognized by the Government. The Government made hogs scarce so as to make the price of hogs higher. The Government has made wheat scarce so as to make the price of wheat high. The Government has made cotton scarce so as to make the price of cotton high. The same Government has made money scarce in order to make money high.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. I assent to the first part of the Senator's statement. I condemn the policy of the Department of Agriculture, the policy of the A. A. A. in its ruthless, unwarranted destruction of hogs, in its plowing under of cotton, and its apparent determination to restrict production for the purpose of improperly raising prices. I think such a policy is unsound and unwise, will result in great controversy, and will arouse a great deal of indignation among the producers of the commodities to which we have referred.

Mr. THOMAS of Oklahoma. Mr. President, let me say to the distinguished Senator from Utah that if we ever pay the $30,000,000,000 of Federal debt, if the States ever pay their State debts, if the counties ever pay their county debts, if the cities ever pay their city debts, if the corporations pay their corporate debts, if the people pay their private debts, they must get money. They cannot manufacture money. They will have to secure it from some source.

In the Senator's State of Utah and surrounding States there are great silver mines which have been lying idle for years. Silver has been selling at 24½ cents an ounce and 30 cents an ounce, prices under which the silver mines cannot possibly operate. If silver could be raised to a reasonable value, no doubt many of those silver mines could be opened, silver would be produced, and thereby the citizens of the Senator's State and the citizens of the sister States would be able to make some money from the production of silver.

What is true of silver is true in the cattle States. They could raise some cattle, make some profit, pay their taxes, pay their debts, and pay their interest.

In the South the people could raise cotton, sell the cotton, and secure some money; but they cannot do it under the present prices.

Silver men cannot prosper even at the present price of silver; wheat producers cannot prosper at the present price of wheat, and cotton growers cannot prosper at the present price of cotton. It is true that the price is better than it was 2 years ago, but it is not sufficiently high.

The farmers of my State and of the Northwest can never pay their bills on ninety-odd-cent wheat. The farmers of the South can never pay their bills on 10- or 11-cent cotton. The miners of Nevada and Utah can never pay their bills on 60- or 75-cent silver.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. I desire to say, with respect to the observation of the Senator regarding silver, that I regret exceedingly that there are not more silver mines. Probably there are only one or two silver mines per se in the United States. Silver is associated with zinc and lead and copper. It is a sort of byproduct. I do not believe there is a silver mine in the United States which can operate at a profit with silver at 75 or 80 cents an ounce; and in view of the fact that except in a few instances silver is found only in association with other metals, particularly lead and zinc, it is obvious that with the low price of zinc and the low price of lead many of the mines containing silver will be unable to operate, notwithstanding the great advance in the price of silver.

Mr. THOMAS of Oklahoma. Mr. President, I come back to the so-called "Harrison bill." It enunciates, first, the policy that pensions shall not be extended to the World War veterans. Second, it moves the 20-year period from 1925 back to Armistice Day and ending 20 years thereafter, or November 11, 1938.

The Harrison bill eliminates the 25 percent which was added to the original adjustment. No reason is given for the elimination, but it is provided in the bill.

The Harrison bill retains the charge of $60 made against the adjustment by the original bonus bill. I contend that the $60 should be returned to the veterans as the basis for the calculation of the amount due them.

The Harrison bill penalizes the poor soldier. The one who has to cash his certificate immediately takes the smallest possible amount, and the soldier who can afford to let his certificate run until 1942 or 1945 gets a bonus.

I saw in the public press a statement that a veteran having a thousand-dollar certificate, if he should cash it immediately, under the terms of the Harrison bill would get about $750. If he let the certificate run until it matured by law in 1942, on the average he would get $1,125. In other words, this bill penalizes the poor soldier $250 on the thousand, and gives to the rich soldier $125 on the thousand in the form of a subsidy.

I cannot understand how the Congress could make that distinction, and I am opposed to such a provision.

Mr. President, it was admitted on the floor this morning that the Harrison bill reduces the amount due the soldiers by over $1,000,000,000—to be exact, $1,100,000,000. If the Harrison bill should be passed, the pay of these soldiers could be adjusted for $1,100,000,000 less money. Of course, that is a saving to the Treasury, but it is likewise taking that much money from the veterans of the United States; and I am opposed to that provision. I am opposed to the Harrison bill, and I am going to vote for the Patman bill when it comes before the Senate.

The Harrison bill provides that the Secretary of the Treasury shall pay the veterans either in bonds, if they prefer bonds; or, if they wish to turn in the certificates and secure the cash, the Secretary is authorized to sell bonds under the existing law and raise money and settle with the veterans on the basis of a cash payment.

Mr. President, I propose to support and offer, if necessary, some amendments to the Harrison bill. I propose first to move back the 20-year period to begin on the date war was declared, April 6, 1917, and make the 20-year period end on April 6, 1937, which is less than 2 years hence.

I shall do that, as I stated a moment ago, because every soldier in the Regular Army was in the Army at that time. Two hundred and fifty thousand soldiers of the National Guard were called to the colors on that day. Every male citizen of military age had served upon him constructive notice, when war was declared, that he was subject to be called to the colors. He must have begun to make his plans accordingly; and as this is purely an arbitrary matter, I shall make a motion to move the beginning date back 18 months prior to the date to which the Harrison proposal proposes to move it back. Under the Harrison bill it starts on Armistice Day, November 11, 1918. I shall move to put it back to April 6, 1917, and have the 20-year period start 18 months before it would start under the Harrison proposal.

I shall make a motion, if some other Senator does not, to restore to the adjustment of each certificate the $60 which was arbitrarily deducted from the amount found to be due each soldier.

I shall move to amend the Harrison proposal by the cancelation of all interest. I shall do that on the theory that when the soldiers borrowed upon their certificates they could only borrow, in the last analysis, one-half; but when they had the right to borrow one-half, more than one-half the period had expired from the time when the war was declared, or when the war ended, for that matter, until the time they borrowed the money. They could borrow only one-half. More than one-half the time had expired. More than one-half the amount due them had been earned. So, as I construe the matter, the soldiers were forced to pay interest on money already in equity due them. I contend that is not fair. At least, it is not just; it is not governmentally honest.

I shall make another motion, if no other Senator does, that the certificates may be discounted if the soldier wishes to get his money immediately, but that the rate of discount shall be that of the unearned interest.

Mr. President, I shall offer another amendment to the Harrison proposal; namely, to pay the soldiers in cash, to pay them immediately, and to pay them in full. This proposal brings us again to the money question. I think I showed a few moments ago that the Government can pay the veterans in cash with the best money in the world. It will be the same kind of money that we now have in circulation. It will be money backed by gold and silver, one dollar back of each "printing-press dollar", so-called.

I am in favor of the payment of the bonus in cash. Of course, as I said a moment ago, the soldiers are not particular, so far as they are concerned. They would just as soon have a good check of the United States Government, the kind the country is now full of, as to have $20 bills or to have $100 bills; and, so, the veterans are not particularly interested in the kind of payments they shall receive. I doubt if they would want to receive the amount due them in silver dollars. They would be glad to take them, but would prefer a check to silver dollars. No doubt many of them might prefer a check to receiving currency. I am in favor of paying in currency, not because the soldiers want it, not because it will help the soldiers, but because I believe that the putting the money in the form of currency into circulation will help the nonsoldiers far more than it will help the soldier himself.

I make the statement that the payment now of the bonus in cash will be of far more benefit to the 125,000,000 nonsoldiers than to the three or four million soldiers themselves. The soldier has $500 due him or $1,000 due him; he gets a check or he gets the money. He has bills to pay; he either pays his bills or deposits the money in the bank. They are just dollars to the soldier. The payment by check does not increase the circulation; it does not increase the price of commodities; it has no effect upon the price of commodities. During the past 2 or 3 years the Government has put out ten or fifteen billion dollars of that kind of money—bonds

and check or deposit money—and yet some commodities are away below the cost of production. So I am contending that it is the duty of the Government to provide more money and place that money in circulation, to the end that money may become more plentiful and thereby cheaper; and to the extent money becomes cheaper, prices will go up. That is what I favor.

Mr. President, we will never get out of the depression, in my judgment, until prices are raised. There is no chance for banks to commence making loans until the people of the United States make money, and the people cannot make money on the present price level. The cotton farmers cannot raise cotton at 10 or 11 cents a pound and make any money; the wheat farmers cannot raise wheat at ninety-odd cents a bushel and make any money, when there is deducted from the 90-cent price the cost of transportation, the cost of insurance, and the cost of handling. There is no profit left; and, because the farmers are not making money, they have no credit at the banks.

But just the moment the farmers commence making money the farmers will have credit at the banks.

In the past 30 or 60 days hogs have risen in price; livestock has gone up in value. Now there is no place in the country where men who have livestock have not credit at the banks. In my section, in the livestock area, a hog section, the depression is over. If we will bring about the same condition in the Wheat Belt, in the Wheat Belt the depression will be over; if we will bring about the same condition in the cotton-producing South, the depression in that section will be over. As soon as prices are raised, there will be a profit in production; farmers can borrow money at the banks; and throughout the country, by and large, the farmers have a very large share in the banking deposits of the Nation.

Mr. BORAH. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Idaho.

Mr. BORAH. How does the Senator explain the increase in the prices of hogs and cattle?

Mr. THOMAS of Oklahoma. First, by the program of the Government in killing off six and a half or seven million pigs and hogs, limiting the production, thus making hogs scarce and making the law of supply and demand operate.

Mr. BORAH. That program resulted in the man who got a better price having fewer hogs to sell.

Mr. THOMAS of Oklahoma. That is correct, but that was not my program. The Government made the hogs scarce; it made the price of hogs high. The Government has made wheat scarce and made the price of wheat high; the Government has made corn scarce and made the price of corn high; and the Government has made money scarce and has made money high. The reverse process should have been followed. If it be desired to make hogs high and wheat high and cotton high the Government would accomplish that purpose by making money plentiful and making money cheap. It does not do the farmer any good to have a great quantity of wheat if he can get nothing for it. It does not do the farmer any good to have a high price for wheat unless he has wheat to sell.

Mr. BORAH. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. I observed in press dispatches some 2 days ago that a large quantity of corn had been shipped from Argentina to the United States and up the Mississippi into the great Corn Belt of the United States and sold there.

Mr. THOMAS of Oklahoma. I was not aware of the fact. If corn is getting scarce, of course, those who have to buy corn want to get cheap corn, and if they can buy corn in Argentina or some other foreign country at prices at which they can ship it to America, pay the tariff, if there be a tariff, and have that corn delivered to them at a less price than they can buy it here in America, they are going to do it; but that gets back again to the law of supply and demand.

Mr. BORAH. It is pretty hard on the farmer though.

Mr. THOMAS of Oklahoma. Absolutely; I agree with the Senator in that respect.

Mr. President, the Vinson bill will help each one of the 125,000,000 American citizens far more than it will help the soldier himself. Take, for example, the old farmer who has 160 acres at some place in the West and who raises nothing but wheat. He has a son who was called to the colors a few years ago; the son went to the war and came back. The son later received a thousand-dollar certificate; he has borrowed $500 on that certificate, and all he can possibly get now is $500. Pass the Vinson bill and he would receive $500; pass the Patman bill and he would receive $487; pass the Harrison bill and he would receive $180; that is all the soldier could obtain under the terms of the respective bills, if any of them should be passed; but the old father still has his farm. If the Patman bill should be passed, it would put $2,000,000,000 in circulation; it would make money more plentiful; it would make money cheaper; it would raise prices. The old farmer perhaps raises two or three thousand bushels of wheat each year. It would raise the price of wheat. If it should raise the price of wheat 50 cents a bushel, and the farmer raised 2,000 bushels of wheat, there is a thousand-dollar profit next year to the father of the soldier boy, although the soldier boy would get only $180 under the Harrison bill, $487 under the Patman bill and $500 under the Vinson bill. That is all he could possibly get. The father, however, because of the higher price for wheat, would receive double the amount the soldier could possibly receive. That is for the next year. The next year it would be the same, or should be the same, and the year following that it should be the same. The farmer would receive a high price for his wheat and high prices for the other commodities he produces on his farm, and when he gets higher prices for his wheat then the farm itself goes up in value; perhaps the farm will double in value. With profitable prices a farm now worth three or four thousand dollars, embracing 160 acres, might increase in value to six or seven thousand dollars.

Mr. President, I am supporting the Patman bill and the cash-payment plan, so as to help the nonsoldiers by placing money in circulation, by making money more plentiful, by making money cheaper. I am not for cheap money; I am not asking to go back to the cheap money we had in 1920, when the dollar was worth only 64 cents measured by the best standard of value we have; but I think we should go back to at least 1926, when the dollar had a reasonable value, a value that enabled commodity prices to show a profit to the producer. In 1926 wheat was selling for $1.40 or $1.60 a bushel, corn was selling around $1 a bushel, cotton was selling around 20 cents a pound, and livestock prices were in proportion. With such prices as these, farmers can produce commodities and pay the cost of production and have a profit, and with such profit they can pay their taxes; they can pay interest on their farm loan, if they have one; they can buy a new automobile ever so often; their purchasing power is increased, and that makes business for the stores; it makes business for the banker; it makes good business for everyone. I am not afraid of making the statement that this Nation will never get out of the depression until the price level is substantially raised, and it can only be raised by cheapening the dollar. The Government can cheapen the dollar. Why it does not do so, I am not advised. Suffice it to say it has not cheapened the dollar. The dollar on yesterday was worth 124½ cents.

Mr. President, we read in the public press constantly that the currencies of the world should be stabilized; that nations should stabilize not only their own currencies, but should likewise stabilize the currencies of other nations. Mr. President, national monetary systems are individual affairs. The money question in each country is the problem of that country. We have no jurisdiction over the value of the pound in Great Britain, except incidentally; we have no jurisdiction over the value of the monetary units of other nations; that is their domestic problem; but the value of the dollar in America is our domestic problem; and we have the power, and the Congress has the command, to regulate the value of the dollar in the best interest of the people of the

Nation. It is impossible for the United States even to talk about stabilization of the dollar. We have today a dollar abroad which is worth 60 cents and a dollar at home which is worth 124½ cents. Which dollar are we going to stabilize?

The United States is in no position even to consider stabilization of the dollar. We will not be in a position to stabilize the dollar until other nations are likewise ready to stabilize their monetary units; and I know of no nation that is ready to stabilize, unless, perchance, it be France and Switzerland, which are still lingering along on the old gold standard. They might be very glad to try to keep the present value of their monetary units, but, aside from those two countries, there is no nation in the world, so far as I know, which at this time is in a position even to consider stabilizing the value of its monetary unit. Most certainly England is not today ready to consider stabilization. England does not know at what point she wishes to fix the value of the pound. England is going through a period of experimentation. When Great Britain arrives at that point in her self-consciousness when she has the pound fixed at a value that will best serve her domestic economy, England will consider the stabilization of the pound in terms of gold. The United States is in the same position. Today we are not in a position seriously to consider the stabilization of the dollar.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Metcalf	Townsend
Brown	Glass	Minton	Trammell
Bulkley	Gore	Moore	Truman
Bulow	Guffey	Murphy	Tydings
Burke	Hale	Murray	Vandenberg
Byrnes	Harrison	Neely	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Clark	Johnson	Pittman	White
Connally	Keyes	Pope	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. CLARK. Mr. President, in order to straighten out the parliamentary situation I now desire to offer formally the amendment which I submitted this morning in behalf of the Senator from Georgia [Mr. GEORGE] and myself as a substitute for the committee amendment, and which I then asked to have lie on the table.

The VICE PRESIDENT. The Chair will state his understanding of the parliamentary situation so that the Senate may understand it. The Finance Committee has reported a bill with an amendment striking out all after the enacting clause and inserting certain matter. The Senator from Missouri [Mr. CLARK] has offered an amendment in the nature of a substitute for the committee amendment. The question now is on agreeing to the amendment in the nature of a substitute offered by the Senator from Missouri.

Mr. THOMAS of Oklahoma. Mr. President, I have already discussed to some extent the amendment in the nature of a substitute proposed by the Senator from Missouri, which is the so-called "Vinson bill."

Before a quorum was demanded I was making some comment upon the world stabilization of currency. I stated that no nation is today ready to undertake the stabilization of its currency. Most assuredly the United States is not in a position to stabilize the dollar at its present value. Great Britain is not ready to stabilize the value of the pound in terms of gold at its present value. The countries on the silver standard are not ready today to consider the stabilization of their silver units.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I do.

Mr. LONG. Earlier in the day I propounded to the President pro tempore of the Senate a parliamentary inquiry, which I now ask permission to propound again to the Vice President.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. The Vinson bill, which the Senator from Missouri [Mr. CLARK] and the Senator from Georgia [Mr. GEORGE] have offered as a substitute for the committee amendment, if it should be adopted, would stand in lieu of the committee amendment?

The VICE PRESIDENT. It would stand in lieu of what is known as the "Harrison amendment."

Mr. LONG. Then the vote would come, would it not, on whether the amendment should prevail over the Patman bill; that is, the House bill? It would still require another vote as between the two, would it not?

The VICE PRESIDENT. If the Senate should adopt the Clark substitute for the committee amendment, then the question would come upon whether or not the Senate should adopt the amendment as substituted; and that would be a contest between the so-called "Vinson amendment" and the Patman amendment.

Mr. LONG. That is what I desired to know.

Mr. THOMAS of Oklahoma. Mr. President, the issue has shifted, and the contest now is between the Vinson bill and the Harrison bill. When the vote shall come, the Senate will vote as to whether they prefer the Vinson bill or whether they prefer the Harrison bill. If the motion made by the distinguished Senator from Missouri should carry, the Vinson bill would take its status before the Senate in exactly the same position which the Harrison bill now occupies, and the Vinson bill would be subject to amendment. If the Vinson bill should become the unfinished business by having its text adopted, it would be subject to further amendment, and later on we should have a chance to vote as between the Vinson bill and the Patman bill.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. Yes.

Mr. CLARK. Without undertaking to differ from the Chair, I will state my understanding of the parliamentary situation.

Mr. THOMAS of Oklahoma. I will say to the Senator that I was slightly in error.

Mr. CLARK. The committee has substituted the so-called "Harrison bill." The committee amendment strikes out all after the enacting clause of the House bill, which is the Patman bill, and offers the Harrison bill as a substitute. I have offered the Vinson bill as a substitute for the committee amendment. Under general parliamentary law, as I understand, amendments to the so-called "Harrison bill"—that is, the committee amendment—are first in order. Amendments to the so-called "substitute", the Vinson bill, are then in order. Then the vote would recur on substituting the Vinson bill for the Harrison bill. If the motion to substitute the Vinson bill for the Harrison bill should be adopted, further amendment would not then be in order to the Vinson bill; but if the motion to substitute the Vinson bill for the Harrison bill should be rejected, then further amendments to the Harrison bill would be in order, or any further substitute for the committee amendment which any Senator desired to offer would be in order.

Mr. LONG. Mr. President, if the Senator will yield, if we should adopt the Clark amendment—the Vinson bill—as a substitute for the Harrison bill, then the vote would come on whether or not the committee amendment, as substituted by the Vinson bill, should prevail as against the House bill?

Mr. CLARK. Of course, any substitute for the original House bill would then have to be voted on; and the Senate

would always have an opportunity to adhere to the House bill or to adopt any substitute or any amendment it might see fit.

Mr. THOMAS of Oklahoma. Mr. President, to simplify the matter, the contest now is between the Vinson bill and the Harrison bill. The Vinson bill proposes to pay the soldiers at some time in the future, and that time will be when the Congress makes an appropriation to pay the amount. The Harrison bill proposes to pay the soldiers now by discounting the amount due them and by giving them either bonds or cash; but the Harrison bill deprives the soldiers, in mass, of $1,100,000,000 of the amount due them under the terms of the law. Because of that condition—cutting down the amount due the soldiers by $1,100,000,000—I am opposed to the Harrison bill. I am opposed to the Vinson bill because it makes no provision for paying the soldiers; and as between these two bills I have no choice, because, in the last analysis, I shall vote for the original Patman bill.

Mr. President, I was discussing briefly the question of stabilization of money. I think everyone agrees that the world can make no particular progress toward getting out of the depression until world currencies shall be stabilized, and at this particular time no country seems to be able or ready to consider stabilization. The countries which want stabilization are unable to bring it about. There may be some nations somewhere which are satisfied with the present value of their monetary unit. If so, they are ready for stabilization; but most certainly the larger countries are not ready for stabilization. The United States is not ready, Great Britain is not ready; and those two countries have a very large part to play in the regulation and management of world currencies.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Before the Senator retires from the floor I desire to ask him a question, because we recognize him as quite a leader on both the bonus question and the inflation question in the Senate. Our best course seems to be this, does it not—that we ought to vote for the Vinson bill as a substitute for the Harrison bill, and then vote for the Patman bill over the Vinson bill? That would be our best course; would it?

Mr. THOMAS of Oklahoma. I agree to that line of strategy. As between the Vinson bill and the Harrison bill, there is no choice for the friends of the soldier. The Senator who votes for the Harrison bill votes to cut practically in two each certificate in the hands of each soldier of the Nation. The Senator who votes for the Vinson bill votes to pay the soldier the full amount of his certificate at some time in the future. If we can defeat the Harrison bill and can adopt the Vinson bill as a substitute for the Harrison bill, we can at least go on record in favor of paying the soldiers the full amount due on their certificates; and I shall take that course. Then, if we should pass the Vinson bill, and the Vinson bill should become the law, at some future date, on some deficiency bill, perhaps we might have the power to attach an amendment appropriating the money to pay the soldiers in accordance with the terms of the Vinson bill.

Mr. LONG. But the ideal solution would be this, as I understand the Senator: If we adopt the Vinson bill in lieu of the Harrison amendment, and then, when the question reverts as between the Patman bill and the Vinson bill, adopt the Patman bill, we shall have a complete solution of the whole thing in one bill.

Mr. THOMAS of Oklahoma. Mr. President, as I understand the situation and the interest of the veterans, when my name shall be called, I shall vote for the Vinson bill as against the Harrison bill. If the Vinson bill shall carry, then the contest will come between the Vinson bill and the Patman bill; and as between those two bills I shall vote for the Patman bill. I think that makes the matter plain from my standpoint.

Mr. President, it is apparent that Senators are not greatly interested in this matter. I take it for granted that each one knows exactly how he is going to vote, and, knowing how he expects to vote, he is not interested in staying upon the floor to listen to explanations or questions or speeches that would not, under any conditions, influence his vote. If I can have distinctly understood what is the issue before the Senate, I shall take no further time to explain my understanding of these measures.

I cannot understand how anyone who is a friend of the soldier can vote for the Harrison bill, because when he votes for that bill he votes to cut down the amount due the soldiers in the sum of $1,100,000,000. He deprives the soldiers of receiving that amount of money at some time in the future. I am not in favor of reducing the amount of the certificates approximately 50 percent. I cannot understand what kind of argument or what kind of explanation a Member of Congress could give to a soldier constituent back home if he should vote for the Harrison bill, and the soldier should expect to have the certificate cashed at its face value, and should find that he had been deprived of one-half its face value. At least, I shall not look my soldier constituents in the face and try to make such an explanation. I shall not put myself in an attitude where it will become necessary.

Mr. President, so far as I am concerned, unless there are some questions, I shall not take any more time.

Mr. ADAMS. Mr. President, I should like to have the Senator from Oklahoma devote a moment's time to section 3 of the Patman bill, in reference to the method there suggested for contracting the issuance of currency provided for in connection with the bonus.

Mr. THOMAS of Oklahoma. Mr. President, we now have in circulation approximately five and a half billion dollars of all kinds of money. If the Patman bill should pass and be approved by the President, or should pass over his veto and become the law, we probably should put in circulation something like $2,000,000,000 of new money. The circulation would be increased to the extent of something like $2,000,000,000. If, as a result of placing $2,000,000,000 of new money in circulation, money should become too plentiful—personally, I should like to see that happen—and we could not use the new money, if it should come to be in the way of the people of the country, section 3 provides a plan for getting this money out of circulation; and the plan is for the Government to take the money out of circulation. It could be done by selling bonds.

The Government has plenty of bonds to sell. The Federal Reserve System has approximately two and a half billion dollars of bonds in the portfolios of the several Federal Reserve banks. So, under the terms of the Patman bill, and under the terms of the Federal Reserve Act, the Government, at any time it sees fit, can remove money from circulation exactly as it removed money from circulation in 1921.

Beginning on the 4th of March 1921 and for the next 18 months the Government took out of circulation over a hundred million dollars a month. At the end of 18 months the actual money in circulation, gold and silver and paper, had shrunk $1,800,000,000. As I understand, similar action is proposed by section 3 of this bill.

The bill proposes to take as the standard the price level of 1926—that is, the price level when the prices of all sorts of commodities were estimated on a basis of 100. In 1926 every class of business was more or less prosperous, and the price level of 1926 has been taken as the standard for the measurement of prosperity. Since 1926 prosperity has been going in one direction; before 1926 it was coming from another direction.

Taking the price level of 1926 as the standard, if money should become too plentiful, if prices should become too high above the 1926 price level, the remedy would be to take money out of circulation, to make money scarce, to make money high, and to bring prices down.

In 1920 we had high prices, we had plenty of money, and after 1921 a new administration came into power, and in an

effort to reduce prices money was taken out of circulation, money was made scarce, money was made high, and prices were made low. The exact thing the administration wanted to do was done.

This bill provides a similar plan for the adjustment of the price level. I contend that the price level is still too low. It is too low in every State in the Union, and we will have no return of prosperity, in my judgment, until the price level is substantially raised, and just as fast as the price level is raised upon any given commodity, that commodity is out of the depression.

I made the statement a little while ago that in the West, hogs and cattle now have a price level which makes their production profitable. Today, with cattle at the present price, cattle can be raised and the cattle growers can make some money. Today hog producers can raise hogs, with hogs at the present price, and make some money. Today, for the cattlemen and for the hog men, the depression is practically over, and they are given opportunity to adjust their affairs and produce something.

A cattle raiser has no trouble today in borrowing money at the bank. A hog raiser has no trouble today in borrowing money at the bank. Banks are glad to make loans to those raising cattle; banks are glad to make loans to those raising hogs, because the banks know that when the cattle and the hogs are ready for the market the farmers can sell them and have a substantial profit left, and that profit will be paid back to the banks.

Does that explain the matter to the Senator from Colorado?

Mr. ADAMS. Mr. President, I am obliged to the Senator. During the course of the Senator's explanation I noticed, by reference to the bill, that no provision whatever is made for retiring the notes which are to be issued under the provisions of the proposed legislation; that is, whatever contraction of currency there is is to be in Federal Reserve notes.

Mr. THOMAS of Oklahoma. I might say, in answering the question, that the author of the bill has a conviction that the amount of money that we must keep in circulation would be in excess of the amount we put in circulation through the payment to the veterans. We now have, and have had for some time, approximately five and a half billion dollars of money in circulation. It is thought by many that we must always have that much actual money in circulation. Some believe we ought to have more. I think we should temporarily have more. I am not sure about what may be necessary later on, when times get better and conditions improve. We might go back to a small amount of money in circulation when check money and credit money are vigorously active. But I think it is necessary to place more real money in circulation in order to thaw out the frozen deposits and frozen assets, notes, mortgages, bonds, and what not, held by the banks as security for their loans.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. Would not section 3 authorize the Secretary of the Treasury to compel the Federal Reserve authorities to reduce their circulating notes regardless of the needs of business? In other words, there might be a difference of opinion between the Secretary of the Treasury and the Federal Reserve banks, in which event there would be in the hands of the Secretary of the Treasury absolute control over the amount of circulating medium in the country.

Mr. THOMAS of Oklahoma. That is true today. That makes no change from a practical standpoint.

Mr. ADAMS. The Senator does not approve it, does he?

Mr. THOMAS of Oklahoma. I approve the theory of some Government official having control. As it has been in the past years, someone has controlled the matter, and we do not know who it is. I know of no one who can point his finger at the man today who controls the monetary situation in the United States, yet someone controls it. We have in circulation the amount of money that is in circulation because of someone's influence. Those controlling it are unknown, they are called " money changers ", they are called " international bankers ", but we cannot say actually who they are, perhaps. Some may know who they are.

I prefer to have a Federal board control the amount of money in circulation than to have an unknown board, or an unknown influence, or an unknown person control the volume of money in circulation for his own or his friends' private benefit, and that is what we have today and what we have had for years past.

I am for the administration banking bill, let me say to the Senator from Colorado, because it proposes to take control from that private influence, wherever it may be, and pass it into the hands of Federal officials, whom we know and with whom we might have some influence.

Mr. President, before I take my seat, I should like to say that I was shown a dispatch a moment ago stating that silver had fallen 5 cents today. I wonder how my friends in the Senate from the 8 or 10 silver States view the situation. A year ago we passed a solemn enactment through Congress commanding the Treasury to go out into the markets of the world and buy silver until one of two things happened—until either silver went to $1.29 an ounce or until we secured in the monetary stocks of the United States at least one-third of as much silver as we had gold, 25 percent in gold, 75 percent in silver. There was a solemn command by the Congress upon the Treasury Department to go into the open markets of the world and commence securing silver until one of those two things happened. Neither thing has come about. We have bought about 400,000,000 ounces of silver in a year's time.

When the price of silver began to go up some influence stopped the rise, and now the price is 70 cents. It has fallen 11 cents in the past week or 10 days. If silver had been permitted to go to $1.29 an ounce, one of the objectives of the Congress would have been fulfilled, and the Treasury could have stopped buying silver. Under the present policy we are not raising the price of silver to $1.29 an ounce, and we are not getting 25 percent of it in our monetary stock. Neither branch of the program is being carried out as far as I know.

Mr. President, the plan of securing silver, so far as I am advised, is rather peculiar. It is well known that the Federal Reserve bank in New York is against the silver program. It is well known that the big banks of New York and of the Northeast are against the silver program. When the Congress commanded the Treasury Department to go into the open market and buy silver, the Treasury Department took the power which Congress gave it and transferred that power to the Federal Reserve Bank of New York, and made the Federal Reserve Bank of New York its agent, the Treasury's agent, to buy the silver. It put the power to buy the silver into the hands of perhaps the greatest enemy of the silver program in the country.

Then the Federal Reserve bank, in turn, took the power the Treasury gave it to buy silver, and put that power into the hands of the banks comprising the Federal Reserve System in New York City, and here we have the situation of the Treasury, acting under a congressional decree to buy silver, in order to raise the price of silver, giving that power over to the Federal Reserve Bank of New York.

Mr. President, I may say that I have no interest in the production of silver; no silver is produced in my State; but the price of cotton follows the price of silver, the price of wheat, and the price of livestock follow the price of silver. When silver goes up, cotton goes up, wheat goes up, livestock goes up. When silver goes down, wheat goes down, cotton goes down, and livestock goes down.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATCH. I am just wondering whether those commodities have fallen because of the recent decline in the price of silver. Does the Senator know?

Mr. THOMAS of Oklahoma. If I had time, I could show clippings from the financial journals which disclose that the price of cotton has gone down with the decline in the price of silver; that the price of wheat has fallen with the

decline in silver. When silver was selling at 81 cents an ounce, wheat was selling at $1.02 a bushel. Last year wheat was selling for 95 or 96 cents a bushel. That explains the situation.

Mr. President, I am asked by a Senator sitting beside me what has caused the price of silver to fall. Silver could not have gone down had our Government been in the market buying silver. We are trying to get silver; we have tried for a year, and have bought only 400,000,000 ounces. We have to buy over a billion ounces of silver, and we have not bought it. Presumably we cannot get it. But silver has been selling in the markets of the world, and we have not been there to buy it. If we had been, silver would not have fallen in the world market. The United States is not in the silver market at the present time. That is the reason why silver has fallen.

Under the plan that is being followed by the Treasury of delegating power to buy silver to the greatest enemy of silver in the Nation, the Federal Reserve Bank of New York, and the Federal Reserve bank in turn delegating its power to other enemies, banks of New York, to buy silver, what have we?

The Federal Reserve Board of New York knows what the Government's policy is from day to day. The big banks which have been commissioned by the Federal Reserve Bank of New York to buy silver for the Reserve bank know what the policy of the Government is from day to day. When the Government is buying, they buy. When the Government is in the market, they know the Government is in the market.

Mr. LEWIS. Mr. President, I dislike to interrupt my able friend, but he is on a theme which interests me, because I must confess considerable want of information—I may say ignorance—as to a phase of his discussion. I ask the Senator from Oklahoma whether he does not know from his experience that our Government buys gold directly?

Mr. THOMAS of Oklahoma. Every time an ounce of gold is offered for sale in this country, our Government buys it for itself.

Mr. LEWIS. Why should not the silver-purchasing policy be the same system as that for purchasing gold?

Mr. THOMAS of Oklahoma. It should be exactly so; but we are not doing so.

Mr. LEWIS. May I ask the able Senator from Oklahoma what the reason is for not doing so?

Mr. THOMAS of Oklahoma. I cannot say. The fact is that we are not buying silver. Had we been buying silver, it would not have gone down 11 cents in the past 3 or 4 or 5 days.

Mr. President, there are only 10,000,000,000 ounces of silver in all the world. A little over a year ago silver was selling for 25 cents an ounce. We could have purchased every ounce of silver in the world at that time for two and a half billion dollars, and we had the money with which to do it. Considering the manner in which the Congress has been appropriating money, two and a half billion dollars is only pocket change. Less than 2 years ago we could have taken two and a half billion dollars and with it have bought all the silver in the world. However, I must modify that statement. We could not have bought all the silver in the world, because half the people in the world use silver, and they would have refused to sell. India would not have permitted her currency to come to America. India has 450,000,000 people. The people of India use their silver for coin. They do not use paper.

The people of India use silver, and they would not have sold their silver coin, so the United States could not have bought the Indian silver. Four and a half billion ounces of the world's supply of silver is located in India. We cannot buy it.

There are two and a half billion ounces of silver in China. The Chinese have the Chinese silver dollar. They must have those silver dollars. They are not used to using paper money; they use silver. They might sell us some little silver, but not very much; so we could not buy the Chinese silver.

Take the four and one-half billion ounces of silver in India, and add to that the two and one-half billion ounces of silver in China, and what do we have? We have 7,000,000,000 ounces of silver in two countries alone which we cannot secure. Then, the United States has 1,000,000,000 ounces of silver. That makes a total of 8,000,000,000 ounces; and there are only 10,000,000,000 ounces of silver in the whole world. There are only 2,000,000,000 ounces of silver in all the world outside of China, India, and the United States. The 50 other countries using silver have only 2,000,000,000 ounces of silver. In order to carry out our program we must get a billion ounces of that 2,000,000,000 ounces of silver. However, we cannot get it, of course. It would be impossible to get it without raising the price of silver to $2 or perhaps $3 an ounce.

When the speculators are selling silver on the foreign market it is patent and evident that the United States is not in the market, because if it were in the market silver would not have fallen as it has fallen in the past few days. But someone might ask, "What significance has the rise of the price of silver and the fall of the price of silver?" Let me show the Senate what the significance of that is.

As silver goes up in buying power, the silver-using countries—that is, countries using silver for money, such as Mexico, which has the peso, and Brazil, which has the milreis, and India, which has the rupee—as silver goes up, the values of other commodities go up as measured in terms of gold, which means as measured in terms of other commodities.

As I mentioned, some days ago the Mexican silver dollar increased in value 2½ cents, by reason of the American silver program. The buying power of the silver peso in Mexico went up 2½ cents. In the past 2 days silver has gone down, so the Mexican silver peso has fallen 2½ cents.

Is it a good thing for Mexico to have their money worth a cent more one day than it is worth the next day? The value of the money has gone up and down, and in the past few days it has gone down 2½ cents through no fault of theirs. Who is responsible for the fluctuation in the price of silver? The Americans are responsible, because they went into the market and started the price up.

Mr. President, that is not the worst of it. During the past week or 10 days in China the Chinese silver dollar has increased 12 cents in value. On March 30 the Chinese dollar was worth 48 cents. As silver went up the buying value of the Chinese dollar likewise went up; it increased 12 cents in that length of time. When silver goes down again, measured in terms of gold, the Chinese silver dollar falls, and we are responsible for it.

If we have a policy, that policy should be known. It should be regular. It should not be permitted to fluctuate up and down, because to that extent it interferes with and destroys and ruins the currencies of the world.

The United States has the power to control the price of gold. We are controlling the price of gold. When we fixed the value of gold at $35 an ounce, and stepped out in the open market of the world to buy gold at $35 an ounce, from that moment to this gold has been worth $35 per ounce.

When we started to raise the price of silver the world price soon reached the price we fixed. We have the power today to fix the value of gold throughout the world. Does anyone doubt that?

There are only $20,000,000,000 of gold in all the world. All the 50 nations of the world together, civilized and uncivilized, have only $20,000,000,000 worth of gold. Of that amount the United States has eight and one-half billion dollars. France has over $5,000,000,000. The United States and France together have fourteen-twentieths of all the monetary gold in the world. That is seven-tenths for the two nations. We, the United States, have almost half of it.

The United States today has the power to fix the price of gold at any point America sees proper, and maintain that price by buying and selling gold. The United States today has the power to buy every ounce of silver in the world if it can get possession of it. However, we cannot get possession of it. There is not a billion ounces that we can get. We can put the price of that billion ounces at any point we desire,

and the price of that billion ounces will control the price of all the other silver in the world.

To return to the question of stabilization for just a moment, when we have stabilization of money in America it will be at a time when the United States takes a notion to stabilize its own currency; and when we stabilize our own currency at such a buying value as best to serve our own domestic economy we must keep our taxes in view, and our interest in view, and our mass debts in view, because they will control the value of our money.

When we decide to stabilize our currency we perhaps shall have no assistance from other nations, but today we have the power to fix the value of the dollar in terms of gold just where we want to fix it. We can fix the value of the dollar in terms of silver just where we want to fix it.

If we proceed to regulate our money at the point where we want it to serve our own domestic economy, we can fix that policy, and through our policy of buying gold and our policy of buying and selling silver we can maintain the price of gold at any point we see fit, and we can maintain the price of silver at any point we see fit.

It is a simple matter, as I see it, to fix the ratio between silver and gold; but before we can fix that ratio we must get silver up to where the ratio is recognized. We cannot have a ratio between gold and silver when gold is worth $35 an ounce and silver is worth 70 cents an ounce. That ratio is too much at variance. Any time this Government desires to stabilize its currency we can stabilize our currency to suit ourselves; and when we stabilize our currency we stabilize the price of gold and we stabilize the price of silver throughout the world.

If Congress would do what I think it should do, it would carry out the mandate of the Constitution, regulate the value of the dollar to suit our own domestic economy, fix its value in terms of gold and fix its value in terms of silver, and say that 1 ounce of gold is worth so many ounces of silver, and so many ounces of silver are worth 1 ounce of gold—possibly in the relation of 16 ounces of silver to 1 of gold.

We can say that 1 ounce of gold is worth 16 ounces of silver, 1 to 16. That is the 16-to-1 ratio. We can fix that by law. Then, with the gold we have, and the power we have to secure silver, we can maintain that ratio by selling silver and buying gold, and buying silver and selling gold. When we get stabilization, we can maintain it in that way. We now have the power to fix it, and we can do it at any time we see fit. As I see it, that is the most important thing now before the country.

Mr. President, I yield the floor.

Mr. LONG. Mr. President, I wish to speak for only a few moments.

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from West Virginia?

Mr. LONG. I will surrender the floor to the Senator from West Virginia.

PREVENTION OF LYNCHING

Mr. NEELY. Mr. President, yesterday afternoon I vainly endeavored to prevail upon the distinguished junior Senator from Alabama [Mr. BANKHEAD], who had been in possession of the floor for the greater part of 2 days, to yield me a few minutes in which to speak in opposition to the parliamentary lynching of the Costigan-Wagner antilynching bill. But the Senator held the floor until he finally yielded it for the express purpose of permitting the submission of a motion to adjourn. That motion prevailed. Thus, circumstances beyond my control have made it impossible for me to discuss the antilynching bill at an earlier hour.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. CLARK. With the parliamentary situation which has existed for a week, I think the Senator from West Virginia will agree it was impossible for any Senator who desired to speak for the bill to occupy any time on the floor himself without participating in the filibuster. I can understand the embarrassment of the Senator from West Virginia, who desired to speak in favor of the bill, in not occupying time on the floor on yesterday.

Mr. NEELY. Mr. President, the Senator from Missouri has with his characteristic accuracy correctly stated the case. But the Senator from West Virginia is not embarrassed now. The filibusters have subsided, and the debate is without restriction.

During the last 8 days everything in the universe excepting the United States Senate has been in constant, persistent progression. The infinity of buds, which a week ago adorned the countless trees and shrubs on the spacious grounds around the Capitol, have burst into beautiful leaves or gorgeous flowers. The waters of the historic river on whose banks we loiter or labor have passed on to the bay, and from the bay to the vast and restless ocean beyond. The earth has, as usual, traveled on its tireless, ceaseless journey around the sun at the prodigious speed of 68,000 miles per hour. It has also continued to turn upon its axis at the incomprehensible rate of 19 miles a second. During these last 8 days, how far has the United States Senate traveled, what service has it rendered the Nation, what blessings has it bestowed upon the American people?

Let these questions be answered by those who are responsible for the willful waste of the last 8 days which have passed away forever.

Comfort may be found in the fact that in the course of the filibuster it appeared that during the last 19 centuries civilization has at least slightly advanced. Nineteen centuries ago the best and wisest man who ever preached the holy gospel of social justice on this planet was crucified as a reward for his efforts to humanize and Christianize the world. But one of the ablest and most uncompromising of those who have prevented the Senate from even considering the antilynching bill has made it perfectly clear that he would not crucify or even lynch the Reverend Mr. Coughlin, who millions believe is now preaching a gospel similar to that proclaimed by the Man of Galilee. The eminent Senator in question contented himself by declaring that he would only "snatch the halo from" Father Coughlin's "brow and throw it into" what was euphemistically designated as "the nearest spittoon", and "then throw the spittoon into the gutter."

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. NEELY. I yield.

Mr. LONG. Does the Senator remember that Dr. Harry Emerson Fosdick, the pastor of the John D. Rockefeller Baptist Church, delivered a number of political sermons of which there never was any criticism? I wondered why any Senator should find it so terrible to have the gospel preached according to Christ and not complain of the preaching of the gospel according to the Standard Oil Co., which went abroad throughout this land for so many years.

Mr. NEELY. Mr. President, instead of attempting to answer the Senator from Louisiana, let me express the opinion that if the sinless Savior were to return to earth in the flesh today and repeat the righteous gospel which He preached along the shores of Galilee nineteen hundred years ago, He would be denounced as a demagogue and a revolutionist and would, in all probability, again be put to death.

Mr. LONG. Would the Senator let me read him something?

Mr. NEELY. Gladly.

Mr. LONG. Here is a passage from the Bible which cannot be read in a pulpit. I defy the minister of any Protestant church—and I am a Protestant, as my father and mother were Protestants, and my grandfather and grandmother were Protestants, and their grandfather was a preacher—I defy any minister to read it from his pulpit.

Mr. NEELY. Let me invite the Senator from Louisiana to read it in my time, and let us hope that it may have a spiritualizing influence on all who are present.

Mr. LONG. I should like to have the Senator from North Carolina get any Christian minister to read in the pulpit the

passage I am about to read. I read from the fifth chapter of the Book of James:

Go to now, ye rich men, weep and howl for your miseries that shall come upon you.

Your riches are corrupted, and your garments are motheaten.

Your gold and silver is cankered; and the rust of them shall be a witness against you, and shall eat your flesh as it were fire. Ye have heaped treasure together for the last days.

Behold, the hire of the labourers who have reaped down your fields, which is of you kept back by fraud, crieth: and the cries of them which have reaped are entered into the ears of the Lord of Sabaoth.

Ye have lived in pleasure on the earth, and been wanton; ye have nourished your hearts, as in a day of slaughter.

Such passages from the gospel are not read from the pulpit any more by ministers of the gospel. If a priest, a Baptist, or anybody else dares to utter them over the radio, there is nothing but crucifixion left for him.

Mr. NEELY. It is unfortunate that the distinguished Senator from Louisiana was not here with his Bible yesterday afternoon. If he could have obtained the floor, he might have read the Scripture with good effect to those who were making it impossible for the Senate to vote for a bill which provides ways and means of scourging every loathsome lyncher and infamous mob murderer from this Nation's temple of civilization.

Mr. President, as the result of the prolonged filibuster against the antilynching measure, the Senate has for more than a week utterly neglected the veterans' compensation legislation; the social security bill, including old-age pensions; the 30-hour-week bill for industrial workers; the Guffey coal bill, designed to stabilize the coal industry and save it from chaos; the extension of the National Recovery Act; and other highly important matters too numerous to mention. Let no one lay to his soul the flattering unction that the country has approved of his action in filibustering against the antilynching bill.

The press of the East and the West, the North and the South has almost unanimously condemned the Senate filibuster which ended yesterday afternoon.

And let me observe in passing that I am speaking as a southerner. The State which I have a part of the honor of representing in this body lies south of the Mason and Dixon line. It is a part of the happy land that a West Virginia poet had in mind when he said:

O, Southland fair and fine;
Where the air is tanged like wine,
And the slumbrous days are lethed in a languor half divine;
Where the cypress rears its head o'er the swamp plants' oozy bed,
And the water lily rustles to the muskrat's stealthy tread.

Let me read from a recent number of the Huntington Advertiser, which is one of the leading Democratic newspapers of West Virginia. Referring to one of the Senators who participated in the filibuster, this paper says:

His outburst is typical of the general assault being made upon the measure by southern Members of Congress. They seem to interpret it as particularly designed to insult and reflect upon their section. It is unfortunate that they should assume this attitude.

Lynching long since has become a national evil and reproach. And because it has ceased to be sectional we find practically all the States in the Union with statutes of some kind intended to safeguard against known or suspect perpetrators of revolting crimes becoming the victims of mob passions. Sometimes these laws are not enforced, in the North as well as in the South, because officers are influenced by local sentiment.

Some of the worst examples of mob violence in recent years have been provided in States without the South. There was the barbarous lynching of two men in California a year or so ago after they had confessed to the murder of a boy in connection with a kidnaping. Illinois, Ohio, Michigan, and New England States have been the scenes of lynchings during the past decade and a half. In virtually every case the victim was a white man.

Since lynching no longer is confined to any one section, it is a reproach to our whole American civilization, and therefore should be subject to Federal legislation to be enforced without fear or favor and regardless of local sentiment. That is the purpose of the Wagner-Costigan bill, to rid the Nation of a barbarous custom, not to insult a section and interfere with local self-government. On that score it deserves to pass.

I now read from a leading newspaper of one of the greatest and most Democratic of Southern States—old Virginia.

Mr. LONG. Virginia went for Hoover. [Laughter.]

Mr. NEELY. Thrice and four times happy the State which has made but one political error and has subsequently fully atoned for that. I now read from the Richmond Times-Dispatch of Tuesday, April 30:

UNEDIFYING SPECTACLE

While this newspaper is without enthusiasm for the Costigan-Wagner antilynching bill, it takes this opportunity of deploring the methods being used by certain southern Senators to defeat that legislation.

It is interesting to recall in this connection that there are representative southerners who favor the bill. The Interracial Commission, composed of 50 members from 11 Southern States, unanimously approved the measure at its annual meeting in Atlanta last week.

While we have no particularly strong feeling either for or against this piece of proposed legislation, we feel that such a filibuster as its opponents are organizing is a travesty on the parliamentary process. Imagine a supposed group of statesmen having to sit up for hours, days, and possibly weeks, while southern Senators read books of the Bible, lengthy documents having to do with the most approved mode of exterminating the earwig, and the latest technique for growing horse radishes.

We are aware that filibusters have been resorted to over a long period of time, and that the Senate has been reluctant to limit them, because of a feeling on its part that this might constitute a limitation on freedom of debate. At the opening of the current session, if memory serves, Senator GLASS introduced a resolution which would have compelled all Senators to speak to the question at issue, but this paper has not been heard of since. Apparently most of the Members of the upper branch of our national legislature are reluctant to adopt any such resolution for fear that some day they may wish to filibuster some projected statute to death.

So the Senators resort to such methods whenever they are sufficiently aroused over a pending bill. In the present instance a southern bloc appears to be highly excited over the proposed mode of combatting lynching. The red herring of State rights has been dragged forth and dusted off, intersectional animosities are being aroused, and obfuscations of various kinds are being resorted to.

Although we are inclined to wonder whether it would be wise to enact the Costigan-Wagner bill, our attitude proceeds primarily from doubts as to whether the proposed approach would be effective, and whether the bill's enactment might not serve greatly to intensify interracial animosities in the South. Certainly we are convinced that the bill ought to stand or fall on its merits, rather than on whether a group of diehards can stand the physical strain of reading chapters from the Bible until the proponents of the measure surrender.

Those proponents claim they have 52 certain votes in the Senate, with various other Members in doubt. If that claim is justified, the Costigan-Wagner bill should pass the Senate. If parliamentary government means anything, if the Democratic process has any validity, such a conclusion is inescapable.

The following editorial appears in today's Washington News, the most progressive daily paper published in the Capital city:

SO THIS IS DEMOCRACY

A large majority in Congress wants to enact a Federal antilynching law. A large majority of the citizens of the country favor such a law. This has been so for many years. Then why isn't there a law? Since this is a democracy in which Congress is elected by popular majorities and in which Congress itself acts by majority rule, how could the Senate yesterday throw the antilynching bill and prevent majority rule?

Well, it seems that ours is a democracy in textbooks and Fourth of July orations, but not in the Senate. There, periodically, it is possible to rule by minority dictatorship. The method is not the one of stuffing the ballot box, or of kidnaping or terrorizing the majority, so that the minority can palm itself off as the majority. The method is much simpler. The minority merely decrees that there shall be no vote at all. This is achieved under the rule of unlimited debate by which the minority talks a measure to death. It forces the majority to turn to other emergency legislation acceptable to the minority dictators.

While congratulating the southern Senators on the effectiveness of their dictatorship, we venture to raise this question for their consideration: Is it wise, from their point of view, to kick democracy in the face quite so publicly at this particular time?

Granting that they have got away with it for many years, hasn't there been a recent change in the public temper which makes this sort of thing somewhat dangerous? Wouldn't it have been wiser from their point of view, for instance, to give the Negro lynch victim the nominal protection of Federal law and then nullified the law as they nullify the Negro's constitutional right to vote?

We are interested in this question because we understand that these southern Senators are very fearful of the spread of radicalism, especially among Negroes. The radicals are said to be telling the Negroes and the poor white share-croppers and mill hands of the South that democracy is a fake, that there is no such thing as representative government in this country, that democracy is only camouflage for dictatorship by their enemies. Aren't those radical agitators just mean enough to prove this point in the minds of ig-

norant Negroes and whites by citing the dictatorship of those few southern Senators thwarting the mass democratic will of the American people and of the majority of Congress?

Admitting, from the point of view of these southern Senators, that Negroes must continue to be robbed of constitutional rights, couldn't they find a safer method? After all, the Negroes are one-tenth of the national population and in many places they are a majority. With all this talk of radicalism and some of the oppressed actually demanding their rights, perhaps it would be safer for the country to hold out enough hope of democracy to them to discourage more violent weapons.

Anyway, it may be a matter worth thinking about while these southern Senators are patting themselves on the back, secure in their dictatorship—secure for the moment.

Mr. President, this filibuster was conducted on two alleged grounds, first, on that of State rights. It was urged that the enactment of the bill would violate these rights which are so very dear to so very many Democratic hearts, This contention is but the repetition of one that has been persistently made, times without number, during the last hundred and twenty-five years. But there is more than the State rights article of faith in the Democratic creed. Another is to the effect that the majority shall rule. Any other theory is un-Democratic and unsound because as Mr. Bryan once said, "One who opposes majority rule must favor minority rule", and a minority might dwindle until eventually there would be but one person on one side of a question and all the rest might be on the other side. It would obviously be preposterous to admit that one person had more wisdom or more virtue than all the rest of the people combined.

It is generally understood that a majority of the Members of the Senate have favored the enactment of the antilynching bill. If those who have, for more than a week, so vigorously preached the democratic doctrine of State rights had only practiced a little of the democratic principle of gracefully submitting to the will of the majority, the antilynching bill would have long since received senatorial approval.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Illinois?

Mr. NEELY. I yield to the eloquent Senator from Illinois.

Mr. LEWIS. I want to ask the Senator from West Virginia, conscious of his past experience in this body and in the House to justify my allusion, if he will not recall that there has been exercised by the Federal Government, under a change in policy, a jurisdiction of the Federal courts to take cognizance of the offense within the States called kidnapping, therefore taking such jurisdiction in conjunction with the States and giving the Federal courts sufficient jurisdiction to punish completely for the wrong and the outrage. Would not such a measure be wholly legal in the Senator's opinion, and would it not be wholly legal for us to give the same jurisdiction in the matter of lynching within the State to the Federal court in a direct process as we do now with reference to kidnaping, and thus avoid all these other matters of mere dollars and cents judgments against counties?

Mr. NEELY. If the Senator from West Virginia had entertained the slightest doubt concerning the power of the Congress to enact valid antilynching legislation, he, as a member of the Committee on the Judiciary, would not have voted for a favorable report on the Costigan-Wagner bill which is now on the calendar.

Mr. President, the other ground upon which the filibustering battle has raged is that of unconstitutionality. Dr. Johnson once said:

Hell is paved with good intentions.

If he were alive today, he might, with equal propriety say that hell is paved with endless, fallacious, fantastic arguments against the constitutionality of every great reform measure that has been before the Congress of the United States during the last hundred years.

Every time that an effort is made to legislate for the underprivileged, the friendless, or the oppressed, some hair-splitting metaphysician, who does not know that the law was made for man, and not man for the law, promptly comes forward to declare that reform legislation is unconditionally unconstitutional.

Can it possibly be unconstitutional for this Government to protect its citizens—its taxpayers—against mob murderers in cases in which the States refuse or fail to discharge their duty in this important matter? How can anyone with a scintilla of national pride or self-respect seriously contend that the Constitution requires the Federal Government to stand idly by while nearly a hundred of its citizens are every year tortured to death by means more horrifying than any of which the fiercest Indian tribe ever dared to dream; and what is this crime which the States have failed to prevent and which we are now making a belated effort to eradicate by Federal law? The report of the committee on this bill describes it better than any words in my vocabulary can explain it. I now read so much of the report of the lynching of Claude Neal as can be read without offending the ears of the gentlewomen and gentlemen with whom the galleries are filled. This unspeakable horror occurred in a Southern State, which, in compliance with a Senate rule, will not be named. In this case the victim of the mob was charged with the murder of a white girl. The accused was taken from the officers of the law. Some of the outrages perpetrated upon the victim are too horrifying for repetition.

Mr. COSTIGAN. Mr. President——

Mr. NEELY. I yield to the distinguished Senator from Colorado.

Mr. COSTIGAN. May I ask my friend, the able Senator from West Virginia, whether prior to the incidents he has narrated there was a court trial establishing the guilt or innocence of the accused?

Mr. NEELY. There was no trial. The accused did not enjoy even the shadow of an opportunity to have his guilt or innocence determined according to law. Here is what a bystander told the investigator who was sent by the Association for the Advancement of Colored People to the scene of the lynching to obtain the facts in the case. As many of you doubtless know the association in question numbers among its members such distinguished persons as the present Governor of the State of New York; the Honorable William Allen White, of Kansas; the able senior Senator from Kansas [Mr. CAPPER], and many others whose names are household words throughout the land.

I now read from the report but necessarily slightly digress from the letter of the text to avoid giving offense either to the Senate or the audience in the galleries.

After taking the nigger to the woods about 4 miles from Greenwood—

They cut off certain parts of his body and then compelled him to eat them, and made him say that he liked it.

Then they sliced his sides and stomach with knives, and every now and then somebody would cut off a finger or toe. Red-hot irons were used on the nigger to burn him from top to bottom. From time to time during the torture a rope would be tied around Neal's neck and he was pulled up over a limb and held there until he almost choked to death, when he would be let down and the torture begin all over again. After several hours of this unspeakable torture "they decided just to kill him."

Neal's body was tied to a rope on the rear of an automobile and dragged over the highway to the Cannidy home. Here a mob estimated to number somewhere between 3,000 and 7,000 people from 11 Southern States was excitedly waiting his arrival. When the car which was dragging Neal's body came in front of the Cannidy home, a man who was riding the rear bumper cut the rope.

"A woman came out of the Cannidy house and drove a butcher knife into his heart. Then the crowd came by and some kicked him and some drove their cars over him."

Men, women, and children were numbered in the vast throng that came to witness the lynching. It is reported from reliable sources that the little children, some of them mere tots, who lived in the Greenwood neighborhood, waited with sharpened sticks for the return of Neal's body, and that when it rolled in the dust on the road that awful night these little children drove their weapons deep into the flesh of the dead man.

The body, which by this time was horribly mutilated, was taken by the mob to Marianna, a distance of 10 or 11 miles, where it was hung to a tree on the northeast corner of the courthouse square. Pictures were taken of the mutilated form and hundreds of photographs were sold for 50 cents each. Scores of citizens viewed the body as it hung in the square. The body was perfectly nude until the early morning when someone had the

decency to hang a burlap sack over the middle of the body. The body was cut down about 8:30 Saturday morning, October 27, 1934.

Fingers and toes from Neal's body have been exhibited as souvenirs in Marianna where one man offered to divide the finger which he had with a friend as "a special favor." Another man has one of the fingers preserved in alcohol.

Mr. President, no one, however eminent he may be in the profession of the law; no Senator, regardless of his wisdom, his eloquence, or the sincerity of his purpose, can ever convince me that there is anything in the Constitution of the United States which says that the Congress cannot pass a law to drive this devastating, horrifying, infamous monster known as "lynching" or "mob murder" from this land. If there is a single phrase, or sentence, or syllable, in the Constitution to the effect that the United States cannot protect its humblest citizen, of whatever color or creed, against blood-curdling barbarities, such as were inflicted for more than 10 hours upon the agonized body of Claude Neal, such phrase, or sentence, or syllable, is a disgrace to the great charter of American liberty and should by appropriate means be forever stricken from that immortal document.

Some of the greatest legal authorities in the land have declared that they believe the Costigan-Wagner bill is constitutional. The Senate Committee on the Judiciary has unanimously decided that it is constitutional.

Let me remind my Democratic friends that the great Woodrow Wilson, in denouncing never-ending efforts to have all humanitarian legislation declared unconstitutional, once said:

The Constitution of the United States is a vehicle of life, not a skeleton of fear.

In terrifying this body into silence on this subject with your specious argumentation you have, in defiance of Woodrow Wilson—one of the greatest men who has walked this earth since the morning stars sang together—made the Constitution of the United States a skeleton of fear.

Senators, when this measure again comes before this body, as it is almost certain to do, let us not make the Nation a laughing-stock by making the Constitution a skeleton of fear. Let us make that sacred instrumentality a vehicle of life which one of our greatest Democratic Presidents declared it to be, let us as Senators see to it that under that living instrument—which I pray God may never die—the people of this Nation, regardless of color or condition, enjoy absolute security of life and liberty and law until the end of time.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

MAKE GOOD ON THE PROMISE TO THE SOLDIERS

Mr. LONG. Mr. President, returning to the bonus fight, I wish to counsel with my friends in the Senate in the open as to the best method by which we can get a bonus bill that will mean the payment of a respectable sum of money to the soldiers and do some good for the country.

Some moments ago I addressed a question to the Senator from Oklahoma [Mr. THOMAS] as to whether or not our best strategy might not be to offer the Vinson bill as a substitute for the Harrison bill, so that we might have then a vote straight out on the Patman bill as against the Vinson bill.

The Senator from Oklahoma and myself at that time were apparently in agreement that the best thing we could do would be to adopt the Vinson bill as an amendment to the Harrison amendment, and then try to adopt the Patman bill as a substitute for the amendment known as the "Vinson bill."

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. FRAZIER. If the Senator from Louisiana is about to address the Senate on this very important measure, I should like to suggest the absence of a quorum.

Mr. LONG. Mr. President, I dislike to have a quorum called, since it is rather late in the evening; but if the Senator desires to have a quorum present, I yield for that purpose.

Mr. FRAZIER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Metcalf	Townsend
Brown	Glass	Minton	Trammell
Bulkley	Gore	Moore	Truman
Bulow	Guffey	Murphy	Tydings
Burke	Hale	Murray	Vandenberg
Byrnes	Harrison	Neely	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Clark	Johnson	Pittman	White
Connally	Keyes	Pope	

Mr. LEWIS. Mr. President, I have earlier announced the absence of certain Senators, and I now repeat my announcement, and ask that it stand for the day.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. LONG. Mr. President, I have risen for the purpose of trying to strike a note of harmony among those of us who want to pass a bonus bill.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BLACK. Does not the Senator know that the bonus bill is now before the Senate?

Mr. LONG. Which bonus bill?

Mr. BLACK. The adjusted-service-certificate bill.

Mr. LONG. Does the Senator mean the Harrison amendment?

Mr. BLACK. I mean that the measure before the Senate is the bonus bill. The Senator is going to discuss that, is he? He is not going to engage in any filibuster?

Mr. LONG. No; I am going to discuss the bonus bill. I have never filibustered in my life. [Laughter in the galleries.]

Mr. President, we are up against two old-line forces here, and I hope we will not be caught between them. My good old-line Republican standpatter friends on the other side do not want any bonus bill, I am afraid; that is, those who call themselves standpatters. That does not include all of them who might be standpatters. The reactionary Democrats do not want any bonus bill, either. So now we are up against the proposition here of trying to get a bonus bill through.

I do not regard either the Harrison amendment or the Vinson bill as being a bill to pay the bonus. The question is as to what we ought to do. Should we pass the Vinson bill as against the Harrison amendment and then trust to beating the Vinson amendment with the Patman bill, or should we vote down the Vinson bill with a feeling of assurance that our chances are better to pass the Patman bill against the Harrison amendment than to pass it against the Vinson bill?

As I understand it, there are a good many Senators on the Republican side, and some on the Democratic side, who feel that they would have to vote for the Patman bill as against the Harrison amendment, but who might feel that they would not have to vote for the Patman bill against the Vinson bill. I do not know just why that is.

I understand the Vinson bill would somewhat mollify their situation, ease their consciences, of course, whereas that result would not follow if the Harrison amendment were left to a vote as against the Patman bill. I am wondering whether or not we should not begin to discuss strategy.

Mr. President, the move that has been taken is a very peculiar one. The Patman bill passed the House of Representatives. The House, after considerable study, went on record for the Patman bill. Under that bill the soldiers would be paid the bonus, and it would be of other benefit besides that. It would put a little money into circulation, which the country sadly needs. If the Patman bill were enacted, it would turn loose in the United States $2,100,000,000, which, without any interest charges against the Government, or any bonds, without any bonds whatever, without any bankers' discount, without any kind of delay, would all go directly into the pockets of the soldiers who fought the war of 1917–18.

Mr. President, of all the jujitsu objects that have been bounced about on the party feet of Democratic and Republican politicians, the soldier has been the one who has received the worst treatment. I have seen a Japanese artist take a barrel and toss it in 14 different directions. I have seen him take his hands and throw the barrel onto his feet and then take his feet and throw the barrel back to his hands. I have seen those artists balance a barrel in various and sundry positions, at one angle at one time and at another angle at another time, but I have never seen as many wriggling performances done by any Japanese jujitsu artist with a barrel or other object that he was handed to bounce about as have characterized the efforts to keep from paying the soldier a bonus, while Congress tried to make the soldier believe they were giving him something.

We never have been able to get from Congress anything for the ex-service men unless it was accompanied by something in the nature of a bounty to the bankers; it has never yet been possible to get a real soldiers' bonus bill out of the United States Congress since that question has been before it. Unless it was sweetened up and made into some kind of a bounty for the bankers of this country no kind of a soldiers' bonus was possible that would meet the approval of the President or secure sufficient votes in Congress to override a veto by the President.

The talk which has gone abroad is that the Patman bill has only one fault, which is that it might be vetoed by the President. Let Senators be told something from someone who knows something. [Laughter.] The President is not going to veto the Patman bill. Did I not tell the Senate here last year that he would not veto the Frazier-Lemke bill? When we were trying to put through that bill proposed by the Senator from North Dakota, and when the only objection urged at the eleventh hour was that it would be vetoed by the President of the United States, I said then that the President would not veto the Frazier-Lemke bill, and he did not. How did I know that? Not from any word that came to me from the President. He seldom sends me any word. [Laughter.] But I knew it, because I know the President is a good politician.

I am a politician and a candidate for reelection. I would not veto the bonus. The President is a politician and is a candidate for reelection. He will not veto the bonus. I ask Senators to put that down. I know what I am talking about. There is not any chance on earth of the President vetoing the bonus.

There is not any difference in politicians except which politician stays in and which one gets out. They are all doing what they think they had better do. That is axiom no. 1. That is the first axiom of the conscience of a politician—what he had better do comes first. That is the first axiom of a politician. That is the first thing on his conscience. I do not mean that is any ulterior motive. I mean that is a superior motive. What the politician had better do to stay a politician, that is law no. 1 with him—the law of self-preservation.

There is no more chance of the President vetoing the bonus bill, if the Senate shall pass the Patman bill, than there is of my voting against it—none whatever.

I introduced this same bill here last year. I thought it was a good bill then. In fact, I knew it was a good bill.

If Senators wish to do any good for the country, the best thing they can do, instead of having $4,800,000,000 wasted—and I will guarantee that at least 75 percent of it will be wasted from the way the last $3,000,000,000 was spent, as I saw it—the best thing Senators can do would be to take $2,100,000,000 of that money and pay it out on this Patman bill. It will do more good and less harm, cause less scandal, and result in greater stimulation of business to put out that $2,100,000,000 than it will to spend $4,800,000,000, for which the Government is going to issue bonds, without increasing the currency circulation.

If we had a circulating currency of seven and one-half billion dollars in America today instead of five and one-half billion dollars which we now have, I know that that circulation of 30 percent more money or 40 percent more money would do more good than the issuance of $4,800,000,000 more of bonds, which would place the payment of the interest on that much more money onto the backs of the people, and give them no more money with which to pay the interest than they had before that great amount of bonds was issued.

That is one of the main reasons why the Patman bill should be passed. From that standpoint alone it will do more good than all the laws issued in this session of the Congress—and I mean all of them—and also all the laws enacted in the last session of the Congress, including the blessed Blue Eagle and other laws of similar kind and character.

Mr. President, unfortunately we have a very queer situation. On a real issue of consequence we never have been able to divorce the leadership of the Democratic and the Republican Parties in the Senate. Remember what I am saying. I am not trying to give any offense to anyone, or talking about any one man. I am talking about the general vote of the Democrats on this side and the general vote of Republicans on the other side of the Chamber, who, when it comes down to a genuine issue, somehow or other are together. We never are able to divorce them. They are going to find themselves together now on this question. We shall have to adopt a little strategy so they cannot get together, at least so they will not dare to allow people to see them together. We shall have to make it so they cannot get under the same tent. They do not want to be seen together. The last thing they want is to have it known that they are really running together, and we must do something to bring about a situation so they cannot afford to get together.

Therefore, it seems to me we must force the hands of the standpatters over on the Republican side who would like to beat the Democrats next fall, and fix them up to the point where they cannot stand with the Senator from Mississippi [Mr. HARRISON], and fix the Senator from Mississippi up to the point where he cannot afford to stand with them. Therefore, the strategy which I am recommending seems to be at variance with what I thought would be the best policy. Advocates of the Patman bill seem to think we had better vote down the Vinson bill. The House advocates think so. I am informed that the author of this bill over in the House, the Congressman from Texas [Mr. PATMAN], believes we had best vote down the Vinson bill and take chances on voting the Harrison amendment down as against the Patman bill. That is the strategy we have to figure out. I believe we can work around here and get enough votes to pass this Patman bill if on this vote we can keep anyone from hiding behind the brush heaps.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BLACK. The Senator is going to stay here with us this time, is he not? He is not going to play golf?

Mr. LONG. I have not played golf for a long time.

Mr. BLACK. I have not seen the Senator here for the last 3 days.

Mr. LONG. The Senator has not seen me here? The trouble with the Senator from Alabama, Mr. President, is that he does not want to come in and hear anything which will be helpful.

Mr. BLACK. I have been here all the time, Mr. President.

Mr. LONG. The trouble with the Senator from Alabama is that he does not listen to my advice nearly as much as

he ought to. Many times he is up here making as though he wants me to tell him what to do, and then when I go to the trouble of figuring out to tell him what to do, half the time he does not do it, and I am not going to spend my time any more doing so.

Mr. BLACK. Mr. President, will the Senator further yield?

Mr. LONG. I yield.

Mr. BLACK. Half the time it is impossible to tell which side the Senator is on. I have called his attention to that a number of times. Therefore, half the time it is impossible to know which way to go for those who desire to follow him.

Mr. LONG. Mr. President, I will tell the Senator, any time he asks me, whether to vote yes or no. All in the world he has to do is to ask me, and I will tell him.

Mr. BLACK. Mr. President, I will ask the Senator whether he desired to vote for or against the motion to adjourn in connection with the bill which was up for several days.

Mr. LONG. What bill is the Senator talking about?

Mr. BLACK. Has the Senator been away all the time?

Mr. LONG. No, no; I have been around here, and between here and Iowa, for the past week. I have also been in Louisiana part of the time.

Mr. BLACK. We had a motion to adjourn and also a motion to recess, and I could not find out which side the Senator from Louisiana was on.

Mr. LONG. If the Senator from Alabama was making a speech I should have voted either to recess or to adjourn, whichever motion was up. It would not have made a bit of difference with me; I should have voted either to adjourn or to recess if the Senator was making a speech.

Mr. BLACK. I was not making a speech at that time.

Mr. LONG. Then I would have been willing to stay here.

Mr. BLACK. Would the Senator have been willing to vote in favor of adjournment?

Mr. LONG. That would depend on what was going on. If the Senator from Alabama was speaking——

Mr. BLACK. I was not speaking. I am stating that fact to the Senator.

Mr. LONG. The Senator was not speaking?

Mr. BLACK. No. Now, I want to know how the Senator would have voted on the motion to adjourn.

Mr. LONG. I should like to know what was the matter with the Senator, in view of the fact that he was not speaking.

Mr. BLACK. I should like to know how the Senator from Louisiana would have voted on the motion to adjourn.

Mr. LONG. If the Senator from Alabama was here listening to some one other than himself speak there was something wrong with the Senator, because I have never seen the Senator from Alabama stay here unless he himself was either fixing to speak or actually speaking.

Let me go a little further.

Mr. BLACK. Mr. President, will the Senator further yield?

Mr. LONG. I yield.

Mr. BLACK. The Senator from Louisiana says he has not seen me here except when I was fixing to speak or when I was speaking. I desire to call the attention of the Senator from Louisiana to the fact that he evidently thinks I follow him all the time, because he has spoken all the time he was here when he could get the floor.

Mr. LONG. That is the trouble, Mr. President. If the Senator had listened to me as much as he ought to, he would have voted right all along the line. I could tell him a number of things as to how he ought to vote. I can tell him how he ought to vote on this bill.

Mr. BLACK. On which side is the Senator from Louisiana? I have been listening to him, and I cannot tell on which side he is.

Mr. LONG. I have been trying to say on which side I am.

Mr. BLACK. The Senator waits so long before he tells that I am unable to say on which side he is.

Mr. LONG. I am calling the Senator from Alabama in to consult with me in order that we may fully decide where to go.

Mr. BLACK. The Senator is going to call me into a conference?

Mr. LONG. I am going to call the Senator into the organization in order to make up our minds what to do. Is the Senator from Alabama for the bonus?

Mr. BLACK. Yes.

Mr. LONG. Which one?

Mr. BLACK. The one that will be the best and give the veteran the most money out of what is due him.

Mr. LONG. Will the Senator vote for the Patman bill?

Mr. BLACK. I will vote for the bill which has the most strength in the Senate.

Mr. LONG. Oh, the Senator is going to vote with the biggest vote? Then we shall have to wait for the roll call to find out how the Senator from Alabama will vote.

Mr. BLACK. No; I voted in the committee for the Vinson bill.

Mr. LONG. I see.

Mr. BLACK. I was sure it was stronger than the other. The Senator says he is going to have a conference. He says "we." I am trying to find out whom he includes in "we."

Mr. LONG. I am talking about all the Senators now, 95 of them. I am talking about all the Senators who are here.

Mr. BLACK. Then the Senator has accepted the leadership for both sides? [Laughter.]

Mr. LONG. Absolutely, at this time.

Mr. BLACK. At this time?

Mr. LONG. Yes. There is no question but that both sides need a leader right now. [Laughter.]

Mr. BLACK. I am sure the Senator's leadership is needed by the other side, and I am certain he has been working with them continuously for the past few months.

Mr. LONG. Of course, I do not want it to get back to Alabama that the Senator from Alabama is following me, Mr. President.

Mr. BLACK. I should not want it either, Mr. President, because I am not following the Senator. [Laughter.]

Mr. LONG. It was on behalf of the Senator from Alabama that I was making that point.

Now the Senator from Alabama says he will vote for the Vinson bill. What is in the Vinson bill? He says he will vote for it because it had the most votes in the committee. The Vinson bill does not appropriate a dollar with which to pay a bonus. As the Senator from Oklahoma said, we might as well have a resolution from the association of commerce that they were in favor of paying the bonus as to pass the Vinson bill. It does not pay the soldier a dime more than if we made nothing more than an empty gesture. That is the authority I have from the Senator from Oklahoma, which I did not hear disputed by the Senator from Alabama, if he was in the Senate Chamber. I doubt whether he was; but I am stating it under the impression, as I say, that the Senator was not here to hear the Senator from Oklahoma when he was speaking. The Senator is seldom here for anything of that kind, and yet he takes me to task if I happen to go and take a little rest when I have had a cold or a temperature of 102 degrees, and I go out to Iowa to make a speech.

Mr. President, we have to put the matter where the Senator from Alabama and his kind will be smoked out away from the Vinson bill, I am afraid. That is one of the gestures we have to watch. It therefore appears necessary that we shall not allow this bill to be misunderstood, unless I am wrong at this particular time and am again on the other side, as the Senator from Alabama accuses me. It therefore appears that the logic of the Senator from Alabama is that perhaps we had better not let the Senate get behind the Vinson bill, because it does not pay the soldier any money. Under the Vinson bill the soldier would not get a dime. We can pass the Vinson bill and the President can sign it, but it only gives the right to do certain things; it does not appropriate a dollar, and it does not accomplish

a real thing for the soldier. If its sponsors should get the Vinson bill passed, we would find that it only authorizes the issuance of bonds and the payment of some interest on bonds by the United States Government.

One thing about the Patman bill is that it gives $2,100,000,000 to the men who put muskets on their shoulders, and it does not cost the Government one dime in interest to any bank, and does not load us down with any future debt. It would do the country good. It would give us money to spend. It would stimulate the wheels of business and industry. It would pay off a debt the payment of which has been promised to these men since 1917 or 1918.

All of us are supposed to be veterans of the war, either in a private capacity or as a soldier, one way or the other. I was not as much of a private or as much of a soldier as others sitting in this body. I neither went to war nor did I vote to send anybody to war. It seems to me that those of us who did not attend the struggle should be the last ones to complain about the payment of the bonus which does—what? It is a bonus which merely equalizes the amount of money that the soldier already has received with what was received during the same length of service by the commonest laborer of that day and time. In other words, if the soldier gets every dime of this money in cash—and he will not get it unless we go through something like we did here last year with the Frazier-Lemke bill—he will get for the services he performed only a wage which equals what the common laboring man got for the same length of time out of his service.

How many know that? All the publicity which has been given about the soldiers' bonus has been of the most prejudicial kind, as though it was a balm being given to someone. It has undertaken to create the impression that the bonus is going to give the soldier some undue sum of money over and above what he would have earned in private life, when, as a matter of fact, it was properly termed an "adjusted compensation" under which the soldier who received a dollar a day is raised up to the standard of the $3 or $4 a day laborer doing the same time when he was in the trenches and when the common ordinary laborer was not taking any chance of being shot at.

It is, therefore, very apparent that the soldier finds himself in the hands of very clever political strategists. He finds himself being bounced back and forth with something that has a bonus label around it, and that is about all it has. He finds that it is tossed here and it is tossed there. Some bond or some stock or something that looks good or has a fine appearance of some kind is going to be given to him, and it is said it will be a benefit to the soldier, when, as a matter of fact, it is not intended to be any such thing, because it is going to cost the Government too much money.

I see this matter going only one way. If we vote against the Patman bill, we are not going to vote the soldier anything at all. I would rather not have it, if I were a soldier. I would rather have no bill than one which gives a mere shadow and carries no substance with it.

The Harrison bill would pay the soldier, I believe, about $175 or $180. The man who has already taken his certificate and obtained what he can on it will now be allowed, under the Harrison amendment, about $175 or $180. That is what I am told by Senators who have calculated the matter. Therefore, we come back to the veteran of the war with $175 or $180, provided we allow a certain amount of discount to be taken by the men dealing in Government bonds and the bankers who are discounting the notes which the Government is putting out for money. That is the only way we can get it under the Harrison bill.

The Vinson bill is probably not as good as the Harrison bill. I have not a copy of the Vinson bill here.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Mississippi?

Mr. LONG. I yield.

Mr. HARRISON. I am sure the Senator knows what is in the proposition; but under the Finance Committee amendment the veterans can get bonds bearing 3 percent or they can get cash.

Mr. LONG. Nobody wants bonds in this day and time, because bonds do not do anyone any good. There is not 1 soldier out of 250 who does not need the money. I base that statement on my judgment and what I know about people and about veterans.

Mr. HARRISON. The bonds are selling at 103 or 104.

Mr. LONG. Suppose they sell above par. The bonds will not sell that high.

Mr. HARRISON. We have a provision in the bill that they shall not be bought by anybody at less than par.

Mr. LONG. That would give the veteran $175 or $180. That is the bonus payment, $175 to the soldier under the Harrison amendment. The Vinson bill would not give him anything at all. The Vinson bill is just an empty gesture. If I understand its terms, the Vinson bill is just an empty gesture. If we pass the Vinson bill without some other affirmative action by Congress, we do not give the soldier a 10-cent piece. If I am in error about that, I should like to be corrected.

Therefore let us put the Senate on record right down the line. Let us put the Senate where it belongs on the matter. Are we with the House or not? The House has gone on record. The House has passed the Patman bill, which carries a definite, stipulated, substantial bonus to the soldier that we have owed him since 1918. The House has done its duty. What reason has the Senate to hide behind something on the ground of fear of a veto?

The House has had the courage—one of few times in this and the last Congress—to beard the lion in his den, and it has done what it should have done. It passed a bonus bill to pay these men what we owe them, and what we ought to have paid them many years ago. The House has done its part. Let the Senate now stand up on its hind legs and vote with the House and make the Patman bill the law in the shortest, quickest, most reasonable way it can be done.

I was not in favor of the strategy which was adopted here a few minutes ago. I think we ought to figure out a way to get the Patman bill to a vote first. I could not figure it out quickly enough, and I was relying on the ideas of more able parliamentarians than I am. They are better parliamentarians than I am, but they are not half as good politicians as I am and are likely to figure the thing out in the wrong way. I believe they made a mistake. I really think we ought to revise the Patman bill in some minor way and offer it as a substitute for the Harrison bill. I do not believe my Republican brethren across the aisle and some of my conservative brethren on this side of the aisle can afford to vote down the Patman bill and vote for the Harrison bill.

I do not believe we can do that. In other words, I think the soldier stands in a position where, as between the Harrison bill and the Patman bill, nearly every Member of Congress will see the necessity of doing something better than the Harrison bill proposes to do. That is a different proposition than the other bill.

So, Mr. President, I hope all of us who want the soldiers' bonus paid will stand together. I think we ought to stand on one common line here by tomorrow morning. I do not suppose any effort is to be made to take a vote this evening, is there? Is any vote to be taken on the bill this evening?

Mr. HARRISON. Mr. President, I had hoped we might secure a unanimous-consent agreement that tomorrow, say, at 1 o'clock, or at some other time, we would vote on the so-called "Vinson substitute." I have no desire to try to press for a vote this afternoon, but I did hope we could get that agreement for tomorrow. Would that meet the Senator's view? That would give him time to "get together" on something.

Mr. LONG. Mr. President, I do not know that I should have any personal objection to that. A number of Senators are not here this evening. It is rather late. I notice that the Senator from Oregon [Mr. McNARY] is not here. I do not know how he, or others who are not here, would feel about the matter. I do not know that I should have any

particular objection; but what I am undertaking now to do is to avoid our being placed in a situation where these diplomatic Republicans and Democrats can get together.

In other words, there is a necessity here for dividing the army. Let us let them put one another "in bad" just as far as they can unless they come with us.

That is my view about this matter. The only way we are ever going to get justice here is to keep these fellows from getting friendly; and it seems to me they will have too many chances to justify their stand if we let them hide behind the Vinson bill. They will say: "Oh, well, you know, that is a pretty good bill, and a lot of the boys want it", and this and that and the other. "We did the best we could. It provides for all the money, and we will blame the President." That is what the Republicans will do, of course. They will go out and say, "We will blame the President for it. We passed the bonus bill, and he did not pay the bonus, and he did not provide the money after we voted it. He could pay it out of the public-works fund if he wanted to. He could pay it out of something else if he wanted to"; but in the meantime the soldier will not get any bonus.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Wisconsin?

Mr. LONG. I yield.

Mr. DUFFY. Does the Senator understand that the American Legion is advocating the passage of the Vinson bill?

Mr. LONG. I understood that their convention did; but nearly all the letters I have received from soldiers tell me that they want the Patman bill. I understood that the American Legion did adopt some kind of a resolution for the Vinson bill; but, if they did, they adopted a resolution endorsing something that would not pay a soldier a dollar. I do not care whether the American Legion did it or not. If they have endorsed a bill that will not pay a soldier a thin dime, they have made a bad mistake. That is the way I look at the matter; and if the American Legion did that, they have left themselves without anything to pay themselves anything with.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. When the American Legion met in its last national convention the Vinson bill was not in existence. The only bill in existence was the Patman bill; so, when the Legion went on record in favor of the payment of the bonus, it must have gone on record in favor of the Patman bill.

After the convention was over, and Congress had convened, or about that time, the legislative committee of the American Legion met somewhere and evidently devised the Vinson bill, and the Vinson bill was introduced in the House; but the Vinson bill has come into existence since the American Legion convention went on record. The convention is on record in favor of the bonus; and the Patman bill being the only one before the country during the past few years, they must have been in favor of the Patman bill.

Mr. LONG. The Patman bill was introduced both in the Senate and in the House. I introduced it in the Senate. I took it from the House files and tried to attach it to a bill pending in the Senate as a rider; and it was the only proposal on the subject before the people at the time. I am sorry my friend from Wisconsin [Mr. DUFFY] has left the Chamber. If that convention met and endorsed the bonus, I should assume it thought it was voting for the bonus bill which at that time was pending in the Congress of the United States.

That is what I should have thought the convention was voting on; but, as the Senator from Oklahoma tells me, after this convention took a recess or adjourned and went out of business, the high muck-a-mucks met up here somewhere and drafted the Vinson bill. I do not know much about conventions, and I do not know much about these inner circles anyway; but if we could ascertain the personnel of the little clique that met and drafted the bill, I imagine we should find that there were not many lawyers in it who understood the bill as well as the general mass of the soldiers themselves would have understood it. I have not received a great many letters on the subject, because the soldiers know they do not have to write me. They know I am for the best bill. The soldiers know I am going to vote to pay them this money. They do not have to write me, because they know how I stand; but every letter I have received from a soldier, with the exception, I think, of one, told me they wanted the Patman bill, and that the Vinson bill would do no good at all.

That is the kind of correspondence I have received. The soldiers want the Patman bill; and anybody with enough gray matter to keep from being bored for a hollow horn would want a bill that paid them something instead of one that did not pay them anything.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from New Mexico?

Mr. LONG. I yield.

Mr. HATCH. Why does the Senator confine his statement to the soldiers, and say that the soldiers want the Patman bill? I receive letters from all types and classes of citizens in my State, whether they served in the war or not, favoring the Patman bill.

Mr. LONG. I thank the Senator from New Mexico. He contributes a very good line of thought. He states that he is getting letters from all types of people, and that all types of people want the Patman bill. The real business people want the Patman bill. I am not talking about the note-shavers and the market-riggers up here in Wall Street. I am not talking about the spider-web set that have to rake down about $9 out of every $10 a soldier gets before they can become patriotic. I am not talking about the set that fill the little banks with Argentine bonds, and then yell that the little banks ought to be closed up because the bonds are not any good. I am not talking about the set that hung out the Star-Spangled Banner, and hired a brass band to play 365 mornings out of 366, and then yelled as if they were going to be put out of business in case the soldiers were paid a bonus after they came back. I am not talking about the gang up there who have always been down here undertaking to rake off a billion or two billion dollars out of every Congress that ever met, but who are always raising a great, big bellow that the United States Government is going to be bankrupted if a billion dollars goes out to the soldiers. Congress has allowed that kind of trickery and those "hookama-crook" schemes from that Wall Street gang of market-rigging bankers to keep the soldier from ever cashing out on a bonus that has been promised him now for 18 or 19 straight consecutive years. Every time we come in here the soldier is told that in just a few more reaches he is going to get the bonus. It is always being put just a little bit away from him.

Mr. SMITH. "Just around the corner."

Mr. LONG. "Just around the corner", the Senator from South Carolina says. Bless your soul, we are right back with Brother Herbert Hoover again. [Laughter.] We never will get away from him. Just as surely as that man lives, he will be made a saint. I do not think he is a Catholic, but neither am I; but if he will change his religion, I will bet a hundred dollars the Pope will make him a saint before next year. [Laughter.]

There has never been a man who has lived as long in thought and in action as Mr. Hoover. He is being followed, and his precepts are being observed today like those of no other living man. He is being outdone—yes, sir! "John Brown's body lies a-mould'ring in the grave", but his work goes marching on. Herbert Hoover is in Palo Alto, however, and he is being outdone every day. He does not have to die in order to have his examples live. He can stay alive and see them going on.

No man on the living earth deserves a birthday cake with twice as many candles on it as he is years old as Hoover does; and today those who follow his example are still coming around and saying, "Just around the corner; just around the corner." Here is the Vinson bill, which authorizes the

issuance of bonds if and when and as the authorities want to issue them, and if and when and as, and as not, they appropriate the money to pay the bonds.

Then comes this blessed amendment which the Senate Finance Committee sends here, through its illustrious chairman, my neighbor from over in the State of Mississippi, who bustles in here with this thing.

$175! $175! $175! Is not that a remarkable thing? One hundred and seventy-five cold simoleons, $175—giving the soldier just about as much money as one of these Representatives or Senators drew for the time it took him to decide on whether he would vote to declare war or not.

Let us see. We get $10,000 a year. That is $30 a day, and $175 would just about equal the pay for 6 days. So they are going to pay $175 to the man who faced the musket and acted as the cannon fodder, who went 3,000 miles away to make the world safe for democracy, and then later came back to find that democracy was not only made unsafe over there, but a dictatorship was to be established over here, if possible. They are now going to feel sorry and fall down on their knees and say they are doing justice when the soldier will get just exactly as much money as the Congressman got for 6 days while he was deliberating as to whether he would or would not send the soldiers to war. That is a nice thing, the equivalent of 6 days' pay of the Congressman who was deliberating as to whether he would put the man in the trench or not, to be given to the man who accidentally got back from the trench, if he got back.

Of course, this does not take into consideration the chance the man took of never coming back. Oh, we made some wonderful speeches in those days when the young men were being sent "over there." Yes, sir; they sang all the songs and the bands all played, and everything was going to be simply hunky-dory when they got back. Not only were they going to kill the fatted calf, not only were they going to put princely robing on the back of the prodigal son when he returned from overseas; there was not going to be one calf only, they were going to kill a flock of yearlings, and they were going to put on him such a shining robe as would have put the Queen of Sheba to shame. Nothing was to be too good for the soldiers when they returned from the war.

Mr. President, I had two brothers-in-law who came back. Both of them had jobs when the war broke out, and were making a good living, working in the oil fields, drawing anywhere from $200 to $250 a month. They were sent over there and they were ordered about over the country and on the seas, in the Army and in the Navy. One of them came back with a trouble from which he has never been able to recover, the other with practically no health at all. Neither of them has ever been able to get a job he could hold any length of time, because they were physically unable to work. Neither of them was found to be within the classification where he could get anything out of the Government. They went away good men, they came back physical wrecks.

I saw many other young men, some of them lawyers, going away, giving up any chance they had to practice. The flags were flying, the bands were playing, Congressmen were making fine, eloquent speeches. Everywhere we heard "Over There! Over There! Over There!"

Now, what have they over here? All we hear is "$175"! The patriotism of the American Senate has finally gotten down from making the world safe for democracy to $175 a head, provided we let the banker have a shave of about that much before the soldier gets it.

God bless the bankers! God bless the bankers! Never let them lose out in this country. Never come into the Halls of Congress, if you know anything about passing legislation, undertaking to give something to a soldier or to anyone else, unless you tie a string to it and give some banker part of it. If you try it, the legislation will not go through. Put something on it that will give a rake-off or a shave for the Wall Street element, and you will have a better chance. That is this case.

Bonds! More bonds! How many bonds do you want? There are about $30,000,000,000 of bonds outstanding now. A law has just been passed under which $4,800,000,000 more of bonds will be issued, which will make about $35,000,000,000. There are two or three boards sitting around in Washington now—I have not added them all up—and I am told that they will require around $4,000,000,000 more.

If we lose in the next campaign—and as it is going on it looks as if we will—the other side will vote four or five billions of bonds. They want something. They are not going to let you play this game forever. They want to be in on it. You cannot expect them to let this thing dry up and they get nothing out of it. After we have had $5,000,000,000 they will want $5,000,000,000. If we have $5,000,000,000 now, how are we going to keep them from getting $5,000,000,000 themselves?

There will always be the necessity for a medium of exchange to carry on the business of the country, and as long as that kind of condition exists, there will be talk of "bonds, bonds, bonds", and there will be interest on the bonds.

The bond issues now are up to the point where there are outstanding thirty-one or thirty-two billion dollars of bonds of the United States Government, or bonds for which the United States Government is responsible. When I say the Government is responsible, I mean that, directly or indirectly, the Government is responsible for all the bonds issued for all these little organizations sitting around here in Washington.

Then there is a municipal bonded indebtedness of eighteen or twenty billion dollars, in addition. That makes $55,000,000,000 of bonds, or somewhere near that amount, and when we figure up the interest on the bonds and figure up the taxes the people of this country are paying today, we find that the interest on the debts and the taxes together amount to $28,000,000,000, against a national income of $42,000,000,000 figuring the public and private obligations of this country.

Every time there is passed a recovery measure for the assistance of the people, more bonds are issued, and every time bonds are issued the obligation of the people to pay the interest on the money is increased, the people are burdened with that much more of an obligation, and have less with which to discharge it. Still we go on and on, raking from the bottom and placing upon the top in bonds and bonds and interest on bonds multiplied.

Mr. President, I want the soldier to get something out of this bonus bill if it is to be passed. I want Senators who are in favor of the bill to understand one way in which that can be accomplished. Let us make up our minds that we will stand for the method that will best accomplish the enactment of the Patman bill. If voting down the Vinson bill will come nearer doing it, let us do that, because, remember, we are getting nothing with the Vinson bill, and practically nothing with the Harrison bill. We must either get the Patman bill or nothing.

I wish to say to Senators that, in my opinion, a vote for any other bill than the Patman bill is not a vote for the bonus. No other bill provides enough to be a bonus. The only bill that will provide anything at all is the Patman bill. Therefore, I think we had better change our minds.

I want Senators to think this matter over. I think we had better change our minds and vote against the Vinson bill, and then vote for the Patman bill as against the Harrison bill. I would vote for the Patman bill as against the Vinson bill, but there are many more votes to be had in favor of the Patman bill as against the Harrison bill than there are votes to be had in favor of the Patman bill as against the Vinson bill.

For that reason I think we should take the most practical course and undertake to pass the Patman bill.

I shall not delay a vote on this bill. I have only spoken here this afternoon for some 30 minutes. I do not intend to detain the Senate very much longer. I hope the Senate will not get caught in a strategic position by which there is an escape for men who might vote for the Patman bill

unless we colored the situation to where their conscience was satisfied with something else. I desire to take a practical course. So let us take a practical course. Let us come back here tomorrow and vote down the Vinson bill and then vote for the Patman bill against the Harrison bill.

I yield the floor, Mr. President.

EXECUTIVE SESSION

Mr. HARRISON. Mr. President, I do not think there is any desire to discuss the bill further this afternoon. Several Senators have left the Chamber thinking there would not be a vote today. So I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair), laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of Henry B. Foster to be postmaster at Haleyville, Ala., in place of F. M. Johnson, resigned.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. HARRISON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate, as in legislative session, took a recess until tomorrow, Friday, May 3, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 2 (legislative day of May 1), 1935

DIPLOMATIC AND FOREIGN SERVICE

John R. Putnam, of Oregon, now a Foreign Service officer of class 3 and a consul, to be a consul general of the United States of America.

PROMOTIONS IN THE NAVY

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of June 1934:

Joseph W. McColl, Jr.
Burton E. Rokes

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June 1934:

Cyril E. Taylor
Lewis R. McDowell
Roscoe F. Good

Lt. Edward E. Pare to be a lieutenant commander in the Navy from the 1st day of October 1934.

Lt. Felix L. Baker to be a lieutenant commander in the Navy from the 12th day of December 1934.

Lt. Oberlin C. Laird to be a lieutenant commander in the Navy from the 1st day of January 1935.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of February 1935:

Lewis Corman
Hugh E. Haven

Lt. (Jr. Gr.) Gerald B. Ogle to be a lieutenant in the Navy from the 1st day of January 1934.

Lt. (Jr. Gr.) Neville L. McDowell to be a lieutenant in the Navy from the 1st day of June 1934.

Lt. (Jr. Gr.) Eugene E. Paro to be a lieutenant in the Navy from the 1st day of October 1934.

Lt. (Jr. Gr.) Wallace S. Newton to be a lieutenant in the Navy from the 1st day of December 1934.

Lt. (Jr. Gr.) Rodmon D. Smith to be a lieutenant in the Navy from the 1st day of January 1935.

Lt. (Jr. Gr.) Lewis S. Parks to be a lieutenant in the Navy from the 27th day of January 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of February 1935:

Donald C. Beard
Alwin D. Kramer

Lt. (Jr. Gr.) Harold C. Pound to be a lieutenant in the Navy from the 19th day of February 1935.

Lt. (Jr. Gr.) Willard K. Goodney to be a lieutenant in the Navy from the 1st day of March 1935.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 4th day of June 1934:

Arthur L. Wilson — Nelson M. Head
Alfred B. Metsger — Carlton C. Lucas

Passed Asst. Paymaster Gordon S. Bower to be a paymaster in the Navy, with rank of lieutenant commander, from the 1st day of January 1934.

Passed Asst. Paymaster Guild Bruda to be a paymaster in the Navy, with rank of lieutenant commander, from the 1st day of March 1934.

The following-named civil engineers to be civil engineers in the Navy, with rank of commander, from the 1st day of August 1934:

James T. Mathews
Paul J. Searles

Carpenter Robert L. Barry to be a chief carpenter in the Navy, to rank with but after ensign, from the 1st day of October 1934.

The following-named lieutenant commanders to be lieutenant commanders in the Navy, to rank from the dates stated opposite their names, to correct the date of rank as previously nominated and confirmed:

Harry L. Thompson, June 4, 1931.
Arthur Gavin, December 9, 1931.
Raymond G. Deewall, October 19, 1933.
John Q. Chapman, November 1, 1933.
Harry F. Newton, November 1, 1933.
Charles M. Johnson, November 12, 1933.
Henry L. Pitts, November 13, 1933.
Charles F. Waters, December 1, 1933.
Edward B. Peterson, December 1, 1933.
Charles R. Jeffs, January 1, 1934.
Raymond E. Farnsworth, January 1, 1934.
Leslie E. Gehres, January 4, 1934.
Donald McA. Mackey, April 1, 1934.
Barrett Studley, May 1, 1934.
George T. Campbell, May 10, 1934.
Thomas J. Bay, June 29, 1934.
Henry S. Nielson, June 30, 1934.
Ernest W. Litch, July 1, 1934.
Elwood M. Tillson, August 1, 1934.
Warner W. Angerer, September 8, 1934.
George A. Seitz, October 1, 1934.

The following-named lieutenants to be lieutenants in the Navy, to rank from the dates stated opposite their names, to correct the date of rank as previously nominated and confirmed:

Willis E. Cleaves, March 1, 1933.
George A. Sinclair, April 5, 1933.
Thomas A. Turner, Jr., April 1, 1933.
Kenneth Earl, May 1, 1933.
James B. Ricketts, May 21, 1933.
Allen P. Calvert, June 1, 1933.
LeRoi B. Blaylock, June 8, 1933.
Harold B. Miller, June 9, 1933.
Robert S. Carr, June 30, 1933.
Wilkie H. Brereton, June 30, 1933.

Louis D. Sharp, Jr., July 1, 1933.
Lawrence J. McPeake, July 1, 1933.
William H. Duvall, July 16, 1933.
William E. Verge, July 19, 1933.
Donald J. Ramsey, August 1, 1933.
Henry E. Richter, August 1, 1933.
William R. McCaleb, September 1, 1933.
Archibald G. W. McFadden, September 1, 1933.
Joseph I. Taylor, Jr., September 1, 1933.
Edwin J. Taylor, Jr., October 1, 1933.
Dewey H. Collins, October 1, 1933.
Wallis F. Petersen, October 1, 1933.
Charles C. McDonald, October 2, 1933.
William V. Deutermann, October 19, 1933.
John H. Morrill, November 1, 1933.
Elliott W. Shanklin, November 1, 1933.
Albert N. Perkins, November 12, 1933.
John E. Spahn, November 19, 1933.
Chester E. Carroll, November 23, 1933.
John B. Rooney, December 1, 1933.
Frederick J. Bell, December 1, 1933.
Frank H. Ball, December 1, 1933.
Max C. Stormes, January 1, 1934.
Richard F. Johnson, Jr., January 1, 1934.
Henry W. Goodall, January 4, 1934.
Glenn R. Hartwig, January 16, 1934.
Charles A. Ferriter, January 16, 1934.
Harry B. Temple, February 1, 1934.
Thomas C. Ritchie, February 1, 1934.
John C. Daniel, April 1, 1934.
John L. Melgaard, August 1, 1934.
Joe W. Stryker, September 1, 1934.
Cecil B. Gill, September 8, 1934.
Bruce D. Kelley, October 13, 1934.
Franklin D. Karns, Jr., October 27, 1934.
Horace W. Blakeslee, November 1, 1934.
Anthony L. Rorschach, November 7, 1934.
Chester C. Smith, November 10, 1934.
George C. Wright, November 11, 1934.
Clarence C. Ray, December 27, 1934.

The following-named surgeons to be surgeons in the Navy, with the rank of lieutenant commander, to rank from the 10th day of May 1934, to correct the date of rank as previously nominated and confirmed:

Charles F. Behrens	James J. O'Connor
Albert J. Desautels	Loyd L. Edmisten
Robert M. Cochrane	Robert E. Duncan
Ben Hollander	Fred M. Rohow
Navy F. X. Banvard	

The following-named passed assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenant, to rank from the 14th day of June 1932, to correct the date of rank as previously nominated and confirmed:

Charles F. Flower	Thomas Jackson, Jr.
Harold V. Packard	Glenn S. Campbell
Leon D. Carson	Herman M. Maveety
Gerald W. Smith	Charles R. Wilcox
Thomas M. Arrasmith, Jr.	French R. Moore
Franklin V. Sunderland	Joseph W. Kimbrough
Walter F. James	Raymond W. Hege
Arthur W. Loy	Bruce E. Bradley
Albert T. Walker	Theophilus F. Weinert
Albert Ickstadt, Jr.	

Dental Surg. Raymond D. Reid to be a dental surgeon in the Navy, with the rank of lieutenant commander, to rank from the 10th day of May 1934, to correct the date of rank as previously nominated and confirmed.

The following-named passed assistant dental surgeons to be passed assistant dental surgeons in the Navy, with the rank of lieutenant, to rank from the 14th day of June 1932, to correct the date of rank as previously nominated and confirmed:

Herman P. Riebe	Alvin F. Miller
Eric B. Hoag	James L. Purcell
Rae D. Pitton	Ralph W. Malone
Clifford T. Logan	

The following-named passed assistant dental surgeons to be passed assistant dental surgeons in the Navy, with the rank of lieutenant, to rank from the 20th day of June 1932, to correct the date of rank as previously nominated and confirmed:

Frank K. Sullivan	Alfred Dinsmore
Arthur Siegel	Edward H. Delaney
Hector J. A. MacInnis	

The following-named paymasters to be paymasters in the Navy, with the rank of lieutenant commander, to rank from the 1st day of November 1933, to correct the date of rank as previously nominated and confirmed:

Robert H. Mattox
Jonas F. Rupert

The following-named paymasters to be paymasters in the Navy, with the rank of lieutenant commander, to rank from the 1st day of December 1933, to correct the date of rank as previously nominated and confirmed:

Robert G. Robeson
Isaac W. Thompson
Frederick Schwab

The following-named paymasters to be paymasters in the Navy, with the rank of lieutenant commander, to rank from the 1st day of January 1934, to correct the date of rank as previously nominated and confirmed:

Raphael Gering	Samuel L. Bates
Fillmore S. C. Layman	Robert R. Thompson
Harold R. Lehmann	John C. Poshepny
Leon I. Smith	Edward Mixon
Myron W. Willard	Henry C. McGinnis
Archie A. Antrim	Frank J. Manley
John H. Gallion	Harry F. Hake
Harold E. Humphreys	Harry G. Kinnard
Hugh A. Phares	Percival F. Patten
Percy W. McCord	Michael A. Sprengel
James E. Brennen	William E. McCain
Tipton F. Woodward	Golden F. Davis
George P. Smallman	Grandison J. Tyler
George E. Duffy	Chester B. Peake
George L. Thomas	

The following-named paymasters to be paymasters in the Navy, with the rank of lieutenant commander, to rank from the 1st day of April 1934, to correct the date of rank as previously nominated and confirmed:

Frank P. Delehanty
Worth B. Beacham
Carl J. Buck

Paymaster John H. Skillman to be a paymaster in the Navy, with the rank of lieutenant commander, to rank from the 1st day of May 1934, to correct the date of rank as previously nominated and confirmed.

The following-named paymasters to be paymasters in the Navy, with the rank of lieutenant commander, to rank from the 29th day of June 1934, to correct the date of rank as previously nominated and confirmed:

Charles D. Kirk	Walter W. Mahany
Charles S. Bailey	John H. Davis

Passed Asst. Paymaster Arnold R. Kline to be a passed assistant paymaster in the Navy, with the rank of lieutenant, to rank from the 2d day of October 1933, to correct the date of rank as previously nominated and confirmed.

Passed Asst. Paymaster Lloyd H. Thomas to be a passed assistant paymaster in the Navy, with the rank of lieutenant, to rank from the 19th day of October 1933, to correct the date of rank as previously nominated and confirmed.

Passed Asst. Paymaster Joseph L. Herlihy to be a passed assistant paymaster in the Navy, with the rank of lieutenant, to rank from the 10th day of March 1934, to correct the date of rank as previously nominated and confirmed.

Chief Boatswain Harold S. Bogan to be a chief boatswain in the Navy, to rank with but after ensign from the 10th day of November 1927, to correct the date of rank as previously nominated and confirmed.

MARINE CORPS

Maj. John M. Arthur to be a lieutenant colonel in the Marine Corps from the 1st day of May 1935.

The following-named captains to be majors in the Marine Corps from the 1st day of May 1935:

Robert H. Pepper

John B. Wilson

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of May 1935:

Merrill B. Twining William R. Hughes

Frank H. Lamson-Scribner William J. Scheyer

Second Lt. John B. Hendry to be a first lieutenant in the Marine Corps from the 9th day of March 1935.

POSTMASTERS

ALABAMA

George W. Floyd to be postmaster at Alabama City, Ala., in place of F. M. Fitts. Incumbent's commission expired January 23, 1935.

William L. Mason to be postmaster at Attalla, Ala., in place of M. E. Stephens, resigned.

Eunice D. King to be postmaster at Midway, Ala., in place of N. M. King. Incumbent's commission expired March 8, 1934.

Addie M. Cannon to be postmaster at Mount Vernon, Ala., in place of A. M. Cannon. Incumbent's commission expired January 22, 1935.

ARIZONA

Martha L. Davey to be postmaster at Clarkdale, Ariz., in place of B. W. Hugo, resigned.

ARKANSAS

Roy R. Golden to be postmaster at Arkadelphia, Ark., in place of L. E. Tennyson, removed.

Robert W. Moore to be postmaster at Black Rock, Ark., in place of L. W. McKenney. Incumbent's commission expired February 21, 1935.

George A. Lamb to be postmaster at Bono, Ark. Office became Presidential July 1, 1934.

Johnson M. Lide to be postmaster at Camden, Ark., in place of C. I. Grayson, removed.

Grover L. Webb to be postmaster at Delight, Ark., in place of C. R. Burnham, resigned.

Robert M. Wilson to be postmaster at Hope, Ark., in place of J. A. Davis, transferred.

Bunyan Gilbert to be postmaster at McRae, Ark., in place of Estella Cherry. Incumbent's commission expired February 21, 1935.

Eva C. Teague to be postmaster at Manila, Ark., in place of G. L. Stuart. Incumbent's commission expired December 20, 1934.

R. Owen Tomlinson to be postmaster at Melbourne, Ark., in place of J. T. Baxter. Incumbent's commission expired December 16, 1934.

CALIFORNIA

Frances Luna to be postmaster at Alvarado, Calif., in place of Albert Norris, deceased.

Ira H. Grim to be postmaster at Campbell, Calif., in place of H. C. Smith. Incumbent's commission expired December 18, 1934.

Manuel W. Lewis to be postmaster at Centerville, Calif., in place of A. M. Santos. Incumbent's commission expired June 4, 1934.

Frank Micheletti to be postmaster at Colma, Calif., in place of V. V. Jess. Incumbent's commission expired February 10, 1934.

William M. Kincaid to be postmaster at Cucamonga, Calif., in place of A. C. Beattie. Incumbent's commission expired July 3, 1934.

Loyal E. Crosby to be postmaster at Del Rey, Calif., in place of N. S. Petersen. Incumbent's commission expired April 22, 1934.

Lee A. Harris to be postmaster at Holtville, Calif., in place of R. R. Ryerson, removed.

Arthur J. Haycox to be postmaster at Hueneme, Calif., in place of M. E. Dewar, removed.

Joseph M. Arnold to be postmaster at King City, Calif., in place of P. V. Gleason. Incumbent's commission expired December 18, 1934.

William Clyde Rothermel to be postmaster at Kingsburg, Calif., in place of P. H. Nordstrom. Incumbent's commission expired May 7, 1934.

Pauline New to be postmaster at La Crescenta, Calif., in place of Rebecca Dabney. Incumbent's commission expired April 2, 1934.

Ada E. Purpus to be postmaster at Laguna Beach, Calif., in place of D. S. Norton. Incumbent's commission expired December 18, 1933.

Mae A. Cheda to be postmaster at Point Reyes Station, Calif., in place of W. J. Scilacci. Incumbent's commission expired March 26, 1932.

Elizabeth B. Knowlton to be postmaster at Randsburg, Calif., in place of E. B. Knowlton. Incumbent's commission expired February 21, 1935.

Joseph P. Quinlan to be postmaster at South San Francisco, Calif., in place of L. G. Hardy, Jr. Incumbent's commission expired February 14, 1935.

COLORADO

Faye P. Steffen to be postmaster at Bennett, Colo., in place of A. M. Ward. Incumbent's commission expired January 22, 1935.

Agnes J. Beynon to be postmaster at Frederick, Colo., in place of J. G. Jardine. Incumbent's commission expired January 13, 1935.

CONNECTICUT

Julius H. Berglund to be postmaster at Georgetown, Conn., in place of F. R. Bergfors. Incumbent's commission expired June 20, 1934.

Walter G. Barker to be postmaster at Niantic, Conn., in place of C. E. Chapman, removed.

Joseph T. McCarthy to be postmaster at Plainville, Conn., in place of J. E. Usher, resigned.

W. Gardiner Davis to be postmaster at Pomfret Center, Conn., in place of W. G. Davis. Incumbent's commission expired January 22, 1935.

Frank R. Stevens to be postmaster at Rowayton, Conn., in place of A. F. Bond. Incumbent's commission expired February 25, 1934.

William B. Hanley to be postmaster at Stafford Springs, Conn., in place of Anders Jacobsen. Incumbent's commission expired April 16, 1934.

Robert E. A. Doherty to be postmaster at Winsted, Conn., in place of G. L. Benedict, retired.

FLORIDA

Alexander M. McDaniel to be postmaster at Bunnell, Fla., in place of H. E. Duttenhaver. Incumbent's commission expired February 14, 1935.

J. Frank Cochran to be postmaster at Tallahassee, Fla., in place of T. J. Chason, transferred.

Mark L. Calder to be postmaster at Titusville, Fla., in place of A. B. Locke. Incumbent's commission expired January 22, 1935.

Albert W. Kelso to be postmaster at Winter Haven, Fla., in place of F. E. Hall. Incumbent's commission expired January 7, 1935.

GEORGIA

Walter G. Hodges to be postmaster at Hartwell, Ga., in place of J. C. Massey. Incumbent's commission expired February 25, 1935.

George S. Gardner to be postmaster at Montezuma, Ga., in place of L. F. Hays. Incumbent's commission expired December 18, 1934.

Grady Adams to be postmaster at Moultrie, Ga., in place of D. M. McKee. Incumbent's commission expired February 25, 1935.

ILLINOIS

Clarence O. Dreher to be postmaster at Atlanta, Ill., in place of C. I. Miller, deceased.

Walter C. Vass to be postmaster at Centralia, Ill., in place of Percy Gaston. Incumbent's commission expired March 2, 1935.

Martin W. Robertson to be postmaster at Creal Springs, Ill., in place of C. O. Anderson. Incumbent's commission expired April 2, 1934.

Hazel A. Richmond to be postmaster at Fillmore, Ill., in place of O. B. Lane. Incumbent's commission expired April 28, 1934.

Henry Swanson to be postmaster at Geneva, Ill., in place of B. A. Miller, transferred.

Mary B. East to be postmaster at Highwood, Ill., in place of H. L. East, deceased.

Joseph A. Masonick to be postmaster at Lake Bluff, Ill., in place of G. A. Bowen. Incumbent's commission expired December 20, 1932.

Helen L. Frank to be postmaster at Lake Zurich, Ill., in place of Otto Frank, deceased.

Frank H. Morgan to be postmaster at Okawville, Ill., in place of C. A. Bailey. Incumbent's commission expired June 24, 1934.

Edna O. Trumbull to be postmaster at River Grove, Ill., in place of H. P. W. Trumbull, resigned.

Gertrude M. Molidor to be postmaster at Round Lake, Ill., in place of C. G. Brainard. Incumbent's commission expired December 18, 1933.

INDIANA

Noel A. Booher to be postmaster at Albany, Ind., in place of D. C. Engle. Incumbent's commission expired March 8, 1934.

Basil L. Ferguson to be postmaster at Bargersville, Ind., in place of M. T. Dunn. Incumbent's commission expired January 13, 1935.

Irvin J. L. Harmeier to be postmaster at Cambridge City, Ind., in place of H. R. Foss, removed.

William E. Morrison to be postmaster at Cloverdale, Ind., in place of D. E. Denny, removed.

Earl W. Miller to be postmaster at Coal City, Ind., in place of C. E. Smith. Incumbent's commission expired January 28, 1935.

William H. Luking to be postmaster at Connersville, Ind., in place of Chester Boone. Incumbent's commission expired June 20, 1934.

Earle C. Stewart to be postmaster at Daleville, Ind., in place of J. E. Greene. Incumbent's commission expired June 4, 1934.

Robert R. Saunders to be postmaster at Eaton, Ind., in place of H. C. Hyer. Incumbent's commission expired March 8, 1934.

Merle F. Shepard to be postmaster at Edwardsport, Ind., in place of J. N. Wright. Incumbent's commission expired January 22, 1935.

Audley Dildine to be postmaster at Gaston, Ind., in place of J. B. Fornwald. Incumbent's commission expired December 18, 1934.

Albert Rumbach to be postmaster at Jasper, Ind., in place of G. E. Norman, resigned.

Harry T. Ferguson to be postmaster at Jeffersonville, Ind., in place of W. B. Thornley. Incumbent's commission expired December 18, 1934.

Rowland R. Morgan to be postmaster at Knightstown, Ind., in place of R. S. Ward, transferred.

Jess E. Stevens to be postmaster at Liberty, Ind., in place of L. L. Bond, resigned.

Lee Fattic to be postmaster at Middletown, Ind., in place of H. P. Goff, removed.

Charles J. Roy to be postmaster at Mishawaka, Ind., in place of R. W. Gaylor, resigned.

Louis W. Thomas to be postmaster at Mount Vernon, Ind., in place of P. E. Rowe, removed.

George W. Carrier to be postmaster at Newcastle, Ind., in place of S. J. Bufkin, resigned.

William L. Newbold to be postmaster at Rushville, Ind., in place of Clen Miller. Incumbent's commission expired April 15, 1934.

Russell L. Hildebrand to be postmaster at Sandborn, Ind., in place of B. C. Lind. Incumbent's commission expired January 28, 1935.

Charles A. Wall to be postmaster at Winchester, Ind., in place of D. M. Simmons, removed.

IOWA

Jens P. Jensen to be postmaster at Bode, Iowa, in place of J. F. Temple. Incumbent's commission expired January 16, 1934.

Jacob VanHoute, Jr., to be postmaster at Boyden, Iowa, in place of H. W. Pitstick. Incumbent's commission expired December 18, 1933.

Harry J. McFarland to be postmaster at Davenport, Iowa, in place of C. S. Lewis. Incumbent's commission expired January 22, 1935.

Ralph Schroeder to be postmaster at Dysart, Iowa, in place of A. R. Kullmer. Incumbent's commission expired January 22, 1935.

Theodore F. Schmitz to be postmaster at Ossian, Iowa, in place of Otto Anderson. Incumbent's commission expired February 25, 1935.

George S. Peters to be postmaster at Renwick, Iowa, in place of C. A. Richardson. Incumbent's commission expired December 18, 1933.

Chris H. Bokmeyer to be postmaster at Sheffield, Iowa, in place of C. C. Yelland, removed.

Lewis R. Kinsey to be postmaster at West Branch, Iowa, in place of O. O. Yoder. Incumbent's commission expired January 28, 1935.

KANSAS

Walter C. Reeder to be postmaster at Kinsley, Kans., in place of T. H. Rinne. Incumbent's commission expired December 18, 1934.

Louis A. Kopachek to be postmaster at Leonardville, Kans., in place of Henry Uhlenhop. Incumbent's commission expired April 28, 1934.

Hugh Lee to be postmaster at Louisburg, Kans., in place of Stephen Young, removed.

KENTUCKY

Gena F. Hilliard to be postmaster at Clinton, Ky., in place of T. D. Jones. Incumbent's commission expired February 5, 1935.

Lula M. Stuart to be postmaster at Glendale, Ky., in place of H. M. Hatfield. Incumbent's commission expired January 13, 1935.

John M. Farra to be postmaster at Lancaster, Ky., in place of Forrest Calico. Incumbent's commission expired February 20, 1935.

Robert W. Vinson to be postmaster at Louisa, Ky., in place of I. W. See. Incumbent's commission expired July 3, 1934.

Mattie Pridemore to be postmaster at Pippapass, Ky., in place of Mattie Pridemore. Incumbent's commission expired June 11, 1933.

Murray Swindler to be postmaster at Valley Station, Ky., in place of B. K. Wyatt, removed.

Benjamin F. Beall to be postmaster at Warsaw, Ky., in place of Harry Beall, removed.

Kathryn E. Stewart to be postmaster at West Paducah, Ky., in place of Flora Carroll. Incumbent's commission expired February 20, 1935.

Thomas J. Stevenson to be postmaster at Winchester, Ky., in place of F. R. Blackburn. Incumbent's commission expired February 20, 1935.

Oliver Boone Majors to be postmaster at Wingo, Ky., in place of A. B. Byrn. Incumbent's commission expired January 23, 1935.

MAINE

Lewis W. Haskell, Jr., to be postmaster at Auburn, Maine, in place of F. E. Stevens. Incumbent's commission expired December 20, 1934.

Claude D. Garnache to be postmaster at Biddeford Pool, Maine, in place of M. E. Goldthwaite. Incumbent's commission expired December 18, 1933.

Carlton A. Simmons to be postmaster at Friendship, Maine, in place of Ray Winchenpaw. Incumbent's commission expired December 20, 1934.

Hubert A. Nevers to be postmaster at Patten, Maine, in place of T. M. Tozier. Incumbent's commission expired April 2, 1934.

MARYLAND

Edward Lynch Gross to be postmaster at Brunswick, Md., in place of H. E. Dixon. Incumbent's commission expired February 27, 1935.

Harry R. Price to be postmaster at Rock Hall, Md., in place of Allan Urie, removed.

H. Genevieve Long to be postmaster at Stevensville, Md., in place of J. C. Jones. Incumbent's commission expired January 26, 1933.

MINNESOTA

Clifford A. Hedquist to be postmaster at Argyle, Minn., in place of C. M. Krogh, deceased.

John H. Beutner to be postmaster at Buffalo, Minn., in place of C. S. Hawker. Incumbent's commission expired June 28, 1934.

Mary E. Gilbert to be postmaster at Carlton, Minn., in place of M. E. Cain. Incumbent's commission expired May 7, 1934.

Clifford W. McDonald to be postmaster at Claremont, Minn., in place of William Edmond. Incumbent's commission expired June 20, 1934.

Clifford Bergland to be postmaster at Clearbrook, Minn., in place of Albert Anderson. Incumbent's commission expired June 20, 1934.

Harold J. Peck to be postmaster at Deer River, Minn., in place of C. N. Nesseth. Incumbent's commission expired January 31, 1934.

Ove H. Voigt to be postmaster at Dent, Minn., in place of A. F. W. Johnson. Incumbent's commission expired January 11, 1933.

Lester A. Helweg to be postmaster at Fulda, Minn., in place of A. W. Johnson, removed.

Ferdie A. Brown to be postmaster at Grygla, Minn., in place of J. C. Wilson. Incumbent's commission expired January 31, 1934.

Marian E. Boettcher to be postmaster at Hackensack, Minn., in place of E. B. Starkweather. Incumbent's commission expired January 29, 1933.

Alfred H. Smith to be postmaster at Heron Lake, Minn., in place of F. A. Cooley. Incumbent's commission expired January 11, 1933.

C. Violet Thyren to be postmaster at Kelliher, Minn., in place of A. E. Miller. Incumbent's commission expired May 20, 1934.

Lloyd O. Sundeen to be postmaster at Kerkhoven, Minn., in place of C. O. Rustad. Incumbent's commission expired December 18, 1933.

Herman Olberding to be postmaster at Lismore, Minn. Office became Presidential July 1, 1934.

Byron B. Maddy to be postmaster at McGregor, Minn., in place of A. M. Hayes. Incumbent's commission expired May 20, 1934.

H. Mermond Olsen to be postmaster at Marine on St. Croix, Minn., in place of C. A. Ecklund. Incumbent's commission expired December 20, 1932.

Patrick J. Malone to be postmaster at Montgomery, Minn., in place of J. P. Keohen. Incumbent's commission expired May 20, 1934.

Ernest S. Mariette to be postmaster at Oak Terrace, Minn., in place of E. S. Mariette. Incumbent's commission expired July 3, 1934.

Casper W. Lotterer to be postmaster at Perham, Minn., in place of G. M. Young. Incumbent's commission expired May 7, 1934.

John L. Suel to be postmaster at Robbinsdale, Minn., in place of L. J. Nasett. Incumbent's commission expired June 20, 1934.

Edwin G. Doyle to be postmaster at Rosemount, Minn., in place of W. J. Colgan. Incumbent's commission expired May 7, 1934.

Wallace Oscar Merrill to be postmaster at Silver Lake, Minn., in place of J. E. Ziska. Incumbent's commission expired January 22, 1934.

Lloyd A. Hakes to be postmaster at Stewart, Minn., in place of F. J. Reimers. Incumbent's commission expired March 2, 1933.

Edwin O. Stennes to be postmaster at Strandquist, Minn., in place of A. O. Rokke. Incumbent's commission expired June 20, 1934.

Andrew C. Peterson to be postmaster at Waubun, Minn., in place of L. A. Weston. Incumbent's commission expired February 14, 1934.

Julia B. Anderson to be postmaster at Zumbrota, Minn., in place of A. C. Klug. Incumbent's commission expired February 9, 1933.

MISSISSIPPI

Shelton M. Thomas, Jr., to be postmaster at Ellisville, Miss., in place of C. B. Turner. Incumbent's commission expired April 3, 1934.

Lee D. Fulmer to be postmaster at Lumberton, Miss., in place of L. D. Fulmer. Incumbent's commission expired July 1, 1934.

Nellie E. Hardy to be postmaster at Piney Woods, Miss., in place of N. E. Hardy. Incumbent's commission expired March 2, 1935.

Samuel P. Carter to be postmaster at Quitman, Miss., in place of J. C. Reddoch. Incumbent's commission expired April 15, 1934.

MISSOURI

Ethel M. Elliff to be postmaster at Anderson, Mo., in place of J. E. Roark, removed.

Edgar W. Stone to be postmaster at Bland, Mo., in place of F. D. Lahmeyer. Incumbent's commission expired May 9, 1934.

Victor F. Engelage to be postmaster at Chamois, Mo., in place of R. D. Stonner. Incumbent's commission expired February 6, 1934.

Phillip S. Cohen to be postmaster at Frederickstown, Mo., in place of W. R. Lytle. Incumbent's commission expired February 14, 1935.

A. Josephine Humble to be postmaster at Grandview, Mo., in place of V. P. Reid. Incumbent's commission expired February 4, 1935.

Robert L. Chappell to be postmaster at Louisiana, Mo., in place of C. B. Genz. Incumbent's commission expired May 9, 1934.

William H. Bust to be postmaster at Potosi, Mo., in place of B. B. Smith. Incumbent's commission expired February 25, 1935.

William A. Ruggles to be postmaster at St. James, Mo., in place of W. H. Roster. Incumbent's commission expired January 22, 1935.

Noble C. Jessee to be postmaster at Stella, Mo., in place of Dana Gerster. Incumbent's commission expired January 5, 1933.

Carl A. Baldwin to be postmaster at Vienna, Mo., in place of J. O. Bassett. Incumbent's commission expired December 18, 1933.

Joseph D. Hawkins to be postmaster at Webb City, Mo., in place of F. G. Smart, removed.

Blanche E. Tucker to be postmaster at Westboro, Mo., in place of George Bently, deceased.

MONTANA

Jay E. Sharp to be postmaster at Lodge Grass, Mont., in place of A. M. Stevenson. Incumbent's commission expired January 18, 1933.

Ben Wholf to be postmaster at Opheim, Mont., in place of A. S. Opheim. Incumbent's commission expired January 31, 1934.

NEBRASKA

Francis J. Brennan to be postmaster at Alliance, Nebr., in place of F. H. Carlson, resigned.

Clarke W. Kelley to be postmaster at Beaver City, Nebr., in place of L. N. Merwin, transferred.

NEVADA

Mabel L. Andrews to be postmaster at Hawthorne, Nev., in place of M. L. Andrews. Incumbent's commission expired December 18, 1934.

Helen C. Franklin to be postmaster at Wells, Nev., in place of Emanuel Bollschweiler. Incumbent's commission expired June 20, 1934.

NEW JERSEY

Hattie C. Dixon to be postmaster at Bellemead, N. J., in place of F. R. Dixon, deceased.

John V. Anders to be postmaster at Grasselli, N. J., in place of W. E. Hartman. Incumbent's commission expired January 28, 1934.

Frederick Baxter to be postmaster at Hohokus, N. J., in place of Ada Hopler. Incumbent's commission expired April 8, 1934.

Elizabeth Novak to be postmaster at Keasbey, N. J., in place of J. J. Schilcox. Incumbent's commission expired May 13, 1934.

Estella L. McMurtry to be postmaster at Mendham, N. J., in place of Frank McMurtry, deceased.

Eugene Rambone to be postmaster at Newfield, N. J., in place of E. W. Vanaman. Incumbent's commission expired April 22, 1934.

Anna Belle Willey to be postmaster at Pennsville, N. J., in place of E. E. Dilks. Incumbent's commission expired July 3, 1934.

Margaret J. Lippincott to be postmaster at Seaside Park, N. J., in place of F. H. Clayton. Incumbent's commission expired June 24, 1934.

Edmund H. Carpenter to be postmaster at Woodbury, N. J., in place of A. G. Wick, removed.

NEW MEXICO

Frances I. Burch to be postmaster at Alamogordo, N. Mex., in place of O. G. Cady. Incumbent's commission expired March 1, 1930.

Virginia B. Jameson to be postmaster at Estancia, N. Mex., in place of Ira Allmon. Incumbent's commission expired July 3, 1934.

James H. Odle to be postmaster at Farmington, N. Mex., in place of Earl Douglass, resigned.

Charles E. Gibbs to be postmaster at Madrid, N. Mex., in place of C. E. Gibbs. Incumbent's commission expired February 21, 1935.

Higinio M. Vigil to be postmaster at Wagon Mound, N. Mex., in place of C. G. Parsons. Incumbent's commission expired February 20, 1935.

NEW YORK

Neal Sullivan to be postmaster at Bombay, N. Y., in place of G. E. Rockwood. Incumbent's commission expired April 22, 1934.

Edward A. Rice to be postmaster at Freeport, N. Y., in place of S. P. Shea. Incumbent's commission expired June 20, 1934.

John W. Masterson to be postmaster at Harmon-on-Hudson, N. Y., in place of W. E. Rogers. Incumbent's commission expired December 12, 1932.

William H. McLaughlin to be postmaster at Little Falls, N. Y., in place of F. W. Ashenhurst. Incumbent's Commission expired December 16, 1933.

Charles A. Denegar to be postmaster at Madalin, N. Y., in place of D. H. Chichester. Incumbent's commission expired June 20, 1934.

John A. Donahue to be postmaster at Newburgh, N. Y., in place of A. E. Brundage, removed.

Thomas F. Connolly to be postmaster at Port Chester, N. Y., in place of Nicholas Duffy, resigned.

Francis J. A. Marlborough to be postmaster at Smithtown Branch, N. Y., in place of H. M. Brush. Incumbent's commission expired April 22, 1934.

Charles F. Pallister to be postmaster at Staten Island, N. Y., in place of A. L. Willshaw, removed.

J. Frank Lackey to be postmaster at Tannersville, N. Y., in place of S. D. Francis. Incumbent's commission expired January 28, 1934.

NORTH CAROLINA

Mary B. Tatham to be postmaster at Andrews, N. C., in place of C. H. Jarrett, removed.

Patrick N. Gallagher to be postmaster at Nazareth, N. C., in place of Genevieve Murray, resigned.

Fletcher C. Mann to be postmaster at Pittsboro, N. C., in place of S. D. Johnson, resigned.

Marguerite W. Maddrey to be postmaster at Seaboard, N. C., in place of H. B. Morgan. Incumbent's commission expired May 7, 1934.

NORTH DAKOTA

Coral I. Ware to be postmaster at Amidon, N. Dak. Office became Presidential July 1, 1934.

Harry L. Morrow to be postmaster at Drake, N. Dak., in place of Anastacia Rohde, removed.

Evelyn L. Swank to be postmaster at Egeland, N. Dak., in place of M. E. Peavey. Incumbent's commission expired March 18, 1934.

Cecil Wigness to be postmaster at Fortuna, N. Dak., in place of Roy Wigness. Incumbent's commission expired February 28, 1933.

Jeannette A. Siegel to be postmaster at Goldenvalley, N. Dak., in place of Johanes Folstad. Incumbent's commission expired February 28, 1933.

Francis A. Gallagher to be postmaster at Oakes, N. Dak., in place of A. R. Wright, removed.

Ruth Cooper to be postmaster at Parshall, N. Dak., in place of J. W. Jones. Incumbent's commission expired September 18, 1933.

Lena Kremer to be postmaster at Sykeston, N. Dak., in place of Forrest Daniel, removed.

Hulbert L. Olsen to be postmaster at Van Hook, N. Dak., in place of B. G. George. Incumbent's commission expired April 28, 1934.

Richard L. Hawes to be postmaster at Wahpeton, N. Dak., in place of E. H. Myhra, resigned.

OHIO

Clarence D. Hindall to be postmaster, at Ada, Ohio, in place of J. K. Fulks. Incumbent's commission expired April 16, 1934.

Franzo D. Miller to be postmaster at Alliance, Ohio, in place of C. C. Shaffer, retired.

Lulu M. Helphinstine to be postmaster at Amsterdam, Ohio, in place of Annie Turvey. Incumbent's commission expired January 22, 1935.

Henry J. Walter to be postmaster at Archbold, Ohio, in place of F. G. Chase. Incumbent's commission expired January 22, 1935.

Ray W. Senn to be postmaster at Attica, Ohio, in place of C. E. McClelland. Incumbent's commission expired December 18, 1934.

William H. Fike to be postmaster at Bloomville, Ohio, in place of J. S. Hossler. Incumbent's commission expired December 18, 1934.

Edward F. Lawler to be postmaster at Carrollton, Ohio, in place of H. O. Tinlin. Incumbent's commission expired February 14, 1935.

Herman H. Montooth to be postmaster at Leipsic, Ohio, in place of T. E. Kidd. Incumbent's commission expired December 20, 1934.

Dell M. D. Waterman to be postmaster at Madison, Ohio, in place of F. G. Bates. Incumbent's commission expired December 18, 1934.

Daniel J. Griesser, Sr., to be postmaster at Marblehead, Ohio, in place of Leo Mutach. Incumbent's commission expired December 18, 1934.

Katherine H. Baxter to be postmaster at Newcomerstown, Ohio, in place of M. H. Scott. Incumbent's commission expired January 22, 1935.

Morton A. Houghton to be postmaster at Oberlin, Ohio, in place of E. G. Dick. Incumbent's commission expired February 4, 1935.

Frank F. Wyman to be postmaster at Pioneer, Ohio, in place of G. W. Repp. Incumbent's commission expired December 18, 1934.

Fred G. Wetmore to be postmaster at Stow, Ohio, in place of C. W. Holt. Incumbent's commission expired December 18, 1934.

Agnes M. Goll to be postmaster at Stryker, Ohio, in place of B. E. Woodward. Incumbent's commission expired December 18, 1934.

Carroll Williamson to be postmaster at Sunbury, Ohio, in place of C. S. Perfect. Incumbent's commission expired February 14, 1935.

John Kenneth Faist to be postmaster at Woodville, Ohio, in place of A. E. Holly. Incumbent's commission expired January 23, 1935.

OKLAHOMA

Gilbert K. Stallings to be postmaster at Altus, Okla., in place of H. L. McVay. Incumbent's commission expired May 27, 1933.

Claude L. Willis to be postmaster at Canton, Okla., in place of N. S. Hall. Incumbent's commission expired March 2, 1933.

Isaac J. Loewen to be postmaster at Clinton, Okla., in place of J. L. Reimer. Incumbent's commission expired September 18, 1933.

Christopher C. Copeland to be postmaster at Cordell, Okla., in place of W. I. Fisher, resigned.

Tom R. Johnson to be postmaster at Elk City, Okla., in place of E. C. Willison, resigned.

Grover H. Hope to be postmaster at Frederick, Okla., in place of A. M. Dennis, removed.

Finis E. Gillespie to be postmaster at Hobart, Okla., in place of L. S. Reed, resigned.

Charles V. Gilmore to be postmaster at Stuart, Okla., in place of J. S. Biggs, removed.

Robert D. Taylor to be postmaster at Webb City, Okla., in place of Fred Hudson, resigned.

OREGON

Sanford Adler to be postmaster at Baker, Oreg., in place of J. C. Sturgill. Incumbent's commission expired December 18, 1934.

Burt E. Hawkins to be postmaster at Klamath Falls, Oreg., in place of J. A. McCall. Incumbent's commission expired December 18, 1934.

PENNSYLVANIA

Albert W. Fritz to be postmaster at Akron, Pa., in place of E. D. Getz. Incumbent's commission expired March 22, 1934.

Mabel G. Collins to be postmaster at Austin, Pa., in place of E. F. Anderson. Incumbent's commission expired June 20, 1934.

George R. Meek to be postmaster at Bellefonte, Pa., in place of J. L. Knisely. Incumbent's commission expired June 20, 1934.

Donald B. Gardner to be postmaster at Howard, Pa., in place of F. V. Pletcher. Incumbent's commission expired June 20, 1934.

Virginia G. Kingsley to be postmaster at Pleasantville, Pa., in place of E. D. House. Incumbent's commission expired June 20, 1934.

Floyd E. Bashore to be postmaster at Port Royal, Pa., in place of W. C. Taylor, transferred.

Charles P. Hilty to be postmaster at Saltsburg, Pa., in place of M. B. Hill, resigned.

Floyd M. Butz to be postmaster at Tatamy, Pa., in place of A. C. Messinger, resigned.

John W. Doyle to be postmaster at Waymart, Pa., in place of H. P. Medland. Incumbent's commission expired April 22, 1934.

Thomas M. Hayden, Jr., to be postmaster at West Sunbury, Pa., in place of H. M. Black. Incumbent's commission expired April 16, 1934.

RHODE ISLAND

Robert E. Bitgood to be postmaster at Hope Valley, R. I., in place of F. W. Crandall. Incumbent's commission expired May 20, 1934.

TENNESSEE

Harney Thurman Whitson to be postmaster at Cookeville, Tenn., in place of Norman Massa, resigned.

Lindsay N. Smith to be postmaster at Culleoka, Tenn., in place of E. V. Foster. Incumbent's commission expired May 29, 1934.

Samuel C. Jones to be postmaster at Lexington, Tenn., in place of J. L. Sullivan, resigned.

Maurice Wilson to be postmaster at Middleton, Tenn., in place of L. D. Mills, removed.

Edwin L. Goddard to be postmaster at Saulsbury, Tenn., in place of C. A. Richards. Incumbent's commission expired March 8, 1934.

TEXAS

Eli H. Perkins to be postmaster at Bastrop, Tex., in place of C. A. Ziegenhal. Incumbent's commission expired February 4, 1935.

Clarence H. Nobles to be postmaster at Deport, Tex., in place of W. I. Lawler, retired.

Henry D. Young to be postmaster at Fort Worth, Tex., in place of W. N. Moore, deceased.

Will A. Ham to be postmaster at Jacksboro, Tex., in place of S. L. Dennis, appointee declined.

William F. Rayburn to be postmaster at Lovelady, Tex., in place of W. F. Rayburn. Incumbent's commission expired February 14, 1935.

Percy L. Walker to be postmaster at Luling, Tex., in place of B. R. Miles, removed.

William H. Wentland to be postmaster at Manor, Tex., in place of C. C. Eppright. Incumbent's commission expired June 2, 1934.

Edward F. Springer to be postmaster at Matador, Tex., in place of T. L. Bryan. Incumbent's commission expired May 9, 1934.

Alva O. Dannelley to be postmaster at Mirando City, Tex., in place of J. E. McAllister. Incumbent's commission expired March 18, 1934.

Manda R. Fields to be postmaster at Ponta, Tex., in place of M. R. Fields. Incumbent's commission expired December 20, 1934.

Pennie S. Langen to be postmaster at Premont, Tex., in place of P. S. Langen. Incumbent's commission expired December 7, 1932.

William A. Graham to be postmaster at Tulia, Tex., in place of Jeff Potter. Incumbent's commission expired December 16, 1933.

UTAH

Clarence E. Smith to be postmaster at Spanish Fork, Utah, in place of D. T. Lewis. Incumbent's commission expired December 20, 1932.

VERMONT

Foster C. Parmenter to be postmaster at Chester, Vt., in place of L. A. Carpenter. Incumbent's commission expired December 16, 1933.

Clair W. Crowley to be postmaster at East Barre, Vt. Office became Presidential July 1, 1934.

Nina L. Heidger to be postmaster at Greensboro, Vt., in place of B. M. Willey. Incumbent's commission expired June 20, 1934.

Francis J. Mullin to be postmaster at Wallingford, Vt., in place of L. S. Hager. Incumbent's commission expired March 8, 1934.

VIRGINIA

Joseph S. Hutcheson to be postmaster at Chase City, Va., in place of R. L. Emory. Incumbent's commission expired February 25, 1935.

H. Thornton Davies, Jr., to be postmaster at Manassas, Va., in place of R. E. Newman. Incumbent's commission expired April 22, 1934.

Robert E. Fifer to be postmaster at Staunton, Va., in place of J. J. Kivlighan, resigned.

Thomas B. Cochran to be postmaster at The Plains, Va., in place of J. P. Middleton. Incumbent's commission expired January 31, 1934.

WASHINGTON

Mark L. Durrell to be postmaster at Deer Park, Wash., in place of M. L. Durrell. Incumbent's commission expired January 22, 1935.

William F. Downs to be postmaster at Elma, Wash., in place of L. I. Wakefield. Incumbent's commission expired April 16, 1934.

William E. Kier to be postmaster at Mason City, Wash. Office became Presidential April 1, 1935.

Albert P. Tolefson to be postmaster at Oakville, Wash., in place of M. J. Murphy. Incumbent's commission expired March 18, 1934.

Benjamin S. Sawyer to be postmaster at Olympia, Wash., in place of F. S. Clem, transferred.

Ronald L. Chard to be postmaster at Pomeroy, Wash., in place of C. E. Rathbun, resigned.

William H. Ruettgers to be postmaster at Washougal, Wash., in place of E. M. Armstrong. Incumbent's commission expired February 25, 1935.

Royce H. Mitchell to be postmaster at Woodland, Wash., in place of I. S. Fields. Incumbent's commission expired February 25, 1935.

WEST VIRGINIA

Duncan M. Johnston to be postmaster at Alderson, W. Va., in place of E. C. Bare. Incumbent's commission expired January 22, 1935.

Rufus L. Keel to be postmaster at Coalwood, W. Va., in place of D. I. Valley, resigned.

WISCONSIN

Earle D. Bush to be postmaster at Brodhead, Wis., in place of D. L. Amerpohl. Incumbent's commission expired March 18, 1934.

John T. Murphy to be postmaster at Delavan, Wis., in place of W. S. Cochrane. Incumbent's commission expired February 28, 1935.

Norman H. Adams to be postmaster at Minong, Wis., in place of A. E. Adams. Incumbent's commission expired November 20, 1933.

Stannie Sigurdson to be postmaster at Sister Bay, Wis., in place of M. J. Jischke. Incumbent's commission expired January 28, 1934.

WYOMING

Frank W. Chambers to be postmaster at Lusk, Wyo., in place of R. A. Faulk. Incumbent's commission expired February 21, 1935.

Cecil W. Clark to be postmaster at Newcastle, Wyo., in place of E. C. Jessen. Incumbent's commission expired December 18, 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 2 (legislative day of May 1), 1935

POSTMASTERS

NEBRASKA

Patrick J. Norton, Boys Town.
John H. Hutchings, Falls City.
Julius J. Weidner, Humphrey.

NEW YORK

Claude E. Shill, Avoca.
John Foye, Brockport.
Leon H. Ingersoll, Cincinnatus.
John Roe, East Durham.
Gerald Carmichael, Eastport.
John F. Kelly, Fleischmanns.
Laura H. Springsteen, Greenlawn.
George Heal, Holley.
Clarence M. Magee, Kinderhook.
John N. Copeland, Lakewood.
Harry D. Hickey, Lewiston.
Charles E. Williams, Middlesex.
Lyle W. Shonyo, North Bangor.
Roy Brant, Remsen.
William H. Butler, Saranac Inn.
Marjorie W. Gehrke, Sidney Center.
C. Edward Conroy, Stanley.
Charlotte House Schoonmaker, Ulster Park.
John E. Abplanalp, Youngsville.

PENNSYLVANIA

Robert W. Baggs, Beaver Falls.
Ottis S. Williams, Canton.
J. Robert McClure, Dillsburg.
Albert G. Lassinger, Saxonburg.
Bessie S. Ferrell, Westtown.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 2, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou merciful God, imminent in all things, in Thee we have our strength and comfort, our inspiration and hope; we earnestly entreat Thee to hear our prayer. We would join with all noble souls in warring against crime, greed, and injustice. We beseech Thee to dominate us with the spirit that is consecrated to the work of deliverance from the evils that blight youthhood and lessen the resistance of manhood. Father in Heaven, graciously bless and direct the churches and the schools of our land. To these we owe our best hopes and our highest thoughts, which influence and mold the national mind. Let the standard of the Lord be lifted up, bringing forth judgment and unto victory. If enemies come in like a flood, O may the rivers of Palestine flow this way, enabling us to speak the brave word, do the brave deed, and live the brave life. In the name of Jesus our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3787. An act for the relief of Robert D. Hutchinson;

H. R. 3911. An act for the relief of Sarah J. Hitchcock;

H. R. 5133. An act for the relief of Nellie Oliver;

H. R. 6084. An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed $1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes; and

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 240. An act for the relief of Capt. Alexander C. Doyle;

H. R. 2045. An act to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota;

H. R. 3808. An act to authorize the incorporated town of Seward, Alaska, to undertake certain municipal public works, including the construction of an electric generating station and electric distribution systems, and for such purposes to issue bonds in any sum not exceeding $118,000; and

H. J. Res. 147. Joint resolution authorizing the erection of a monument to Grover Cleveland in Washington, D. C.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen;

S. 159. An act to amend the provision in the act approved March 3, 1931, governing the computation of commissioned service of Naval Academy graduates who have been retired for age or service ineligibility for promotion;

S. 373. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of Robert A. Watson;

S. 376. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah;

S. 377. An act to grant to the Utah Gilsonite Co. the right to use a water well on certain public lands in Utah;

S. 616. An act authorizing the removal of rock from the submarine and destroyer base reservation at Astoria (Tongue Point), Oreg.;

S. 918. An act to carry out the findings of the Court of Claims in the case of the Union Iron Works;

S. 985. An act for the relief of Hudson Bros., of Norfolk, Va.;

S. 1030. An act for the relief of the Mutual Savings & Loan Association, Wilmington, Del.;

S. 1206. An act authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes;

S. 1214. An act for the relief of Oliver B. Huston, Anne Huston, Jane Huston, and Harriet Huston;

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader;

S. 1379. An act to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone;

S. 1380. An act to regulate the defense of alibi in criminal cases;

S. 1426. An act providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army and his retirement in that grade;

S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods;

S. 1495. An act authorizing the President to order Donald O. Miller before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his separation;

S. 1497. An act to authorize the appointment of First Lt. Claude W. Shelton, retired, to the grade of captain, retired, in the United States Army;

S. 1505. An act for the relief of William Edward Tidwell;

S. 1539. An act relating to undelivered parcels of the first class;

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 1824. An act for the relief of Abraham Green;

S. 1932. An act for the relief of the State of California;

S. 2131. An act to provide for the establishment of the Big Bend National Park in the State of Texas, and for other purposes;

S. 2185. An act to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes";

S. 2193. An act to provide for the construction, extension, and improvement of public-school buildings in Duchesne County, Utah;

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended;

S. 2225. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

S. 2276. An act to authorize participation by the United States in the Interparliamentary Union;

S. 2292. An act for the relief of Emanuel Wallin;

S. 2298. An act for the relief of Sallie S. Twilley;

S. 2311. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

S. 2312. An act for the relief of the Western Construction Co.;

S. 2356. An act to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920;

S. 2371. An act for the relief of Margaret G. Baldwin;

S. 2407. An act for the relief of Gordon McGee;

S. 2453. An act to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898;

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band;

S. 2471. An act to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898;

S. 2505. An act authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods;

S. 2516. An act for the relief of Anthony J. Constantino;

S. 2530. An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes;

S. 2647. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors, materialmen, and laborers for material and labor furnished in the construction of a post-office building at Hempstead, N. Y.;

S. J. Res. 42. Joint resolution to amend section 289 of the Criminal Code;

S. J. Res. 56. Joint resolution authorizing the publication as a public document of America Secure: Analytical Register of Regular Army Officers and Security Statistics, with Graphs, 1775–1935;

S. J. Res. 89. Joint resolution directing the Comptroller General to readjust the account between the United States and the State of Vermont; and

S. J. Res. 98. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library."

PATRIOTISM AND SECURITY

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address which I delivered yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD I include the address which I delivered at patriotic May Day exercises in Uniontown, Pa., May 1, 1935, as follows:

Friends, I am happy to be back home with you this glorious day. I bring you greetings from the Nation's Capital.

I am happy, indeed, to bring with me the nine national defense birds that just maneuvered in the air over your city.

I am proud of the people of my county and my county seat. I congratulate the patriotic organizations of Fayette County who worked so faithfully to bring about this splendid demonstration.

Occasions like this buoy us up to a feeling of pride. We term such demonstrations as this "patriotic demonstrations."

Indeed the teachings and significances of such demonstrations are of such value that we cannot in any way weigh their importance.

However, my friends, patriotism and love of country are one and the same thing. As we study the history of the nations of the

past we find that they were all demonstrative when it came to what we term "patriotic celebrations."

As we look back over the highway of time we see nation after nation on the scrap heap along this highway. Nation after nation played its part on the stage of action since the beginning of recorded history.

We sometimes ask ourselves: Why these powerful nations of the past did not continue to be powerful? Why they were not able to perpetuate themselves for all time?

When we delve into the reason for the fall and decay of nations, we find that they were ever the same.

Nations, like individuals, decay when they are overawed with greed—the spirit of conquest—and selfishness.

Nations, like men, decay and lose their power when they forget to protect the spiritual features that nature intends and demands of all people in all nations.

To be patriotic one must be ever active in the institutions of a community and a nation that are designed to build better citizens.

Rome fell because the Huns and vandals from the north came down and overpowered her. This, however, did not happen until the Roman social, political, and spiritual institutions had gone to seed, and when this happened the forces brought the Roman Empire to her knees. The same thing happened to other great nations of the past.

My friends, here in America, we have nothing to fear from without. If we maintain an adequate national defense and keep our institutions, our homes, our schools, and our churches imbued with the fundamental principle of honesty, sincerity, and the spirit of right, no foe will ever cross our frontier or pull down the Stars and Stripes.

Patriotism is ever the same; all peoples, in all ages, in all lands, have been patriotic. When a crisis would come to their nation they would rally to defend the emblem or flag that stood for their freedom and their rights.

Patriotism is the same today as when that farmer, Israel Putnam, left his horses and plow in the field in Massachusetts and headed a band of citizens to drive the "red coats" back across the sea.

Patriotism is the same today as when Abraham Lincoln said, "This Nation, under God, shall not perish from the earth."

Patriotism is the same today as when Nathan Hale lamented that he has "but one life to live for his country."

Yes, my friends, patriotism is more than words—it is a practice of the activities that has to do with building better citizens out of our boys and girls.

If we are truly patriotic, we will ever strive to hand to our children and our children's children better institutions than our fathers handed to us.

We will hand them better schools, better homes, better churches.

We cannot consider ourselves truly patriotic if we remove the forest from the hillsides and do not replace the same.

We cannot consider ourselves truly patriotic if we pollute our streams with poison and make no effort to cleanse them.

We cannot consider ourselves truly patriotic if we take nature's wealth in coal, oil, and other minerals from the earth and leave nothing to our posterity to take its place.

We cannot consider ourselves truly patriotic if we leave the soil of our fathers and our farms less rich than when our fathers handed it on to us.

My friends, to be patriotic, we must sacrifice our time, our energy, and our material possessions, if necessary, in order that we may hand on to posterity a community and a nation that is a better place in which to live than it was when we found it.

We must imbue into the very souls of our children this American's creed:

"I believe in the United States of America as a Government of the people, by the people, for the people, whose just powers are derived from the consent of the governed; a democracy in a Republic; a sovereign Nation of many sovereign States; a perfect Union, one and inseparable, established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.

"I, therefore, believe it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies."

I thank you.

SEE AMERICA FIRST

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks by including a radio address which I delivered a few days ago from a local radio station.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, under the leave to extend by remarks in the RECORD, I include the following address which I delivered over the radio April 23, 1935:

Springing as we do from a race of pioneers, the American people are a nation of travelers. The spirit of vagabondia is strong in the breast of every American. However, with no new territories to be explored, with no new borders to be traversed, with no new frontiers to be established, we have in our love for travel allowed ourselves to be lured to distant places beyond the seas when greater scenic marvels abound close by. To most of us, living in the most beautiful scenic country in the world, the idea of travel, as much as it is to be regretted, has now become synonymous with thoughts of a visit to a distant foreign shore.

To stimulate travel at home, to bring about a movement of our people within the borders of our own country, apparently it is necessary to provide a new appeal. Because we live so close to our natural beauties we are prone to discount them; we fail to see the forest because of the trees. For this reason, in the hope that with their attention called sharply to the beauties of nature and the mavels of man's handiwork with which America abounds, I have introduced House Joint Resolution 224. This resolution provides that each of the years of 1935 and 1936, by virtue of a proclamation by the President of the United States, shall be designated and known as "See America Year."

Pledges of support of this measure have been most enthusiastic. Already the National Park Service and the National Forest Service have promised their full cooperation. These important governmental agencies have under their jurisdiction the world's most scenic attractions to which they are constantly adding. Their promised assistance augers success to this movement.

Enthusiastic support is being given this measure by the See America First League, by the San Joaquin Valley Tourist and Travel Association, by chambers of commerce, and other civic organizations throughout the United States. Daily there arrive in my office dozens of endorsements from various chapters of the Hotel Greeters of America, from hotel operators, from business men, from all classes and kinds.

Should not the East know the West, the West the East?

As a son of the Golden West, raised within a few miles of California's greatest scenic areas, I forever marvel at the wonders, natural and man made, to be found in such profusion in our Eastern States. As a Californian, I am enthralled by the glories and the unmatched beauty of this famed cradle of democracy. Why, I ask myself, do not my fellows of the west coast fully appreciate that which is the marvelous beauty of our eastern coastal States? The wonder of it all is lost upon them because no organized effort has ever been made, through a systematic educational campaign, to impress them with the wonders with which the home country is so generously endowed.

You, our easterners, have heard of the rugged beauty of the world-famous Yosemite Valley, with its mighty waterfalls, with its vaulting granite domes, with its shaded grass-carpeted vales and meadows, with its natural beauty unsurpassed.

You, our easterners, have heard of the magnificence of General Grant and Sequoia National Parks of central California, wherein are contained the giant sequoias—trees which are the oldest living things upon the face of this earth—trees which were old when Christ was born nearly 2,000 years ago.

You, our easterners, have heard of the icy grandeur of Glacier National Park, of the unbelievable wonders of the Yellowstone, of the magnificence of the Grand Canyon.

You, our easterners, have, perhaps, not visited the beautiful city of San Diego, where, during the balance of this year, there will be held an exposition—an exposition symbolizing the birth of a new era of development in the West. Here you may view the wonders of present-day industry and commerce—rare relics of art, the magical wonders of science—all amid surroundings exquisite in their architectural perfection.

You, our easterners, have, perhaps, not visited San Francisco, that glorious city of romance which lies in the shadow of the Golden Gate. You, perhaps, have not seen the Mount Shasta's towering, snow-capped peak. You, perhaps, have not experienced the thrills of a glorious moonlight night on the white-sanded beaches of southern California.

If you have not availed yourself of the opportunity of visiting these scenes of grandeur, it is undoubtedly for the same reason we of the West have not rested our eyes upon the equally glamorous attractions of the East; that is, merely because your attention has not been forcibly directed, by those upon whom the responsibility rests, to the priceless possessions of our fatherland. It is our hope that a proclamation by our beloved President, calling to our attention our national wonderlands, will serve as a clarion call to visit and see that of which America is proudest.

Washington, the most beautiful capital city in the world, is not fully appreciated by the people of this Nation. Oh, we boast of our Capital, with its spacious parks, with its magnificent buildings, with its beautiful statues, with its splendid hotels—hotels to meet the purse of every man. Yes; we boast of our Capital, but we do not visit it. Why? Because the beauties of which we boast have never been made vivid to us—our imagination has not been stirred to the point where inertia is overcome by the irresistible desire to gratify a craving of wanderlust.

Here, on the shores of the Potomac, this Nation has builded a dream city. In all the world there is not one that can compare with it. Designed to be the Capital of the greatest Nation this world is ever to know, its builders have never faltered as they labored down through the years to make their dream of dreams come true. Every American, the men and women who love this country of ours, should never rest until they can boast familiarity with the architectural marvels of our Nation's Capital. To know Washington is to live!

In what other Nation of the world will you find such a variety of attractions? Where, on the face of this earth, can you find another Grand Canyon, another Crater Lake, another Columbia River, another Shenandoah Valley, another area to compare with

the Green Mountains of Vermont, another scene as sublimely beautiful as Maine's summer grandeur?

House Joint Resolution No. 224, strangely, is a recovery measure. And just as strangely, it is a recovery measure unlike any other recovery measure, in that it is one which will cost our Government not one cent. In America the business of caring for the tourist has come to be recognized as one of the first two or three industries of importance. What could aid recovery more than to stimulate travel among those who can afford to travel; to induce those who can afford it to spend their money pleasure bent?

Every railroad, every automobile manufacturer, every merchant, every service-station operator, every hotel man, every person who is engaged, partially or wholly, in catering to the traveler would benefit immeasurably by the passage of this resolution. And from this increased business an opportunity of employment for the now idle would follow as the night the day. With pay rolls increased and profits augmented, the tourist dollar would find its way into the pockets of everyone to the increased prosperity of all.

Less than a year ago President Roosevelt delivered an address from Glacier National Park. That address, broadcast over this Nation, immediately stimulated interest in travel. The work of our Civilian Conservation Corps has focused interest on our national parks, our national monuments, our national forests, our points of historical interest and scenic beauty. As a result of that stimulation, our national recovery has been brought a step nearer. If, through a campaign of publicity and the action of our President in proclaiming this and next year as "See America Year", we can increase that interest, we will be just that much nearer a better economic condition by all of us so devoutly desired.

Nature has been bountiful in her gifts to us. We have added to her gifts by creating shrines of historical interest. No one section of the United States has any corner on scenic beauty. Thus there is a field for him who would travel, either far from home or only a short distance from that place in which he lives.

Constantly are we developing the natural beauty which nature, with a lavish hand, has bestowed upon us. Within a few months the construction of a State road into the Kings River Canyon area in central California will be well toward completion. This road will open a vista which for rugged beauty, for unsurpassed grandeur, for sheer delight, cannot be matched in any portion of the world. This is a new field, a field which but a small handful of those who are in love with the beauties of nature have ever viewed—this is another of the frontiers, of the few remaining new vistas remaining within our borders.

We stand on the threshold of complete economic recovery. Let us get behind and promote this "See America Year" movement, which, in addition to affording you the delight of knowing something of the wonders of our own country, will, at no cost to our Government, speed that recovery and assist so much in lifting our beloved Nation out of the abyss of depressionistic despair.

BANKING BILL

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, yesterday, in the course of my remarks on the banking bill, I quoted from a mimeographed circular sent to all the Members of the House and signed by the gentleman from Texas, Mr. PATMAN. Only the first paragraph of that circular was particularly material to the discussion I was carrying on at that time, but I believe it would be informative to put the entire circular in the RECORD, because all three paragraphs are germane to the pending banking bill.

Mr. BLANTON. The letter of the gentleman from Texas is in yesterday's RECORD. It is in the first part of yesterday's RECORD.

Mr. PATMAN. I appreciate the interest the gentleman is manifesting, but the circular referred to is in the RECORD at page 6713, at the beginning of the proceedings.

Mr. DIRKSEN. Then I withdraw the request to insert it in the RECORD, and, Mr. Speaker, in connection therewith and in connection with my own remarks, I ask unanimous consent to extend my own summary in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. By way of a summary, let me point out by progressive steps how the pending banking bill will vest control of banking in a small group which may some day prove disastrous to the people of this country.

First. We make the Federal Reserve Board more responsive to the administration by requiring that appointees to that Board need only be persons of education and experience in lieu of the qualifications now existing in the law. That means that Mr. Hopkins or Mr. Tugwell or Mr. Moley could be appointed to that Board.

Second. The Governor of the Federal Reserve banks, whose position is not now provided for in the law but who in reality is the real executive of the Federal Reserve Bank is combined with the office of chairman of the Board and his selection must be approved by the Federal Reserve Board. The power to approve is equivalent to the power to appoint so that the Federal Reserve Board can virtually dictate who shall be the Governors of the 12 Federal Reserve banks.

Third. The Governor need not be a resident of the Federal Reserve district. In other words a New Yorker could be made Governor of the Chicago Federal Reserve bank or a person from Dallas could be made governor of the Minneapolis bank.

Fourth. The Federal Reserve Board is given full power to raise or lower the reserve requirements at will so that by raising the reserve requirements, they could drain capital from the West into the East or from small communities to the large financial centers. By lowering the requirements, they might conceivably raise the question of the sufficiency of the protection behind the deposits in the thousands of member banks of the system.

Fifth. Through complete control of open-market operations which embraces the purchase or sale not only of direct obligations of the Government but the contingent obligations on which principal and interest are guaranteed, such as H. O. L. C. bonds, Farm Credit Administration bonds, and all other Government securities included in the above classifications, the Board can completely control the volume and cost of credit. If they, as a matter of open-market policy, advise the purchase of Government securities, it increases the volume of money and lowers the cost; if they advise the sale of securities it decreases the volume and increases the cost. Heretofore, Federal Reserve banks could refuse to comply with this policy. If the present bill passes, they must comply. What is good for one section of the Nation may not be good for another but the Federal Reserve banks have no discretion in the matter. They must comply, whether for good or evil.

Sixth. While the law as to rediscount is not changed, this added authority conferred on the Board over Federal Reserve banks, for all practical purposes, gives them full control. Lowering the rates in the East and keeping them up in the West would drain huge amounts of money into the area where the rates are lowest. It would give them authority to penalize one section of the country as against another.

Seventh. Through its control over the system and over the Federal Reserve banks and the members of the Federal Reserve System, the Board can determine the interest rates to be paid on time deposits, it can discipline banks and remove directors, it can control bank examinations and admissions, and can say whether or not a bank shall be permitted to exercise trust powers and the right to act in a fiduciary capacity.

Eighth. Through this tremendous power, as I see it, the Board can be of material assistance in financing the public debt through the banks, whether the banks want to or not, and whether the depositors want their money invested in Government bonds or not. Suppose the Government wants more money for any one of a score of purposes. To obtain it requires an issue of bonds. This means increased debt. There must be a place to sell those bonds. To offer bonds that would not be accepted by the public through open subscription would prove disastrous to bond prices. They, therefore, must be in a position to force the sale of such additional bonds. This bill provides that additional authority. The Federal Reserve Board can through this immense power compel Federal Reserve banks to take such bonds, and the Federal Reserve banks, through control of rediscounts and their general authority over all member banks in the System, can by intimation and suggestion compel banks to accept more bonds, even though they might not desire to do so. Federal Reserve banks now hold two and one-half billion of such bonds and member banks hold more than eleven billions.

If ever enforced, liquidation should ensue; it would mean that Government bonds as well as other securities would have to be liquidated, and the result might be disastrous to the fiscal stability of the Nation.

Ninth. The authority conferred on the Federal Reserve Board in Public Act No. 291, passed by the Seventy-third Congress, providing for the regulation of security exchanges, when coupled with the additional powers in this bill, makes the Federal Reserve Board an agency that has life-and-death power over the entire United States and over all business.

That act gives to the Federal Reserve Board the authority to raise and lower margins on trading. It gives the Board authority by regulation to determine the initiation and maintenance of all credit except with respect to exempted securities, which are defined in the law as Government securities, both direct obligations and those on which the principal and interest is guaranteed.

That act gives the Federal Reserve Board authority to say how much credit a dealer, broker, or member of the exchange can extend and how it may be extended, and makes it unlawful to extend or maintain credit on any security other than Government securities in contravention of the rules and regulations of the Federal Reserve Board.

That act makes it unlawful for any broker, dealer, or member of a registered exchange to borrow money on any security, other than Government securities, unless he borrows from (1) a bank which is a member of the Federal Reserve System, (2) from a nonmember that has agreed in writing to comply with the provisions of the act, (3) or in accordance with rules and regulations prescribed by the Board.

It is almost impossible for the finite mind to comprehend the immensity of that power. Through this plenary control of the Federal Reserve banks and all the member banks of the System, the Federal Reserve Board can, by rules and regulations, virtually compel the use of so-called "exempted" or Government securities for trading purposes and thereby create a need and a demand that will make it possible for them to finance all Government bonded indebtedness and restrict the use of all other securities on the market.

Tenth. It will concentrate in the hands of eight members of that Board, who will be responsive to the will and desire of the administration, irrespective of what administration may be in power, dictatorial powers heretofore undreamed of and will make them the money czars of the United States. It takes money and credit to do business, and this Board, through its control over all credit operations in this country, will have absolute control over business, commerce, and industry.

Could old Andrew Jackson return to the United States in 1935 and witness this granting of authority to a small group, he would indulge in a cynical laugh and say that Nicholas Biddle, the president of the Second Bank of the United States, who used his power to scatter despair and distress throughout the Nation and to discipline Congress and control the press, was a veritable amateur who might well take some lessons in the art of concentrating money power.

BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7617, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

Mr. HOLLISTER. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I realize that the Members of the House wish to get particular information relating to particular features of this bill, but since I am a rather new member of the committee, I prefer to call attention to certain of its features, as well as to criticize particularly title II. As a new member of this committee, but one who has served for 14 years on other committees, I pay a high compliment to its membership. It is composed of exceedingly able men. They certainly somewhat overawe me in my attempt to understand banking legislation; but sometimes a new man can still preserve his judgment unbiased because he has not been on the committee so long that his mind has embraced fixed opinions relating to finance. Too often, I fear, with older members it is like being a Methodist and believing that heaven can be reached by no other method. So I have had to apply the little common sense which I may have and the political experience acquired by 14 years in this body. In spite of my great admiration for the ability of the members of the committee, I still have left to me, I believe, the proper function of taking a different viewpoint regarding and being critical of several phases of this legislation.

I pay high tribute to the chairman, a delightful personality. His courtesy in the committee to me—a new member—in making my observations, has been deeply appreciated.

In commenting on this bill, I first mention title I, regarding which up to the present time, few, if any, adverse suggestions have been made.

Titles I and III are in fact not particularly objectionable, but let us not pass over title I without informing ourselves as to its general provisions. To put it broadly, the F. D. I. C. wishes to make this title in the bill so airtight that there will be but little need of insurance. I am, however, ready to vote for these requirements on our banks, since the insurance of deposits is new and we probably must follow the advice of the Department in charge of its administration. However, let us consider the attempt to force banks into the Federal Reserve System, the insistence that they carry proper burglary insurance; that they carry sufficient bonds to cover defalcations, which have been the cause of most recent bank failures; to subject them to more and more examinations, even to publish their condition in the local papers at any time, so that a depositor will know if they are not in satisfactory condition. In other words, we are to harass banks still further by yet more regulations.

Mr. Chairman, I shall go along with title I, but some of us who think highly of the integrity of those bankers, whom they represent should certainly wish to know how much they are to be further harassed in connection with the insurance features of this section of the measure. Right here may I say that I represent about 25 commercial banks in my own district. Every one of them I think is sound. No executive in these banks use them for their own particular private advantage. Nearly every one of those bankers I know. I know that they are all intensely proud of the fact they can be recognized as the "director of a bank." Most of them would give their last ounce of wealth to see that their bank did not fail, and they are worthy the confidence of the people whom they serve. Yet how they have been flayed in the general comments on the "money changers".

Mr. Chairman, we have in general painted the banker as a crook because we found that certain of them had been such as to deserve punishment, which has been swift and sure. But why try to stigmatize all bankers? Most of them are doing the best they can. Why have you so frightened them that they do not now dare to lend money? Why have you frightened them so much that they dare not pursue even the ordinary processes of their business? When will all this cease? Beginning on that day in March 1933, when they were stigmatized as money changers by the President of the United States, our bankers have, as a whole, endured much abuse, and they have, in consequence, become frightened of their own Government. They are still so frightened, Mr. Chairman, that they did not come before the Banking and Currency Committee, which is scarcely surprising. Even the best of them have made some mistakes, of course. Even the best of them do not want bared to the public, even today, the whole list of investments still held by their banks. They naturally prefer not to be subjected to examination by any

possibly unfriendly committee; one so favorable to the views of the present administration as to be willing to acquiesce in the enactment of such legislation as is contained in title II. Our banks have even hesitated to go to the R. F. C. for more capital lest the people might think them to be in a weak condition.

The situation is such a delicate one that even the strongest banks of the country were urged to take capital from the R. F. C. so that the people might be led to believe that it was not a sign of weakness to accept such aid. Many banks responded and more than a billion dollars was thus added to the capital of our banks. The bank examiners insisted, "You cannot keep up these fictitious values. Get more capital and mark off these values carried on your books which have now become so greatly reduced in the market."

Mr. Chairman, for the last 2 years the bank examiners have in truth harrassed the banks of our country, in spite of the fact that our Comptroller sees fit to deny this assertion. May I say in justice to Mr. O'CONNOR, who has won me over, that I believe he is trying to do the right thing. I believe he is now much more considerate, but can anyone deny that for a long year and a half our banks have lived in fear of the bank examiner?

We are told that examiners are not to suggest to any bank that it must call a slow loan, so called. Ask any banker what the examiner's comment is on slow loans, and you will find that, although the slow loan which has to pay 6 percent or more really supports the bank, still they are continually harrassed by criticism of them. And even the President of the United States—to bear out what I have stated—recently declared, in effect, "Let us not have one department telling the banks to loosen up and another department of government through its examiners making it almost impossible for them to make loans."

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. SHORT. Is it not true that most of our banks today are bulging with money and our bankers are anxious to make loans but cannot make them because of the very restrictions which the gentleman has mentioned?

Mr. GIFFORD. Mr. Chairman, the banks today have plenty of money. The Government itself has a lot of money in the Treasury. We are not talking about the present dangers. The argument is advanced that this bill should be enacted under the head of emergency legislation. But there is no present emergency. However, those advocating this measure must realize that there will be an emergency if these huge spendings are to be long continued. Because of the present governmental expenditures, the banks are so frightened, the business men are so frightened, that they do not dare do business, and they are congregated here in Washington today in protest. Do you listen to your business men from back home, now assembled in this city urging us not to pass title II of this bill? They are begging us to cease these further so-called "reforms" that they may again dare to do business. They are telling us they will do $20,000,000,000 worth of business immediately if we will stop. Or are you listening only to the President of the United States, Hopkins, Ickes, and a few more, as against your own bankers and your own business men who have come here to protest? At this time they speak in no uncertain language. A year ago when they were here they said, "Let us cooperate and let us work together with the Government", but now they say that for a year they have tried to cooperate, but there has been no cooperation from the Government. Therefore they demand that we stop these things which will undermine still further the credit of the country.

This is not a political bill. Oh, no! Yesterday I asked my good friend the gentleman from North Carolina [Mr. HANCOCK] if he would vote for this bill if Andrew W. Mellon, whom I have heard abused day after day, for years, on the floor of this House, although he was a great Secretary in that he reduced the debt so greatly, were in office, and the gentleman said, "Yes; I would vote for it", and I believe he would. I believe he has more confidence in Andrew W. Mellon and his policies than he has in those who are now in charge of the Treasury.

Mr. SHORT. May I interrupt the gentleman from Massachusetts long enough to say that it is most refreshing and gratifying to know there is at least one Member of the Congress who has the courage to stand up and speak a good word for the bankers. I think the majority of the bankers in your district and in my district and throughout the country are men of honor and integrity, and I wish to congratulate the gentleman on his statement.

Mr. HANCOCK of North Carolina rose.

Mr. GIFFORD. There is much I have to say, and, while I do not want to yield, I have mentioned the gentleman's name, and I will be pleased to yield to him.

Mr. HANCOCK of North Carolina. I appreciate what the gentleman has said and dislike to interrupt his speech, but I do want to state at this time that if he undertook seriously to create the impression that I would have more confidence in Mr. Mellon than I have in Governor Eccles and the other officials now associated with him, I must say that my good friend is a poor judge of human nature and he certainly could not keep books for me.

Mr. GIFFORD. The gentleman well knows that was more a pleasantry than anything else.

Mr. HANCOCK of North Carolina. I accept it in that way.

Mr. GIFFORD. And while we are on pleasantries, you should try to get my viewpoint. I am a Yankee and proud of it. I come from a place where Yankee bankers still exist, and the story goes that when you went to a Yankee banker for the purpose of borrowing money he has been known to say, "Speak up a little louder; I am a little deaf; and cut down the amount." [Laughter.]

And to rest myself, may I perpetrate another pleasantry which some of you may have heard, but which the bankers hold against me? I am not a banker, but I am really endeavoring to understand their problems. They know my vote is my own, and you Democrats who have known me for 14 years should know it by this time. But I wish to say to you that the bankers often remind me of this little story and many may still be of this type. Some of you have heard it, I know, but let it appear again. Mose went to a banker to borrow some money, and the banker looked at him, as all bankers are supposed to look under those circumstances, and finally said: "Mose, I have known you all my life and I will lend you this $25 if you will tell me which one of my eyes is a glass eye." Mose said, "I can tell you right off. It is yo' left eye." The banker said, "Mose, my friends say that they cannot tell them apart, so how could you tell that it is my left?" "Well, Boss, when I told you my story, your left eye was the most sympathetic." [Laughter.]

I have had the same experience with bankers that most of you have had. They are not always willing to appear sympathetic toward my needs, but those whom I have known represent the finest type of our citizenship and have regard for the trust imposed in them.

Under title I, Massachusetts mutual savings banks seem to prefer not to be included. Why should they be penalized in order to insure all the banks in the country and especially in other areas where conditions of banking are particularly dangerous, as evidenced by past unfortunate experience? Why is the same rate imposed on all banks? Is that proper insurance? Insurance companies have different rates for their risks, based upon the possibility of loss under given conditions. Also, why should the banks pay insurance premiums on the total deposits rather than on the amount of deposits insured? Have any of the banks in your district been paying insurance on the total deposits?

Are we deliberately encouraging split deposits? Are we encouraging people to carry $5,000 in one name and a deposit in another bank in someone else's name?

The question came up, "If the treasurer of a municipality carries one deposit for all departments, are the several departments each insured for $5,000?"

The answer was helpful but somewhat evasive. It was, "Up to date we have not had any particular trouble about it." Later this may cause trouble, and the matter will have to be clarified further. After another year's experience, many other amendments to title I will probably be needed.

Now as to title II, is it in fact required by the necessities of the present? I deny that the necessities of the present moment require this hasty action. Much further study and the advice and assent of many others is most desirable. This title is supposed to be the work of Governor Eccles. Bankers hesitate to oppose it because it has the backing of the President and particularly of Mr. Eccles. We had too little testimony relating to title II—scarcely any, in fact—except that of Governor Eccles, and he is the man who said he was not greatly concerned about a debt of $40,000,000,000, thus lending aid and comfort to bonus seekers and all other people who want to raid the Treasury. He said it might be advisable to balance the Budget once in a period of 5 years, but it would probably be necessary only once in 10 years. When the business men and the bankers of this country read that kind of testimony presented by the Governor of the Federal Reserve Board can you wonder that their confidence in the Government vanishes? Yet he is actually the Governor of the Federal Reserve Board. If he did not please the President, he stated, he might be supplanted at any time.

Under this bill governors of the Board may come and go at the will of the President. Is this politics? No sure tenure of office! Must follow the wishes of the President! Necessarily it means the Government and the administration in power. Of course this is politics, and the administration is generally opposite in its views to the other. Banking should be taken entirely out of government, which, of course, is politics in this country. It should be turned over, as in England, to an absolutely independent body looking after agriculture, industry, and commerce, but working in harmony with the Government, knowing, of course, that you must cooperate with the Government in its necessities.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. LUCKEY. Does not the gentleman know that from 1920 to 1932 we had over 10,800 bank failures in this country, while in Canada they had only 3, and in England not a single one?

Mr. GIFFORD. I understand that and the English system appeals to me, but the Canadian system does not. My dear man, in Canada they drain the whole countryside for the benefit of the large centers of population. They can get few loans in the sparsely settled district. Do not start me on branch banking, lest I curse it. [Applause.] Do not part us from our independent banker, who knows us and knows our character and can intelligently pass on our loans. Do not allow a branch bank to come in and drain our resources and hand nothing back. Go into Canada and view the countryside and study conditions, and then approve it, if you can.

But that is not a part of this bill, though I have no doubt an amendment will be offered to permit of branch-banking extension, also an amendment relating to the commodity dollar. Read those basic things that the gentleman from Maryland [Mr. GOLDSBOROUGH] put into the RECORD. He did not mention salt and pepper and a number of other things among the 700 or more, formerly mentioned in connection with finding the average cost of living. I find that of my salary, and the money I make, a very small percentage goes for the basic things which the gentleman mentions. I pay insurance and taxes, interest and traveling expenses, and perhaps try to save a dollar for the savings bank, while he wants to regulate only that part of the dollar spent for commodities. Tell him to be very careful with the rest of your dollar and tell him that until he adopts England's policy, wherein wages and trade and commerce are included, as well as basic commodities, then, and not until then, will we join in even the consideration of such a doctrine. We have listened to the commodity-dollar argument for years. I have listened to such arguments in the anterooms for a long time, and when I was put on this committee I thought that I should hear something new and more convincing. The amendment will be offered, but I do not believe the House will approve such innovation. The Banking and Currency Committee did not. Now, I admire the gentleman from Maryland [Mr. GOLDSBOROUGH]. He knows so much more about banks and banking than I do that I feel afraid sometime to venture a question concerning a matter which he so fully endorses.

The banks today are holding 44 percent of our Government securities. Thirty-nine percent of the assets of the member banks consist of United States securities. They will be required to buy billions more. Everyone is here in Washington now to get a piece of pie out of the $5,000,000,000. They know the money is going to be spent, but it will have to be borrowed from the banks first. After the war we had a ceiling of debt of only $26,000,000,000, and now we will have $40,000,000,000 or more. But even after the war, with only $26,000,000,000 of debt, we sold Government bonds for as low as 80, when we needed cash to pay our bills or to enter into private business.

Is there any man so lacking in common sense as not to recognize the danger from the absorption of this huge amount of Government securities by our banks?

I repeat again the words of President Coolidge, when he said "the more money you loan to the Government the less you will have to loan to the people." [Applause.] But under this new doctrine we are told that to get money and credit in the banks and bring back prosperity the Government must borrow; and if the banks do not conform, it will be "just too bad" for them. We will print the money. When we begin to print money, then we will be like that dear old lady who once came to me and said, "Give me one of those check books. It is so easy to pay bills that way." [Laughter.]

I asked of Governor Eccles, "Will you send me a letter that I may give to my creditors that I will be all right for 5 or even 10 years if I do not balance my budget? I need such a letter. It ought to be very helpful."

Ten years I could go along without balancing the budget; but he said, "Private credit is not like Government credit. We have new ideas these days. The Government borrows from itself. It creates credit." Yet it all has to be wrung from the people by taxation. This Congress has not the courage to dig up a dollar by taxation. The ballot box looms in front of us. When will that year ever come when we dare tax the people $1,000,000,000 more than the actual running expenses of the Government, with this interest charge, to reduce that debt by even that amount? We cannot possibly think of that year coming, certainly not now, or for many years to come.

Mr. FORD of California. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. FORD of California. Speaking about balancing the Budget, how many individuals balance their budget? Any man who has a mortgage on his property who has earned an income that is sufficient to take care of the carrying charges and do his other purchasing has balanced his budget. The Nation is in the same position as the individual. The budget of no one is balanced in these days. We all have encumbrances and mortgages outside of our regular flow of income.

Mr. GIFFORD. Oh, I understand that; but I hope the gentleman will do with his mortgage as his bank requires, take off at least 5 percent for depreciation every year and lower it. Governor Eccles again told us that our income normally is $85,000,000,000. One percent of our income would take care of the interest on this debt. So why should we worry about a debt like that?

Mr. FORD of California. When business gets better under the present administration we will take care of it easily, because we are working out a self-liquidating recovery program which the gentleman does not understand. [Applause.]

Mr. GIFFORD. Oh, I am one of those pupils of Hopkins, who is "too damned dumb to understand it." [Laughter and applause.] Of course, I am one of those who ought, I suppose, to approve the handing out of $4,800,000,000 in the way and manner in which Hopkins and others have already spent those other billions. To be sure, we are told that they have now found a better way to do it, and we were promised that if we would pass that bill they were all prepared to spend the money. Careful plans were supposed to have been worked out. But now they seem to be further away than ever in even knowing how to spend it.

That is your well-rounded way of recovery which, as I say, I am "too damned dumb to understand." After all my experience here and in legislative bodies elsewhere, I am doomed to be one of those who cannot understand. The gentleman really means I do not agree with him. I do not, and I cannot, have confidence in such leaders in view of the repudiations of almost all the statements made in 1932; which statements I am sure the gentleman would like to have me repeat, and also in view of Governor Eccles' statements which I have presented to you. How can business and banking have any confidence? What did the President say in 1932 in his campaign promises?

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman from Massachusetts 10 additional minutes.

Mr. GIFFORD. I am grateful that I have protection this morning. [Laughter.]

This is what the President said:

> It is an easy, subtle, and popular course for the Government to finance ever-increasing public works and other great projects by filling the banks with its evidences of debt; but straight thinking does not approve such a course. A policy of prudent economy will do more to revive business—

He was talking about Hoover, then, in 1932—

> and absorb the unemployed than a continued policy of extravagant spending. For the latter makes slipping into the inflationary current an ever easier and more insidious process; and as Prof. E. W. Kemmerer has said of this current, "There are rapids below."
>
> The Democratic platform specifically declares: "We advocate a sound currency to be preserved at all hazards." That is plain English.

Right here I want to refer to good old England. She has gone off the gold standard many times, but she never has cheated, she never has repudiated her promises to her citizens by marking gold down by law to the equivalent of 59 cents on the dollar. No; like us, she did not dare part with her gold, but she said to her citizens that they could rest assured that when times got better they would get back the exact amount of gold promised. That is her managed currency, and she has a monetary authority which would not allow speculation, such as we permit in the motion-picture industry, where salaries are paid greater than that received by the President of the United States. England would not stand for the speculation we permit. The Bank of England has control of the currency, backed 100 percent in gold, except that issued for the Government, which is a fixed and definite amount, which cannot be increased without Government sanction. For a century she has gone on, unwilling to let the Government get control of her currency system. If the people of England thought the Government were trying to get control of her currency, "that which takes away the freedom of a people overnight", you certainly would hear from them.

We refuse to be guided by the lamp of her experience. The Supreme Court said it might be legal to repudiate—which we did—but it roundly cursed the procedure. It was not any decision of which to be proud, especially since we may repudiate again to the extent of bringing the dollar down to 50 cents. How can the people and the bankers have confidence in such experimenting in the very delicate matter of our currency? How is it possible to believe we can have recovery while these inflationary views prevail?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HALLECK. The gentleman referred to the platform pledges and promises of the President. Does not the gentleman think it might be a good thing if the President were to take an afternoon off some day and read some of those campaign promises and pledges instead of listening to so many present-day theorists?

Mr. GIFFORD. The President recently told us over the radio that the only way he could get any proper viewpoint was to go fishing—preferably, I presume, on a yacht, where he could be very comfortable and not care whether or not he caught any fish—but way out there he could get the viewpoint of the people and know how the people feel. Do not pay any attention to the Chamber of Commerce of the United States in Washington or to our business men from all over the country coming here to advise us and tell us of their trials. They should go into the solitudes to learn and understand what our citizens really desire. Do Congressmen pay no attention to our industrial leaders, or is our interest to be purely political? I know the chairman of my committee—splendid gentleman that he is—feels probably that it is his duty to go along. I am not speaking for him, but I know he feels as I do about our country banker; that our country banker is the best type of man we have and that we should not harass him too much. We would like to get back to some of the old banking conditions that existed in many places throughout this Republic and would exist today except for the central control here in Washington. Every day States are being deprived of their State banks; they must be forced into this National System. The central authority says to the State banks: "We will discipline you so that you will have to join the Federal Reserve System." The present law states that they will have to come into the System by 1937, but in the pending bill we say to them that we will extend their lives a little longer. Cut off the dog's tail a little each day; it makes it so much easier for him. When you know a thing is wrong and that it should not be done, give him more time to get used to it.

You are proceeding with an effort to abolish holding companies. Each of us get thousands of letters on this matter. Is this tending toward recovery? Do not business men say to us, "Let us have less reform until recovery takes place"?

The President says, in effect, no, reform first; eliminate these evils; perform surgical operations while they are willing to be operated upon, while they are under the ether, while they do not dare to say anything.

The Committee on Banking and Currency, Mr. Chairman, has a real duty to perform. Its greatest duty today, however, is to bring back confidence to the people of this Nation so that recovery may get under way, instead of doing another hurtful political thing such as would be done if title II of the pending bill is enacted into law. Do you of the majority party really believe in it? Or is it still necessary for you to follow the desires or whim of the President? Many of us are placed in a difficult position; we want to vote for titles I and III, but there, sandwiched in between the two, is something we most certainly do not want to vote for, something which contains the elements of grave danger. Shall we vote for it all because we want the other two titles, which contain many perfecting amendments that should be passed? Shall we vote for the entire measure if we are defeated on a motion to recommit? These are hard questions for a legislator to determine. Perhaps we shall have done our duty when we protest against title II, hoping that in another body this obnoxious title will be deleted. Why change so fundamentally our Federal Reserve System?

Did the Federal Reserve fail us during the war? When has the Federal Reserve failed to cooperate with our Government up to the present time?

Mr. Chairman, I ask unanimous consent to insert in my remarks a paragraph from the Whaley-Eaton Service, a service with which most of the Members are familiar and which they respect.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to follows:

BANKING

The foregoing, together with enactment of the $4,800,000,000 work-relief bill, absolutely necessitates passage of the banking bill at this session. Reports that the administration would sanction separation of the 3 titles of the measure into 3 separate bills have no standing. The proposal is to be put through as a whole, and the administration will not risk even another 6 months of financing the deficits without having that complete control of banking which title II sets up.

The banks are in no position to make an effective protest. Some of them will be unable to pay dividends on the preference stock purchased by the R. F. C., which means that the latter will virtually take over the management. All banks are such heavy holders of Government bonds that their own fate is tied into the credit operations of the Treasury. No bank, for instance, would dare make a public announcement as follows: "Our depositors should understand that we are trading their money for Government bonds. You see how the Government is spending that money, which happens to be your deposits. Your cash is being taken over by the Government, just as it took over your gold." That would be a reasonably true statement of the fact, but it is obscured by the other fact that the depositor can always obtain Federal Reserve notes for his deposit because the Government will give notes for the bonds when necessity therefor occurs.

In spite of the foregoing, since some banks are restive, some measure of absolute coercion is required. That is why the banking bill must pass, because it gives unlimited authority to Washington to seize and use the legitimate bank deposits of the whole country. How far the process can go is indicated by the fact that the first proposal before the administration called for $12,000,000,000 for work relief and this was only gradually reduced to $4,800,000,000. But there is not much concealment of the fact that the administration will ask for just as much again and again if the pump is not now fully primed.

The main point is that the Government is making a series of forced loans and will get legislation to assure its ability to continue making such forced loans indefinitely hereafter.

Mr. GIFFORD. Mr. Chairman, in concluding, may I say that there are many interesting things in this banking bill, but under title III we are going into reverse action. Last year there was some reverse action. At that time the law was that no one could be a director of a country bank unless he owned a certain amount of stock. It was found that the smaller banks could not retain valuable directors, so the restriction was lessened last year. This year the effort is being made to change another thing. The act of 1933 provided that no executive of a bank in a country district could borrow money of his own bank, and 2 years was given in which to repay existing loans. Now, those men have just as much difficulty in paying their own bank in 2 years as we have in paying our loans in the same period. We are extending the time in title III, as we should. The venom against banks and bankers led Congress to enact too stringent measures in the Banking Act of 1933.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Mr. Chairman, I think perhaps at this point it might be well, in view of the remarks made by the gentleman from California, to state definitely what the President thinks about a balanced Budget. In his talk at Topeka, Kans., on September 14, 1932, the President stated:

I propose to exert through the Presidency, as I have done through the Governorship, every bit of influence I can in favor of a national movement to reorganize local government in the direction of eliminating a large part of the tax burden that now bears so heavily on the farmers of the Nation.

By our example at Washington itself we shall have the opportunity of pointing the way of economy to local government.

Again he stated:

I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent, and that the example be set by the President of the United States and his Cabinet.

Mr. Roosevelt lamented the fact that the tax burden was equivalent to $125 per year per person, and stated further:

This is an impossible economic condition. Quite apart from every man's own tax assessment that burden is a brake on any return to normal business activity. Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain.

And again he stated:

Let us have the courage to stop borrowing to meet continued deficits. Stop the deficits. And let us also have the courage to reverse the policies of Republican leaders and insist on a sound currency.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. GIFFORD. Mr. Chairman, in closing, I want to make, as forcefully as I can, the fact that United States bonds were down to 80 when we had a debt of $26,000,000,000. When business needed the money and bonds were too plentiful they were sold at a discount. Today, with the banks holding 44 percent of them and 39 percent of their assets invested in them, what will be the effect on the banks themselves if these assets go down to 80 percent?

Mr. Chairman, I have one more request. There was one banker who had the courage to come before our committee. He was that very courageous former Member of Congress, Franklin Fort, of New Jersey. He came before us to tell us that this danger does exist. I ask unanimous consent that I may insert in the RECORD, in connection with my own remarks, a few of the remarks on that particular issue made by ex-Congressman Fort, of New Jersey.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to is as follows:

Mr. FORT. I am coming to the major question of the Government bonds now. Of course, everybody recognizes that Government bonds are the premier security, but it still is a fact that realization on Government bonds for cash has to be accomplished in the market, and it certainly is a fact that twice in less than 15 years Government bonds have sold at 80 or below in the market.

The possibility of the policy that this act contemplates—I speak now of the declarations of policy in regard to it made by the Governor of the Federal Reserve Board, and the general understanding of it, namely, that its fundamental design, in part, is to increase the amount of holdings of Government bonds by commercial banks and the Federal Reserve Bank System. Today, gentlemen, Postal Savings funds are chiefly in Government bonds. Federal Deposit Insurance Corporation assets are almost entirely in Government bonds. Forty percent of the bank assets or more are in Government bonds. You now propose in this bill to still further increase the holdings of Government bonds by the Federal Reserve System. In other words, the first line of deposit protection, namely, the Postal Savings fund and the commercial banks, after the exhaustion of the present surplus reserves, which are temporarily the first protection of deposits, has got to be financed by selling Government bonds. Now, you are planning here to put the entire Reserve System into Government bonds. The Federal Deposit Insurance Corporation already is.

The net result is that if any kind of serious trouble develops any of these intangible, unreachable waves of public sentiment which result in the withdrawal of a substantial volume of bank deposits for any reason—war, further disturbance of financial conditions, the collapse of foreign central banks, as happened to us when Bank of England went in 1931, the disturbance of confidence through some crookedness on the part of some individual bankers, the fear of inflation on the part of conservative holders of large deposits, and what not—anything that happens to produce a substantial withdrawal of deposited money from the banks of the United States or the Postal Savings Fund System, must be followed by the immediate liquidation in large volume of United States Government bonds.

Mr. STEAGALL. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. CROSS].

Mr. CROSS of Texas. Mr. Chairman, I wish to address my remarks to the much-controverted title II, which, of course, is the heart of the bill, and I hope you will hear me with patience. This measure is one that should not be dragged into politics. Every one of us should lay aside all partisanship, because this is the most important measure, as I see it, that has been placed before this Congress in this or any other session. It affects the happiness and welfare of every home in the Nation.

Through the centuries four methods of effectuating the transfer of goods and services have been evolved. In the dawn of civilization we find barter in vogue. As the wants of people expanded and traffic increased, two commodities, gold and silver, were finally adopted, and coined by the different governments into monetary units, having a certain weight and fineness, as mediums of exchange for all other commodi-

ties. Much has been said in this discussion about the commodity dollar; every dollar is a commodity dollar. If you use gold alone, you have a dollar of one commodity, and if you use both silver and gold you have a dollar of two commodities. As commerce continued to expand and as a result of the inadequacy of this metallic money to meet the demand, in the exercise of their sovereign powers, to make money and regulate its value in the interest of the people, governments turned to a paper currency, printing limited quantities of legal tender notes based on the credit of all the people. In the meantime, private institutions operating for gain, known as banks, contrived a new kind of money, a kind of phantom money that constitutes about nine-tenths of all our money and which is known as check or credit money. This kind of money is created out of debts, being based upon the promissory notes of individuals, which check or credit money when uncontrolled is subject to rapid inflation and deflation; alternately resulting in abnormally cheap money or high prices, and always accompanied by wild gambling, speculation. Then without rime or reason this credit or phantom money suddenly contracts, vanishes, and in turn results in extremely dear money or low prices, unemployment, and economic ruin. A man who borrows money in times of great credit inflation wakes up to find that the dollars he borrowed must be paid back with other dollars possessing two and three times the purchasing power of the dollar he borrowed. Is that an honest dollar? Or is it not a robber dollar? The President did say that he expected to get a currency that would be the same in purchasing power from one generation to another, and that would be an honest dollar. Unless you control this credit money, which is nine-tenths of all your money, which under the Constitution it is your duty to do, your dollar in a few months in its ups and downs in purchasing power will continue to result in more robbery, though within the law, than all the crooks and criminals perpetrate in a hundred years.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. CROSS of Texas. Yes.

Mr. SWEENEY. The President of the United States, in his inaugural address, said it was time to drive the money changers from the temple of civilization. The gentleman is a member of the committee and interested in this legislation. Does the gentleman believe this bill will drive the money changers from the temple of civilization, or does he believe this bill will give the money changers a new lease on the temple?

Mr. CROSS of Texas. I believe this bill will redound finally in the interest of the banker, because what redounds to the interest of all of the people will redound to his interest. The banker is coaxed to greater and greater inflation without realizing what it is inevitably leading to, and then when the cyclone comes it wrecks him, fills your country with poverty, destroys the life savings of millions of people, and crime and distress follow in its wake. You will never get rid of crime until you get rid of the tremendous distress that drives people to crime.

Mr. Chairman, the present law provides no adequate control over this phantom money, or credit inflation and credit deflation, which the measure under consideration supplies. While this bill goes a long way in the right direction, and it has my whole-hearted support, yet I think it can be greatly improved by several amendments which will be offered, and which I hope will pass. In the law as it is, Congress not only failed to supply the Federal Reserve Board with adequate control over credit inflation and deflation, but failed to fix a goal to which it was to go and anchor. Now, why talk about giving more power to the Federal Reserve Board? Depressions and booms are like a battle. If you are going to have a scattered, ineffective control, you will lose every battle. You have got to have a commander in chief—one who can act promptly and decisively. Deflation and inflation stretches out and reacts like an accordion. In this bill adequate controls are given but no goal is set. Without a clearly defined mandate from Congress directing the Board to stabilize the purchasing power of our monetary unit—the dollar—covering some definite period, the Board as a result of pressure which inevitably will be put upon it by powerful, selfish, speculative groups will be unable to function as it should.

The testimony of the members of the Federal Reserve Board, as well as others in a position to know, given before the Banking and Currency Committees of the House and Senate, shows in what a confused, perplexed state of mind they were as the result of Congress not giving them a specific mandate, setting a goal for which they should strive.

Governor Harding, of the Federal Reserve Board, in the Federal Reserve Bulletin of February 1920, on page 117, said that our monetary system is—

> A good deal like a ship at sea without adequate equipment of rudder and compass to guide it.

Dr. Miller, of the Federal Reserve Board, in testifying on H. R. 11806 in 1928, said:

> It is my opinion that the Federal Reserve mind at the present time is more perplexed than it has been since the troublesome period of 1920–21; that it is in a state of mental confusion.

Dr. Miller again in testifying before the Senate Banking and Currency Committee in 1931 said:

> It was my opinion, expressed several times in discussions at Federal Reserve meetings in the opening months of the year 1929, that the Federal Reserve System was drifting; that it was in the midst of a perilous situation without a policy.

In testifying before the Committee on Banking and Currency of the Senate in June 1932, Mr. Russell C. Leffingwell, a prominent banker and a partner of J. P. Morgan & Co., and who was Assistant Secretary of the Treasury during the Wilson administration, said:

> It is evident that the Federal Reserve System failed to control the inflation and has as yet failed to control the deflation. Ultimately the New York discount rate was raised to 6 percent in August 1929, but the country paid dearly for the months of delay and indecision in the superinflation of that year. Similarly the System has been unable to evolve and operate and persist in an effective policy to counteract the deflation in the last 3 years. Its antideflationary policy has found only hesitant, tardy, and intermittent expression in action. In matter of monetary management, in the control of inflation and deflation, a stitch in time saves nine. Twelve scattered banks, each with its governor and its chairman and its board of directors, loosely ruled by a board of eight in Washington, composed of men of diverse opinions, do not provide the country with an organization well adapted to act promptly and decisively. Some remedy must be found for this.

And bearing on the question of Congress fixing a price level, and in so doing stabilizing the purchasing power of the dollar, Dr. Sprague, in his testimony on H. R. 11806 in 1928 before the Banking and Currency Committee, said:

> If the Strong bill will accomplish this result—that is, make the decision in matters of policy at times a little more immediate, and the decision itself a little more definite—then there would be, I think, an advantage from the passage of the bill. I probably agree with you that the defects in the operation of the Federal Reserve System are not so much in positive errors of judgment that have been made but rather in the hesitating manner in which at times policies have been decided upon and then executed.

And thereafter, in March 1929, Dr. Sprague, in an article in American Economic Review, Supplement, said:

> I have reached the conclusion that a stabilization amendment might prove serviceable. * * * A few general principles taken as desirable objectives should neither unduly hamper nor enforce action, and in particular a price stabilization provision in the Reserve Act might well prove helpful in its bearing upon future monetary legislation and in the development of cooperative policies and arrangements with foreign bank officials.

And then Governor Miller, of the Federal Reserve Board, at a joint conference of the chairmen and governors of the Federal Reserve banks on October 25, 1921, declared:

> We should seek just as earnestly to avoid deflation as we should to avoid inflation. By inflation I mean an expansion of credit that eventuates in a rise of general prices. By deflation I mean a restraint of credit that eventuates in a fall of prices. Good economic credit policy will endeavor to steer a middle course between these two dangerous shoals.

Mr. Chairman, the purchasing power of the dollar must be returned to its purchasing power when the great bulk of the debts of this country were contracted, and thereby do justice to the debtors and taxpayers of the country, and in doing so regain our export trade by bringing it in line with the purchasing power of the monetary units of other

countries. Then, and not until then, can we compete with them in the markets of the world. It is no processing tax that is causing us to lose our foreign markets, but our exalted dollar. It has been contended, both on this floor and elsewhere, that this country was losing its export trade in cotton as a result of the processing tax.

It so happens that cotton is the one product that we are holding our export trade in. Of the seven crops prior to the crop of 1933–34, the year the tax was applied, we exported on an average only 54 percent of those crops; while we exported 59½ percent of the 1933–34 crop. But the only reason we did was because high-grade spinnable cotton could not be had from elsewhere. The great bulk of the world's cotton outside of this country is produced in Asia which has an abnormally short, coarse, and brittle fiber out of which a very inferior low-grade product can be made, the major part of which goes into carpets and rugs. But they will not take any of our products either finished or raw except as a matter of necessity, and this because of our dollar in the money exchange markets of the world.

Mr. KLEBERG. And I want to say that the gentleman is correct.

Mr. CROSS of Texas. I thank my colleague.

The CHAIRMAN. The time of the gentleman from Texas [Mr. CROSS] has expired.

Mr. STEAGALL. Mr. Chairman, I yield the gentleman from Texas 10 additional minutes.

Mr. CROSS of Texas. I thank the chairman of the committee.

Every country's money is at par in that country, paying 100 percent in taxes, debts, and what not. Since the world depression practically all countries went on a managed currency that revolution might be avoided and justice done between debtor and creditor. France has not, but she has devalued her monetary unit in relation to gold to the vanishing point, as has a number of others. This is the only country that persists in letting its people be robbed and crucified by taxes and debts as the result of the dollar trebling its purchasing power. Not only is our stubbornness in maintaining the dollar at its trebled purchasing power since the depression causing millions to lose their life's savings, wrecking industry and production, while filling the country with hunger and want and unemployment, but it is making it impossible for us to compete in the export markets of the world. Let me give you an illustration, and I will use cotton, as that has so often been referred to, though it will apply equally to any other product whether it be wool, hides, or what not. The pound sterling will exchange for 17 pesos, or Mexican dollars, and with those 17 Mexican dollars the British spinner can pay the Mexican grower 30 cents a pound for his cotton and buy with his pound sterling 57 pounds of cotton in Mexico. Now, when he comes to this country to buy, his pound sterling will exchange for only $4.80, and at 12 cents a pound, he can purchase only 40 pounds of cotton. So the English spinner, after converting into cloth 40 pounds of the cotton he buys with his pound sterling in Mexico, has 17 pounds left which he can convert into American money at 12 cents a pound, or $2.08 with which to jump tariff walls and sell his cloth here. And this applies equally to other products in Mexico and elsewhere.

On the other hand, if a Mexican merchant is in the market to buy from some factory cloth or any other product, if he comes to buy from us he must first exchange his pesos into our money, and we allow him only 28 cents for his peso; while if he buys from the English manufacturer, he can exchange his peso at the rate of 50 cents per peso, and as a result England sells the goods.

Then, again, the New York merchant, seeing he can exchange his money for Japanese money at a ratio of about 3 to 1, finds in terms of United States money he can buy goods made in Japan cheap, while the Japanese manufacturer is paid in his own money which is par in Japan, paying 100-percent taxes, debts, and so forth, and in his money he has received a good price.

This bill provides the means by which the dollar can be restored and maintained in purchasing power to the purchasing power it had covering the period from 1921 to 1929. It provides the levers with which to check and control deflation, first, by enlarging the class of securities that can be rediscounted; second, by the open-market committee buying Government securities, and thereby putting more currency into circulation; third, by reducing the rediscount rate; and, fourth, by decreasing the bank reserves. And in order to check and control inflation the Federal Reserve Board is given the power to reverse these processes—that is, first, by increasing the discount rate; second, by the open-market committee selling Government securities and withdrawing currency from circulation; and, third, by the Board raising the reserves of banks.

So this bill will restore to Congress the power vested in it by the Constitution to make money and to regulate its value by controlling the inflation and deflation of this credit or phantom money, and in so doing stabilize the purchasing power of the dollar, thereby making it a dependable, honest dollar.

Mr. Chairman, under the Constitution the responsibility is placed upon Congress to coin money, to regulate its value, and neither Congress nor its agent which it sets up in this bill to perform that duty for it should permit any outside influences or interferences in the performance of that duty. Therefore I shall offer an amendment at the proper time for the Federal Government to purchase the stock, amounting to about $140,000,000, now owned by some 6,000 member banks in the 12 Federal Reserve banks. The Federal Reserve Board, together with the 12 Federal Reserve banks, is an agency set up by Congress to supply the people with an adequate means of exchange, and to regulate its value, and with no purpose or thought of private gain. While the so-called "member banks" are private institutions, operating for the sole purpose of private gain, and are in no way responsible to furnish the people with an adequate means of exchange, and are concerned alone in making money and paying dividends to their stockholders.

In periods of inflation and rising prices it is always to the interest of these institutions for present gain, and they never look beyond the day after tomorrow to further inflate; while in periods of falling prices and deflation, in their fright they persist in urging further deflation. Under the law as it now is, as well as in this bill, these member banks elect 6 out of 9 directors of each Federal Reserve bank—that is, they elect the 3 class A and the 3 class B directors, while the Federal Reserve Board appoints only the 3 class C directors. In the past this has resulted in friction and cross purposes and is destined to so continue in the future as long as these private banking institutions are permitted to elect two-thirds of the directors in each of the Federal Reserve banks. In this connection I wish to call attention again to that part of the testimony of Mr. Russell C. Leffingwell, where he testified:

> Twelve scattered Federal Reserve banks, each with its governor and its chairman and its board of directors, loosely ruled by a board of eight in Washington composed of men of diverse opinions, do not provide the country with an organization well adapted to act promptly and decisively. Some remedy must be found for this.

On this same point Governor Harrison, of the New York Federal Reserve Bank, testified in 1932 on H. R. 10517:

> It is almost inevitable that the Federal Reserve System or any central bank will always have to be going contrary to what the banks are doing. When they are inflating we have to put pressure on them, and when they are deflating we have to boost them up.

Just so long as two-thirds of the directors in these 12 Federal Reserve banks are the creatures of the member banks there will continue to be such friction and such lack of harmony that the System will not be able to function with the efficiency that it should.

Mr. Chairman, this bill further provides that each Federal Reserve bank shall maintain reserves in gold certificates of not less than 40 percent against its Federal Reserve notes in actual circulation. At the proper time I shall offer an amendment that each Federal Reserve bank shall maintain reserves in gold and silver certificates aggregating not less than 40 percent against its Federal Reserve notes in actual circulation.

I shall also offer an amendment that after the passage of this bill no silver dollars shall be coined. The present silver dollar contains 371¼ grains of pure silver, being coined at a ratio of 15.98 to the gold dollar before it was devalued, and containing 23.22 grains of pure gold. Since the gold dollar has been devalued and now contains only 13.7143 grains of pure gold, it puts the silver dollar with the new gold dollar at a ratio of 27 to 1. I assume it is the purpose of the administration to bring silver back in price so that an ounce of silver will be worth $1.29 at the old ratio of 15.98, which would make the silver dollar now containing 371¼ grains more valuable than the present gold dollar. And as a result, silver dollars would be hoarded and converted into bullion, as it would be worth more in bullion than in the dollar of the present weight and fineness of the silver dollar. Besides, it is folly to go to the expense of mixing the silver with an alloy and coining it when the silver certificate is far more convenient, and then the silver dollar not only loses as a matter of wear and use, but often as a result of fire and other causes. In such a case, the silver is lost to the individual without any gain to the Government, but if the certificate is lost or destroyed, while the individual loses, the Government gains, still having possession of the metal.

Mr. Chairman, this bill is the only remedy that has been brought on this floor which, if enacted into law, will rid the financial heart of this country of a few small, greed-blinded, manipulative groups that have for many years been fattening on the Nation's economic lifeblood. Enact it into law, and it will bring about a sustained, unbroken era of prosperity. Surely every patriot should lay aside petty partisanism in casting his vote on this measure. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. HOLLISTER. Mr. Chairman, I yield 20 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I fail to see anything in the pending bill H. R. 7617, to cause any great excitement. It is simply a rehash of the existing Federal Reserve banking laws. It is an international bankers' bill despite the fact some think it is not. It perpetuates the power of issuing the money and credit of this Nation in the hands of the international bankers. Certain amendments will be offered, and I shall be delighted to vote for them and sincerely hope they will be adopted. Even though these amendments are adopted, you will not have very much of a bill, because the control of the monetary system still remains in the international bankers, and it will still be a private bankers' bill.

Having said this much on the bill, let us consider for a minute what is the object and purpose of money and the banks which issue and distribute this money to the people of this Nation. First, what is money? Money is not gold; it is not silver; it is not paper; money is made by law. If you bear this in mind you will never have any difficulty in knowing what money is. It is made by law. It is a yardstick with which we measure the value and facilitate the exchange of goods and services. That is all money ever was and is all money ever will be. The fact remains, however, that there always ought to be enough money with which to do the Nation's business; there always ought to be enough money to meet the obligations of the people of the Nation. For years we have not had enough money with which to do the Nation's business, so we substituted something for money which we called "bank credit"; but that is just hot air; it is not money. We have circulating in this Nation today as basic money in actual use less than $2,500,000,000. There is supposed to be in circulation outside the Treasury $5,400,000,000, but $600,000,000 has been lost and does not exist any more. Notwithstanding this fact, the Treasury Department has never had the decency to make an estimate and tell the American people how much actual money there is in actual circulation.

Over $1,000,000,000 of our money is in foreign banks and is held in foreign countries. Tourists have taken it abroad. If you go into any South American country with an American bank check and seek to cash it you will be asked whether you want American currency or their money. It is estimated that over $1,000,000,000 of our money is in foreign countries. Cuba does practically all her business on our money.

On top of this $2,500,000,000 money structure we have built a superficial structure of hot-air bank money and bank credit without any foundation back of it; and that is the cause of your depression and your panics. When the people realize that for every dollar actually in the banks and trust companies of the United States of America there are $60 outstanding on deposits then is when you have your panics. Then is when you lose confidence in the system, and you ought to lose it; and you ought never to get confidence in that damnable system which has looted the American people for all these years and which has been responsible for hundreds of thousands of suicides, for wreckage and destruction throughout this Nation.

What is the remedy? There is only one remedy. To whom does the money and the credit of the United States of America belong? It belongs to you men and women of this great Nation and not to a few international bankers who use the Federal Reserve bank; it belongs to all of us. Yet, what is the fact? I have in my hand a Federal Reserve note. I am not particularly proud of it. Do you know why? Because it does not belong to me, it belongs to the Government of the United States. But the international bankers took it away from your Government and are using it for nothing, absolutely nothing. This Federal Reserve note is not mine. If I give it to you it is not yours; if you give it to your friend it is not his, because it belongs to the Federal Reserve bank that got it from your Government for nothing; it belongs to the Federal Reserve bank that filched it from the American people. Every minute this Federal Reserve note is in my pocket or in your pocket the American people pay interest on that which belongs to the Government of the United States and that which should be used for the benefit of all the people within the United States. You know that as well as I do. This Federal Reserve note does not belong to me or to the individual that happens to hold it; it belongs to the Federal Reserve bank that got it from the Government of the United States; and all it ever paid for it is seven-tenths of 1 cent per bill.

Now, my friend said he would like to have this bill. Well, it is not mine; therefore, I cannot give it to you. [Laughter.] It belongs to the Federal Reserve bank that got it for nothing.

Now, then, our remedy: There is nothing new in this world, and there is nothing permanent but change. We are in a transition of our civilization, everything is changing. We are going forward from old to new; we are going from an old, corroded, dishonest banking system to a new, and all that we can do to prevent the change will not stop the ultimate outcome that the Government of the United States—no; the people of the United States—are going to take control of their banking and currency system and are going to use it for the benefit of all of the people. Nothing can prevent it, nothing can stop it. You cannot stop the forward movement of the waves of the ocean, neither can you stop the forward movement of our civilization when once the facts are known.

The people are beginning to know what this money system is; therefore it cannot continue. There is nothing new about this money proposition.

Mr. Chairman, in my State we have the Bank of North Dakota owned, operated, and controlled by the people of the State of North Dakota. When that bank was first created they lied so much about it that we have not yet caught up with all the lies. There are filibusters at present against the Wheeler-Rayburn bill, the so-called "utility bill." These filibusters are still lying about the State-owned utilities of my State. They are telling the men and women of the Nation that the Bank of North Dakota has been a failure, that the State-owned mill and elevator in the State of North Dakota is standing still; yet we are running full blast and intend to long after we have passed the Wheeler-Rayburn bill. The utility-holding companies cannot continue to lie about State institutions and get away with it. They certainly do not assist their cause by such methods. The Bank

of North Dakota today has resources of $29,103,897.34. It is the only safe and reliable bank in the Northwest. It is as safe as the State of North Dakota, because it is backed by all the resources and the full faith and credit of the State of North Dakota.

May I say that there is not a banker in North Dakota today who will get up and openly and publicly say that the Bank of North Dakota is not the greatest blessing that the State ever had. But for that bank I do not know what we would have done during the drought and all the other misfortunes we have gone through. That bank has saved for the people of North Dakota over $100,000,000 since 1919. It has saved that money to the people of North Dakota and it has been a safe place for the people to keep their funds which otherwise would have been lost. As it was during the depression we lost $60,000,000 in this private banking system that you and I have in every State in the Union. After that all of the treasurers of public institutions put their money in the Bank of North Dakota and that accounts for the $29,000,000 that we have. This money is being used for the benefit of all the people and the profits go to all the people of the State of North Dakota.

Mr. Chairman, why can we not have a bank of the United States like that? I cannot understand why the Banking and Currency Committee never considers anything except the old system. You know the banking bill that we have before us at this time is just a new coat of paint over the corroded, rotten system that we have had heretofore to fool the public. It is just an effort to cover up the corrosion. But you cannot paint over corrosion because the paint will not stick. There is where the trouble is. It has been a corroded system. We are going to get away from it.

What do we propose? I have had before this Congress ever since I became a Member a banking bill modeled after the Bank of North Dakota, modeled after a bank that has been in existence since 1919 and conceded to be one of the finest and safest institutions in the Nation. It is the only banking institution that is owned, operated, and controlled by a sovereign State. I introduced this bill at the opening of the special session and the bill has been before that committee ever since. It is H. R. 3008. This bill would create the Bank of the United States, owned, operated, and controlled by the people of the United States.

Mr. Chairman, under the terms of this bill the people of every State in the Union would elect one bank director. May I ask the gentleman from California whether he is not as much interested in having an elastic currency out there in California as the people in New York? Are not the people of Idaho, Nebraska, Kansas, or Colorado entitled to know how this money business is being handled? Under the bill which I introduced each State would elect one director. The directors would thereupon get together and elect an executive committee of seven, who would keep in touch with the financial business of this Nation. They would run and control this bank.

The bill is similar to the one that the gentleman from Ohio [Mr. SWEENEY] introduced, H. R. 6382. Both of these bills have for their object the establishment of a banking system controlled, not by a few individuals nor by one section of the Nation, but by the entire Nation. Under either one of these bills we could take up the $32,000,000,000 of bonds that are outstanding. We would not need any more money in circulation than there is today, but it would be in actual circulation. Give to this bank five or six billion dollars and we can take over every existing bond in the Nation and save the people about $1,000,000,000 in interest each year, and still have enough money to lend for the needs of the States to take up their bonds and for every municipality. We would have enough money with which to do the Nation's work. Every dollar in the bank would be guaranteed, and therefore there would not be hoarding. There would not be the necessity for hoarding, because the full faith and credit of the Nation would be back of the bank notes issued by the Government of the United States.

The question was asked yesterday, "What more is there back of a Federal Reserve note than back of a bond?" Mr. GOLDSBOROUGH answered that there is nothing more back of it, only that you do not need as much money as bonds. Where you would need $32,000,000,000 in bonds, you could actually issue $5,000,000,000 in currency, which would revolve around, and you would have credit equal to $32,000,000,000 in bonds. The difference between money and bonds is that on one the Government pays interest and on the other it does not. It takes about 5 or 10 times as many bonds to do the Nation's business as would be needed in actual currency.

Why do we not pass this bill? The people of the Nation are ready for it. I may say that the farmers of the Nation know more about money and currency these days than the bankers of the Nation. The banker as a rule does not even know what the money is made out of. He just reaches out and grabs it. You cannot find any fault with him, because he is the last man in the world to tell you how to change the system. He is the same as a lawyer, and I am a lawyer myself. A lawyer would be the last men in the world to tell you how to reform the legal system so that you could try your own case. It is not human nature. But the people of the Nation are beginning to wake up. The people of the Nation are demanding a change and they are going to get this change in spite of the dying shadows of a past civilization. We are going to get it. It will take a few years perhaps.

I am in hopes that the Goldsborough amendment may be adopted when we vote on the amendment today or tomorrow. I am also in hopes that the amendment to be offered by the gentleman from Texas [Mr. CROSS] will be adopted. But that does not make up a completed bill. When you vote in favor of those amendments it is the beginning of the Government doing its own banking. The bill as written at the present time is as bad as the old one. We pass a banking bill each session, and each one is worse than the one we passed the session before.

Mr. Chairman, there is not any question that money is a medium of exchange. It is made so by your Government. It is made so by law, therefore it must be controlled. There can be too much and there can be too little. There should be just enough money to do the Nation's business properly.

Under the amendment suggested by the gentleman from Maryland [Mr. GOLDSBOROUGH] we would have a limitation as to the amount of money that should be issued.

Under the amendment suggested by the gentleman from Texas [Mr. CROSS] we would have the control of the money and the credit in the hands of the Federal Government for the benefit of all the people, and that is where it ought to be. Under my bill, or the Sweeney bill, the money and credit of the Nation would be in the hands of the people of the Nation, one director being from each State, and would be used for all the people, the same as it is in the bank of North Dakota, and that is also as it ought to be. All the arguments I have heard against the bank of the United States on this floor I heard before against the bank of North Dakota, but after we enacted it into law and after they got accustomed to it the bankers now would be its best defenders if you tried to change that law, because they know that after all their success depends upon the success of the people of that State, and the same would be true in this Nation.

As far as money is concerned, whatever is back of it is not so important. Some people think you must have gold back of it. There was a time when we had sea shells for money. There was a time when you had mulberry leaves for money. There was a time in our own country when we used tobacco for money. There was a time in our own country when we used whisky for money. There was a time in our own country when different commodities were being used for money, as a medium of exchange. So it does not make any difference what you use as a medium of exchange; it must be, and is always, controlled by the Government, and therefore money is made by law.

It does not make any difference what is back of this piece of paper. I prefer the credit of the entire United States to the credit of a few individuals. I prefer the credit of the Government of the United States, all of it, back of its currency rather than gold or silver. Of course, there ought

to be a safe and sane control of it, and this you have under the Goldsborough amendment.

Again may I state that something has been said on this floor about honest money and dishonest money. We have a dishonest money system. I say that under that system in 1917 you got $1.89 for a bushel of wheat in Minneapolis. At that time 1,000 bushels of wheat would have bought $1,890 of money, and then in 1932, in October, it took just 19,000 bushels of wheat to buy the same number of dollars as 1,000 bushels would have bought in 1917. Such a system is not honest. It is not fair to the people of this country. It has done nothing but bring wreckage and destruction, and then we build it up again on false hopes. We increase the bank money and credit, and down she comes again—the people finally lose confidence in the money base. If you have this money issued by the Government of the United States and controlled by it under proper regulation, you never could have that kind of fluctuation. You never could have the wreckage that has been brought about under the system we have today.

Mr. Chairman, I wish to thank the Members for their attention. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman and ladies and gentlemen of the Committee, we have listened today to various statements on this bill. I am going to confine my remarks chiefly to title II, for the reason that I believe it is the vital title of this bill and without it the bill would be of no value to the people of the United States, for it is a long step in the direction of placing the banking system of the Nation under effective control of a board directly responsible to the people through their elected representatives in Congress.

One group of our more adventurous friends propose complete abolition at one step of our privately owned banking system. Another group, equally daring, would have us tie our monetary system, as distinguished from our banking system, to a commodity index, thus giving us what is known as a "commodity dollar."

Of the first proposal, I have only this to say: I believe such a revolutionary step at this time might so shock our economic structure as to delay recovery for a number of years. Of the second proposal, it is my firm belief that we would be stepping out of the frying pan into the fire.

Most of us realize that many banks have failed to guard the public interest and the interest of their depositors in the use of the banking power. This is partly due to short-sighted greed and partly to weakness in the banking laws.

It is clear that radical changes in the law are essential. Such changes should place the Government in control and direction of money and credit.

This bill establishes such governmental control and direction as seems essential to make the banking system serve all the people instead of a small inside group.

It is being loudly bruited about the country by a subservient press and parroted on the floor of the House by honest but misguided members of the minority that title II of the bill is designed to give the administration "political" control of the money and credit of the people.

WE RETURN TO THE CONSTITUTION

This is not true. What this bill aims to accomplish is to give back to Congress its constitutional function to "coin money and regulate the value thereof." This function was long ago surrendered to the privately owned banks and has been tenaciously held by them to the detriment of the people. This bill restores to Congress this function, which is once again to be vested where the Constitution rightfully places it.

Prior to the creation of the Federal Reserve System, the responsibility for the monetary and credit policies of the Nation was in the hands of a powerful group of New York banks. The reserves of the entire Nation, through the correspondent system then in vogue, were in the hands of this powerful group. This gave a few men a death grip on the whole Nation. For it enabled them to dictate the credit policy for industry, commerce, and agriculture. It was the ideal system for predatory manipulation. It opened the way for those periodical shake-downs of the middle class, politely called cycles of depression. In the old days we called them panics.

LOBBYING IN 1913

It was this Money Trust, which President Wilson so clearly described in his New Freedom, which made apparent the necessity for the Federal Reserve System. The system was created by the Congress in 1913. That this new instrumentality for the orderly direction and control of money and credit failed to cure all of the evils of the older system is due primarily to the success of the powerful banking lobby when the bill was before Congress. In spite of President Wilson's great leadership, drastic changes were made in the bill, and the act just fell short of accomplishing what President Wilson and the Congress had in mind. Let us here and now determine that no lobby of special interests shall cause us to compromise and weaken this bill.

One of the shortcomings of the act was that it left in the hands of the Federal Reserve banks the control of open-market operations, one of the most powerful of the levers for the control of monetary and credit policy. The bill before us seeks to remedy this defect by placing the control of open-market operations in the hands of the Federal Reserve Board. Thus the refusal of one Federal Reserve bank cannot check the carrying out promptly of such operations when they are needed to stabilize prices and credit.

FALSE CHANGES PREVALENT

I might say here that I do not believe the western bankers are opposed to this bill. In fact, some of the leading bankers of the West that I have talked with are in favor of it.

Because the control is to be centered in Washington, where it can be promptly employed to effectuate a national monetary and credit policy, the disgruntled banking group, chiefly centered in New York, is now crying to high heaven that this is "political" control. At the head of these comes Mr. Warburg with the red herring of communism.

Since the Constitution specifically gives Congress the right to coin money and to regulate the value thereof, why is it subversive of the American system to exercise that right?

Of course, it is neither communistic nor radical. It is merely common sense for the Congress to decide at last to exercise its constitutional powers over money. If there is any one function of Government more clearly set forth in the Constitution than this, will the objecting gentlemen please indicate it?

Let us consider a little more definitely what kind of control this bill proposes.

GOVERNMENT CONTROL VITAL

It is Government control over money and credit by the Congress through the Federal Reserve Board, which is itself the creation of the Congress. Through the operation of the Banking Act of 1935, if we pass this bill as now written after 8 weeks of hard work on the part of the committee, the control of the Nation's money and credit will be just where it always should have been—in public hands. Check money, which constitutes 90 percent of all the money that passes current in the course of the Nation's business, will be retained as it is; but it will be so safeguarded that any attempt on the part of a little group of powerful bankers to blow up a balloon of inflation, similar to that released during the fateful period of 1922–29, will be promptly checked. This checking can be accomplished by the Federal Reserve Board through the operation of three major levers of control, namely, those over open-market operations, over the discount rate, and over reserve requirements.

Another provision of the bill that is giving the die-hards among the bankers cold shivers is the making of the term of the Governor of the Federal Reserve Board coincide with the wishes of the Chief Executive. This is being attacked as though it were treasonable. Yet the people elect the President and hold him responsible for the execution of the monetary and credit policy of the Nation. What more logical than that he be authorized to have at the head of the

Board governing monetary and credit policy a man in whom he has confidence and who will, naturally, shape his course in such a way as to enable the Chief Executive to carry out the mandate of the whole people who elected him to do their will?

I might say right here that the chief weakness of the whole Federal Reserve System is that it has been manipulated by the New York group, not in the interest of the Nation as a whole but in the interest of that well-known group of unscrupulous men who have proven to be as incompetent as they are greedy.

THE PUBLIC INTEREST PROTECTED

I have said that it is the purpose of the bill to make the banking system serve all the people, instead of a special group strategically placed. This is accomplished by reorganizing the Federal Reserve Board and by placing in its hands the full authority for ordering and carrying on open-market operations. Thus we are creating a sure implement for the stabilization of prices and credit.

It is recognized that open-market operations are essential to the stabilizing of money and credit. It is also recognized that such operations to be effective must be promptly decided upon and vigorously executed. Under the present system neither prompt decision nor vigorous action is possible. The open-market committee, representing the 12 regional Federal Reserve banks, has the duty of deciding when open-market operations are advisable. But the Federal Reserve Board has no authority to force action unless the 12 regional banks agree to cooperate. One bank can block action.

The bill before us changes all this and changes it in the public interest. It places the authority for ordering open-market operations in the hands of the Federal Reserve Board, which is authorized to conduct such operations when it decides that they are in the public interest. No longer can a single bank or group of interested banks block action.

PRICE STABILIZATION

In assuming its constitutional powers over money the Congress has gone a step further, it has in this measure, through a direct mandate to the Federal Reserve Board, included credit in its powers. Since money and credit are, under our system, almost if not quite synonymous, the Congress has given the Board the following mandate:

> It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilized fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

The purpose of this mandate is, insofar as it is possible by monetary action, to establish a stable price level and give to the Nation a dollar that will have a uniform debt-paying, tax-paying, and commodity-purchasing power.

One of the activities that did more to wreck our commercial banking system than anything else was the mania for loans on securities, on the mistaken idea that that type of loan was more liquid than the regular short-term commercial, industrial, or agricultural paper.

One of the most important phases of this matter is the rapid decline of commercial paper between 1925 and 1929, the reason for this being that the great commercial and industrial corporations were induced by the investment bankers to sell securities in the form of preferred and common stocks, or in the form of long-term bonds or shorter-term debentures.

In this way these giant enterprises were freed from the need of short-term commercial loans. Instead of having to go to the bank at intervals for their current needs, they sold vast blocks of securities and became, instead of borrowers, lenders in competition with the commercial banks, many of which invested in the securities of their former customers or loaned freely on these securities.

REAL-ESTATE LOANS

We are told that one of the dangers of this bill is its provisions governing real-estate-mortgage loans.

Those who see danger in this provision are, I think, laboring under the impression that real-estate loans were at the bottom of our banking trouble because of their lack of liquidity.

The banks of the Nation are broadly divided into country banks and city banks, regardless of whether they are National or State banks.

Up to 1925 the loans of country banks were principally commercial paper. However, between June 1925 and December 1928 the volume of commercial loans in country banks declined $300,000,000, from $5,209,000,000 to $4,979,000,000. While this decline was in progress these same banks increased their loans on stocks, bonds, and other securities $714,000,000, from $1,586,000,000 to $2,282,000,000. Thus we see a decline of over a quarter of a billion in liquid commercial paper and an increase of three-quarters of a billion in paper secured by domestic stocks and bonds and an investment by these banks of $429,000,000 in foreign securities.

During this same period farm-real-estate loans declined $75,000,000, while loans on other real estate increased only about $350,000,000.

It would, therefore, appear that three factors other than real estate operated to weaken the country banks: first, the decline of liquid commercial paper eligible for rediscount; second, the increase of paper secured by stocks and bonds and not eligible for rediscount; and third, the investment of $429,000,000 of their funds in foreign securities, while their real-estate loans remained at about normal.

REDISCOUNT PRIVILEGE

It was the lack of eligible paper that caused most of our banking troubles. Had the provision in the bill before us, making all sound assets available for discount at the Federal Reserve banks, been part of the existing Federal Reserve Act, the drastic deflation of 1929–33 could have been cushioned. For we all know that had the banks been able to go to their Federal Reserve bank and get the needed currency to meet the rush of withdrawals, the runs would have stopped, and such banks as were in a weakened condition could have been quietly strengthened, fear would have vanished, and the bank holiday avoided.

It is true that the Emergency Act of 1933 did accomplish this in part. It was not, however, broad enough, and it was not resorted to until most of the damage was done.

Had the previous administration been alive to its responsibilities to the whole people, instead of frantically trying to save the skins of its big-business friends, the whole Nation would not have been subjected to the deflation with its misery, loss, and hopeless despair that followed the stock-market debacle of 1929.

I have confined my discussion of this bill to the controversial title II. But I wish to mention with satisfaction the first title which makes permanent the insurance of bank deposits up to $5,000 for each depositor. This is in itself a great achievement. Its soundness is proven by the success of the temporary insurance of bank deposits.

In this connection I wish to pay a tribute to the Honorable J. F. T. O'Connor, Comptroller of the Currency, for his able, impartial, and effective handling of the rehabilitation of the banks that were not in a position to open immediately after the bank holiday. His effective participation and direction in the difficult task of rebuilding the capital structures of these banks and thus making them eligible for deposit insurance is a notable contribution to national recovery. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, it has been my observation that in discussing the banking industry it is a very easy matter for us to talk in terms of "banks and bankers" and to forget the fact that the tool—money—which the banks work with, originates through our individual citizens making deposits in the banks. When I refer to the term "money" in this respect I, of course, include check money and credit money as well as currency and coins. In other

words, the raw material which the banks work with consists of the deposits which you and I and the other people who do business with banks deposit in those banks. In a great majority of cases we make that deposit subject "to call" or with the thought thoroughly in mind that we may make a withdrawal "on demand." Saying it another way, business is carried on largely through deposits thus made. On the whole, we do have a large amount of time deposits, but that portion of our check or credit money cannot be used as freely by the owner as the "demand deposits." Therefore, insofar as production of factory goods, the employment of people, and the production and transportation of agricultural goods are all concerned, I think it is entirely sound to say that demand deposits are a real motivating force for these operations. The man who places his money in the safety-deposit box or in time deposits does so with the full intent of not using that portion of his financial strength in the promotion of the production and exchange of the commodities of life—this being true, of course, only so long as the money is deposited in the safety box or in the form of time deposits. It is not for the depositor to know what the banker will do with the time deposits, because he, through his action, is willing that that portion of the Nation's financial strength shall remain idle and out of production. It is easy to visualize a situation wherein time deposits will draw no interest or even will not be accepted.

I notice a statement in the morning paper which says:

> The 19 members of the New York Clearing House Association no longer will pay one-fourth of 1 percent in interest on time deposits which are payable within 6 months from the date of deposit, and after May 15 they will stop paying the same rate on the demand or time deposits of savings banks in commercial banks.
>
> The United States Treasury recently hired money on a short-term basis equal to one hundred and fifty-three thousandths of 1 percent annual interest, and bankers' acceptances for 30 to 90 days are quoted on a basis of from three-sixteenths to one-eighth of 1 percent interest, all highly safe loans for a short period of time.

Only yesterday the distinguished gentleman from North Carolina made the observation that he was very liberal-minded and that he favored the necessary laws which would enable some banking power to force the banks in times of emergency to take the bonds of the Government. I see no liberal thought in this expression. Let us assume for a moment such a law was passed authorizing the Federal Reserve Board or some other authority to do that very thing. What happens when the authority is exercised, whether by degree or completely? As a depositor, I would visualize the operation of such a plan in this manner:

In the course of life I make a demand deposit as a result of the sale of 100 hogs, or 1,000 head of cattle, or from the receipt of wages or salaries or dividends or interest on an investment in a factory I operate. I do so with the full thought in mind that within a day or month I may withdraw that money for the furtherance of additional production involving the employment of people. However, as a result of the banks being forced in time of emergency to take the credit which I had on the bank's books and buy therewith Government bonds—thus putting the bank in a nonliquid position—I find the demand for payment made by myself and associates and neighbors cannot be met. Accordingly I must decrease production on my farm, close my plant, increase unemployment, and decrease my own purchasing power. My personal and industrial operations are seriously interfered with—perhaps entirely destroyed—and this same case duplicated millions of times will bring about a paralysis and dislocation in our productive and exchange activities of far-reaching consequences, resulting in a depression. I wonder if the gentleman gave serious thought to his statement before making it.

Now, Mr. Chairman, as an American citizen with income and property that can be taxed, never would I object to the Federal power saying to me in times of emergency and country-wide distress that it is coming to me to take, through the power of taxation, a large or a small share of my income and property, to the end that I pay my proportionate share of relieving less fortunate people from the predicament in which they find themselves as a result of the emergency. As a member of organized society, under a constitutional form of Government, I could not justify a protest against such action by my Government.

However, if that same government goes to the bank or banks in which I have previously deposited my savings, and income from sales or otherwise, and without first giving me a chance to make my withdrawal, forces that bank to invest my savings or credits or deposits in Government obligations in such a manner as will prevent the bank meeting my demand of withdrawal, then I shall protest. I shall protest for many reasons:

First. I expect to use those deposits for purchasing goods.

Second. I expect to use those deposits for creating goods.

Third. I expect to use those deposits for the employment of other people.

Fourth. I expect to use those deposits for the meeting of obligations for which I previously pledged myself.

Fifth. I expect to be able to use those deposits for many purposes and without having previously given notice and then awaiting the bank placing itself in a liquid position with the consequent loss which usually follows.

From the statement made by the gentleman, he would have the banks of the Nation first finance Government, instead of taking the money deposited therein by the people, and let it be used first in rendering service to the people through acting as the financial fountain for the carrying on of enterprise by individuals and corporations. If it is the purpose of this bill to make banks first the financial agent of governmental activities instead of being the financial agent of industry, then that becomes overwhelming. That procedure will change the institutions of America. Such a proposal is very fundamental and calls for the most serious deliberation, debate, and understanding of our people before it becomes the law of the land. To create a power, from which no appeal can be made, that can (at any time an emergency is declared, whether justified or not), concentrate the buying power belonging to our people and represented by deposits in banks, into interest-bearing obligations of our Government, and all without the consent or even knowledge of the people owning the deposits—is a power that goes entirely too far. It is a power which I do not believe the American people are in a frame of mind to accept. They have been told the banks which closed during the past 15 years were closed because they were not liquid and could not pay the depositors' withdrawal demands. Our people know enough interest-bearing bonds will be issued without this additional encouragement. It will be most difficult for anyone to justify such a course as sound banking, or as one necessary in this day and age. Such a course will help destroy what confidence our people now have in banking.

Mr. Chairman, at this point I wish to go on record in a most emphatic manner as being opposed to the continuance of a policy which leaves in the hands of a few private bankers the social and economic welfare of our people. Down through the years we have been victims of the "rigging and manipulation" of this method of control. Just as emphatically do I wish to go on record against a plan which resolves itself into the form of a political control of the banks, insofar as their open-market policy, interest or discount rates, and reserve balances required are concerned. As between control through and by private bankers, or through politics I am forced to frankly say (and without having experienced the effect of political control) control by the former may be less harmful than by the latter. This is one matter in which I prefer to transcend experience in the reaching of my conclusion. At the present time it would be difficult for one to convince me that our banking system can, through political control, be so regulated and adapted that it may become a more efficient instrument for the promotion of business stability and the mitigation of industrial fluctuations. Nor do I favor the continuation of the "heyday of laissez faire." It is my sincere belief that booms and collapses will continue to recur under political control the same as under private banking control. At the same time I am of the opinion that if our banking system is

left to itself with no conscious effort of control it will tend to intensify rather than to counteract business fluctuations.

Mr. FORD of California. Will the gentleman please define political control?

Mr. CRAWFORD. Very shortly I shall clear that up, and I think answer it to the gentleman's satisfaction. The controlling body should be one which represents the interests of the Nation as a whole and not one that acts solely in the interest of a particular economic or political class, or group of people. The purpose of a nation, as expressed in its constitution, and the political, social, and economic philosophy of its people, can be completely nullified by any given class, private or political, who controls the money supply.

Furthermore, I am convinced the bankers of this country are very much in favor of a nonpolitical control which will assist our banking system in rendering that service which our people must have, keeping in mind at all times the necessity of dealing with each case on its merits and providing for local control or national control, whichever is in the public interest.

The density of population and the concentration of manufacturing, speculation, banking, and transportation in and about New York City and in the vicinity of the northeastern Atlantic seaboard may bring about banking problems dissimilar to those which simultaneously exist on the Gulf coast or in the Middle West or on the Pacific coast. For this reason I cannot, without further information and deliberation, bring myself into agreement with the provisions of section 12 (c), lines 22 to 25, page 52, and lines 1 to 10, page 53. By reason of the preponderance of banking weight in the vicinity of the New York Federal Reserve Bank district, its requirements from time to time, its desire to speculate in commodities and securities and production, or its desire to not do so, it appears to me it will be highly destructive to other major districts to be forced to follow an open-market policy which will accommodate the situation in the vicinity of New York but may not at all accommodate the situation in Chicago, Kansas City, or San Francisco. Additional information might clear up this question to some degree, but at the moment it does not appear at all equitable.

Mr. Chairman, I should like to inquire of the chairman of the committee whether the Federal Reserve Board has, at any time, exercised its power to force all the Federal Reserve banks to act in unison insofar as the rediscount rate is concerned? If the Board has never exercised this power, is it reasonable to assume that it will in the future? If it has been found that the Board should not so exercise its power and that such an exercise would be detrimental to one or more districts, why should not that power be now taken away from the Board?

I notice the chairman of the committee is not present at the moment, and I am just wondering whether any other member of the committee would care to answer that question.

Mr. GOLDSBOROUGH. They did in the summer of 1929, and I am sure they also did it in May 1920. Those are the only instances that I can remember distinctly.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. It is rumored, and I have had it on very good authority, that the governor of the New York bank came to Washington and tried to induce the Federal Reserve Board to arrange their rediscount rate sufficiently to discourage speculation in stocks and bonds, and it was generally conceded that if the Federal Reserve Board had at that time exercised certain prerogatives given to them under the act and had raised the rediscount rate, the crash would, at least, have been cushioned, and there has been much comment among bankers and economists upon the failure of the Federal Reserve Board to act and act promptly at that time. They have never had the authority to force the Federal Reserve banks to abide by their recommendations.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I gladly yield to the chairman of the committee.

Mr. STEAGALL. It should be said in that connection that the rediscount rate has ceased to be the major power that could be used by the Federal Reserve Board. In the original bill that was the outstanding power that the Board might exercise, and it was placed in the hands of the Federal Reserve Board, but it developed later on that by far the larger powers of the System were lodged in the open-market operations, so that as a matter of fact there was no power in the Federal Reserve Board to deal adequately with that situation.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman.

Mr. GOLDSBOROUGH. In order to clarify my previous statement, the statement of the gentleman from Michigan [Mr. WOLCOTT] is entirely correct, and the Federal Reserve Board did later attempt to stop speculation on the New York Stock Exchange by raising the discount rates and they did raise them, as I previously stated, but they raised them too late.

Mr. CRAWFORD. And may I ask if at that time all of the Reserve banks throughout the Union were forced to act in unison in that increase in the rate?

Mr. GOLDSBOROUGH. That is correct.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. It is my understanding that the Federal Reserve Board had not the power to compel adherence among the Federal Reserve banks on any policy it might adopt with reference to the rediscount rate and open-market operations, open-market operations in particular.

Mr. STEAGALL. Did the gentleman say they did have the power?

Mr. WOLCOTT. That they did not.

Mr. STEAGALL. But they did have the power as to the discount.

Mr. GOLDSBOROUGH. I did not make the statement that they undertook to require the Federal Reserve banks to either buy or sell Government bonds.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman from Michigan permit me to ask a question of a member of the committee?

Mr. CRAWFORD. Yes.

Mr. MARTIN of Colorado. Has there been any table or statement put in the RECORD or the hearings or is any available showing the magnitude and the amount of the open-market operations under the Federal Reserve System? It seems to be stressed as the chief power under this bill, and I think it might be informative if there is any history available of the exercise of that power up to this time, which could be put into the RECORD.

Mr. GOLDSBOROUGH. Does the gentleman desire me to answer that question?

Mr. CRAWFORD. I should like to have the gentleman answer that.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GOLDSBOROUGH. From 1924 to 1928, under the leadership of Governor Strong of New York, the Federal Reserve banks bought and sold Government bonds in an endeavor to stabilize the price level. We were trying to enact legislation for that purpose. I talked with Governor Strong about it, and he said while he would not advocate the legislation, he advocated the policy, and he carried it out very successfully until his death. Does that answer the gentleman's question?

Mr. MARTIN of Colorado. It does not throw much light on the volume of business under this power. That is what I would like to know.

Mr. GOLDSBOROUGH. In the spring of 1932, in an effort to defeat the Goldsborough bill, the Federal Reserve banks purchased, first, twenty-five million a week and then they went up to a hundred million a week, and as soon as they had succeeded in defeating the Goldsborough bill in the Senate they ceased to buy Government bonds. I will

say to the gentleman from Colorado that the chief lever in the bill is not the open-market operations. The chief lever is the power that the Federal Reserve Board will have to change the reserve requirements of the member banks.

Mr. MARTIN of Colorado. I thank the gentleman.

Mr. BROWN of Michigan. If the gentleman will yield, I think I can answer the question specifically.

Mr. CRAWFORD. I yield.

Mr. BROWN of Michigan. I happen to have the Federal Reserve Bulletin for April. The amount of Government bonds now held by the combined Federal Reserve banks is $2,437,000,000.

Mr. GOLDSBOROUGH. I did not understand that to be the gentleman's question.

Mr. MARTIN of Colorado. That was my question. I do not want to take the gentleman's time, but I will appreciate it if there is any more information to the same effect, or any table that could be put into the RECORD, going to show the probable importance and effect of this power in the bill.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CAVICCHIA. Did the gentleman say $2,700,000,000?

Mr. BROWN of Michigan. Two billion four hundred and seventy million of Government bonds in the combined Federal Reserve banks; not the member banks, but the Federal Reserve banks. The other item of open-market operations consists of the purchase of eligible paper amounting to $7,600,000.

Mr. CRAWFORD. If the Federal Reserve Board can, at will, change the requirements as to reserves to be maintained against demand or time deposits, or both, by member banks in Reserve or central Reserve cities, or by all member banks, I believe that it is conceivable that banks may be in more serious difficulty in the future than in 1931 and 1932. The apprehension which now exists in the mind of the banker with reference to liquidity insofar as demand-deposit withdrawals are concerned may easily be continued through the fear of the banker as to how much his reserve requirements may be manipulated up or down by the Feedral Reserve Board. The entire control here proposed will no doubt bring into operation a most delicate situation. Time alone will have to answer as to the beneficial effectiveness of the political and other powers here proposed.

With reference to the amendment to section 13, page 53, line 15, I should like to have some member of the committee comment on the percentage which a member bank will likely be able to borrow on mortgage paper as compared to that available when Government bonds are used as collateral. If the public generally are in a frame of mind which causes it to "run away" from real-estate paper, will not that cause the Federal Reserve powers to look less favorably on collateral of this nature as well as to enforce more stringent maturity dates on such loans?

How far afield does the philosophy of "soundness" take us versus the philosophy of "liquidity"? Is it not true that we shall, if we accept the philosophy, have to build an entirely new bank-performance structure? When the public do not want a specified type of investment, is there any soundness to its value? Is not market value a "state of mind" of the investor? Perhaps we shall have to re-create our conception of what constitutes soundness when used in banking terminology.

No bank can be more liquid than the maturity of the paper it holds. I believe it can be stated that no banking system can ultimately be more liquid than its entire holdings. Feeling this way about the situation, I am much inclined to believe that we shall have to eventually segregate commercial banking away from that of long-term or even short-term mortgage financing.

Mr. DINGELL. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. DINGELL. I would like to ask a question without any intent to embarrass. I have heard a great deal stated on the floor regarding the political domination of the banking system. Does the gentleman mean by that that if the Government has direct contact and direct control of the Federal Reserve System, that should be interpreted as political domination or political interference?

Mr. CRAWFORD. If the gentleman will let me finish my statement, he will have somewhat of a rough definition of what I mean by "political control."

Demand deposits must be available on call, or else the depositor's plans are destroyed and his operations crippled, all of which leads to unemployment and stagnation of business generally. If the proposed plan is one that makes "demand deposits" at all times available to the owner thereof, and at the same time corrects the banking system to the end that city homes and farms will at all times be eligible as a basis for financing along with other assets, thereby maintaining a reasonable and fair market value for the farms and city homes of our Nation, then I feel that will be a long step in the right direction. If the proposal is short of this, I am sure it will not bring the benefits our people so sorely need.

On page 6740 of the RECORD the gentleman from North Carolina made this observation:

> But I say to you that there must always be in this country a close working arrangement between the authority controlling money and the man whom the people have elected to provide for the protection and to direct their social and economic welfare; and you cannot effectively direct the social and economic welfare of a nation like ours without being able to, within proper limitations, influence the monetary policies.

POLITICAL CONTROL

A futile effort was made by Congress to prescribe formulae for the application of the gigantic public-works fund. What Congress cannot subject to a rule of action, it cannot lawfully delegate; but that is secondary. What is fundamental is that as to matters more important in their direct effect and necessary implication than have come before any President since the time of Washington, the determination of policy delegated to the President must be, in turn, delegated to others, and whoever happens to be acting for the President at the time is committing this Nation and its business. To control the proportion of so-called "reserve deposits" of any class which member banks may be required to carry with the Federal Reserve bank is, of course, final power of life and death over the functions of any and all banks. To dictate to any Reserve bank whether it shall or shall not purchase bonds of the United States is far-reaching. Since the determination of the Reserve ratio may draw into the Reserve banks any or all of the deposits of the System, the Board may thus call all deposit assets of the entire banking system of the United States to support the market for or be invested directly in United States securities. There is no appeal from that decision.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CRAWFORD. Now, I have no doubt that American business considers those undefined and uncharted powers excessive for an administration committee to social and economic reconstruction and unwilling to define the term.

I am informed that what is known in history as the "Biddle panic of 1833" was directly caused by the action of Biddle on August 1 in ordering a contraction of credit by the Bank of the United States in order to convince the public in the November election that the bank's continued existence was necessary.

The able Governor of the Federal Reserve Board, Mr. Eccles, asserts that these powers are essential to the release or freezing of deposit credit and currency to meet the requirements of sound business. The theory of a currency thus controlled by one man may be better than the theory of decentralized control underlying the Reserve System, but, with the demonstrated faults of the old system in 1929, they are subject to correction without conferring upon an agency of Government the ability to accomplish an economic coup d'etat in the nationalization of capital or in furthering social reconstruction. I point out that Governor Eccles' statement as to the combination of the power to manipulate credit with

the taxing power to affect the distribution of income raises basic questions at the outset. Mark you, his thought, as expressed, contemplated the exertion of the power of taxation to affect or influence a better distribution of income.

Now, referring to page 241 of the hearings, Governor Eccles made this statement:

> But so long as there is an inequitable distribution of wealth production which results in excessive saving we will have depressions. Only by pulling back that part of our savings that we cannot profitably use in new capital goods and using those funds to give employment to those who become unemployed can we maintain a balance.
>
> The Government must be the compensatory agent in our economy through the money system, through the tax system, and through a public-works system.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GOLDSBOROUGH. Governor Eccles also made the very interesting statement, which I think was correct, that the income of one-tenth of 1 percent of the people at the top was as great as the 42 percent at the bottom.

Mr. CRAWFORD. What I meant by "political control", taking what I have already stated and adding to it, is this, that if our banking system and our taxing system is to be controlled by any particular administration, if it be this administration or some other administration, whether it be Democratic or Republican, to the point that administration may engineer our entire activities in such manner as to force public works, and may further make political voters dependent upon that public-works program for their bread and butter, I must say that is a very bad method of control for a banking system. From the statements of the Governor, as set forth in the hearings and the control provisions which this bill carries, I am led to the conclusion that one of the prime objects of the proposed legislation is to acquire political control of this nature. I believe it is possible for us to so manage and direct our industrial activities with respect to monetary policies, production, distribution, and exchange as will permit all of our people to be engaged in active industry and be independent of public-works programs administered by either political party. If we can no longer be independent of political control I must say we are in a sorry mess. I do not believe that politically controlled monetary policies and public-works programs, as set forth in the testimony and this bill, to be sound under the institutions under which I have been brought up, and I do not believe our people will ever be satisfied with such a program. Our people want work with private industry and to be free and independent of any kind of direct political party control, and they want their private industry to be just as free in every respect whether it be manufacturing, banking, or farming.

Mr. DINGELL. Will the getleman yield?

Mr. CRAWFORD. I yield.

Mr. DINGELL. The gentleman understands that the question of a public-works program, after all, cannot be brought into contact with the banking business of the Government, without special legislation in this chamber and in the chamber at the other end of the Capitol. In other words, a public-works program must be authorized by the Congress. It stands to reason that in connection with any such program, if the effectiveness is dependent upon the banking system, the banking system must necessarily be brought into harmony with the general plan, or else the Government is put at a disadvantage.

I want to point out to the gentleman, because I realize he is of the same opinion that I am as far as the general good of the country is concerned, that the banking system has been able to go off on a tangent and do just about as it pleased.

Heretofore the banking system has been able to do just about as it pleased. In my opinion the time has come when the Government must of necessity take some control over the banking system, call it political or by any other name. Is it not better to have the banking system under the control of the Government than to permit the bankers to manipulate the banking system to their own advantage and to the disadvantage of the people?

[Here the gavel fell.]

Mr. CAVICCHIA. Mr. Chairman, I yield 6 additional minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, answering the gentleman from Michigan, I for one do not believe that it is necessary to leave the control of monetary policies and the creation of money in the hands of private bankers or to place it under political control, as here defined. I do not believe the Supreme Court of the United States is controlled politically or that it ever has been. I believe in, and am in favor of, creating a monetary commission just as independent of any administration or political control as is the Supreme Court of the United States independent of political control. I would have this monetary commission operate under the jurisdiction of Congress, carrying out the directions, desires, and wishes of the Congress of the United States as it may speak from time to time. To it should be delegated the necessary power to act as the supreme monetary authority under the direction of Congress, all as set forth in the Constitution. To state how matters pertaining to the banking activities of our country shall be handled for the advantage of the people as a whole and without domination by any political party or any political administration.

Mr. MARTIN of Colorado. Mr. Chairman, if the gentleman will yield, I would like to make the observation that during the gentleman's discussion there was made what, to my mind, is the most significant disclosure that has been made throughout this entire debate, and I have listened to it very attentively.

It was made once before in this debate. It is that during the great speculative orgy in Wall Street, the greatest in the history of the world and the thing which to my mind was directly responsible for the panic, an effort was made by a Federal Reserve bank, or by some bankers, to get the Federal Reserve Board to raise the discount rate so as to check that orgy of speculation, but the Federal Reserve Board refused to do this.

It is my opinion that the refusal of the Federal Reserve Board to act in that crisis was due to its subservience to the very interests that were propagandizing for and profiting by that orgy. Despite the advice of the bankers these private influences were powerful enough to influence the great Federal Reserve Board to refuse to take the necessary step to control the situation. In my judgment the greatest danger in the powers conferred on the Reserve Board in this bill is that there may come about a reversion to the character of administration we had in this country at that time, when we would have the same identical result and this system would be converted into an engine of exploitation just as it was before.

Mr. CRAWFORD. Mr. Chairman, it is practically impossible, if not utterly impossible, for any Chief Executive to go along without being materially influenced by his leaders all about him. This applies to industrial, military, and political leadership. The wise men who drafted our Constitution fully realized that fact. When the Supreme Court was created this fact was recognized. Politics make strange bedfellows. I appreciate the observation made by the gentleman from Colorado.

Mr. Chairman, I yield back the balance of my time.

Mr. STEAGALL. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I wish to direct a few remarks to a proposition of which I have been a sincere advocate for nearly 10 years. In fact, I believe that in my section, the South, I was the first to bring it to the front and propose it as a national policy. I refer to the insurance of bank deposits through a corporation of the Federal Government. And I may say that I believe in all sincerity that the reassurance this has given the people in their financial institutions has done more to pave the way to recovery than any one single act of the new deal.

This is a proposition, Mr. Chairman, which is legislation for the people. When the new deal came into being it was not the answer to a mere 2- or 3-year condition. It was the result of more than a decade of gradual slipping away from confidence in the business facilities of our country. Throughout that period which our Republican friends were designating as the most prosperous times America ever had enjoyed, our banks were steadily steering their courses toward failure. Their depositors were encouraged by the word "national" in their names, and "member of the Federal Reserve" on their windows. But there was no definite security for their funds.

And may I remind you, Mr. Chairman, that during this time—the years of Coolidge, Hoover, and Mellon—banks were actually failing and depositors were losing their money. They were not only losing their savings, they were also losing their facility for conducting business in their communities. It was like having their tools taken away from them so they could not earn a living by their work. As an example, back in 1926 there were failures of more than 60 banks in Georgia in one single day. Please allow your imagination to suggest how many thousands this affected. Is it any wonder a depression followed?

I need not recall to your mind the panicked condition of our people in the spring of 1933. They had put their faith in their banks, yet they did not know but that most of their funds would be lost to them. Naturally they rushed to their banks to get their money out, and naturally, too, there followed the shortage of cash and throttling of credit which made closing all the banks necessary.

The new deal's answer to this condition was the creation of the Federal Deposit Insurance Corporation, which was at first established as a temporary means of restoring public confidence in the banking structure. Through it all deposits up to $2,500 were insured against loss. In the law authorizing the extension of the Corporation's life, passed last year, the amount of insurance was increased to $5,000. The effect of it was immediate. Money came back out of trunks and stockings and mattresses and returned to the banks, where it could work to rebuild the business of our communities. We now propose to guard against any possible repetition of the 1933 calamity by making the Federal Deposit Insurance Corporation a permanent institution.

The assessment for insurance is only one-eighth of 1 percent, and this certainly is not a burden on the banks, in view of the fact that the people are bringing their money out of hiding and placing it in banks.

I know my conservative friends will tell you that the first job of a depositor in a bank is to determine the integrity of the banker. I know they will tell you that the convenience the banks offer in the handling of their funds is given as compensation for the risk they take in making deposits. But I will tell you this: That the American people think their banks ought to be places where they can put their money without having to worry about it, and if you are going to continue to let those signs saying "national" and "member of the Federal Reserve" be placed outside their doors you have got to guarantee the people that your banks will not lose their money for them.

Federal deposit insurance is a comparatively new development. It may be said to be still in the experimental stage. But the record of the Federal Deposit Insurance Corporation is already one of notable achievement. Out of the chaos and confusion of 1933 has come an organization which, by restoring the confidence of depositors in banking institutions, probably forestalled the utter ruin of our financial system.

In place of the trepidation and uncertainty of 2 years ago, depositors of over 14,200 banks can now rest secure in the knowledge that their savings are protected by Federal deposit insurance. They know that despite any untoward economic development or despite the occasional dishonesty of trusted individuals their funds are safe. They know that if their banks were forced to close tomorrow, within 10 days representatives of the Corporation will have settled their claims against that bank and given them their money.

The Federal Deposit Insurance Corporation is not an institution of charity. It is as much a business proposition as banking itself. Its function is not merely to pay losses in the event insured banks are forced to close. Even more important is its obligation to forestall such losses by building up and supporting its member institutions.

During the 18 months' experience of this Corporation one fact has become increasingly evident: That is the necessity of granting the Federal Deposit Insurance Corporation the right to supervise its risks. Certainly such a right would not be denied any insurance corporation.

The liability of the Corporation is estimated to be well in excess of $17,000,000,000. To protect itself against this liability and to insure the ultimate success of deposit insurance, I feel that the Corporation must be granted three supervisory powers, all of which are embodied in the bill now before us for consideration. The first is the power to refuse to admit fundamentally unsound banks to the insurance fund; the second is the power to regulate, by means of examinations, banks which have been admitted; and the third is the power to liquidate insured banks which become insolvent. The Corporation must be operated on a sound basis.

None of us could expect to be approved as a risk by a life-insurance company after suffering a first or second paralytic stroke or after the inroads of cancer had made it evident that we had not long to live. By the same token we cannot ask that the Deposit Insurance Corporation be required to admit to the benefits of membership all banks which might apply. The applicants must come in a healthy condition. It has been proven again and again that hundreds of the banks which are licensed every year in this country are doomed to short lives. Since the Federal Deposit Insurance Corporation has no authority to regulate the chartering of banks, it certainly should not be forced to jeopardize its fund and the banking system at large by granting the benefits of insurance to banks which cannot hope to develop a business which will assure sufficient earnings to cover expenses and losses.

Equally as important as the right to select its membership should be the Corporation's right to supervise the conduct of its members' activities by means of periodic examinations. The constructive results of a thorough examination constitute the best single instrument by which the Corporation can reduce loss from bank failures.

The detection and control of unsound and dangerous practices of bank management can be accomplished only by the intelligent use of the examination, and this supervisory instrument is equally valuable in its application to sound and well-managed banks, banks bordering on insolvency, and banks which have already become insolvent and should be closed before a depletion of asset values further increases the Corporation's liability.

As a result of the examinations which it has made already, the Corporation has been able to improve the condition of thousands of its members. A program of cooperation has been developed which has made it possible for many banks to continue operations when, without aid, they would certainly have failed.

The Federal Deposit Insurance Fund is a mutual undertaking. Through it, over 90 percent of the country's banks are now united in one Nation-wide system. These banks have a very tangible interest in the sound operation of the fund, and it is to their mutual advantage that they be required to meet uniform, rigid standards of examination and to be able to benefit from the intelligent and constructive criticism which is now made available through the joint efforts of the Corporation, the Comptroller of the Currency, and the Federal Reserve Board.

Of major importance is the right of the Federal Deposit Insurance Corporation to act as receiver of insured banks which are forced to suspend. This right was recognized by the Congress in that provision of the Banking Act of 1933 which required that the Comptroller of the Currency appoint the Corporation receiver of every insured national bank which closed.

The Corporation was also authorized to act as receiver or liquidating agent of insured State banks in the event it was so appointed by the State authority having charge of liquidation.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. CAVICCHIA. I was impressed with the statement made by the gentleman to the effect that in 1926, a prosperous year, 60 banks in his State were closed. Am I correct?

Mr. BROWN of Georgia. More than 60 banks failed in 1 day in 1926 in my State.

Mr. CAVICCHIA. In 1926 we were having prosperity. The gentleman, of course, feels sorry for the depositors that we did not at that time have the bank deposit guaranty law. Does not the fact that 60 banks failed in the gentleman's State in 1 day in 1926 show how weak the banking system was at that time?

Mr. BROWN of Georgia. The gentleman must realize, of course, that in my section of the country cotton is the main money crop. When the price of cotton went from 40 cents to 10 cents per pound in 1920, of course, the banks weakened. They carried their customers year after year, until many of the banks were forced to close. The depression began in our section in the fall of 1920 when, within the space of 2 months, the price of cotton went from 40 cents to 10 cents per pound.

Mr. CAVICCHIA. I take it the banks in the gentleman's State lent most of their money to cotton growers.

Mr. BROWN of Georgia. Loans were made to cotton producers and business men.

On December 31, 1934, insured banks reported total deposits of $39,000,000,000. Under the present maximum limit of insurance, 94 percent of insured banks have 70 percent or more of their deposit liabilities fully covered. More than 43 percent of the deposits of all insured banks are protected. So you see that in an overwhelming majority of cases if the Corporation were forced to pay out the insured deposits of these banks it would become by far the largest creditor.

It is a well-established principle of law that the first voice in conducting a liquidation should be granted to those creditors primarily interested in the outcome of the liquidation. Bankruptcy law specifically provides that the liquidation of the assets of the estates of bankrupts shall be accomplished through a trustee elected by a majority in number and amount of the bankrupt's creditors. In view of the tremendous size and patent priority of the Corporation's investment in closed insured banks, it must certainly be privileged to supervise the liquidation of their assets.

Granted these three safeguards, I feel sure that the Corporation will continue its record of notable achievement. Federal deposit insurance is a permanent thing. Federal deposit insurance properly conceived and conducted is undoubtedly the best available means of protecting our people from a repetition of the disaster which overtook them so recently. The establishment of a sound banking system is second in importance only to the maintenance of the soundness of that system, and it is for such maintenance that I appeal.

I am glad to say this bill seeks to induce nonmember State banks to join the Federal Reserve System but does not in any way attempt to force the banks to join the System. [Applause.]

Mr. CAVICCHIA. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I believe it was Napoleon who said to his secretary, Menval, when they were in a tight place:

> Give me three things and I will end the dominion of England and establish the continental system.
>
> What are those three things?—
>
> Asked Menval—
>
> They are money, money, money.

Mr. Chairman, when we sit here for 2 or 3 days listening to a discussion of money, what it is, how you make it, how you can get it, how you pay your debts, and so on, we cannot help recalling the remarkable career of Frederick the Great, who took Silesia from Maria Theresa and then fought 7 years against the combined armies of Europe and wound up without owing a dollar. He paid as he went, or, as we say today, he went on a " cash and carry " basis.

I call attention to a situation in the history of America which is most amazing, and which few people believe when first they hear it, but my authority for the statement are records from the Library of Congress.

We talk about the resources of the American people. It will be recalled that after the Revolutionary War we did not have a dollar in gold. We owed everybody we could owe. We were prostrate financially; but, of course, there was patriotism here, and that was the spirit that had developed during the 175 years from Jamestown to the Revolutionary War. There we were, poverty-stricken.

Now, let us take into consideration what happened from 1787, after the adoption of the Constitution, up to the time of Andrew Jackson in 1837. There was a great recovery from the low level of financial status of this country in 50 years. Those old fellows knew something about financing. They did something on this Capitol Hill that the whole combined crowd, multiplied by 5 or 6, today have been unable to explain or accomplish. This is what they did: They had so much money in excess of the needs of government in those 50 years that they had to divide it among the 26 States at that time.

Mr. Chairman, I ask unanimous consent to place this statement in the RECORD as a part of my remarks. This is something that may call for an examination into the history of your country, and instead of plunging ahead and reaching out into dreams and drifting things, go back to these old men like Andrew Jackson who had something to do with this sort of thing or at least could produce results.

Mr. PIERCE. Will the gentleman yield?

Mr. FOCHT. I yield to the gentleman from Oregon.

Mr. PIERCE. Is the gentleman aware of the fact that historians like Beard give credit for that period of prosperity at the commencement of this Government for 25 years to the great war in Europe when Napoleon led his soldiers from Egypt to Moscow?

Mr. FOCHT. The country did not get any of it from Napoleon, for Napoleon was eclipsed in 1815, or more than 20 years before the date I have mentioned, 1837.

Mr. PIERCE. They got it because of the war over there.

Mr. FOCHT. No; we never got anything from him. What did he pay us with? True, we bought Louisiana from him, but could have had little commerce with him for all that time England's fleets swept the seas.

Mr. PIERCE. It was paid in our bonds and the things we had over there.

Mr. FOCHT. In other words, the gentleman wants a war over in Europe, but we do not want to be dumb enough to get into the affair ourselves.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The statement referred to is as follows:

MEMORANDUM

DIVISION OF BIBLIOGRAPHY,
August 23, 1933.

To the LIBRARIAN OF CONGRESS:

Referring to letter of the Honorable BENJAMIN K. FOCHT, Lewisburg, Pa., regarding the distribution of the surplus fund to the States, and the Morrill Tariff Act.

We take the following figures from Edward G. Bourne's History of the Surplus Revenue of 1837, Being an Account of Its Origin, Its Distribution Among the States, and the Uses to Which It Was Applied (New York, G. P. Putnam's Sons, 1885), page 143:

States	*Share received*
Alabama	$669,086.79
Arkansas	286,751.49
Connecticut	764,670.60
Delaware	286,751.49
Georgia	1,051,422.09
Illinois	477,919.14
Indiana	860,254.44
Kentucky	1,433,757.39
Louisiana	477,919.14

States	Share received
Maine	$955,838.25
Maryland	955,838.25
Massachusetts	1,338,173.58
Michigan	286,751.49
Mississippi	382,335.30
Missouri	382,335.30
New Hampshire	669,086.79
New Jersey	764,679.60
New York	4,014,520.71
North Carolina	1,433,757.39
Ohio	2,077,260.34
Pennsylvania	2,867,514.78
Rhode Island	382,335.30
South Carolina	1,051,422.09
Tennessee	1,433,757.39
Vermont	669,086.79
Virginia	2,198,427.94

From William Belmont Parker's The Life and Public Services of Justin Smith Morrill (Boston and New York, Houghton Mifflin Co., 1924, 378 pp.), pages 109–110, we quote the following:

"It was the 10th of May when Morrill's bill passed the House, but months were to elapse and great events were to intervene before it became law: the revolutionary election of 1860 which placed the Republicans in power and revealed North and South in utter division; the actual beginnings of secession, and the withdrawal of southern Members from the Senate, all came to pass before the measure was accepted in the other Chamber and received Buchanan's signature on March 2, 1861."

Respectfully submitted.

FLORENCE S. HELLMAN,
Acting Chief Bibliographer.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FOCHT. Mr. Chairman, I want to get to just one other point. The one thing we are all overlooking is the thing that made the country rich, great, and strong. We have a tradition here that somehow we cannot break loose from. It seems to hang to us. Every great man in the South before the Civil War was a protectionist, and you will find that proof written in every declaration made by Jefferson and others in their papers and documents. I have not gone to the trouble and I do not care to go to the trouble of boring you with a long written story and extracts, but that was the position of those men. The evidence of this great story is in the Library.

Mr. Chairman, one of the greatest men America ever produced, and he was a Democrat, a Member of the United States Senate, Minister to Russia, Minister to England, Secretary of State, and President of the United States, 3 days before the expiration of his term signed the greatest tariff bill that was ever written—the Morrill tariff bill. You were just as much protectionists down South as we were up North or out West until it was decided that the South would go out. Then it was proper indeed if they thought they were going to get away, and be a raw-material producing country, that they incorporate in the Confederate Constitution, section 1, article VIII, that at no time should there be any such thing as tariff, excepting for revenue only. The word "protection" was not used. So that today I can readily see how the South held to that tradition but should now abandon the idea as to what they were going to have in the Confederacy, because there is no Confederacy, and the South is not a strictly raw-material producing section, and we have broken down under the decision of Justice John Marshall every barrier between the States.

Mr. Chairman, it is the free flow of trade between the States that makes us rich and strong. It is this trade between the 48 States or nations, and there is where you are abandoning the real power of the sovereignty of States. The States gave to the Federal Government what power it has, and what power it did not give it reserved for itself. You gentlemen of southern tradition understand that better than I do; and yet you are going to abandon that in this kind of a bill and let one man be a dictator. Somebody back there knew better than we do how to accumulate money and pay our debts to recover from the depression incident to the Revolutionary War. The South apparently was for free trade, which was because of the Confederacy; but there is no Confederacy. So the North, South, East, and West all should understand that we are rich because we have no barriers between the States; and we need never despair of that power and liberty if we adhere to the Constitution written by the fathers.

In conclusion I herewith add the article in the Confederate constitution relating to the tariff. Article 1, section 8, of the Confederate constitution gives congress the power—

To lay and collect taxes, duties, imposts, and excises for revenue necessary to pay the debts, provide for the common defense, and carry on the government of the Confederate States; but no bounties shall be granted from the treasury, nor shall any duties or any taxes on importations from foreign nations be held to promote or further any branch of industry.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Chairman, I do not claim to be an expert on banking and that is why I have sat here during this debate to listen to the great men who have preceded me in the exposition and illumination of this great, fundamental law we are now considering. I want to learn, as I think this is the most important piece of legislation we have had anything to do with in this session of Congress, and I do not believe that during this session of Congress we will have legislation of any more importance to consider.

I have listened to the debate, as I have said, upon both sides of the Chamber. On the side to my left there has been a great deal said about the political control of the Federal Reserve System. This does not bother me very much. As I have listened to the debate and as I have considered this piece of legislation, it seems to me that, after all, the powers we are extending to the President under this bill are rather negative powers; in this sense there is much discretion, of course, given to the Federal Reserve Board and the Federal Reserve banks, and this must necessarily be so. You have to give the people who administer our banking system discretion, and it seems to me that the President will only come into the picture when extraordinary conditions are prevailing in the country or when he has a suspicion that these discretionary powers may not be exercised in the interest of all the people of the United States.

So if I am right about this, and if I am not right about it I invite the committee to correct me, I am not so much concerned about that proposition. I think probably it will work out beneficially, and if we had this power in the last 5 or 6 years I doubt whether we would have had nearly as many bank losses in the United States as we have had. We would have had bank losses, I know, but I doubt very much if we would have had them to the extent that we have.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. Does the gentleman approve that part of the bill which enlarges the eligibility of member-bank paper for rediscount.

Mr. FIESINGER. I was coming to that. To me that is the serious part of this bill, and I am having a great struggle with myself to come to the point where I can support this bill upon that proposition. I like to go along with a committee which has given great study to a measure and I do not like to set up my independent judgment, which is rather hastily arrived at in this case, but I want to give you the reasons I am in the state of mind I find myself.

In the first place, it seems to me if you are going to let the Federal Reserve Board say, without any more definition than you have in this bill, that they may discount upon any sound asset, you have destroyed by such power the central idea back of the Federal Reserve System, and that is liquidity. If you fill up these banks with assets that are not liquid, when you come to a period of emergency and you are frozen, then I do not know what would happen. This is the great difficulty I see in this bill.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. I yield to the gentleman from Oregon.

Mr. PIERCE. Has the gentleman any doubt about liquidity when their assets are Government bonds, which they can turn into currency?

Mr. FIESINGER. Well, I am doubtful about that. I do not like to say it, but I am doubtful about it.

Mr. PIERCE. They have that power, have they not?

Mr. FIESINGER. I think they have.

Mr. PIERCE. And they can turn their bonds into currency.

Mr. FIESINGER. Let me qualify what I have said a little bit. The Federal Reserve banks have had these powers, and I think we gave them practically all of these powers as emergency powers, did we not?

Mr. PIERCE. Yes.

Mr. FIESINGER. If they had had these powers during the period of strain and stress, I doubt whether this depression would have been as deep as it is.

I am perfectly willing to give the Federal Reserve banks these powers in an emergency, but I doubt the wisdom of making them permanent. An emergency is the time when you need liquidity, when the bank foundations are shaking, and if you tie up the reserves when there is not an emergency, then you may not have liquidity when you most need it in an emergency.

Mr. FORD of California. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. FORD of California. The bankers at the present time have $2,000,000,000 in excess reserve. That means $20,000,000,000 issued without going to the Reserve banks. This is not for the present hour but for such time as you may need it, when we have such conditions as we had in 1929.

Mr. FIESINGER. I have heard that idea expressed a good many times. But the gentleman is not looking at the whole picture. He is looking at the picture from standpoint of the present, he is not looking at it for 10, 15, or 20 years to come.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. GOLDSBOROUGH. Does not the gentleman think that as long as the banks are allowed to operate and as long as our money is created by debt—in other words, as long as we have our present system—we have got to have some place for it, call it the Federal Reserve Board or not—where money can be artificially created?

Mr. FIESINGER. I would not expect, of course, to call Congress into session every time we had an emergency. I think the power must be placed somewhere, but I would have it reside in the Federal Reserve Board, in connection with the President, to be used only in case of emergency. I think these are fine powers; but, as I stated a while ago, I do not think so much of them—I am afraid of them as permanent policy except when emergency exists.

Mr. PIERCE. What harm can they do; they are only for an emergency?

Mr. FIESINGER. Oh, we are changing the very fundamentals of eligibility. Heretofore the limits of eligibility have been well known. In my judgment, there is no real definition of eligibility in this bill.

Mr. FORD of California. Will the gentleman yield again?

Mr. FIESINGER. I yield.

Mr. FORD of California. As far as eligibility is concerned, in the present law we are confined to three things—agricultural, commercial, and industrial paper, with a few exceptions. That class of paper has dwindled to almost nothing, and therefore there is no liquid paper.

Mr. FIESINGER. I want to say this—I have some strange views, that is, strange to you, perhaps—I say that we ought to have paper in abundance, and the right kind of paper, as we could always have in the Federal Reserve if we had the proper system of basic money.

Mr. FORD of California. It is the system that is wrong.

Mr. FIESINGER. I agree with that.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. BROWN of Michigan. I do not want the statement to go unchallenged that there is no such paper. The fact is at the present time there is roughly $7,000,000 of that paper in the Federal Reserve.

Mr. FIESINGER. I did not say that there was not any.

Mr. BROWN of Michigan. The fact is there are so few loans that the banks are willing to take at the present time that the banks themselves are holding that paper and not turning it over to the Federal Reserve, and that is the reason why the amount is so small as $7,000,000.

Mr. FIESINGER. Comparatively it is small, but there is paper of that kind.

Mr. BROWN of Michigan. Most of that paper is held by the member banks themselves, and they do not want to turn it over because they want the interest that is paid upon it.

Mr. FORD of California. Does the gentleman realize that that paper was declining in 1929 and that there was a definite reason for it?

Mr. BROWN of Michigan. Absolutely; but I do not want the Congress to think there is only $7,000,000 of that, and that is all there is in the Federal Reserve bank.

Mr. FIESINGER. Could the gentleman give me any light on what that amounted to in 1929?

Mr. BROWN of Michigan. I think I could find it for the gentleman rather readily.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. CRAWFORD. If we could go back to the industrial activity comparable to 1929, with a national income of $80,000,000,000 to $90,000,000,000, does the gentleman believe that at that time there would come back into existence a great amount of the paper of the nature that is now being discussed as having disappeared.

Mr. FIESINGER. There would have to be. You could not have that amount of income without having paper commensurate with that volume of business.

Mr. CRAWFORD. If that be the case—and I have watched these comments here with a great deal of interest with reference to the disappearance of that paper as well as the comments of the Governor of the Federal Reserve Board—wherein is there any virtue in an argument at this time that paper of that nature has disappeared? It seems to me there are many reasons why it should.

Mr. FIESINGER. It certainly has disappeared. That is a fact.

Mr. FORD of California. I can tell the gentleman why.

Mr. FIESINGER. I think if we ever get this thing straightened out, it will reappear, but the fact is that it has disappeared.

Mr. CRAWFORD. Then if it will reappear in our industrial activity, the money now on deposit will be withdrawn and, perhaps, a little more credit money created, and it seems to me that will be a natural recurrence and that this paper of the nature referred to will come back into existence and will be here as before.

Mr. FIESINGER. I think there is no doubt about that.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. KENNEY. There is no real open market for that paper, is there, in competition with banks?

Mr. FIESINGER. Does the gentleman mean at the present time?

Mr. KENNEY. Yes.

Mr. FIESINGER. Oh, I take it that there are open-market operations on that outside of banks. I do not think it is entirely extinct. I am not informed on that, but I would say that you would find that kind of paper in New York today.

Mr. FORD of California. The gentleman is in some doubt as to why it disappeared. I can tell the gentleman in a few words. From 1923 on the investment banker went into the market in this way. He went to the manufacturer and the great corporations that had been going to the banks and giving 90-day paper and said, here, "We will sell stocks and bonds for you and then you will have your capital requirements all prepared, and you will not have to go back to the banks every 6 months or every 3 months and have to get money in great volume", and one-third of the money that was used in stock speculation on the New York market was listed "For account of others", and that came from the

great corporations that had sold their stocks and bonds and got this money. That made them not only no longer customers of the banks but competitors of the banks for that kind of paper, because they themselves bought whatever was in the market. That situation has not been corrected, and I see no reason why it should be corrected, because if they can get their money in that way they will not go and borrow it on 90-day paper.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. BROWN of Michigan. The Federal Reserve Bulletin that I have in hand goes back as far as March 1931, when the total amount of commercial paper in the hands of member banks of the Federal Reserve was only $361,000,000. Today it is only $232,000,000. So there has been a material decline, as the gentleman has indicated, from 1931 down to the present time.

Mr. FIESINGER. I thank the gentleman for his contribution.

Mr. KENNEY. Will the gentleman yield?

Mr. FIESINGER. Does the gentleman know how much is outstanding in member banks, as indicated by the open market?

Mr. BROWN of Michigan. It would be impossible to tell from this copy of the Federal Reserve Bulletin. I can say that the amount of brokers' loans in the hands of member banks in 1931 was $1,600,000,000, and in December of this year about half that much, or $800,000,000.

Mr. KENNEY. I am talking about commercial paper.

Mr. BROWN of Michigan. Well, I gave both.

Mr. FIESINGER. I know the able members of this committee have labored intelligently and they have labored a long time to bring out this piece of legislation. I think, however, that this House has got some notions as to what the results of this legislation are going to be, and that they are really going to be disappointed. I refer to two things: First, I think that the Members of this House think that this piece of legislation somehow, in some way, is going to open up the banks of this country to commerce and industry. I do not believe that is going to be the result.

Mr. GOLDSBOROUGH. Well, will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. GOLDSBOROUGH. I hope the gentleman does not mean to indicate that any member of the committee has expressed that opinion?

Mr. FIESINGER. No; I did not claim that. The second point is this: I think I know how this House feels on this point. This House has expressed itself at least twice and perhaps more times, but I remember twice distinctly, that if we are going to cure this depression we have got to raise the commodity-price level to the debt level. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio [Mr. FIESINGER] has expired.

Mr. GOLDSBOROUGH. I yield the gentleman from Ohio 5 additional minutes.

Mr. PIERCE. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. PIERCE. It is either that or repudiation?

Mr. FIESINGER. Absolutely. Members of this House are going to be disappointed in that proposition. This piece of legislation, contrary to what has been said upon the floor of this House upon that proposition, will not do anything of the kind. I say to you that the provision in this bill that has been referred to in this debate more perhaps than any other provision in the bill is merely, as I have thought, a little sugar water to make the castor oil not taste so bad. I know how my good friend the gentleman from Maryland feels upon that proposition, and he feels deeply, just as I do. I know what he wants. I have been in this House for almost 5 years, and I have heard practically all of the gentleman's speeches. I have talked to him privately. I know what his thoughts are upon this subject, but he is not going to accomplish it, in my judgment, even though we may put into this bill the Goldsborough amendment.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. GOLDSBOROUGH. Does the gentleman think that the amendment which I will offer will improve the bill?

Mr. FIESINGER. Well, that is something I have been worried about a great deal. Perhaps I am old-fashioned and not a liberal; a liberal in these days is one who consistently disregards all previous experience; but I have gone hurriedly over the testimony of at least two governors of the Federal Reserve Board and the governor of the Federal Reserve Bank of New York, who have spoken upon this question. The thing probably to do is to say, "Well, they are working for selfish interests, banking interests"; yet I do not just look at it that way. I am taking into consideration when those men speak before committees of Congress, that they are trying to give to the Congress and the country the best that they know how to give. At least, I am going to stop, look, and listen to what they say.

Now, this bill does not regulate the value of money. I have heard men get up here and rant and rave that this bill is going to take us back to the Constitution. It will do nothing of the kind. This bill will not regulate, and the powers conferred under this bill will not regulate the value of money.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. MARTIN of Colorado. Did the gentleman intend to return to the Goldsborough amendment?

Mr. FIESINGER. Yes. I intended to refer to that. I would like to give you the reason why I consider the testimony of those great administrators of the Federal Reserve Act. I will advert to that.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman from Ohio 5 additional minutes.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. MARTIN of Colorado. As I understand, the Goldsborough amendment seeks to reestablish the commodity-price level and it also establishes a free open market for gold and silver. I admit there are not any mechanics in it, but the objectives in it, it seems to me, are in harmony with the ideas of the gentleman from Ohio.

Mr. FIESINGER. Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point three paragraphs of a letter that I wrote to the Attorney General of the United States while the gold-clause cases were pending in the Supreme Court.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. FIESINGER. I call your attention to the wording of the Constitution:

> Congress shall coin money and regulate the value thereof, and of foreign coins.

Congress can coin money only by the process of fixing upon an agreed weight and fineness; the stamp placed upon the coin being in the nature of a certification of "weight and fineness", as provided by law. By this process you "fix" the weight of coins. Only by another process can you "regulate" value.

Clearly, coining money is a process of fixation whereby weight and fineness are fixed. Regulating the value thereof is a separate function, which must be and can only be done in full recognition of the inevitable and inexorable force of economic law.

NO REGULATION LAW EVER ENACTED

It is a striking fact that the Congress has never enacted any law in compliance with this provision of the Constitution.

After fixing the weight of the coin, when we leave the value of the metal therein to fluctuate, we not only fail to regulate the value of the coined money, but we increase the instability of paper money and bank credits, which are measured by the coin as a unit of value. We must recognize that collateral back of paper money is changed in

value if the value of the coin is allowed to fluctuate. The stability of our paper money and of our whole credit structure is involved in our neglect to regulate the value of the metal contained in the coin.

Now, to get back to the Goldsborough amendment, and the reason I say it will not operate and what was in the minds of these great administrators of the Federal Reserve law: What the gentleman from Maryland [Mr. GOLDSBOROUGH] and I would like to see done is to raise the purchasing value of prime commodities—that is what we are interested in—wheat, corn, tobacco, and all those things mother nature gives us out of the ground, whose prices, whose values, if we have an exportable surplus, are not fixed in the United States but are fixed in the markets of the world; and I do not care how you operate under this law, you cannot affect the market in Liverpool or any other great world market.

Mr. PIERCE. How would the gentleman do it?

Mr. FIESINGER. How would I do it? Instead of devaluing the dollar I would take the extremely high purchasing power out of gold by bringing into competition with gold a gold equivalent; and I would break down the value of gold, I would break the world corner on gold and would thereby raise the value of the prime commodities not only in the United States but everywhere in the world.

Mr. MARTIN of Colorado. Silver?

Mr. FIESINGER. When I say "gold equivalent", what else could it be? Silver is a part of the basic money of the world. I would give silver legal-tender qualities for its world accepted value, thereby making it everywhere in the world auxiliary gold. I would restore the monetary base of the world by using it as a gold equivalent, and thereby reduce the purchasing power of gold that it had in 1926 in terms of commodities. I would thus cure the world of the gold disease, which is the cause of stagnation of world trade. I would give the world an adequate supply of sound money, and this Congress is the only power that can give the world an adequate supply of sound money, and if we do not do it, I fear the whole structure of civilization will topple, as a result of wars that are bound to come, if we do not lift the oppressor gold from the backs of the people. Democracy is fast perishing from the earth, and if we do not cure this thing, governments of the people, for the people, and by the people will exist only in history. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman, I cannot give you an academic presentation in reference to the provisions of this bill. I have been in Congress 3 years, and, during this period, I have had continually dinned in my ears such words as "acceptances, debentures, 90-day acceptances, sight drafts", and similar other terms pertaining to banking. Very little, however, have I heard in reference to legislation which, in my opinion, would bring about national recovery.

I am going to speak briefly in reference to another form of sight draft, the sight draft of the millions of unemployed who are given insignificant food orders through the emergency agencies. These food orders include no fresh meat and so little variety that the diet they impose on the recipients is far from a balanced one. It is in respect to these people, our unfortunate worthy unemployed and the part-time employed, that I rise this afternoon to discuss this bill.

Visualize, if you can, the millions of unemployed, the millions of partially employed, the aged, innocent victims of the depression, and especially the youth of our country, tragically handicapped through lack of opportunity, and then consider the provisions of this bill, which, if properly amended, would, I believe, bring recovery to our Nation.

I know that the Committee on Banking and Currency includes in its membership some of the brightest men in Congress—in fact, in the United States. The Membership of the Congress should be proud to include such distinguished individuals as the gentleman from Maryland [Mr. GOLDSBOROUGH] and the gentleman from Texas [Mr. CROSS], and the Committee on Banking and Currency is fortunate indeed, in my opinion, in numbering these two gentlemen among its members. My only regret is that the viewpoints of these unusually well-informed and distinguished gentlemen have not been incorporated in this bill.

Before proceeding further I wish to state that if this bill, as obnoxious as it is, is amended to include the Goldsborough amendment, I shall vote for it. Without the Goldsborough amendment, or a similar provision, expressing a clear mandate from the Congress, I shall oppose it. I am not in favor of delegating the constitutional prerogatives of the Congress to the President or to any other individual.

I have great confidence in the Membership of this House. In my opinion, the Seventy-fourth Congress includes more able men than did the Seventy-third. I believe it is probable, although as yet it has not been positively demonstrated, that there is more courage and independence in this Congress than there was in the Seventy-third. I am confident that every one of you is personally well disposed toward dealing with our economic problems in a straightforward and courageous manner, but unfortunately, collectively, when the votes are taken, too often these commendable traits are not in evidence. I fear that the thought of reelection and the benefits of privilege and patronage actuate too many of us in what we do on this floor and in how we cast our votes. It is indeed deplorable that courage and independence of thought and action cannot be more confidently claimed as assets of this Congress.

THE DEMOCRATIC DONKEY

Speaking as a Democrat, I recognize the emblem of our party as the donkey and, in the past, the rooster. May I recall to the minds of the Members the pictorial advertising of a well-known product which has a particular significance for us in our present status in the Congress? I refer here to borax.

When borax was discovered in the West there was no means of transportation other than by wagon. I am confident all of us remember the packages of borax which bore on the carton a picture of a 20-mule jerk-line team hauling borax. If you observed the equipment you noticed that the 20 mules drawing the wagonload of borax were handled by a single jerk line.

This picture may be said to personify the weakness of the present Congress. Its committees are apparently controlled by a single jerk line. Then what do we do collectively? Too many Democratic mules walk sedately in line, just as though they had no minds of their own, guided and controlled, as the most of us are, by a jerk line running from the White House to the Congress.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman permit an interruption?

Mr. HOEPPEL. For a brief question.

Mr. MARTIN of Colorado. I merely wanted to observe that the 20-mule team managed by one jerk line delivered the load.

Mr. HOEPPEL. It certainly did, because the driver handling the jerk line knew exactly where he was going. Does the President and those who are with him know where we are going? If the gentleman will look into the relief program, consider the millions on relief and the millions more who are on the verge of resorting to relief under our present inordinate spending program, it will be apparent to him, I believe, that we are traveling to a solution of our problems with about the same speed which characterized the antiquated mule team. Our vehicle of state will be so overloaded with debt that only repudiation, inflation, or confiscation will permit our future progress. As representatives of the people, knowing these facts, we ought to exercise our independence and vote and act in accordance with our own intelligence and the impulses of our hearts. We should vote and act as we honestly and sincerely believe. The majority of you will admit, I believe, that you are not doing this in many instances.

If we would only exercise the prerogative of a donkey, if we would only become balky once in a while, we would get somewhere with legislation. We merely plod along, following the lead of the jerk line which may be in the hands of the President or perhaps manipulated by others prominent in

new-deal policies, including the Secretary of the Treasury, whom I recognize as the mouthpiece of the international banker. We are as docile and complacent as a superannuated ox or a petted house kitten!

I believe too many of us are being controlled by an administration jerk line. Personally, I shall not be influenced by a jerk line from the White House or from any other source, but I will respond, and am endeavoring to respond, to the jerk line of my own conscience in the interest of the people whom I represent and the American people generally who have suffered 5 years of depression. I can see little hope ahead, however, under the plans we have thus far outlined.

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPPEL. I yield to the gentleman from Texas.

Mr. BLANTON. If the gentleman is for the American people, he is going right along the same line with the President in the White House, because if there ever was an occupant of that White House who was for the American people, we have one there now.

Mr. HOEPPEL. I do not deny that the President is honest and sincere, but it is my opinion that he does not now see the "forgotten man." I think he is getting his information from the wrong sources. If he would do less driving and more confiding in the Congress, and leave us free to legislate according to our constitutional prerogatives, with due consideration to conditions as we know them to exist in our own districts, I am confident that the Congress would enact legislation which would be of more benefit to our distressed people than that which we have enacted, much of which was written and sponsored by those surrounding our President, in the Cabinet, and elsewhere. The distinguished gentleman from Ohio [Mr. FIESINGER], who preceded me, has suggested legislation which would contribute materially toward recovery.

Mr. BLANTON. The President is conferring with the Members of this House every day.

Mr. HOEPPEL. With whom is he conferring?

Mr. BLANTON. He is conferring with the leaders—your party leaders and my party leaders. There must be party leaders in every Congress.

Mr. HOEPPEL. He is conferring with leaders who have been here 10, 20, or 30 years, and, with all due respect to these fine gentlemen, it is my opinion that they do not appreciate and understand, as we younger Members of Congress do, the desperate plight of our people.

Mr. BLANTON. I am one of the younger Members of Congress, and I am willing to work, cooperate with, and follow my party leaders here on all vital administration matters. A Congress without party leaders is not worth much. What, for instance, would the Republicans do without the distinguished gentleman from New York [Mr. SNELL]? They would be like a rowboat on the ocean without oars.

Mr. HOEPPEL. I cannot yield further to the gentleman from Texas, although he is my good personal friend, and I consider him one of the leading and most efficient Representatives in this Congress.

Mr. BLANTON. I thank the gentleman for his kind observation.

Mr. HOEPPEL. What we need is something we have never exercised. We need the courage to stand on our own feet here and act in accordance with the dictates of our own consciences, understanding, and intelligence. I am not taking instructions from any source but my own people back home. From the standpoint of education, many of you are far superior to me.

OUR LEGISLATION FAVORS BANKERS RATHER THAN PEOPLE

You are readily conversant with banking terms, such as "debentures, acceptances, sight drafts, 90-day paper", and so forth. I know little about those things, but I do know the problems of the common people. I can get down to the very grass roots of the sufferings of our people, and if our leaders would do the same thing we would have banking legislation which would be much better than the measure now under discussion.

Mr. BLANTON. Will the gentleman yield one more time, because we are good friends?

Mr. HOEPPEL. I yield to the gentleman from Texas.

Mr. BLANTON. When has there ever been before a President in the White House who has caused an old-age pension to be passed? He caused one to be passed. When has there been one before so interested in the welfare and problems of the people to cause a social securities bill to be passed? He has done so. Why these innuendos and indirect reflections upon our great President, when, I am sure, the gentleman does not mean it?

Mr. HOEPPEL. I may say to the gentleman from Texas that I sat on this side of the aisle when the President read his speech in reference to economic security on June 8, 1934, and I thought then that he would be, indeed a savior to the people if he carried out this program; that he would go down in history as second to George Washington. But what has he presented to us?

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. HOEPPEL. Mr. Chairman, what is the old-age security bill? It is a monstrosity. It is bait to the aged citizens of this Nation. No Member here will claim that this bill will become effective within a period of 1 or 2 years, and then the pensions will be inadequate. Many thousands and hundreds of thousands of the worthy, aged citizens who had hopes in the administration social security program will have passed on before the pauper pension bill takes effect.

Mr. Chairman, I am interested in relief now, not tomorrow.

Answering the gentleman from Texas further, may I say that I am convinced that the President is well disposed. I recognize that he is a remarkable man, but, in my opinion, with his eyes on the too-distant future, he fails to realize the urgency of our immediate needs and is predicating our recovery upon a patched-up old order rather than upon the establishment of a new. It will be recalled that Germany, in the seventeenth century, engaged in what was known as the "30-year war."

Perhaps the administration will get us out of the depression under a 30-year program, but what about our aged citizens and the suffering of our people now?

Mr. BLANTON. Our friend the distinguished gentleman from California [Mr. HOEPPEL] should do as I have done. I have written to members of our Texas Legislature asking them to pass an old-age pension bill to meet the requirements of our bill. I wrote to the Governor, to the Lieutenant Governor, and to the speaker of the house in Texas, sending them copies of our old-age-pension bill. I called attention to the fact that it was necessary for our State legislature to meet the provisions of the bill. If the gentleman will have his California Legislature do that, and if our legislature will do that, when the United States Senate passes that bill and it is signed, it will go into effect and the aged people in our States will receive the benefits within a very short time.

Mr. HOEPPEL. Mr. Chairman, if the Congress would exercise its legislative prerogatives, actuated by an earnest desire to alleviate the distress of our people and to solve their economic problems, we could, I believe, immediately enact the Goldsborough banking bill or the Cross bill, through which we would save the taxpayers billions of dollars per year. Then we could pay a substantial pension to the aged of our country without forcing the impoverished States to tax their citizens in order to pay a share of the inadequate pauper's old-age pension, as is proposed in the security bill. We could then give them a pension instead of a promise!

I am also in favor of the Sweeney banking bill. I am convinced that there is no chance of getting out of the depression, permanently, regardless of the spending of billions of dollars, until we correct the monetary situation. We should not put the control of the finances in the hands of the President. It should be in the hands of elected representatives of the people, who are subject to recall, as is provided in the Sweeney bill.

Furthermore, why should we take the credit of the United States, which is your credit and mine, and turn it over to the private bankers through the privately owned Federal Reserve System, and permit them to lend our own money back to us at interest? No one can justify such procedure, and this is one thing which we ought to correct in the bill under consideration. If any profit is to accrue to anyone from the extension of Government credit, certainly such profits should go to the United States Treasury rather than to the international banker and the banking ring.

There is some talk about a third party. I hope the Progressives in our party will force the enactment of proper liberal and progressive legislation at this session. If we fail to do this, those of us who wish to save our party will want to be sure that in the next Democratic platform there is written a provision for real monetary control by the people and for the people rather than by the private banker and for the private banker. We do not wish the control of our banks to be in the hands of Morgan and Mellon or others of the banking crowd; neither do we wish it to be solely in the hands of the President. No one individual is infallible. I have no regard for Barney Baruch nor for "Windy Crackdown" Johnson. Who knows but perhaps they may get their fingers on the administration jerk line, if we enact the bill under discussion without mandatory restrictive provisions?

Mr. BLANTON. I hope my friend will not yoke up with the one they are after.

Mr. HOEPPEL. I do not quite understand that.

Mr. BLANTON. I hope the gentleman will never get into any "hooey" bandwagon.

Mr. HOEPPEL. I will answer my good friend from Texas by stating that I am not following any one person or group of persons, but I am endeavoring to uphold our party and our party platform and keep faith with those who sent me here to represent their best interests. I do want our party and our platform to be liberal and progressive. I believe we should live up to the platform of our party and to its ideals, but unfortunately we seem to have lost sight of the noble principles and policies enunciated in our platform of 1932. I do not propose a third party. I am convinced that we have a sufficient number of liberals and progressives in our own party to carry the banner forward. If, however, we fail to enact progressive legislation in this session in the people's interest, or if we fail to embody sound economic reform in our platform of 1936, a third party may possibly develop, as, in my opinion, the problem of monetary control and the right of Congress to coin money and regulate the value thereof will be the paramount issues in 1936. I believe this is inevitable.

We are in the midst of a political revolution. I do not know whether all of you realize this or not, but some of you should go back home to your districts, meet your people, and remain with them from adjournment of the Congress until it reconvenes in January, next, and thus gain a sympathetic understanding of their viewpoints and the actual conditions confronting them. I fear that too many of our Congressmen have not spent sufficient time in their districts in the past 2 years to realize the desperate plight of their constituents. How can a Member understand the problems of the people he represents if he spends only a few weeks in his district a year and gains his knowledge of conditions largely from the press and from his political supporters? I know the problems of the people of my district for I am in daily personal contact with them during the time Congress is not in session, and my activities here in their behalf are based on my actual knowledge of their suffering and distress (which is paralleled in every district in these United States), and the imperative necessity for meeting their need through the enactment of basic-relief legislation if we are to avert ultimate disaster.

I agree with the President in his pronouncements in reference to the international stabilization of currency and the commodity dollar. It is for this reason that I favor the Goldsborough amendment to this bill which I would like to see every Member of this House support. If, however, we would break the jerk line entirely, which appears to reach back into Wall Street, and enact into law a modified Goldsborough, Cross, and Sweeney banking bill, I am confident the depression would be over within 6 months and there would be absolutely no reason for the wasteful expenditure of public funds at a wage scale below the prevailing wage rate. Why should an unfortunate, worthy unemployed citizen be discriminated against in public employment, as is provided in the work-relief bill?

TARIFF PROVISIONS TO PROTECT AGRICULTURE NECESSARY

I believe in adequate tariff protection to American agriculture and industry; and we Democrats, especially the gentlemen from the South, must wake up to the fact that the tariff is a very vital question to us here in America. It is my belief that the tariff on commodities and materials which we can produce in abundance in the United States should be adequate to protect our home producers against foreign competition in our markets, or we should have a direct embargo. In California, for instance, we have poultrymen in the bread lines who are being subsisted on Government funds because our tariff rates are so low that the Chinese are sending eggs over here and putting our poultry raisers out of business. Is this a sane or sensible policy? Certainly not. We ought to put up tariff barriers against the products of the cheap labor of Europe and the Orient which come in over our tariff walls. Because of the depreciated value of the currencies of other nations they are in a position to pay our existing tariff rates and import their products into the United States, thereby reducing the demand for our domestic products and resulting in curtailment of our production, with corresponding increases in the numbers of our unemployed.

The tariff rates of nations with depreciated currencies are reduced, in a sense, in proportion to the depreciation of their moneys. In other words, foreign nations are undercutting our tariff rates because their currency is of less value than ours.

This is a condition which affects us vitally and one that I think should be corrected at once. I have introduced a bill to provide that wherever the American dollar is at a premium in a foreign nation, exports from such nations shall have added to the existing tariff rates the percent of increase in rates which represents the advantage enjoyed by such nations, due to the difference in value of their money and ours.

I want to reiterate that I propose to vote for the banking bill under discussion, obnoxious as it is to me, provided the Goldsborough amendment is adopted. If it is not adopted, however, I shall be a balky mule and refuse to cast my vote for a measure which tends to create a financial dictator.

We ought to do something for the people and not so much for the bankers. Bankers—that is all I hear—bankers. Do you know we are taking $1,200,000,000 of the people's money in Postal Savings and turning it over to the banks of America at 2½-percent interest, without a cent of security, and the bankers are relending this money back to you and me at 7 percent? We are giving the bankers of America over $50,000,000 a year as a subsidy for the use of our own money, and in the monstrous social security old-age pension bill we provide only $49,000,000 for the millions of our aged, worthy citizens. Moreover, I regret to state that the Post Office Department is opposed to a bill which I introduced to take from these bankers the $50,000,000 a year subsidy which the Post Office Department gives them. Although many of you are aware of these facts, I know of no one, other than myself, who has introduced legislation to correct the situation.

If it were not for the administration jerk line, I believe the Chairman of the Banking and Currency Committee or the Chairman of the Post Office Committee would consider my proposal favorably, as I recognize that both of them are individuals of intelligence and ability, and certainly every Member of Congress should be opposed to granting millions of subsidies like these to the international bankers.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. Suppose you do not pass this bill, will you not be worse off than if you did pass it? Does not the bill give you some relief, without the Goldsborough amendment? If it does, why should you kill it?

Mr. HOEPPEL. Personally, I have the utmost confidence in the President, but this President of ours will not head our Government always, although we Democrats confidently hope that he will be reelected in 1936. The Republicans, however, say we are going to have a Republican President next year.

Mr. BLANTON. Well, they have another guess coming.

Mr. HOEPPEL. Regardless of who may be President in 1936, we should not enact legislation to grant authority to any single individual to control the finances of our Nation as is indirectly proposed in this bill.

Mr. BLANTON. I want my very good friend to come back next year and I want him to get on the President's coattails in the next primary and then he will come back.

Mr. HOEPPEL. My first objective as a Representative is to legislate for and in behalf of the people. I am not interested in reelection or patronage if such will interfere with my obligation to my constituents. I did not get on the President's coattails in the last election. I criticized some of the new-deal provisions, and I was reelected upon my past record and a platform of monetary reform and taxation of the machine which displaces human labor. Part of the Democratic machine sought to defeat me but thousands of Republicans, as well as Democrats, voted for me because I was independent and refused to be a rubber stamp in the Seventy-third Congress. Monetary reform and the taxing of the machine displacing human labor were the principle issues of my 1934 platform. I was reelected on that platform and I will be reelected next year if my people are satisfied with my representation, but whether or not I am reelected I will be a bellwether and not follow the leader just because I might be reelected or might receive some patronage jobs. [Applause.]

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY of Indiana. Mr. Chairman and ladies and gentlemen of the Committee, the administration of the public currency under the power to issue money and to regulate and control its value is the exercise of a public governmental function to promote and conserve the common welfare. The conduct of commercial and investment banking, operations dealing in money and credits, in loans, interests, and discounts is in pursuance of a private interest for profit and selfish gain, different, separate and absolutely foreign, unrelated, and wholly incompatible with the administration of public currency. Private bankers and financial interests stand in no more or closer relationship with the power to issue and regulate money and are no more entitled to exercise such powers than a grain dealer or produce dealer is entitled to influence and control the production or supply of grain or produce in which and accordingly as his private selfish interests may require. A private banker or financier has no more legitimate claim or right to control the issue of public currency or to regulate its value than a blacksmith or a brickmaker or any other man in a private business.

The exercise of the power to issue money is purely a public, governmental function, in the administration of public office, in which private profit, advantage, and gain is inconsistent, incompatible, and abhorrent to every principle of public interest and welfare. This so-called "Federal Reserve System" is a vicious, criminal, and corrupt confusion of private selfish interests with the administration of public office. Under this so-called "Federal Reserve System" the one of all classes of men, the men having a private and selfish interest to serve, and which is adverse and at variance with the interest of the common and producing classes, are given the control of public currency for exercise under guarded secrecy. Under the artifice and subterfuge of this private currency system, the international bankers and financiers are allowed to don the robes of public office, to hold the keys to the people's Treasury, to pillage and plunder from the inside, to take and carry away unawares to the people that for which other men in office would be convicted of high crimes and misdemeanors, and for which other men out of office would be charged with burglary and highway robbery.

Private bankers and financiers claiming and possessing superior knowledge of the functions and operations of public currency should have less power and opportunity to influence and control money operations than other men without such information. This is because that by such greater and superior knowledge they can exert a greater and controlling influence over the operations of public currency for their own private advantage and profit than other men less skilled and adept. Such bankers and financiers, claiming and possessing such superior knowledge, should be held further away and more remote from position and opportunity to exercise the power to issue money and to control and regulate its value than other classes of men.

No one class of men should ever be allowed to control the volume and supply of money. And above all, private bankers and financiers should never be allowed to control the volume and supply of money.

The banker's training disqualifies him to control the volume and supply of money. The banker is trained to measure all values by the dollar. The dollar is created to serve the people but the bankers are trained to make the people serve the dollar.

But this does not apply to the bankers we know. This applies to the bankers we do not know, to the bankers we only know of and to whom the people and the country should be guarded against and know less of.

The bankers we know are part of the people. They suffer with the people. They are victims with the people. With the bankruptcy of 4,000,000 farmers has come the failure of 10,000 bankers.

No individual or body of men exercising control over public currency, the power to issue and regulate money should ever be allowed to take profits or advantage from the administration of the public currency system, while participating in such administration and control. Such profit, advantage, and selfish gain is a violation and contravention of all public policy, is a perversion of public duty, is a vicious and unholy confusion of the private selfish interests of men with the exercise of governmental functions, condoning and compromising the public welfare, corrupting the administration of public office to serve private, selfish interests.

The taxing power, the power to levy and collect taxes from the people, the power to take from the people, is one of the great powers of government. This is the power to go down into the people's pockets and take their money, take a part of their money, a part of their property, earnings, and income, or, if need be, the power to take all of their earnings, wages, income, and property.

The taxing power is a necessary power, a necessary incident of government, and without which the Government could not exist for a single day. Yet, in the control of private, selfish interests, it is a power subject to great and flagrant abuse, by and through which to take from the people their earnings, income, and property, the fruits of their toil and labor, hidden, covered, and concealed under the color and forms of law. And to safeguard from the abuse of the taxing power and to hold this power beyond the reach and control of selfish interests and private corporations, our forefathers placed this great power in the House of Representatives, in the lower branch of Congress, nearest and closest to the people, for their surveillance and watchful care.

But there is another power of government greater than the taxing power, greater than the economic power, which shrewd and crafty men can use and have used to take and exact from the people their earnings, wages, and income, the fruits of their toil and labor, hidden, concealed, and unawares. That power is the power of money, the power to issue money, the power to regulate the value of money, the power to control the volume or supply of money and thereby the control of values and the general price level of property and commodities and labor and the products of labor.

The power to control the general price level, the power to lower prices, when men are ready and want to buy, the power to raise prices, when men are ready and want to sell, is a greater power than the taxing power. The power to control values and the general price level is the power to take earnings and income from the people until they are impoverished, until they are exhausted, until they are reduced to absolute want, without realizing the cause of their burdens and distress. Under the control of this power one class of men can be reduced to helpless bankruptcy and another class of men can be enriched and their wealth doubled and trebled. This is the power to issue and regulate the relative value of money with the commodity and labor price level, with a power operating in secret, hidden, covered, and concealed, whereby to multiply taxes, debts, and contract obligations by reducing values, prices, and wages, and taking away from the people their means, property, and substance, and depriving them of their ability to pay, unawares.

It was one of the great Rothschild brothers, one of the world's shrewd, crafty financiers, who said: "Give me the power to issue money and I care not who makes the laws."

This is because the power to issue and control money is a greater power than the legislative power, greater than the power to make the laws; because the power to issue and control money is a greater power than the judicial power, the power to construe and apply the laws; because the power to issue and control money is a greater power than the executive power, the power to administer and enforce the laws; because the power to issue and control money is greater than the taxing power, greater than all governmental powers combined under and by which to take from the people.

And it was Thomas Jefferson who said "private banks with power to issue money are more dangerous to the liberties of the people than standing armies in time of peace", meaning the power resorted to by kings to seize upon the functions of government and usurp the rights of people.

Under, by, and through the secret power of money, more tribute can be taken from the people and greater tribute has been exacted from the people, secretly hidden, covered, and concealed, than ever despotic rulers have taken from their helpless and dependent subjcts; than ever invading, marauding kings, using the force of the military, the army, and the navy, have ever exacted and claimed as leaders of victorious armies in the pillage and plunder of the vanquished and carried off as the spoils of war.

Our forefathers in their wisdom realized that the use of money was a vital public agency, a blessing and a power for good, but under private selfish control could be made an evil and a curse. And to safeguard against such private control of money our forefathers wisely provided in the Federal Constitution for the control of public currency directly by the Congress of the United States, the sworn and chosen representatives of all the people to serve the public welfare. Clause V, section 8, of article I of the Federal Constitution vests Congress with the exclusive power to coin and issue money and to regulate its measure and value as a medium or means of exchange.

This greater power to issue money, alike with the exercise of the taxing power, was committed in sacred trust to be exercised by Congress, directly and immediately responsible to the people.

A surrender of the taxing power of Congress, a delegation and transfer of the taxing power, or even a suggestion or proposal for the exercise and administration of the taxing power by private, selfish interests, would be denounced and condemned as a vicious public policy, as a course of criminal folly, as a breach of office and trust, compromising the interest and welfare of the people. Such a surrender, suggestion, or proposal would be challenged and resented as an act of treachery and treason, a charge of high crimes and misdemeanors under punishment by fine, imprisonment, and death. And the taxing power remains today where the Constitution placed it, in the lower House of Congress, nearest and closest to the people for their direct and prompt control.

But the far greater governmental power, the greatest of all governmental powers, the most vital of all public functions, the power to issue money, the power to regulate the value of money, the power to control the supply and distribution of money, which our forefathers in their wisdom committed in sacred trust to the Congress of the United States, the sworn representatives of the people, has been abdicated by Congress, and the duties and obligations imposed and the responsibilities charged to safeguard money and the use of money has been surrendered and abandoned by Congress. In disregard of the Constitution, in violation and in defiance of the Constitution, Congress has surrendered, delegated, and transferred its power to issue money and regulate the value thereof over to a private, selfish banking corporation today known as the "Federal Reserve System."

Pursuant to the taxing power conferred and preliminary to the exercise of such power, Congress created and established a great public revenue system for the collection and disbursement of taxes complete in all particulars and in every detail. Under this system, thus created and established for the exercise of the taxing power, policies of taxation were declared and principles defined, mandatory duties were imposed, prohibitions and checks were provided to safeguard against the abuse of the power and to assure a faithful, impartial, and just course of administration and enforcement. And to further safeguard and enjoin the duties and restraints to be observed, a criminal code was especially enacted defining crimes of commission and omission, providing punishment and penalties to be imposed, with fines and terms of imprisonment under strict and summary enforcement.

And finally, for still further assurance against evils and abuses of the taxing power, the glaring searchlight of publicity was thrown with sweeping scrutiny upon each and every successive step of administration from the assessment and collection of taxes to detailed disbursement and final accountability. Nothing was left unprovided which in human forethought could be apprehended, in the course of exercise, administration, and enforcement, to safeguard against an impartial levy, evasion, payment, or collection of taxes, or to compel strict accountability of the funds taken from the earnings of the people and their faithful application to the purposes for which assessed and collected.

The Constitution vested in Congress the broad power to issue money and to regulate and control its value, but without creating a system or organization through which to carry out and give effect to the power granted and conferred. Congress, alike as with the duty to provide a system under which to exercise the taxing power, was left with the duty and obligation to provide a money-control system, to create a money-governmental department, to set up a money instrumentality, and to specify the course of operations, to supply the people at all times with money for the exchange of services and commodities, and to safeguard them in its free and proper use. The power to issue money, vested in Congress, was for a public use and service, and contemplated the organization of a departmental money or currency system as free from private selfish control as other departments of the Government or the action of the Congress itself.

But in disregard of the public power conferred, in defiance of the public functions contemplated, to provide a money supply for the people, shrewd and crafty financiers and bankers set up, offered, and led Congress to adopt a private selfish banking system instead, organized for private profit and selfish gain. First, the private selfish character of the system so created and set up and strategically forced upon the Government, was hidden, covered, and concealed under the artifice, guise, name, and style of "The United States Bank", later, "The National Banking System", and now under the deceptive cloak of the Federal Reserve System.

Some of the 12 branch banks of this private banking system, assuming a public duty and function, but organized and operated for selfish gain, have been making and realizing $10,000 a day, and the system as a whole has been declaring from 150- to 200-percent dividends on the capital invested by loaning the people's money to the people.

First, in the beginning, a partnership was assumed for the share of earnings of the Government. But finally coming out in the open and assuming complete and absolute independence, all public obligations were renounced as well as responsibility for the public welfare, and all profits were claimed and taken as their own. Today, the power conferred by the Constitution, the public power to issue and control money, is being exercised by a private banking system privately owned, privately operated, privately controlled, conducted for private profit and selfish gain, in violation of the constitutional power granted and in defiance of every principle of public policy.

But even more than this surrender to private banks and financial interests, to private ownership, administration, and control of the people's money and credit system, Congress has failed in its duty to create, set up, and establish even a form or semblance of a public currency system to safeguard the exercise of the constitutional power and the free and proper use of money by the people.

It is a significant fact of history that all just governments over men have been governments by laws, declaring policies, and defining principles of human rights and justice between man and man, mandating the discharge of public duties, and restraining against encroachments from greedy, selfish human nature. All governments by the will of men, without the safeguards of constitutions and laws, declaring and defining principles of justice and right, without mandating duties to be performed, without prohibitions restraining selfish human nature have been cruel despotisms or dictatorships under which the people are held to languish in slavery and serfdom. And what is true of general governmental powers organized to conserve peace and civil rights is equally true of a money departmental system or for any exercise of other government.

There can be no more a just money system under the arbitrary will of men left to exercise their unrestrained discretion without laws declaring and defining principles and the policy of controlling money and credits than there can be a just civil governmental system under the unrestrained will and discretion of men. We have advanced and progressed in the science of general government from governments by the will of men, from despotisms and dictatorships, to governmental systems by laws safeguarding and assuring men in the enjoyment of their natural rights.

But in the science of money, in monetary or currency systems controlling and safeguarding the use of money, the people are still in the Stone Age; they are still peering out from the caves, while the shrewd and crafty money chiefs are holding the tribal many, the masses, in monetary slavery and currency bondage.

Our forefathers in framing the Constitution failed to provide a monetary system with the grant of power conferred and left the vital agency of money to be created and safeguarded by Congress, under, by and through which to exercise the power of issuing money. And Congress failing to act, failing to create a governmental money system, failing to adopt laws and regulations declaring and defining exact principles and policies governing the administration of money, our governmental money system has been left in the arbitrary control and direction of men without principles and policies determined, without laws defining administrative duties, without mandating obligations, without prohibitions, restraining selfish human nature, left with the powers to be exercised and administered under a monetary despotism, under a bankers' dictatorship, with the people to linger and languish in economic slavery and bondage.

It remains for this or some succeeding Congress, in discharge of the duty and obligation assumed, to provide a governmental money system, with laws declaring and defining exact duties, prescribing the exact course of currency operations, under which to exercise the constitutional power of issuing and regulating the money supply. A currency system must be created with positive mandates imposed to compel the performance of fixed duties, with prohibitions to check and restrain the encroachments of selfish human nature, and policies as fixed and certain as the sacred Bill of Rights, leaving nothing to the will or discretion of men in the control and administration of money.

We are today under a money system controlled and directed by the will of men without mandates to compel the performance of duties or prohibitions to restrain human nature to safeguard monetary rights and economic security. We are today under a monetary despotism, under a bankers' dictatorship, and under which the people of the country remain suffering, held and languish in abject monetary slavery and economic bondage and servitude.

The one and only hope for economic and currency relief and recovery from the panic or depression, is a system of monetary laws prescribing a certain, fixed monetary policy, an exact rule of currency operations, to be administered and carried out with certain fixed duties to be performed without discretion left to the will of men.

This currency bill under consideration with all its amendments and changes up to this time proposed and considered will leave the people of the country remaining under private monetary ownership and control, under a monetary depotism, and absolute currency dictatorship, with the international bankers the arbiters of the economic destiny of the people.

And until such currency system is created, until exact principles are declared, until the precise course of operations are defined, until the money polar star or goal is set for the administration of currency and credit by a system of defined principles and positive laws leaving nothing to the will or discretion of men, until the vital constitutional power to issue and regulate the distribution of money is removed beyond the reach and control, beyond the discretion and will of interested men with positive mandate imposed to compel the performance of fixed and certain duties and prohibitions restraining usurpation and encroachment, the vital control of public currency will be left to the strategy and intrigue of rival financiers and manipulating bankers who will spar and maneuver for control as kings once fought and maneuvered in conquest and subjugation for the wastes and spoils of war.

It is not possible in the time allotted nor is it the proper time and place to consider the history of our money system further than the economic conditions which gave rise to the organization and inception of our present so-called "Federal Reserve System" and the causes which brought it into being.

The money panic coming in 1907 had served a great object lesson before the people—served to awaken and arouse the people to a realization of the power of money, to a realization that in our money system the way had been left open for the control of manipulating financiers, money pirates, gamblers, and monopolists, who were using the power of money for selfish gain, profits, and their own advantage, and to prey upon and take from the people.

And in 1910 the abuse of money had become so flagrant, so great a menace to the public welfare, that the people, in righteous wrath and indignation, urged and demanded a change in our money system and that the power over money be taken away from gambling financiers and reclaimed back to the Government and the sworn and chosen representatives of the people.

And in 1913, following the demand, the old national-bank money system was modified and superseded by Congress, and in its place and stead the Federal Reserve money system was created and established in operation.

The Federal Reserve money bill finally enacted into law, originally undertook to place the control of money and public currency wholly in governmental agencies. But the international bankers entered such determined opposition that a compromise was agreed upon to save the proposed legislation from failure and the defeat of the bill. By this compromise the same bankers were left in control of the currency but under the oath and charged with the administration of the system as a public duty and in partnership with the Government for the control of the volume and supply of money.

The old law imposed no such positive public duty upon the bankers and it was believed that such oath and obligation of a public trust and the provisions for the immediate

control of the discount rate and open-market operations would safeguard the welfare of the public and would justify the repeal or modification of the old law and the enactment of the new. It was this compromise or no currency legislation. But practice and experience in the working operations of this law have shown that manipulating bankers are not greatly influenced in their course by an oath, and their conduct is not materially different whether under oath or acting without such obligation.

Bringing all explanations of this Reserve currency system down to the last and final analysis, the change in our money system was made, the new Federal Reserve money system was created, for the sole object and purpose of holding the currency within the direction and the control of the sworn and chosen representatives of the people, Congress, the Government; to stabilize currency, values, and the price level, to make the administration of public money an open function for public observation at all times and to remove commerce, industry, and trade beyond the reach of manipulating financiers under secret gentlemen agreements.

The Federal Reserve money system provided all the means necessary for the full and complete control of currency in circulation, to prevent violent inflation and drastic contraction, and thereby to maintain an even volume and supply of money and to stabilize values and the price level. But the centralized power provided for under this Reserve System was, therefore, susceptible of abuse and maladministration, and the means and facilities provided to maintain an even volume and supply of currency could be reversed in their operations and used to bring about inflation or contraction the same as other powers conferred upon men are susceptible of abuse and maladministration.

The Federal Reserve money system, with policies and the course of operations defined by positive law, with mandates and prohibitions imposed and required to be observed under a good-faith public administration, would have been the most perfect and the most effective and complete instrumentality for the control of the volume and supply of money and to stabilize values and the price level which had ever been devised by men as a part of the agencies of government. But, by reason of its concentration of power in one central body under private control, it became at once a threatening danger, a monster, menacing evil, in the hands or subject to the controlling influence of selfish, greedy interests. And by reason of this concentration of power it became a greater danger and menace, even greater than the old national-bank money system, the evils and abuse of which it was to remedy.

The Federal Reserve money system may be compared with or to a new, efficient, effective weapon prepared by men for their own defense, which falling into the hands of the enemy can be turned and used against them with deadly, destructive effect, and by which they can be overcome and enslaved by means and instrumentalities devised by themselves for their own protection and defense.

This new currency legislation was pointed to as the crowning legislative achievement of Congress and the President in 1913 for the prevention of panics and depressions through the scientific control of money provided for and enjoined under the law. But in the administration of the System, and under amendments made from time to time, it has not only failed of such accomplishment, but the operation of these facilities have been used to create a panic instead of preventing one.

Through the door of private control, left open under this new money system, the international financiers and manipulating bankers have entered the sacred chambers of money and when once entrance gained to the inside they have exerted a thousandfold more power to manipulate the currency of the country than was ever exerted through gentlemen agreements operating under the national-bank system.

Under this new money system, money was to be issued and paid out as called for by the banks of the country, upon notes, mortgages, and prime commercial paper to meet the needs of their business affairs, with the people and their local banks to be the masters of the system and the Reserve banks their servants. But through amendments made to the law, always under claim of some great pressing emergency, and under a secret perverted administration, taking advantage of the concentration of power, the system has been made a monster money octopus, commanding and coercing the banks it was to serve, dictating not only the money policy of our own country but the currency system of other nations as well and the control of the world price level.

Under the abuse of its powers, in withholding and denying credit and contracting and withdrawing money from circulation, instead of preventing panics as intended, the powers have been perverted and used to bring the most disastrous panic in all history, with its withering blight carried to every civilized country of the world.

Such was the system for the control of money and such were the men behind the screens directing the operations and policies of the system when the blight of this panic fell upon the people and the industries of the country, prostrating, stifling, and paralyzing not only industry here but throughout the world. And the same system remains in operation today, left subject to the same private control, left to dictate the money supply of the country, left to lower values when they want to buy, left to raise prices when they want to sell, left multiplying the value of their money and debts in crushing burdens upon the people.

The master minds of finance as directors and shareholders of the member banks of the system, owning the controlling shares of stock of the Federal Reserve money system, and directing its operations in secret today, are the same men who, under a secret gentlemen's agreement, operating to corner and monopolize the money supply, under the national bank system, brought on the money panic of 1907. They are the same men who held the secret bankers' meeting May 18, 1920, in Washington, D. C., and secretly contracted currency and credit, using the Federal Reserve money system and brought on this panic, beginning first in 1920. They are the same men who operated through the Reserve system to expand currency and credit in 1928, suddenly raising values and the price level, stimulating a bull stock movement to unload worthless stocks and bonds upon the unsuspecting investing public, brought on the stock market crash and the second panic following in 1929.

They are the same financiers and bankers who acquired from foreign nations and people at low discounted values, over twenty billions of worthless foreign bonds, and unloaded them, through the member banks of the Federal Reserve System, upon the unsuspecting and unsophisticated people of this country, realizing some two billions in commissions or profits, and reserving not a single bond for their own investment which they had recommended to the people.

In 1907 the people of the country were in revolt and calling for repeal of the National Bank money system, operated under private direction and control, and were demanding that the power over money be recovered back to the Government for public control and administration. It was to meet and frustrate this demand for public control of the money supply that the Federal Reserve money system was brought before Congress and provided, with the Government and bankers to be in partnership, assuming public control of the money supply, but with the same bankers left as owners of the system. The people were thrown off their guard, the movement for public control was dissipated in the glowing tributes to elastic currency, the private control of money was continued on uninterrupted, avarice, and greed again asserted itself supreme and the grasping money changers left in control, in their mad race for profit and gain, for quick wealth and swollen fortunes, brought on this the greatest panic of all times.

The people are now standing again today where they stood after the money panic of 1907, demanding the public control of money, and again a more "liberalized" system is proposed to mislead and throw the people off their guard, to perpetuate the private control of money. If this proposal to modify and revamp the Federal Reserve money system by so-called "liberalization of the policy", without further

amendment than now proposed, is carried out as now planned, history will again repeat itself and the system of private control of money will be continued on, with manipulating bankers directing its operations. This proposal now to amend and modify the Federal Reserve money system, leaving the private bankers in control, discounts the intelligence of the people and presumes upon the impotency of Congress to uphold and defend their rights and interests and conserve the public welfare.

There can be no permanent relief from this panic, from the burdens and evils of this depression; there can be no security for lasting prosperity while the power over money remains in the control of private banking interests, the international and manipulating financiers, and until the control over our money supply is recovered back to Congress and the Government and administered for the public welfare instead of private gain, profit, and advantage.

The proposed Federal Reserve amendment now heralded as the new relief program, without further amendment is only another delusive maneuver to throw the people off their guard and to perpetuate the fraud of private control by assuming to eradicate the evils of the system while leaving the currency and credit in the same private control for manipulation, and should be repudiated and resented by Congress and by every loyal and patriotic citizen of the land under the demand for immediate recovery of the control of money back to the Government, where the Constitution placed it and where it can be safeguarded and administered in the interests of all the people.

If this proposal to modify and ameliorate the evils of the Federal Reserve System, to prolong and perpetuate private control of the money system of the country for further exploitation of the people, is not met and challenged today, and the power recovered back to the Government, the ordeal will be cowardly passed on to the next or succeeding generation to regain what we have sacrificed and condoned and the crisis left to be met in the throes of bloodshed and revolution when the burdens have become crushing and intolerable.

A majority in Congress today is ready to take steps to recover back the constitutional power over money and they would take the step if they were only assured that the people would not again be misled by the shrewd and crafty propaganda of financiers under the claim of currency reform, sound money, and an honest dollar, and the delusive hue and cry of inflation, fiat money, printing-press money, and they would be upheld and sustained in the recovery of public control of money and the credits of the country.

Taking advantage of religious beliefs and the phenomena of life and nature, many great and delusive frauds have been practiced upon the people, under the pretense and strategy of which to take from them the fruits of their toil and labor. But the money illusion, the mystification of money operations, the currency maneuvers under cover and concealment, for the number of people held in awe and misapprehension, for the time in which held in mystery and bewilderment upon them, is the most gigantic and colossal fraud of all deceptions perpetrated upon mankind.

The CHAIRMAN. For the benefit of the gentleman from Alabama and the gentleman from Ohio, the Chair will state that the gentleman from Alabama has 1 hour and 20 minutes remaining and the gentleman from Ohio 2 hours and 30 minutes remaining.

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7617, and had come to no resolution thereon.

OUR NATIONAL WATERWAYS

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein an address delivered by our colleague, Hon. J. J. MANSFIELD, Chairman of the Committee on Rivers and Harbors, before the National Rivers and Harbors Congress in Washington, and to the country by Nation-wide radio hook-up, broadcast over the system of the National Broadcasting Co., May 2, 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. FIESINGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. JOSEPH J. MANSFIELD, Chairman of the Committee on Rivers and Harbors, of the House of Representatives, before the National Rivers and Harbors Congress, in Washington, and to the country by Nation-wide radio, broadcast over the system of the National Broadcasting Co., May 2, 1935:

OUR NATIONAL WATERWAYS—A FREE AND PRICELESS INHERITANCE OF THE PEOPLE, AN ESSENTIAL NECESSITY TO EVERY AMERICAN INDIVIDUAL AND TO EVERY AMERICAN HOME

Mr. President and delegates to the National River and Harbor Congress, it is a particular pleasure for me to appear before this Congress and to have the opportunity to speak to you on the significant part our national waterways have played in the economic development of the Republic. I know that you are thoroughly familiar with the benefits which have accrued from low-cost water transportation and its ever-increasing necessity in the complexities of present-day commercial competition. I regret exceedingly that the general public is not so well informed, and I believe it to be the duty of those of us who are interested in the further development of our waterways to utilize every opportunity to present to the public their importance to the prosperity of the Nation as a whole.

As a member of the Committee on Rivers and Harbors of the House of Representatives for 14 years, and as chairman for 4 years, I have been closely associated with the formulation of the national policy for the improvement and maintenance of our waterways—a policy which calls for the conservation and improvement of these waterways by the Federal Government with the aid and active support of the local interests benefited by these improvements—a policy which has kept these natural arteries of commerce the property of the people as a whole, free and unfettered in their use as public highways by each and every citizen.

This policy has not been an overnight development, but is the outgrowth of more than a century of action and legislation which, beginning with feeble indications of a national interest in the work, has developed into the broad and comprehensive program now in evidence.

The first river and harbor legislation enacted by Congress in 1789 consisted in assenting to certain improvements sponsored by the individual States. The first appropriation for river and harbor improvements was made in 1802, and from 1826 to the Civil War, Congress periodically provided appropriations for this purpose. The close of the Civil War and the return of industrial activity brought to the front the necessity for a still more comprehensive program to provide reasonable facilities for our ever-growing commerce. From 1866 to 1920, Congress continued the passage of these periodical river and harbor bills, and in 1920 adopted its present policy of enacting general river and harbor legislation to include the authorization of definite projects and the expenditures necessary for the completion of these projects every several years, and making available in the annual War Department appropriation a lump sum for application to these authorized projects. No legislation which comes before Congress receives more critical examination or stands more on its own merits than these river and harbor bills, and no committee of Congress receives more expert and disinterested advice than the River and Harbor Committee does from the Army engineers in its investigations into the merits of the individual projects.

The necessity for these improvements and the important part which they play in the life of America is but poorly understood. In the early days of the Republic its expansion was governed in large part by its rivers, as these highways provided by nature were the only reliable means of transporting even the simple necessities of our pioneer ancestors. Today, in our modern complex civilization, the importance of water-borne commerce to the daily life of every citizen is even more evident, and the very necessities of this life depend upon facilities for commerce, and particularly water-borne commerce. For example, let us look around the room in which we are sitting. The radiator is made of iron. The ore from which this iron is made comes from the region of the Great Lakes where it is shipped in large lake carriers to lake ports to be unloaded and carried by rail to the iron foundries. The cost of the radiator is lessened by reason of the improvements in the channels and harbors of the Great Lakes, provided by the Federal Government, so its use is no longer confined to the wealthy, but is available to the average home. The shellac with which our floors and furniture are painted comes from India by ship. Every article about the house composed of rubber or gutta-percha depends for its cost on the cost of water transportation. Practically all of our electricity is made available for use through rubber insulation of one kind or another. The costs of our tea and coffee are lessened by the port facilities provided by the Federal Government. The silk used in our clothing, and many other essential items in our normal everyday existence are made possible at a reasonable cost only by the improved navigation facilities pro-

vided by the Government. Along the Ohio and Mississippi Rivers the people get practically all of their heat from coal shipped from the Kentucky and West Virginia coal fields in huge river tows carrying 12,000 tons of coal each.

River cities, such as Cincinnati, St. Louis, and Memphis, have been built up by low-cost water transportation and would have to alter their commercial existence were it not for the advantages afforded by improved streams.

We cannot leave our homes and go into the streets without coming into direct contact with modern necessities and conveniences imported to provide us with a more comfortable existence. The asphalt on our streets, the tires on the automobiles using the streets, have become practicable for use only because their cost has been brought within reach by the improvement of our waterways and harbors. These improvements are, of course, paid for indirectly by each and every one of us, but each and every one of us receives a direct return from our investment. There is no public expenditure that is so useful and fairly distributed, both as to cost and benefit, as these improvements. The cost to any one individual is small, and the benefits reached are continuous and ever present in our daily lives, composing a part of every meal, of every day wearing apparel, and affecting our daily heat, light, and the other necessities and luxuries enjoyed by the American citizen.

The use of these articles is taken for granted, and the average man in the streets, when he visualizes a waterway, thinks of it as a natural gift to mankind. This is far from true. Our Atlantic coast was provided by Nature, with but one harbor with a draft of 30 feet. New York Harbor, the greatest port in the world, with an annual tonnage of 130,000,000, valued at over $30,000,000,000, had a natural entrance channel of only 23 feet, which has been increased by the Federal Government to a depth of 40 feet and a width of 2,000 feet, with many interconnected channels and anchorage basins.

The great ports of the Atlantic and Pacific Oceans, the Gulf ports, including the booming Texas oil ports, the ore and coal centers of the Great Lakes, and our inland waterways reaching far into the interior of the country and providing the agricultural regions with transportation costs comparable to the seacoast, have all been improved by the Federal Government and have played an ever-increasing part in the growth of the industrial and commercial life of the Nation. These developments which have given the American Nation a system of harbors and waterways equaled by no other Nation in the world, have resulted from far-seeing vision and skillful engineering execution.

Congress throughout the years has appropriated a total of $2,000,000,000 for maintenance and improvement of our navigable waterways, which carry an annual commerce of 583,800,000 tons, valued at $24,311,000,000. This work has been carried out quietly and efficiently from the first authorization by Congress, by the Army Engineers. Theirs is not an organization which seeks publicity in the unobtrusive performance of its work, and I would feel that I had neglected my own duty if I did not take this opportunity to speak briefly of its record and achievements.

First organized by the Continental Congress in 1776, and definitely established by Congress in 1789 under the leadership of Brigadier General du Portail, a distinguished French volunteer, this organization has since been in continued existence, and from its earliest days, has been charged with many of the more important construction and engineering activities of the Government.

Its officers are honor graduates of the United States Military Academy or selected graduates of our leading technical schools. These officers are given a year of post graduate training in specially chosen technical subjects, a year at the Engineer School of Application, which specializes in an intensive course in river and harbor engineering, and are further trained by actual field experience in responsible positions, their responsibilities being increased as rapidly as experience permits. They are aided in their work by a civil engineering organization containing the highest type of engineering talent available in this country and imbued with the same spirit and traditions. The names on the roster of the Corps of Engineers include some of the most illustrious in American history. Lee, Beauregard, Meade, McClellan, Joseph E. Johnston, Pope, Halleck, McPherson, Goethals, and Siebert, and their successors of today, McArthur and Markham, are men who have contributed much to the progress of America. Their work has included, in addition to the supervision of river and harbor improvements, many other engineering achievements of note. McNeil and Whistler were both Army engineers who played an outstanding part in the development of the country's first railroad system. Much of the early exploration and mapping of the great West was under the direction of this corps which has been charged for many years with special surveys for the Federal Government. Their accomplishments in the field of municipal engineering have included the construction of many of the public buildings in Washington, such as the Washington Monument, the Library of Congress, the Lincoln Memorial, the Memorial Bridge across the Potomac, and the water-supply system of the District of Columbia. Their work has covered the entire continent of the United States, Hawaii, Philippine Islands, and Alaska. One of the outstanding features of engineering in the history of the world was the construction of the Panama Canal, which was completed under the direction of Gen. George W. Goethals, assisted by several other distinguished Army engineers.

The present organization is a worthy successor to the traditions and achievements of the past. Its work under the emergency relief programs has been outstanding. Its officers have been loaned to the emergency administrations. It has been directly charged with the expenditure of $350,000,000 of emergency funds. Its record in placing this work under way with a maximum of speed, in providing employment at the greatest possible rate, and at the same time sacrificing no standard of design or engineering, has and should receive national acclaim. The Government has been well served by this organization. The country is fortunate that Congress has always recognized the true significance and importance of waterway developments and has intrusted these developments to an organization particularly skilled in and adapted for this work.

Congress, with vision, has always appropriated the necessary funds so that our waterway improvements have met the demands of American trade and has maintained these waterways free of cost to the people of the country as the property of the Nation. Their continued development must not cease. The Nation which desires to be in the foreground of the commercial nations of the world must anticipate commercial trends and must be prepared with the necessary transportation facilities to enable it to successfully compete with other nations in the world market, where transportation costs often prove a vital factor in gaining or losing these trades.

AGRICULTURAL APPROPRIATION BILL—1936

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6718, the agricultural appropriation bill, and that the House further insist upon its disagreement to all Senate amendments, except amendments numbered 8, 58, and 60, and that the House insist on its amendment to Senate amendment numbered 29, and that a further conference be had with the Senate.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take from the Speaker's table the bill H. R. 6718, the agricultural appropriation bill, further insist on its disagreement to all of the Senate amendments, except Nos. 8, 58, and 60, that the House insist on its amendment to Senate amendment numbered 29, and that a further conference be had with the Senate. Is there objection?

Mr. TABER. Reserving the right to object, will the gentleman tell us what those amendments are that are left out?

Mr. CANNON of Missouri. Those are the three amendments which were agreed to by the House at the time the conference report was adopted.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SANDLIN, CANNON of Missouri, TARVER, BUCHANAN, THURSTON, and BUCKBEE.

FAITHFUL, DEPENDABLE LOYALTY TO FRIENDS IS THE CARDINAL PRINCIPLE OF MY LIFE

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, there are members of three American Legion posts in Sweetwater, Tex., who recently have taken up with me matters relating to a C. C. C. camp and a postmastership there. I ask unanimous consent to revise and extend my remarks and to include some data and letters bearing on the above and to be referred to in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROGERS of Oklahoma. Reserving the right to object, that will not take a lot of space in the RECORD, will it?

Mr. BLANTON. I will say to my good friend the distinguished gentleman from Oklahoma that it will not take nearly as many pages as we Members of the House who are the gentleman's friends and coworkers here have allowed the gentleman from Oklahoma to use at will during the last several months.

Mr. ROGERS of Oklahoma. That is what I want to know. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, on April 25, 1935, I received from Mr. John M. Moore, of Sweetwater, Tex., a Western Union night letter advising me that he was an applicant for the postmastership and indicating that he would have the endorsement of the American Legion there.

I immediately replied by letter dated April 25, 1935, advising Mr. Moore that his night letter received that day was the first intimation I had had that he would be an applicant or that any members of the American Legion would endorse an applicant, and I stated:

Your application comes too late for you to be considered for the temporary appointment as acting postmaster, as on yesterday the Department, on my recommendation, selected the one to act as temporary acting postmaster until the regular civil-service examination can be held.

Soon after a change is made, and the acting postmaster is installed, the Civil Service will announce an examination in which you will be allowed to compete. You can get your application blank from the post office there after the examination has been announced.

A few days thereafter I received from Mr. John M. Moore his letter dated at Sweetwater, Tex., April 25, 1935, enclosing an endorsement signed by citizens, copy of which was sent to the Post Office Department.

Although, except as to Mr. W. H. Jobe, there is hearty cooperation between all Democratic officials in the counties of my district and myself, with respect to the few appointments I am allowed to make, Mr. Jobe not only has always opposed me politically but in several instances he has tried to go around me and over my head on different matters that were wholly my own prerogatives.

There was sent to me a copy of the Reporter for April 21, 1935, stating that Mr. Jobe had wired the Post Office Department regarding a matter which the Department has invariably accorded to the majority Members of Congress to handle themselves, and acting with Mr. Jobe there has been a little coterie of business men in Sweetwater who have always been my political enemies and who have always tried to hamstring me at every turn. And said copy of the Reporter contained the following:

The Reporter has been asked to announce that a group of business men are sponsoring a bean feed for all ex-service men of Sweetwater and vicinity, to be held at 7:30 Monday evening at the Macie Hotel.

The affair is to be absolutely free, with no donations, no solicitations, and no specific organizations are to be represented.

I had reports from a number of constituents in Sweetwater advising me that the above "bean feed" was gotten up by enemies in the hopes of preventing me from exercising my privilege and prerogative of selecting one of my friends as temporary acting postmaster. The Reporter for April 25, 1935, stated that all of the endorsers of Mr. John M. Moore were insisting on the Republican incumbent not being removed, but allowed to remain in the office until next January. Hence the fact that the incumbent was a Republican was in no way objectionable to them. These enemies were perfectly satisfied with any Republican they might choose. They just did not want me to exercise my own privilege and prerogative of favoring one of my own friends.

Our Democratic administration was unusually kind to the Republican incumbent at Sweetwater. It allowed him to remain in office from March 4, 1933, when we took over the Government, until May 1, 1935, when the Department removed him for cause. As a matter of fact, he had held the office for more than 4 full years, as he took charge of the office on March 31, 1931. And the Department offered him the privilege of resigning, of which he did not avail himself. When I learned definitely that the Department was going to remove Mr. Shields, and his friends claimed that he needed time to arrange his affairs, I did him the courtesy to wire him that if he would send the Department his resignation to take effect at the close of business on May 15, I would make a special effort to get the Department to approve it, but he did not appreciate this courtesy. When the Republicans took over the Government with President Harding's administration, they promptly removed Democrats all over Texas, hence Mr. Shields was accorded unusually kind and considerate treatment by our Democratic administration.

THAT FREE "BEAN FEED"

One of my good friends in Sweetwater, who is a World War veteran, and was overseas and in the trenches of France during the war, has given me the following very interesting information regarding the attempt to use ex-service men for a selfish purpose:

SWEETWATER, TEX., *April 26, 1935.*

Hon. THOMAS L. BLANTON,
Member of Congress from Texas, Washington, D. C.

DEAR MR. BLANTON: While I have no desire to enter the lists in any controversial issue involving folks in my home town, I feel that I am obliged to advise you the situation that obtains in connection with the muchly heralded "veteran sponsorship" of John Moore for the post office in Sweetwater.

First, let me say that there are 600 World War veterans in Nolan County. That these 600 men are not so strong for sponsorships or organization is shown by the fact that Oscar McDonald Post, No. 109, of the American Legion has a membership of 51; Musician's Post, No. 333, of the American Legion, has 26; and Sweetwater Post, No. 2479, of the Veterans of Foreign Wars, has a membership of 35, or a total of 112 members in the various orders in the county that could possibly be affected by any appointment to the local post office.

At the meeting of veterans of the county so widely publicized there were 68 people present, of which approximately 30 were members of some veterans' organization. The remaining 38 were not only members of no organization but most of them have never been members. In my opinion they did not represent in any sense the veterans of this county, but rather a small group of political malcontents urged on by scheming persons who were anxious to see their ideas carried out and who were perfectly willing (if their ideas failed of maturity) to see the poor old veteran get the blame for any resultant bad publicity and/or feeling.

I trust that before you give your approval to Mr. Moore's application for the office you will contact the leaders of the various veterans' organizations that are doing something for and in the community and find out their opinion as to whether all or any veterans in this county favor his appointment.

Personally I would favor the appointment of Mrs. Bowen, if she desired it; but I certainly would not want to stand idly by and permit the veterans of this county to be made the butt of a misguided ideal in any event.

Trusting that you will, as suggested, determine the true sentiment of the veterans of the county before you give anyone preference by virtue of their alleged sponsorship and with assurances of my desire to be of any assistance to you in this connection, I remain,

HAVE BEEN LOYAL FRIEND TO ALL VETERANS

No one could have done more than I have for all veterans. I helped to pass the law that allowed compensation to their dependents and that granted $10,000 war-risk insurance alike to the private the same as to the high officer. I helped to pass the laws for rehabilitation and for the various kinds of training after the war and for compensation and hospital treatment for the disabled. I helped disabled veterans not only in Sweetwater, and Nolan County, and my district, but also thousands of them all over the United States, to obtain needed hospitalization, treatment, operations, and compensation for themselves and their dependents. At my own expense I have inspected many hospitals over the United States and helped to remedy conditions adverse to their welfare and interests. I have conducted a number of investigations at my own expense, such as that I made of the Old Hospital No. 25 at Houston, Tex., causing 200 veterans dying with tuberculosis to be removed in 1 day to Prescott, Ariz., and Fort Bayard, N. Mex.; that of Col. Charles R. Forbes, Director of the Veterans Bureau; that of Col. Frederick A. Fenning, who was the guardian of and had robbed several hundred shell-shocked veterans; and that of Maj. William Wolff Smith, former general counsel of the Veterans' Bureau. I have helped to pass the laws that give veterans 10-percent preference rights on acquiring Government lands and on ratings for all civil-service positions. And I have shown special consideration to veterans when making the few appointments that have been allotted to me since the war. I helped to pass the law that granted adjusted compensation and that granted loans of 50 percent of same, and have in every instance voted to pay the adjusted-compensation certificates in full and to pass same over Presidential vetoes. Hence no truthful person can justly say that I have not been a true, faithful, dependable friend of all veterans.

A CONGRESSMAN'S PREROGATIVE

Our Democratic administrations while in power have always accorded to each Democratic Congressman the privilege and prerogative of naming one of his friends as the temporary acting postmaster to fill a vacancy until the regular civil-service competitive examination could be held.

NO TIME TO LOOK AFTER POLITICAL INTERESTS

When Congress is in session the Representative is busy here in Washington on his official duties day and night and does not have time to look after his own interests. Many times during election year he cannot go home until just a few weeks before the primary, notwithstanding that his opponents may have been actively campaigning his district for many months. If it were not for the fact that he has loyal friends in every county who look after his interests, he could not be reelected. They seek no reward. He cannot pay them for their loyalty. They will not even let him pay their expenses. They expect no recompense. And it is only natural that when the Congressman is given the privilege of appointing someone, as his own prerogative, that he should select the friend who had been most loyal and faithful to him upon whom to bestow such favor. If he did not do so, he would be an ingrate. And ingratitude is about the basest trait of human character.

FAITHFUL SERVICE TO SWEETWATER

Some of my dearest friends have lived in Sweetwater. During the campaign of 1916, when I was first elected to Congress from the old "jumbo district", embracing 59 counties, running from Mineral Wells to El Paso, the district being 556 miles east and west and about 400 miles north and south from Lubbock to Rock Springs, in Edwards County, it was a veritable empire.

Morris B. Howard, of Sweetwater, wrote hundreds of letters for me. He contacted not only his many friends in Sweetwater and Nolan County in my behalf, but he went to Fisher County, Jones County, Tom Green County, and even made a 1,000-mile trip out to El Paso and western counties for me. Not one dollar of expense would he ever accept from me. He expected no reward. No man could have done more for another in a campaign than he did for me, and he helped to elect me to Congress.

PLEDGED FIRST FEDERAL BUILDING TO SWEETWATER

After I was elected, because of the splendid help Morris Howard, Vard Woodruff, and other Sweetwater friends had accorded me in the campaign, I told them that the first Federal building that was granted to my district would be built in Sweetwater. I kept my promise. As soon as I entered Congress I introduced a bill to provide a Federal building for Sweetwater. But the war and after-war days stopped all building construction for a number of years. I saw to it that the first bill authorizing emergency building embraced one for Sweetwater. But it was several years before we passed any measure appropriating the money for construction of any Federal buildings. Congress finally authorized the Post Office Department and the Treasury Department to designate which of the buildings should be placed in the emergency list, and Sweetwater's building was in this list.

FINALLY SUCCEEDED IN GETTING THE APPROPRIATION

On June 20, 1930, we passed the bill in the House that appropriated $130,000 for the Sweetwater building. I quote from the RECORD of June 20, 1930, the following from the speech I made in the House of Representatives at that time:

Mr. BLANTON. Mr. Chairman, ladies and gentlemen of the House, we have just passed without a dissenting vote an appropriation of $100,000 to construct an adequate post-office building for the city of Coleman, Tex., and an appropriation of $130,000 to erect a proper post-office building in the city of Sweetwater, Tex.

I am deeply grateful to and thank my colleagues for allowing these two appropriations to pass without objection. My worthy constituents who are citizens of these two enterprising cities duly appreciate this generous consideration shown them. They have patiently waited a long time for these public necessities.

This action today successfully terminates a long fight I have unceasingly waged for these two buildings ever since I first entered Congress, and especially since the Federal building program was resumed in the Sixty-ninth Congress. With my service that began March 4, 1917, in the Sixty-fifth or war Congress, all building activities were suspended for 10 years to permit the Government to recuperate from its enormous war expenses.

The people of Coleman and Sweetwater are greatly indebted to Senator SHEPPARD for the help he has so generously and untiringly given me in this matter. He has promptly responded each and every time I have called on him. He has several times left his arduous office work and gone with me to the Post Office Department to present in detail and argue at length the claims of Coleman and Sweetwater with Governor Bartlett, the then First Assistant Postmaster General. He has gone with me to the Treasury Department to see the then Assistant Secretary Schuneman and Supervising Architect Wetmore. Whenever I have called on him Senator SHEPPARD has immediately dropped everything and gone with me, lending me his time, aid, and help in every way possible.

When the proposal in the building program first came before us for Congress to delegate its power and authority to the Post Office and Treasury Departments to determine and say where new buildings should be located I was against that provision as I was afraid that politics would prevent a fair distribution of buildings to the various districts. Then I was definitely assured that both Coleman and Sweetwater would be placed in the building program. Hence, when S. 4663, carrying the new building program, was passed in the House on February 7, 1927, under suspension of rules I supported and spoke for it, then calling attention to the fact that my promised buildings had been assured. Likewise, when H. R. 278 was passed by the House on December 17, 1927, under suspension of the rules, I spoke for it and again called attention to the fact that the assurance of buildings in Coleman and Sweetwater caused me to support the bill. My colleague [Mr. Hudspeth] then mentioned from the floor my getting the building for Sweetwater, and my colleague [Mr. Busby] then mentioned that I had opposed the proposition until I had been promised my two buildings.

On February 2, 1929, I spoke for 20 minutes in the House and called attention to the fact that I would soon retire from Congress and that the departments must keep faith with me and provide buildings for Coleman and Sweetwater. On February 27, 1929, buildings were duly allocated to Coleman and Sweetwater, which constituted authority for appropriations to be made therefor; and I retired from Congress 5 days later, on March 4, 1929. And I am happy to be back here today when we have voted the two specific appropriations for these buildings at Coleman and Sweetwater which assures their prompt construction. And so ends the usual long delays and Government redtape incident to all building construction.

PROUD OF SWEETWATER'S BUILDING

Every time I visit Sweetwater, I am proud of our Federal building there, but I am sad over the thought that my old true and tried friend, Morris B. Howard, did not live to enjoy it, for he passed away on February 15, 1931.

ONE OF THE BEST POSTMASTERS IN THE UNITED STATES

Hon. Morris B. Howard was one of the most efficient postmasters in the Nation. Service to the people with a smile was his motto. He was their obliging servant. And while he was a Republican appointee he was also a good Democrat. I have before me the official records showing that during the Bryan campaign in 1908 he made a contribution to the Democratic National Committee, and when Bryan was defeated he made a contribution toward the campaign deficit to our Democratic National Committee.

And in the Woodrow Wilson-Thomas R. Marshall campaign in 1912 I have before me the official records showing that he made a contribution to our Democratic National Committee on September 14, 1912, and another on October 5, 1912, and to help pay off the campaign deficit he made another contribution on November 8, 1912, and another one on November 26, 1912, to our Democratic National Committee.

MORRIS HOWARD'S DAUGHTER

During the last three or four campaigns I have made there is no other friend in my district who has done more for me than Mrs. Thelma Howard Bowen. She has made trips to many counties, contacting her friends and their friends in my behalf. When I was 2,000 miles away in Washington she has taken down the speeches made by my opponents and furnished me with transcripts of same. Friendship caused it all. She expected no reward, and never allowed me to return any expense to her. Regarding her service to the Democratic Party I will quote the following from the Sweetwater Daily Reporter of April 10, 1935:

I have in my files a copy of a letter which in 1912 Mrs. Woodrow Wilson wrote Thelma Howard, then a little girl, addressing her as "My dear little friend", and thanking her for her action in selling a painting and sending the President the money as her contribution to the Democratic national campaign. She made an additional contribution in Woodrow Wilson's campaign fund, for in my files is a copy of the following letter written to her just after the election, by President Woodrow Wilson, to wit:

TRENTON, N. J., *November 15, 1912.*

Miss THELMA HOWARD,
Sweetwater, Tex.

MY DEAR LITTLE FRIEND: I cannot tell you what gratification that it gives me that you should think of me. Your letter has given me

a great deal of genuine pleasure and I hope that as the years go on you will continue to feel that I am the sort of man you would like to support and keep as your friend.

Cordially and faithfully yours,

WOODROW WILSON.

In the Franklin D. Roosevelt campaign in 1932 Mrs. Thelma Howard Bowen gave her money, time, and efforts in doing everything that it was possible for one woman to do in helping him to be elected. I have in my files copies of correspondence between her and Hon. Robert W. Haynie, who was national Democratic chairman for my congressional district, showing that she served under him as one of the organizers for Nolan County, sold Democratic medallions, and helped to raise funds for the Democratic National Committee.

TYPICAL OF HER SERVICE

The following letter from Judge Robert W. Haynie, district Democratic chairman, evidences the confidence he had in her valuable service:

ABILENE, TEX., *October 18, 1932.*

MRS. THELMA HOWARD BOWEN,
Box No. 786, Sweetwater, Tex.

DEAR MRS. BOWEN: As national Democratic campaign chairman for the Seventeenth Congressional District of Texas, I am appointing you as cochairman for Nolan County, to work with the Democratic county chairman as organizer for your county. We do this in recognition of the valuable services you have already rendered our cause, and we know that you will render some very efficient and valuable work for the Democratic Party between now and the November election. Mrs. John Perry, of Sweetwater, Tex., is a member of the executive committee for the Seventeenth Congressional District, and I would suggest that you get in touch with her and render her all assistance possible in the organization of Nolan County. It is the purpose of our executive committee to organize every precinct in every county, and for that purpose a woman's committee composed of a cochairman and two other members has been deemed advisable. I would suggest that you select two other workers to work with you as members of your committee and furnish me with the names of the coworkers.

Assuring you that we will appreciate any service that you can give us, and with best regards,

Yours truly,

R. W. HAYNIE, *Chairman.*

ARE THERE ANY CITIZENS IN SWEETWATER UNGRATEFUL?

For 18 years I have done faithful service for Sweetwater. No Congressman could have given more devoted service to any city in his district than I have to Sweetwater. I have answered thousands of letters for Sweetwater people. I have handled scores of departmental cases here for them with the Government. I have promptly looked after all of their passport matters. I have given prompt attention to all of their numerous income-tax problems they have had here with the Internal Revenue Bureau. I have seen to it that Sweetwater got her share of public works and relief funds. I got for Sweetwater her C. C. C. camp, when numerous other places in my district were clamoring for it. And when through a mistake of the Governor at Austin approving of such transfer, without Sweetwater agreeing to it, and a unit of Negroes were sent to the camp there, and Sweetwater officials telephoned and wired me urging that they be removed, I worked day and night until I got them removed, and I have a promise from the President of the United States, and Director Fechner, and Director Cammerer, that a white unit will be returned to Sweetwater camp within the next few months.

NOTHING BEATS COOPERATION

On assuming the duties of acting postmaster, Mrs. Bowen asked for the friendly cooperation of the patrons, and in return she promised them the very best service with a smile. That is the kind of cooperation I want from Mayor Armor—like R. G. Armor, of Eden, gave me—and from Hon. W. H. Jobe, and the ones who pulled off that free "bean feed" and the able editor of the influential Daily Reporter, and then I shall be better able to do all of the things worth while for Sweetwater.

ADDRESS BY HON. SAMUEL B. PETTENGILL AT STUDEBAKER REORGANIZATION DINNER

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, our colleague, Hon. SAMUEL B. PETTENGILL, delivered a notable address, beautiful in its diction and sound in its philosophy, at the Studebaker reorganization dinner in South Bend, Ind., on Friday evening, April 26. Studebaker, founded in 1852, and therefore starting its eighty-third year, is the first great industry to be reorganized under legislation sponsored by the Roosevelt administration, and is, I am told, the only automobile company that ever went into a receivership and came out. The dinner, held in the dining room at Notre Dame University, was attended by 1,400 guests, including representatives of the entire automotive industry, automobiles and accessories. Among those who spoke at the dinner were Alvin Macauley, president of the Automobile Manufacturers' Association; Robert Lincoln O'Brien, Chairman of the United States Tariff Commission; Gov. Paul V. McNutt, of Indiana; Dr. R. D. Morand, deputy speaker of the House of Commons of the Dominion of Canada; Thomas W. Slick, judge of the United States district court; Herald S. Vance, chairman of the board of directors, and Paul G. Hoffman, president, of the Studebaker Corporation.

Our distinguished colleague, Mr. PETTENGILL, chose as his subject, The Automotive Industry and National Recovery. The address he delivered is so obviously illuminating in its adherence to correct principles and is withal so inspiring that I ask unanimous consent that it may be printed in the CONGRESSIONAL RECORD.

Mr. PETTENGILL'S address follows:

THE AUTOMOTIVE INDUSTRY AND NATIONAL RECOVERY

My friends, I have long since come to the conclusion that it is not the function of men in public office to act as "cheer leaders." They should be neither pessimists nor optimists, but men willing to state the truth as they see it and face all the facts, whatever they are, good or bad. This was the way a great American dealt with the public. In Abraham Lincoln's second inaugural address, after 4 years of war, he spoke of the "progress of our arms", which he trusted was "reasonably satisfactory and encouraging." But he added these words: "With high hope for the future no prediction with regard to them is ventured." Lincoln was not a dealer in ballyhoo.

Nevertheless, the cold facts which have brought this meeting together seem to warrant a "high hope for the future." A great industry which has seen hard times come and go in its 83 years of useful life has again weathered the storm. Its confidence in the future is as strong as its pride in its past.

The outcome must renew the fighting faith, not only of those of us of South Bend, but of all American industry, that we are climbing the hill. I congratulate Judge Slick, Mr. Vance, Mr. Hoffman, and those who gambled their dollars upon the goodwill of the Studebaker name and the good workmanship of the Studebaker car.

Sixty-eight years ago, only 3 years after Lincoln's death, Studebaker carried this advertisement:

"Founded in 1852 with willing hands and stout hearts, but no capital, we have struggled upward, overcoming all discouragements, until today we employ 130 hands. Let our works praise us; we ask no other endorsement. We claim to be unsurpassed in excellence of workmanship and material. And we make our prices such that no prudent man will claim to undersell us. On this base we plant our flag, and here we propose to fight to the end."

Thank God, the end is not yet—not even the beginning of the end. It is the ending of the beginning! Studebaker carries on!

No segment of our business life has shown greater courage than the automobile industry. It was a chief factor in pulling us out of the let-down following the World War, and it leads the way today. Upon its success in the days to come depends in large part the happiness of us all. It has brought the country to the city, and the city to God's out-of-doors. It has laid its ribbons of concrete from ocean to ocean. It has broken down barriers between the States. Following the iron horse across the continent, it has helped to make this Nation a "more perfect Union." It has brought us into closer and friendlier relations with the "Lady of the Snows" to the north, and to our neighbors south of the Rio Grande, and in lands beyond the sea.

It has made a notable contribution to the American farm. Cars are grown as well as made. Soy beans are used to paint them, and into their making go millions of pounds of cotton, millions of pounds of wool and mohair from sheep and goats, millions of bushels and pounds of corn, flax, sugar, cane, cattle, and hogs, for rubber substitute, solvents, glycerine, antifreeze, antirust, glue, greases, bristles, butyl alcohol, oleic acid, lubricants, plastic materials, and upholstery. The American farm has found a new market in our cities, and our cities in turn, with the revival of agriculture, will find new markets on the farm.

This ought to teach us that we can no longer afford to be provincial and narrow in our attitudes toward problems facing any part of American life. The farm is the problem of industry, and the success of the latter will in turn be to the welfare of the former.

The automobile industry employs directly and indirectly some 3,900,000 wage earners, or one-tenth of the total gainfully em-

ployed of the Nation. The beat of its mighty heart is felt in every artery of commerce. It buys 80 percent of the world's rubber, 85 percent of our petroleum, plateglass 38 percent, iron and steel 15 percent, copper 11 percent, aluminum 25 percent, nickel 28 percent, lumber 14 percent, lead 10 percent, etc. Automobiles pay 11 percent of the total cost of government, or over a billion dollars a year, and this does not include property and income taxes on automobile factories, machinery, garages, etc. Although it competes with railroads, it furnishes 14 percent of all railroad freight. Every human being under the American flag could get into the 24,000,000 motor vehicles now in use and ride on rubber at the same instant of time. Placed end to end, American-owned cars would go twice around the globe. This miracle of achievement is not the product of government or bureaucracy. It is the result of private enterprise. When Mussolini or Stalin do half as much, it will be twice as much as they have done.

Cars are made by money, management, and men. Each is a leg of a three-legged stool. Money is the accumulated surplus of past labor, and management is a form of present labor. The future success of American industry and the continued welfare of those who invest their savings in it depends upon viewing the whole problem in terms of human happiness for 125,000,000 Americans. Millionaires cannot absorb the products of our factories. Mass production is meaningless without mass distribution. And mass distribution is impossible without money in the pockets of the masses with which to buy. As a leader in the automobile industry has recently said, "Our only market is our people. I believe that wages will continue to go higher, not as a result of politics or from humanitarian motives, but as a result of the kind of management that will enable men to earn more", so that they can buy more.

It seems to me that industrial prosperity must be rebuilt upon the demonstrated fact that dollars cannot long earn dividends if workers do not earn wages; that every time industry lays off a laborer it loses a customer.

When an automobile goes in the ditch it is seldom the fault of the car, especially if it is a Studebaker car. It is the fault of the driver. Our present difficulties are not the fault of the machine age but the way we have failed to manage the machine age. We must become social engineers as well as automobile engineers. We have been too engrossed with the problems of production. We must now concern ourselves with the problem of distribution.

The savings of labor-saving machinery have gone, too, largely to the owners of the machine and to consumers in reduced selling prices. The men the machines displace are the ones we must think about in the days to come.

For a hundred years the working day has been getting shorter, both on the farm and in the factory. And for many years the industrial dead line has been reached at a younger period of life. In addition, the percentage of the aged to the total population has been increasing. Since 1910 the proportion of those over 65 has increased 34 percent. It is estimated by the actuaries for the great life-insurance companies that within 35 years the number of our people over 50 years of age will be greater than those under 20 years of age. Those in middle life will find the problem of supporting their parents greater than that of supporting their children.

Meantime the machine age marches on. The photoelectric cell, now in its infancy, has a greater possibility of displacing human labor than anything so far dreamed of.

These new problems require industrial statesmanship of the highest order. I take heart by observing everywhere the recognition that we are at the frontiers of a new world of science and human relationships. Somehow we must set up on the books of industry, under the safeguards of Government, a charge to create reserves against unemployment and old age, and thus distribute the savings of labor-saving machinery over the entire circle of life.

These reserves will tend to maintain purchasing power and thus soften the peaks and dips of the economic curve. In the 4 years from 1930 to 1933 we distributed $21,000,000,000 of dividends to the owners of industry, $17,000,000,000 representing reserves from the profits of previous years. It was a sum far greater than that spent in relief, public works, and the R. F. C. I am glad the reserves were set up in fat years to be spent in lean years. But in the same way we must set up similar reserves against loss of wages in slack times and to provide for the "human obsolescence" of old age.

In so doing enlightened and farsighted industrial management must be protected against their chiselling competitors, who by increasing hours and decreasing wages so reduce their costs that they steal the markets of those who would play the game. N. R. A. has been too complicated, has attempted too many things, but whatever we call the statute, half-a-dozen of its basic principles need to be preserved. America must not and will not go back to competitive wage cutting, to child labor, and the sweat shop. If we attempt it we will go into another tail-spin with a complete crash or a dictator at the bottom.

I refuse to believe there is an inevitable conflict between capital and labor. On the contrary, it is an inescapable partnership. Labor knows that capital must be assured a fair return because frightened dollars mean idle men. Nor can costs advance so fast that consumers are driven to other markets. Nevertheless the whole future of industry depends on the base of the economic pyramid and its increasing participation in the fruits of American enterprise. We can preserve the profit system if we pass the profits around and do not permit them to be siphoned off in watered stocks and bogus bonds.

All this requires time. Rome was not built in a day. Mistakes will be made and patience is necessary.

But we are sailing toward a new world, and if the light of the stars be sometimes dim, we will go on nevertheless. This is the way our fathers came and it is the way that we shall go.

We shall go on with the spirit of those who poured over the slopes of the Appalachians a century ago to build this empire of the west. It was said of them at the time that the "cowards never started and the weak never arrived." By the thousands they died of ague, malaria, and typhoid. They faced the Indian and the panther and the rattlesnake. They heard on winter nights the wolves' long howl. They faced the perils of the wilderness, the cold of winter, and the hunger and thirst of the desert. They dallied with danger as a she tiger fondles her young. But they never thought of turning back. They kept coming on! They did not go running to Washington every time the covered wagon broke an axle or the wheels stuck in the mud. They had the virtues of the pioneer—fortitude, self-denial, self-reliance, self-command, self-respect—the old virtues which made this Nation great and which alone can keep her great. Their blood, thank God, still flows in our veins.

To close with Lincoln's phrase, "We can indeed have high hopes for the future."

With our raw materials, our marvelous inventive genius, our technology, our power, our trained management, and our skilled labor we can produce beyond the dreams of want. We do not need to go without to decrease production. We must increase it and distribute it.

All we need to be added to what we have is the spirit of the Golden Rule in human relationships and thus bequeath to our children and our children's children the security of happy homes and the institutions for which our fathers died.

PERSONAL INJURY AND DEATH CLAIMS ARISING IN COUNTRIES OUTSIDE THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Claims:

To the Congress of the United States:

I transmit herewith a letter and enclosures from the Secretary of State, suggesting the enactment of legislation authorizing the Secretary of State, in his discretion and in furtherance of the international relations of the United States, to determine, adjust, and settle personal-injury and death claims against the United States arising in countries in which the United States exercises privileges of extraterritoriality.

I am heartily in accord with the proposal as outlined by the Secretary of State, and I recommend that the Congress enact legislation, in accordance with the recommendation of the Secretary of State, to make it effective.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 2, 1935.*

EXAMPLES OF JAPANESE IMPORTS COMPETING IN THE DOMESTIC MARKET WITH COMPARABLE AMERICAN MERCHANDISE AND WHICH HAVE A RETARDING EFFECT ON INDUSTRIAL RECOVERY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend, as a part of my remarks, a list of examples of Japanese imports competing in domestic markets with comparable American merchandise, which have a very retarding effect on industrial recovery. Many Members of the House, Mr. Speaker, have asked me to put this list in the RECORD. I showed many of the Japanese imports on the floor of the House.

The SPEAKER. Is there objection to the request of the lady from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following examples of Japanese imports competing in the domestic market with comparable American merchandise:

MICROSCOPE

American:	
Wholesale price	$7.50
Retail price	12.50
(Magnifies 150 times.)	
German microscope of similar design, wholesale selling price	3.50
Retails at	5.00
(Magnifies 100 times.)	

MICROSCOPE—continued

Japanese:
- Foreign wholesale selling price $0.61
- Landed wholesale price, duty paid 1.25
- Retails in Boston, Mass., at 1.95

(Double lens, magnifies 150 times, lenses detachable. packed in wooden case.)

CIGARETTE BOXES

(Exact design—made from mold taken from American article.)

American:
- Production cost—labor and material only $1.55
- Wholesale selling price 2.28
- Retail price 4.00

Japanese:
- Foreign wholesale selling price ..... .17⅓
- Retail price here ..... .39

(Alloy of reclaimed metal and antimony.)

CANDY DISH

(Piracy of design)

American:
- Wholesale price $3.25
- Retails from (silver plated) 5–5.50

Japanese:
- Foreign wholesale selling price 0.23
- Retailed in Baltimore for ..... .59

FLASH LIGHTS

(Exact copies)

American:
- Wholesale price, with lamp but without battery $0.19
- Retails with batteries for ..... .59

Japanese:
- Foreign wholesale selling price without battery ..... .01¼
- Landed price, duty paid ..... .0194
- Retails here, with battery ..... .39

HEAVY BRASS DOUBLE-ACTION HINGES

American: Wholesale price, per pair (in cast brass) $3.50

Japanese:
- Foreign wholesale price, per pair ..... .55
- Landed price, duty paid 1.25

(Partly laminated sheet brass, spot welded.)

ASH TRAYS

(Piracy of design but of baser metal)

American: Retail price (sterling silver) $4.00

Japanese:
- Foreign wholesale selling price ..... .26⅔
- Retail price here (with glass liner) ..... .59

NOTE.—Production cost in this country in white metal with no allowance for profit and distribution is 61 cents.

TRIPLE-SHELL BON-BON DISH

(Piracy of design, not comparable in material)

American:
- Wholesale price (silver plated) $2.00
- Retail price 3.50

Japanese:
- Foreign wholesale selling price ..... .39¼
- Retailed in Baltimore at 1.00

(Probably an alloy of reclaimed metal and antimony.)

THERMOS BOTTLE

(One pint)

American:
- Cost of production $0.4742
- Retail price ..... .79

Japanese:
- Foreign wholesale value ..... .11⅔
- Landed, duty paid at ..... .35
- Retails here at ..... .59

HOT-WATER BOTTLES

American:
- Cost of production $0.33
- Retails in chain stores at ..... .50

Japanese:
- Foreign wholesale value ..... .07
- Landed, duty paid at ..... .16½
- Retails, chain stores ..... .23

TOOTHBRUSHES

(Many of the brushes copy the special designs of our manufacturers)

American:
- Wholesale price, per gross $14.40
- Wholesale price, each ..... .10
- Retail price, from 0.35–.50

Japanese:
- Foreign wholesale price, each ..... .01½
- Landed cost, duty paid ..... .04⅝
- Retails in chain stores ..... .10

LEAD PENCILS

American:
- Wholesale price, per gross $2.40
- Retail price, each ..... .05

Japanese:
- Wholesale foreign value, per gross ..... .21
- Landed cost, duty paid ..... .794
- Wholesale, here 1.25
- Retail price, each ..... .05

FISH NETTING

American:

Wholesale prices, per pound:
- 50 mesh, 2½-in., 9 med $0.85
- 50 mesh, 1¾-in., 18 med ..... .70
- 50 mesh, 3-in., 12 med ..... .70

Japanese:

Landed, duty paid, per pound:
- 50 mesh, 2½-in., 9 med ..... .32
- 50 mesh, 1¾-in., 18 med ..... .32
- 50 mesh, 3-in., 12 med ..... .32

RUBBER-SOLED FABRIC SHOES

American:
- Wholesale price, per pair $0.60

Japanese:
- Foreign wholesale selling price ..... .09⅓
- Landed wholesale price, duty paid ..... .17

LARGE CELLULOID COMBS

American:
- Wholesale price, each $0.10
- Retail price, each ..... .20

Japanese:
- Foreign wholesale value, each ..... .008
- Landed price, duty paid ..... .02½
- Retails here for ..... .10

CHILDREN'S HOT-WATER BOTTLES

(Exact imitation in design and material)

American manufacturers' wholesale price $0.41

Japanese:
- Foreign wholesale selling price ..... .122
- Retails here for ..... .25

PHONOGRAPHIC NEEDLES

(Imitation of trademarks; most extensive use is in combing textile yarns.)

American wholesale price, per thousand $0.28⅛

Japanese:
- Foreign wholesale value, per thousand ..... .108
- Landed price, duty paid ..... .236

SALT AND PEPPER SET

(Piracy of design)

American wholesale price (silver plated) $7.00

Japanese:
- Foreign wholesale value ..... .408
- Landed cost, duty paid ..... .624
- Retailed here for (probably reclaimed metal) 1.00

SMALL COLORED LAMPS

(For Christmas-tree decoration, etc.)

American retail price, each $0.05

Japanese retail price here, 4 for ..... .05

WAISTCOAT POCKET COMBS (PYROXLIN PRODUCT)

American:
- Wholesale price, each $0.05¾
- Retail price ..... .10

Japanese:
- Foreign wholesale value, each ..... .08
- Landed price, duty paid ..... .02½
- Retail price here ..... .10

PEPPER CRUET, OPEN SALT STAND AND SALT SPOON

(Piracy of design)

American:
- Retail price, three pieces (sterling silver) $12.63

Japanese:
- Foreign wholesale value ..... .66⅓
- Landed, duty paid 1.02¾
- Retailed in Baltimore for (reclaimed metal) 1.69

NOTE.—Cost of production, in white metal, in this country, with no allowance for profit or distribution, would be $3.55.

INCANDESCENT LAMPS

(Wholesale selling prices)

American:
- 15-watt, I. F $10.00
- 25-watt, I. F 10.00
- 40-watt, I. F 10.00
- 50-watt, I. F 10.00
- 60-watt, I. F 10.00
- 50-watt, clear 12.50
- 75-watt, clear 15.00
- 100-watt, clear 15.00
- 150-watt, clear 25.00

Japanese:
- 15-watt, I. F 3.33
- 25-watt, I. F 3.33
- 40-watt, I. F 3.33
- 50-watt, I. F 3.33
- 60-watt, I. F 3.33
- 50-watt, clear 3.03
- 75-watt, clear 5.30
- 100-watt, clear 6.70
- 150-watt, clear 10.00

COMBINATION HOT-WATER BOTTLE AND ICE PACK

American:
Cost of metal clasp alone in this country (in half million lots) $0.06½
So American manufacture has been abandoned.
Japanese:
Wholesale landed price, duty paid, per dozen ..... .90
Wholesale price, each ..... .07½
(Unable to obtain foreign wholesale value.)

COCKTAIL (CRYSTAL) GLASS

American:
Manufacture of this glass discontinued because of competition.
Japanese:
Wholesale foreign value, each $0.08¾
Landed cost, duty paid, each ..... .08
Retail price, each ..... .15

DRINKING GLASS (WITH GREEN BASE)

American:
Manufacturer discontinued this line, due to competition.
Japanese:
Foreign and wholesale value, dozen $0.49½
Wholesale landed price, duty paid ..... .94

CIGARETTE CONTAINER WITH CUPID BASE

American:
Wholesale price $3.35
Retail price 5.00
Japanese:
Foreign wholesale value ..... .357
Domestic wholesale value ..... .75
Retails here for 1.50

NOTE.—American article was finished better, but manufacture was discontinued because of competition.

CIGARETTE BOX

American:
Labor and material cost alone in this country $1.55
Japanese:
Wholesale foreign value ..... .25¾
Landed, duty paid ..... .40
Retailed here for 1.00

(In reclaimed metal)

COMBINATION MATCH HOLDER, ASH TRAY, AND METAL FRAME WITH DOLPHIN FEET AND GLASS INSERT

American:
Metal frame (dolphin feet) with glass insert only, wholesale price $2.25
Retail price 3.75
Japanese:
Foreign wholesale value, complete ..... .49
Retailed here for 1.25

NOTE.—Manufacture of American article discontinued because of competition.

NOVELTY CIGARETTE LIGHTER

American:
No comparable design.
Japanese:
Foreign wholesale value $0.02½
Landed price, duty paid ..... .08⅔
Wholesaled here for ..... .15
Retailed in Boston for ..... .25

COCKTAIL PICKS

(In bone, but not comparable in design)

American:
Wholesale price, each ..... .15
Retail price, each ..... .25
Japanese:
Foreign wholesale value, including box ..... .04½
Retail price here ..... .10

PHONOGRAPHIC NEEDLES

(With misleading marking of country of origin)

American:
Wholesale price, per M ..... .28⅓
Japanese:
Foreign wholesale value, per M ..... .066
Landed price, duty paid ..... .17½

NOTE.—Marked "Made in Germany", "Germany" being a town in Japan.

BOBBINS AND SHUTTLES FOR TEXTILE MACHINERY

	American wholesale price per gross	Japanese wholesale price, c. i. f. Boston, duty paid per gross
Shuttle for worsted weaving, persimmon, 17½-inch	$218.80	$145.04
Shuttle for cotton weaving, persimmon, 14-inch	148.77	48.16
Bobbin, slubber base, top shielded, 10-inch	18.29	12.17
Ring bobbin, bottom shielded, lacquered, 6-inch	6.34	5.19
Roving bobbin, bottom shielded, lacquered, 8-inch	12.82	9.83
Conical pirn, bottom duplex shielded, 6½-inch	5.33	3.55
Weft pirn, bottom duplex shielded and tip, 6-inch	5.60	3.57
Warping bobbin (spool) and tire, 3½ by 5 by 1¼ inches	22.60	20.55

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks by printing an address delivered by our colleague, Hon. THEODORE CHRISTIANSON, of Minnesota, in Boston on April 30, and also to further extend my remarks by printing an address delivered by our colleague, Hon. JESSE P. WOLCOTT, of Michigan, in Boston on April 29.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

THE REPUBLICAN PARTY—ITS RESPONSIBILITY AND OPPORTUNITY

Mr. MARTIN of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable THEODORE CHRISTIANSON, of Minnesota, at the New England Regional Republican Conference at Boston, on Tuesday, April 30, 1935:

I come as a representative of the Middle West, bearing greetings to the Republicans of New England. I bring you assurance that the people of the prairie country, who organized the Republican Party and gave Abraham Lincoln to the Nation, stand ready to join with you in returning the responsibility of government to that party, revitalized by his spirit and rededicated to the constructive liberalism which he exemplified.

Sometime we of the West have regarded you of the East as too conservative, and I understood that at times you have considered us too radical. In order to avoid an argument, we might agree that there has been some justification for each of these points of view. While there have been in my part of the country some who were disposed to step too hard on the accelerator, there have been in yours some who have formed the habit of too frequently applying the brakes; but a vast majority of the people, East and West, realize that in the long run we shall make the fastest and safest progress by using both accelerator and brakes; and it is to that majority, which recognizes that adventurous daring and prudent caution are not antagonistic but complementary, that the Republican Party makes its appeal.

I can make my meaning clear by quoting what that straight-thinking son of New England, Calvin Coolidge, said 2 decades ago: "Expect to be called a standpatter, but don't be a standpatter. Expect to be called a radical, but don't be a radical. Dare to be as revolutionary as science, dare to be as conservative as the multiplication table."

If it were at all possible to epitomize any statement that Coolidge ever uttered, I should say that the aim of the Republican Party, and of the American people, today should be not radicalism, nor conservatism, but realism.

One of the basic reasons for our present muddled situation is that our statesmen, or those who have posed as such, have been disposed to think in terms of words rather than ideas. We have been literally drowned in abstractions. We have had the new freedom, the new era, and the new deal. Sometime the ultimate meaning of high-sounding but equivocal slogans has turned out to be something different from what we were led to anticipate. The world was to be "made safe for democracy", whatever that means, but the only countries where democracy is really safe today are those in which it has been embalmed and buried. The "forgotten man" was to be given a "more abundant life", and the abundance presumably was obtained by killing 6,000,000 pigs and plowing under every third row of cotton.

We have had words, words, and more words. If words could save us, we wouldn't need redemption. But circumlocution, although a convenient device for evading issues, does not solve any problems; it does not butter bread or repair the roof.

I realize fully that it is dangerous to be specific; but one of these days someone will have to begin to specify. Let it be acknowledged that specifications must be in a measure tentative, must be subject to revision; but let us, as a party and as a people, nevertheless get down to definite proposals, for where nothing is proposed there is nothing even to revise.

Although I fully recognize that the economic problem which today engages our attention is complex and that there is danger involved in trying to resolve it into a too simple equation, I feel that the very complexity of the problem makes it necessary to strip it of its excrescences and to get down to a few basic facts.

The depression which has been with us for more than 5 years differs in some of the details of its pattern from other similar visitations, but it has one thing in common with them. Fundamentally its cause is a debt structure that has gotten out of balance with the people's ability to pay. We are "hard up" because we owe too much. When we eat too much we get indigestion; when we invest too much we get another kind of stomachache. The greater the excesses into which we have been persuaded by the cooks in the economic kitchen the longer it takes us to recover; and if we follow the prescription of a doctor who, like the one in the White House, tells us that the cure for the after-effects of too much debt is more debt, then, I fear, someone, after the autopsy has been performed, will have to record that "the treatment was successful, but unfortunately the patient died."

Read the history of 1837, of 1857, of 1873, and of 1893 and you will find the story of 1929 anticipated in each case with startling parallelism. Leading up to every depression is a rising price

level, representing recovery from a previous crisis. When the upward trend becomes discernible those who make it their practice to follow graphs and charts begin to buy lands, commodities, securities. Later the school teacher, the cab driver, and the barber get the idea that they, too, can ride in on the rising tide. Everybody begins to speculate.

In the Middle West we bought farm lands, bidding against each other and raising the price to two, three, four, five, and even six hundred dollars an acre. Later we engaged in competition with you, and succeeded in lifting Cities Service to more than $60 a share. We did not stop when we had put up as ante all the money we had; we mortgaged our future earnings, and increased the Nation's debts, public and private, to an unprecedented total. We inflated our toy balloon with the hot air of credit, until in October 1929 it burst and hit us in the face.

Prices tumbled, incomes declined, equities were wiped out. Everything shrank, except the debts we had contracted, and taxes and other fixed charges, most of which were related directly or indirectly to debts. It was the inelasticity of the debt structure and the failure of fixed charges to follow prices downward that caused the depression.

If fixed charges, including interest, taxes, and transportation costs could have been reduced in the proportion in which general prices and incomes had declined, a readjustment would have been accomplished without any prolonged distress, for people can be just as prosperous on a low as on a high price level, if the decline is uniform along the entire economic front. When prices and incomes drop in one sector but not in another there follows a dislocation which leaves the buying power of large groups of people paralyzed.

Let us consider more specifically one of the fixed charges which I have mentioned—that of interest. There is no way to ascertain definitely the exact amount of the indebtedness, public and private, of the American people, and the average rate of interest it bears. The amount has been estimated at from $150,000,000,000 to $250,000,000,000. Inasmuch as variation in figures would not affect the validity of the argument I am about to make, let us assume an indebtedness of $200,000,000,000 and an average interest rate of 5 percent. In 1929 the aggregate income of the people was $85,000,000,000. Out of that income those who were in debt had to take $10,000,000,000 for interest. To the extent that those who received the $10,000,000,000 either spent it or reinvested it in the Nation's physical plant, the existence of the debt burden left the buying power of the people as a whole unimpaired.

But by 1933 the Nation's income had fallen to $39,000,000,000. The debt-carrying cost remained at $10,000,000,000. The difference between the national income and the total of interest payments had shrunk from $75,000,000,000 to $29,000,000,000—almost two-thirds—in 4 years. It is not strange, in view of that shrinkage, that ten or twelve million men lost their jobs; indeed, it is strange that the economic machine did not entirely stop running. For the debtor group, with the margin between income and interest obligations so sharply narrowed, had to reduce spending to a bare subsistence level in order to save its equities; and the creditor group, finding that the buying power of its income had been so increased by lower prices that more wants would have to be created if all its interest income were to be spent, and becoming at the same time so infected with fear as to cause it instead to retrench, proceeded to hoard. The amount that was hoarded roughly measures the extent of the reduction in spending which followed when, and because, debt charges failed to come down with prices and incomes.

When Mr. Roosevelt became President (and you will note, parenthetically, that I do not hesitate to commit lese majesty by naming him) two courses of procedure were open to him. He might have forced an adjustment of fixed charges to the new price level, or he might have tried, in defiance of the world-wide trend, to raise domestic prices to the level which existed when the debt structure was created. The former procedure, which was followed in Australia with such success that that Commonwealth climbed four-fifths of the way out of the depression, apparently was too simple; it was too direct; it was too unspectacular; it did not lend itself to the fanfare that must signalize America's emergence. So it was rejected.

To be sure, an initial step toward a balanced Budget and the reduction of fixed charges was taken when the economy bill was passed; but, having saved half a billion dollars by trimming 15 percent from the wages of Government employees and by ruthlessly removing disabled veterans from the compensation rolls, the President, wielding his lash over a supine Congress, forced it to vote the largest peace-time Budget in the history of the Government. When Members of Congress sought to amend the Constitution so as to permit the taxation of income derived from Federal, State, and municipal bonds, and thereby in effect to reduce the annual interest charge on public indebtedness by $400,000,000, the bills embodying the proposed amendment were chloroformed in committee at the demand of an administration which feared that the measure would interfere with the flotation of additional billions of Government obligations.

Having rejected the processes which had brought us out of every former depression, the President proceeded to formulate a novel and spectacular program. He committed himself wholly to the theory that recovery can be accomplished by lifting prices, and that the way to lift prices is to create artificial scarcity. With the idea that it is desirable to bring production back into balance when, because of temporary and more or less artificial causes, the supply of certain products has become disproportionate to the demand, I have no quarrel.

As an emergency measure, the Agricultural Adjustment Act—I am speaking now of the measure itself and not of its administration—had much to commend it. We in the Middle West were induced during the war to increase the acreage devoted to wheat and corn. We expanded our normal agricultural area by putting under plow lands that formerly had been devoted to grazing. After the war ended we found ourselves in possession of a plant too large and too highly geared to produce for our normal market. Furthermore, the shift in the debtor-creditor relationship between Europe and America and the determination of almost every European country to raise as much of its own food as possible in order to be better prepared for future emergencies, deprived the American farmer of markets he had normally enjoyed. The need to adjust the Nation's agricultural economy to a new situation brought about by the war and in part by the farmer's activity in helping to win it, placed upon the Government a definite responsibility—a responsibility which justified the imposition of processing taxes on wheat, corn, and hogs.

But let it be understood that the Agricultural Adjustment program must be regarded as being, not a final solution of the farm problem but, as the very name implies, a device for bridging an emergency. Although I come from the West and am naturally sympathetic with its aspirations, I am realistic enough to sense that the voting power of millions of consumers may not for always support the policy of subsidizing scarcity.

Certainly the general public will rebel, and should rebel, against the administration's indefensible policy of wantonly destroying food for which hungry mouths are crying. But my criticism of the party in power is directed not so much at the stupid and even immoral things it did in the execution of its agricultural program as at its failure to take a single step toward the ultimate solution of one of the Nation's most important problems.

The future of agriculture in this country calls for increased, not reduced production. It calls for the development of markets rather than for restriction of output. If we would develop markets, we must, as an initial step, make the farmer secure in his home market. This, I charge, the administration has not even tried to do. In fact, it has resisted and obstructed every effort made to protect American agriculture against the invasion of foreign products. Last year Congress placed an excise tax on coconut oil. The President not only tried to induce Members of Congress from agricultural States to vote against a levy which their constituents demanded, but, failing, he secured from his subordinates an interpretation of the tax provision which evaded its plain meaning and in part nullified what Congress had sought to do. At this very time the Secretary of State is conducting negotiations which, if information seeping in from the North is correct, threaten Maine potatoes and Minnesota wheat. Because of the President's failure to take appropriate action, rye and barley have been coming into this country from Poland; flax, corn, and beef from Argentina; cattle from Canada and Mexico; and butter from New Zealand, Holland, and Denmark.

At the present time there is pending in Congress a bill sponsored by the Secretary of Agriculture, which provides for reducing the duty on flax by 50 percent, and compensates for the tariff reduction by imposing a processing tax. The proponents of this measure carefully conceal from the farmer that after the duty has been cut in two, there remains with the administration the power to cut it in two again, thus lowering the wall against foreign flax by 75 percent. If this measure passes, as it probably will, Argentine farmers will be given an opportunity to supply the American market with flax seed that could, and should, be raised on American acres withdrawn from wheat.

When we permit agricultural products of kinds that we can raise at home to come in from abroad, and at the same time pay the American farmer for reducing acreage devoted to such products, we in effect tax the consumer to subsidize foreign production. I do not believe that either the farmer or the consumer will long tolerate that procedure.

Forty-five years ago James G. Blaine, then Secretary of State, foresaw the present plight of agriculture and pointed out the remedy. While the McKinley bill was under consideration he declared:

"I do not doubt that in many respects the tariff bill pending in the Senate is a just measure and that most of its provisions are in accordance with the wise policy of protection. But there is not a paragraph or a line in the entire bill that will open the market for another bushel of wheat or another barrel of pork. If sugar is now placed on the free list without exacting important trade concessions in return, we shall close the door for a profitable reciprocity against ourselves. * * * Our free market for breadstuffs grows narrower. Great Britain is exerting every nerve to secure her bread supply from India, and the rapid expansion of the wheat area in Russia gives us a powerful competitor in the markets of Europe. It becomes us, therefore, to use every opportunity for the extension of our market on both of the American continents. * * * Our field of commercial development and progress lies south of us."

Blaine was of New England, but he recognized that industrial New England could not be prosperous unless the buying power of the agricultural West was sustained, and he believed that that buying power could best be sustained by developing a market for wheat and pork in tropical America. Instead of lowering the duty on South American products, as the present administration has done and proposes to do, he advised raising it in order to secure leverage with which to obtain trade concessions. We could do no better than to adopt the sound policy which Blaine proposed almost half a century ago, rejecting the haphazard method

by which, in star-chamber sessions, the present Secretary of State is trading away vital American interests, and substituting therefor a procedure by which, within limits defined by law, and after full hearing of all interested parties, open covenants might be "openly arrived at." Let Brazil take our wheat and pork in exchange for her coffee; let other nations find here a free market for their rubber, silk, sisal, tea, cacao, and other noncompetitive agricultural products, but only upon the condition that they accept in return those of our commodities which they do not produce; and, finally, bar from our markets all competitive products from abroad, and the American farmer will manage to get along without a processing tax.

The broadening of the agricultural market by selective bipartite agreements, uncomplicated by "favored-nation" clauses would in a large measure solve the unemployment problem, for it would make it possible for several million people who in the last decade have left rural communities and moved into the crowded industrial centers to return to the soil. For that reason—speaking, I admit, with the bias of agriculture—I believe that the industrial communities would be best served hereafter by granting to the farmer the first call on the export market. The post-war policy of continuing, by imprudent loans and other artificial means, an abnormal demand for our industrial goods abroad, while the home market was allowed to atrophy, was, from the standpoint of industry's own long-range interests, not only unwise but wellnigh disastrous.

Society, originating in an agricultural economy, has been modified with the passing of time by industrial development; but always the foundation of stable and enduring states has been the prosperity of the tillers of the soil. It is the glory of America that its industrialism has brought comforts and ease to Americans everywhere; but the obvious limitations of industry are, in the long run, largely in the service of our national needs. Industrializing the Nation beyond that point, in an endeavor to spread industrial goods throughout the world, instantly puts our people into competition with the 10-cent labor of China and Japan. Exchanging agricultural surpluses with foreign countries may be definitely considered as much sounder, with all the facts of our national economy in view, than destroying by further industrial development the basis upon which our Nation has grown great.

Now I come to a subject in which, I know, New England is directly interested—the processing tax on cotton. While a curtailment program, wisely administered, was justified as a temporary expedient to reduce the yield of food products—the overproduction of which was within manageable limits—no such justification can be claimed for the reduction of the acreage devoted to a crop which, unless a large part of the agricultural South is to be liquidated, must always look abroad for one-half its market. The southern farmer does not wish to reduce his production to an amount even approximately approaching domestic requirements; in fact, he knows that such a curtailment would spell bankruptcy throughout a territory extending from the Carolinas to Texas. Consequently the processing tax as applied to cotton becomes merely a device by which, in return for the privilege of charging the domestic cotton-spinner more for his raw material, the cotton farmer surrenders his foreign market to Brazil, Egypt, and India. Such a policy, from the standpoint of the South, is not only harmful; it is suicidal. I think it was Will Rogers who said that one of the wisest statesmen the South has produced for a generation was the Texas mule that refused to tramp down every third row of cotton.

We in the West are concerned with the plight of your textile industry, as you are concerned when the winds sweep the topsoil off our fertile prairies, for we know that a cotton mill with doors locked and windows boarded up is generally as fully lost to a community as soil fertility that has been blown away. Some men in high places have made light of your problem. They have said, among other things, that the amount of cotton cloth imported from Japan is negligible. That statement begs the question, for it is not the amount imported that worries you, but the accelerated increase in imports and their effect upon the price structure. The condition of the textile industry calls for action. The Cotton Control Act should be repealed and there should be imposed a virtual embargo, by tariff duties or otherwise, on cotton cloth imported from any country that employs its labor at peon wages.

I note that you recently had a visit from the Secretary of Agriculture, and that, having mislaid his manuscript, he spoke with unwonted frankness. He said that you were "inefficient" and that you had lost your "rugged individualism." It seems somewhat inconsistent to complain that New England mills are inefficient when, according to the philosophy of the new deal, unemployment is due to the use of machines that have been too efficient in displacing labor. If the administration is sincere in its desire to put men back to work it should not insist on the installation of still more efficient machinery, which would deprive even more men of their jobs. The charge that you have lost your rugged individualism has, I find, evoked a response which proves that the spirit of Lexington and Bunker Hill still lives and that there are in these parts plenty of rugged individualists who do not hesitate to strike back at arrogant officialdom. The Secretary said that some of you are "interested primarily in hell-raising." If New England has rediscovered the efficacy of hell-raising, I would advise you to keep it up. In the Middle West we have been "raising hell" for some time and have found it pays.

I have spoken at some length on the Agricultural Adjustment Act and related legislation. Another bird hatched out of the Roosevelt recovery nest was the Blue Eagle. It boded no good that it came into the world misshapen, dismembered, and minus one extremity.

So long as it was up in the air it was a flamboyant figure, but when it got down to earth it limped on one foot. It had to be supported by P. W. A.

Like A. A. A., its alphabetical counterpart, N. R. A. was based on the economics of scarcity. It assumed that if things were made scarce enough they would become dear, and if they became dear enough people would buy them. Of course, that ran counter to all human experience, but so does the whole new deal. You are not expected to understand the new deal, you are expected to accept it. And if you don't accept it, somebody will crack down" on you. That is a part of the "new freedom!"

If the Republican Party has one responsibility more important, more urgent than any other, it is to destroy, once and for all time, the terrible philosophy that it is desirable to create scarcity. While there is still a single mouth to be fed, a single body to be clothed, a single family to be sheltered and a single home to be warmed, there is no justification for stopping production. We never have had, and we have not now, enough resources and equipment to supply every human want. Everyone of our 10,000,000 unemployed who is able and willing to work could be given 40 hours of employment a week, if people only had the incomes with which to buy what they produced. And in this lies the tragedy of N. R. A., that, in a Nation already suffering from too great a disparity between wealth and poverty, it set up codes which reduced the buying power of the people by causing prices to advance more than wages and thereby increased the disparity.

If you want one striking instance of what happens under the new deal, I would cite the case of the Reynolds Tobacco Co. Higher wages and shorter hours, required by N. R. A. codes, and the processing tax on tobacco, imposed by A. A. A., increased the company's costs $10,000,000. Thereupon the company raised wholesale prices $60,000,000. Then the President of the United States put the seal of his approval upon the transaction by appointing Clay Williams, president of the Reynolds Tobacco Co., as chairman of the N. R. A. Board.

The wise provisions of the antitrust law, enacted by a Republican Congress, have been set aside, and monopoly, drafting its own codes and making its own laws, is riding rough-shod over the American people. The industrial masters, about whom demagogues like to prate, and to curb whom was the avowed purpose of the new deal, have been permitted to write their own ticket. Doing business on a cost-plus basis, it makes little difference to them that labor costs are increased, when the rules are so changed that price competition is eliminated. They can well afford to give the working man another dollar if they in turn can take $2 away from him as a consumer. It does not irk the pork packer to pay a processing tax when he can charge the tax back to the farmer and also pass it on to the consumer, and declare the largest dividends in the history of his industry.

It is significant that during the first year the National Recovery Act was in force, the number of incomes of $10,000 or less dropped 5 percent, the number of incomes of $50,000 or more increased 10 percent, and the number of incomes of more than $1,000,000 jumped from 20 to 46. It is significant that from October 1933 to October 1934 the economic wage of the industrial worker dropped 2 percent despite all the trumpetings of General Johnson, and the number of unemployed increased 550,000. It is significant that now, after 2 years under the Blue Eagle, there are 20,500,000 names on the relief rolls of the Nation.

It would, of course, be wrong to say that the whole N. R. A. account is on the debit side of the ledger. Everybody approves of higher wages and shorter hours, of the abolition of child labor and the elimination of unfair competition. To the extent that these have been attained, they are admirable. But the losses charged up against these gains are so great that the net balance must be written in red ink. In exchange for the few gains we have paid too dear a price. We have had to give up cherished rights and abandon time-honored principles. To surrender these for material prosperity would be a questionable bargain, even if we got prosperity. Failing to get it, we must plead guilty to having been unfaithful as well as foolish stewards.

I cannot help but wonder how our Democratic friends feel about the way Thomas Jefferson has been scuttled. On one occasion he said, "I would rather be exposed to the inconveniences attending too much liberty than those attending too small a degree of it." I can believe that his dust would stir uneasily in his tomb at Monticello if he could know that men endowed with the inalienable rights of "life, liberty, and pursuit of happiness" have been arrested in this country for violating Executive orders that were not published or even filed, and that a tailor was put in jail for charging 35 cents instead of 40, presumably on the theory that pressing pants is interstate commerce.

I said that there are a few gains in N. R. A. that should be conserved. Such code provisions as are worth retaining should be written into the statutory law of the land, and their enforcement turned over to the Federal Trade Commission. The sophomores with Ph. D. degrees should be sent home. The antitrust laws, whose operation has been suspended by the so-called "Recovery Act", should be reinstated and enforced. The war against monopoly should be resumed. If the Republican Party in 1936 will raise as its issue the policies of Theodore Roosevelt against those of Franklin D. Roosevelt, it may with confidence await the verdict of the people.

The companion to N. R. A., as I have said, was P. W. A. By the very fact that it embarked on a program of Government spending, the administration admitted doubt as to the efficacy of its other recovery measures; failing to get the people to spend their own

money voluntarily, the Government would take it from them and spend it for them. If the necessary funds could not be obtained from the present generation by taxation, they could be exacted from the voiceless and voteless unborn by issuing bonds payable by the next generation.

It must be confessed that the idea itself was not entirely new, even though the reason invented for justifying it was. We Republicans used to have the "pork barrel", and we showed our ineptitude by not finding a better name for it. We also failed to realize fully the possibilities of the idea. We built a few post offices, harbors, canals, roads, and other permanent and more or less useful structures, but we didn't put people to work "boondoggling" or conducting research into the history of the safety pin. We also made the mistake of being too conservative—too careful in the spending of other people's money. There have not been many instances of intentional frugality under the present regime, although it should perhaps be noted that Secretary Ickes has been accused of sabotaging the recovery program by being reasonably honest.

England some time ago undertook to "spend itself into prosperity", but gave it up. Recently the British Government stated officially, "The experiment of public works as a method of dealing with unemployment has been tried and has failed, and it is not intended to repeat it." Germany started a similar program, but abandoned it. We tried boot-strap lifting 2 years ago with a $3,300,000,000 appropriation, but without success; and we alone, among the nations of the world, are unwilling to learn from our past mistakes. As Republicans, we do not object to a reasonable amount of experimenting, but we want the experiments to be reasonable; and we demand that when experimentation has proved a policy to be ineffectual and even detrimental the administration refrain from continuing it. We insist that when a doctor, who does not know just what to prescribe, writes a gunshot prescription he at least leave out ingredients that may kill the patient. We have had enough trial and error, and too much error.

The President's so-called "Work Relief Act", passed at the present session, is the most astounding piece of legislation ever enacted by Congress. Under the guise of furnishing employment to 3,500,000 people, which our experience with P. W. A. proves it will not do, it places in the hands of the Chief Executive power which no one man should be permitted to exercise or should want to exercise in a country that calls itself a republic. The representatives of the people gave to the President blank checks on a $4,880,000,000 drawing account, thereby surrendering what the Anglo-Saxon people struggled to secure, from Magna Carta on—the control of the purse strings. The President can place that money where he wills, he can withhold it when he will, and by the exercise of the discretion to grant or to withhold he can bend Members of Congress to his pleasure. Holding the power of life and death over millions, saying who shall and who shall not have a job, he can if he chooses rule with the hand of a capricious despot. With $100,000,000 to spend in every State and more than $10,000,000 in every congressional district, he wields authority that should arouse the envy of all the dictators of Europe, including Hitler, Mussolini, and Stalin.

Parenthetically, it is significant that the man whom the President appointed as chairman of the National Emergency Council, which the press describes as "the funnel through which all proposals for spending the * * * work fund are to be poured", is none other than Frank C. Walker, the treasurer of the Democratic National Committee. Thus it is provided that there shall be no division of responsibility in the handling of the two campaign funds—the one collected in the usual way and the one voted by Congress.

If we are to accept the word of one of the acknowledged spokesmen of the administration, we must assume that there is no intention that the latest works program shall be the last. Two years ago we were promised that P. W. A. was a temporary device, which would be abandoned after N. R. A. had brought forth its fruits. But a few days ago, when the second and enlarged program was launched, Professor Tugwell forecast that henceforth public works would constitute a "third economy", a permanent part of the economic system, and not merely an emergency-relief mechanism.

Is this the thing toward which America is tending; is this the goal toward which the administration is working—the separation of an increasing number of the people from private employment and their mobilization into a regular army of workers, bounden to the party in power? If so, the recent declaration of Justice McReynolds, which to many of us seemed far-fetched when he made it, may become invested with prophetic meaning.

The spending program of the administration will, if continued, inevitably result in a collapse of the Government's financial structure. Recently the country was shocked by the revelation that in the first 3 years under Roosevelt we shall spend as much money as was expended by all the Presidents from Washington to Wilson.

It was Ben Tillman who once said that "the Democratic wild donkeys break into green corn whenever they get into power." The present generation has had ample opportunity to learn the truth of that statement. First, Woodrow Wilson, who got himself reelected as President on the plea that he had "kept us out of war" and redeemed his implied promise in the approved Democratic way by putting us in, piled up a debt of $25,482,034,419, which his Republican successors, by hard work, were able to reduce to $16,185,308,299. Then came Roosevelt and increased the Federal debt to $28,817,458,097 for a starter. At the beginning of the present session, Congress raised the authorized debt limit to $45,000,000,000; which, with $20,000,000,000 of State and municipal indebtedness, will leave the American people with a total public debt of $65,000,000,000.

Lest in these days, when the people are wont to count even chicken feed in astronomical figures, there should be a failure to comprehend how much money $65,000,000,000 is, let me explain that it is approximately one-third the national wealth, in terms of present values. To pay that debt would call for six times the amount of gold and silver in the Federal Treasury. It would require a 5-mill tax on all the property of the American people for 130 years, assuming that the property were assessed for taxation at one-half its full and true value. And the proceeds of such a tax would not discharge the indebtedness, for during the 130 years interest would accrue in an amount several times the principal.

Donald Richberg, our assistant President, recently scouted the idea that the United States is headed for inflation. His assurance that the administration will not resort to the printing press is worth as much as the sound-money pledge in the last Democratic platform, and no more. The fact is that with relief rolls lengthening, with Federal spending proceeding at an accelerated rate, with the Government's credit already stretched beyond the limits of prudence, the time is approaching when printing money will be inevitable. The fact is that we already have inflation, although the process by which the currency is being inflated is so indirect and so well concealed that the general public is not aware of what is going on. I am not now referring to the devaluation of the dollar or to the administration's fatuous silver policy, but to the practice of making the Federal Reserve banks take the Government's bonds and issue Federal Reserve notes against them. Already almost one-half of the assets of the Federal Reserve banks consists of United States obligations. In order to make sure that the banks will continue to accept unending issues, the President is now trying to force through Congress a bill giving him control over the banking system. With the enactment of that measure the means of unlimited inflation will be at hand. The Treasury will issue bonds to the banks, the banks will issue currency against the bonds, and the result will be the same as if the Government issued currency directly. Presumably the notes will not carry the words "In God We Trust", although it might be appropriate if they did.

I do not criticize the President for reducing the gold content of the dollar, for I believe devaluation was a necessary expedient in a world of depreciated currencies to prevent the disappearance of our dwindling foreign trade; but I do criticize the President for withdrawing from the London Economic Conference and refusing to cooperate with other nations in the effort to stabilize currencies. When the Republican Party returns to power, one of its first moves should be to bring the governments of the principal commercial nations together to restore to their monetary units not their former gold values but their former relative values. Without such restoration there can be no real resumption of world trade. The dollar must be made stable again in order that the channels of domestic commerce may be reopened. It is idle to hope for that return of confidence which is essential to business recovery if men cannot know today, with reasonable certainty, what money will be worth a year hence or 10 years hence. It is perhaps not important whether the future dollar is a 59-cent dollar or a 50-cent dollar, provided that it is real money and not "make-believe."

It is not my purpose this evening to be so presumptuous as to present a platform for the Republican Party. Our program will be formulated next year at the Republican National Convention. But it is not too early, at this and other regional conferences, to consider issues and to present views upon them, so that gradually, by a process of sifting, there may be developed a body of opinion that will furnish the basis for our deliberations next summer.

Some have expressed the thought that our opponents have made the issue for us, and that we can rest our case on Democratic derelictions. While what I have said should leave no doubt as to my opinion of the record of the administration, it is my conviction that we must offer to the people more than an indictment of our opponents. The voters will expect us to advance an affirmative and not merely a negative program. They will want to know what we purpose to do, when we return to power, to lift the country out of the present economic morass. They will want to know whether we are statesmen seeking to serve the Nation or merely opportunists trying to serve ourselves. Let assurance be given that when confronted by new problems, the Republican Party will not hesitate, without departing from its basic principles, to enlarge its traditional program and to review its ancient tenets in the light of changed conditions. Let assurance be given that we shall face facts, and not run away from them.

Let assurance be given, too, that we have no sympathy with political leaders who approach public questions from any standpoint save that of public interest. Let assurance be given that we resent selfishness, betrayal, and perfidy, whether within our party or without, and that we will repudiate false leadership wherever it shows itself. It is not enough to defeat Roosevelt; it is not enough to elect a Republican President. Unless we stand for something more than opportunism our hour of victory will be brief and we shall in 1936 only lay the foundation for a final disaster in 1940.

At the outset I presented the thought that in our attack upon the depression we should place the emphasis on reducing fixed charges rather than on uneconomic and fruitless efforts to raise the general price level, and that we should, as one step in that direction, bring interest rates into line with incomes and prices

by sound expedients that have been used successfully elsewhere. Such a proposal would arouse enthusiasm in the debt-ridden West, which, since the days of the Farmers' Alliance and "16 to 1", has always been willing to follow leaders who promised to lighten the burden of mortgages. Such a proposal should also win the support of the eastern investor, who must by now realize that the effort to collect 6-percent interest on 3-percent investments is abortive and is drawing the country toward an economic collapse in which principal as well as interest will be lost.

We should pledge a further reduction of fixed charges by curtailing Government expenditures, balancing the Budget, liquidating the public debt, and making the holders of Federal, State, and municipal bonds share the tax burden with the owners of homes, farms, stores, and factories.

We should demobilize the huge army of tax-eating bureaucrats that has been assembled in Washington and elsewhere, and thereby end the exploitation of the people by the most overprivileged class in the country—a class that neither spins nor weaves, but lives in an affluence that is the envy of every other group in the land.

We should insure to American agriculture and industry their home market by confining imports, as nearly as possible, to noncompetitive products. The Republican Party believes in developing foreign commerce, but not at the expense of American farmers, manufacturers, and workingmen. The Republican Party believes in bringing domestic supply and demand into balance, and will sanction any wise policy to accomplish that end; but it holds that the first step toward that objective should be to reserve the American market for the American producer. The Republican Party believes in a protective tariff, in decent wages, and in fair prices for American products. The Republican Party believes in America first.

The Republican Party believes that it is the business of the Government to govern, and of the people to run the Nation's business. It does not believe that the State should go into competition with its own citizens. Government ownership and operation of some businesses eventually leads to government ownership and operation of all businesses, for individual enterprise cannot compete successfully with enterprises that pay no taxes and make no pretense of using a double-entry system of bookkeeping. The Republican Party opposes socialism in all its forms and disguises, not only because socialism never has worked and never will work, but because it cannot even be given a fair trial without first scrapping democracy.

We should decentralize government and return to the States the powers reserved to them in the Constitution. This country is too big to be governed, in every detail, by a group of tax-eating, buck-passing, world-saving, swivel-chair theorizers in Washington. We should unscramble the alphabet, dismantle the heterogeneous assortment of emergency machinery as soon as possible, and return the functions of government to the regular Government departments.

We should cancel such executive orders as carry the sanction of criminal penalties, and we should require the rest to be published before they become effective.

Pending recovery we should make decent provision for relief of the unemployed, without waste or favoritism. We should take relief out of politics, so that a man might vote any ticket he pleased and still continue to eat.

The Republican Party came into existence as a party of emancipation. It must continue as a party of emancipation. Its most immediate duty is to strike from the wrists of the people the shackles of regimentation. The Republican Party must be a liberal party—not liberal in the sense in which the word is used by those whose liberalism consists in being liberal with other peoples money, but liberal in the sense implied by Cavour when he declared that "a liberal is a man who loves liberty."

It was Lincoln who said, "In great emergencies moderation is generally safer than radicalism." We who are his followers are still imbued with his sense of restraint. We prefer to exemplify that "mingling of progressive hope and historic caution", which alone can insure safe progress. We are not oblivious to the need of reforms, or to the desirability of improving the social structure, but we believe that what America needs most just now is a pulmotor, not a face-lifting operation.

This statement of objectives, which I have presented as a modest contribution from a worker in the ranks, is neither radical nor reactionary. It recognizes the profit motive as the essential drive spring of the economic machine, but lays down a formula for a fairer division of the wealth created by industry, between those who work, manage, and take risks, and those who merely hold a mortgage on the plant. It rejects the economics of scarcity and substitutes the economics of abundance and a better-balanced buying power. It accepts the idea of a dynamic as against a static America, but insists that, whatever changes be made, this shall shall continue to be in every sense America.

CONFIDENCE IS THE KEYSTONE OF THE ARCH OF GOVERNMENT

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. JESSE P. WOLCOTT, of Michigan, before the Women's Republican Club of Massachusetts at Boston April 9, 1935:

Great far-reaching issues are in the making at Washington. Never before in the history of our country has the attention of our people been so focused on national affairs. This is as it should be. It was contemplated by our forebears that although the actual administration of the Government should be left to representatives, the people should nevertheless guide the policies of administration after there had been ample opportunity for discussion. I assume that it was partly for the purpose of giving consideration to national affairs that the Women's Republican Club of Massachusetts was organized, and I am particularly pleased and honored to have this opportunity to meet with you and contribute my mite to the service you are performing.

As Republicans, we have been charged with obstructionist tactics every time one of us has raised his voice against the new deal. Whenever we have called attention to the potential destruction of American ideals by certain phases of the President's program, we have been challenged with the now hackneyed response, "What have you to offer instead?"

We do not need to concern ourselves so much at the present time with the formulation of a platform for the next election. Every day the Democratic administration at Washington is creating new issues. Already they have become crystallized to the extent that we know the Republican Party is going to be called upon at the next election to recapture, first of all, the fundamental constitutional rights which have been denied our people by this administration.

Because of the constant changing of the panorama of politics, both domestic and foreign, it is too early for our party to formulate anything but a tentative program of policies, but suffice it to say that the Republican Party is and will be, as it always has been, the party of the people—the party which has always manifested its influence and to a large extent has been successful in maintaining America for Americans, the home market for domestic production, a living wage for our workers, and always will have firm belief in the right of every individual to exercise rugged individualism, commensurate with the public weal, which has characterized our citizenry from the birth of the Nation.

"Eternal vigilance is the price of liberty"—personal and collective liberty—and without rugged individualism and eternal vigilance we will lapse into a regimented state of socialism. We can therefore assure the people, even at this early date, that the platform of the party next year will include at least the principle of self-government. It will assert in substance that the Government was created primarily for all the people, the doctrine advanced by the illustrious Lincoln in building the foundation for the party, as distinguished from the policy of the present administration, that the people exist for the Government and that private rights should be subordinated to the oligarchy of brain-trusters now functioning at Washington. This oligarchy has displaced, for all intents and purposes, the democracy of Jefferson, who so firmly believed that all men were endowed with the inalienable right to life, liberty, and the pursuit of happiness without governmental restriction, and by only such supervision on the part of the Government as to assure each and every one freedom in effectuating these guaranties.

First, then, it is the duty of the Republican Party to prevent the destruction by this administration of those ideals of American government for which our forefathers fought, and we must continue to fight for their preservation with the same courage and understanding which characterized their sacrifice.

If we sailed out of Boston Harbor with Liverpool as the port of destination, and the next day found ourselves headed straight for the rocks of the coast of Maine, our immediate concern would not be the port of Liverpool. We would be more interested in whether the engineer was going to reverse the engines in time to avoid catastrophe. If we were plunging down a steep grade in an automobile devoid of a foot brake, with the probability of turning upside down in a washout at the bottom of the hill, we would be thankful for the suggestion that we might try the emergency brake. If we, without any knowledge of the bailing out of an airplane, suddenly found ourselves in midair, plunging toward the earth and destruction, we would thank some person for the suggestion that we pull the ripcord which would open the parachute. In like manner, it is the immediate duty of the Republican Party to apply the brakes on this administration, the policies of which constitute the vehicle in which the American people are riding to social and economic destruction.

It seems to me the Republican Party has conducted itself in an admirable manner during this administration. Although we have not wavered in our desire to safeguard those fundamental constitutional doctrines of liberty, freedom of speech, freedom of the press, and the right of every individual citizen to exercise the prerogatives of citizenship without too much governmental interference, nevertheless, we have gone along with the administration in every sound, worthwhile piece of legislation which we thought essential for the relief of those who found themselves in physical and social distress as a result of a world war and a resultant international chaos for which the Republican Party surely cannot be blamed. Every bill introduced in Congress which has had as its purpose the relief of unemployment, the assurance of a decent livelihood for the aged and infirm, the improvement of working conditions, and the creation of remunerative markets for the products of our farms and factories, have had the wholehearted support of the Republican Party. With equal sincerity and tenacious holding to principle, we have combated the attempts of the President and his administration to effectuate certain policies which will result (and have already resulted in no small degree) in the creation of a socialized state, with an accompanying regimentation of endeavor under governmental dictatorship.

Because of this spirit of cooperation on the part of the Republicans even at the expense of criticism within our own party, the

Democrats have no one to blame but themselves for the failure of any part of their program. If the farmers of the cotton South, and the wheat, corn, and pork farmers of the far West find it necessary to denounce the President and his erudite satellites and decry his policies because he has destroyed the markets for their products, the criticism cannot be charged to obstructionist tactics on the part of the Republican Party. Their protestations are but voicings of the inevitable results of unsound doctrines. They are but the cold realities following the adoption of untried, unsound, and to a large extent unwarranted theories. If the people of the Midwest challenge the motives which are bringing about destruction of their agricultural and industrial markets; if the sugar-beet farmers of Michigan complain that the domestic sugar industry is being destroyed, it simply means that they are but voicing their appreciation of the Republican administrations of the past which have safeguarded them in their right to expand their crops in proportion to the expansion of the market for those crops.

If the people of Maine denounce the fact that Cuban potatoes are being sold in the markets of Boston and Portland, they are but giving expression to their dissatisfaction with the foreign policy of the administration, which in its adoption has given encouragement to the importation of Cuban potatoes, to the prejudice of the Maine crop.

If the people of the New England States, using the word of Secretary of Agriculture Wallace, "whine" (which means to find fault in a weak, childish way) because their textile plants have had to close, adding their thousands of employees to the ranks of the unemployed, it is but an attempt on the part of a tolerant and long-suffering people to make the administration at Washington see the error of an economy which contemplates the purchase of foreign products with American capital, in order that the foreign countries might buy American goods. What an insult to the people of New England, the spring from which has flowed forth since the Revolution a stream of patriotism, courage, fortitude, love of country, and the ability and the will to sacrifice for that country. The people of the Colonies, of which Massachusetts was one, humbly begged and pleaded with a tyrannical king to assure them of certain God-given rights, but when their pleadings and supplications fell on deaf ears, they took up their hoes and rakes, forged their plowshares into sabers, and, with the other poor weapons at their command, wrested their independence from that tyranny.

The people of New England are no different today than they were then. You have, with all of the humbleness and courtesy at your command, beseeched the President of the United States to help you reopen your closed factories. You are confronted with a condition which makes it impossible for you to get relief in this respect. The textile factories of Massachusetts will not open as a result of a lowering of the processing tax on cotton, or by any action of the President in curtailing the importation of cheaply manufactured Japanese textiles. This is directly contrary to the "good neighbor" policy of the administration. It would not be considered courteous on the part of the administration to put an embargo or raise the tariff against the importation of goods, manufactured with peon labor in Japan or any other country of the world. What matters it that the textile workers of Massachusetts join the breadlines? Henry Wallace is not yet willing to admit the failure of his pet theory, that the fewer crops they raise the richer our farmers will become. He is going to prove that his theories are correct, even though in doing so he has to close every textile mill in the New England States and plow under every row of cotton in the South.

President Roosevelt assured us when he embarked upon this sea of experimentation that if any part of the program was found to be unsound he would be the first to recognize it. The people of the United States are in universal accord that the agricultural and tariff policies of this administration have been proven to be unsound. The only effect of the Cotton Control Act has been to make the rich richer and the poor poorer. This is evidenced by the fact that while the large cotton growers of the South have had their incomes increased, thousands of the tenant farmers and share-croppers have been forced off the land through the operation of the act. The administration, to offset this, has had to recommend legislation involving the expenditure of $50,000,000 for the purpose of rehabilitating the poor cotton growers of the South who are in despair because of the Cotton Control Act. Ruinous foreign competition is the inevitable result of the tariff policy of this administration, and while the President insists upon opening the door to the importation of Japanese textiles, the industry in the New England States is dying a slow death. Mills have closed not only in Massachusetts but also in the Southern States, and for the first time in the history of the cotton and textile industries the people of the North and the people of the South are in perfect harmony in recognizing that the interests of one are the interests of the other. And so, with the realization that the ship of state cannot sail the sea of progress without both the rudder of the North and the propeller of the South, we are at last joining hands against the common enemy. The termites eating into the foundation of democracy must be destroyed.

It is particularly fitting that I should call attention to this joinder of purpose in the shadow of the Bunker Hill Monument, at which Daniel Webster said:

"Let us cultivate a true spirit of union and harmony. In pursuing the great objects our condition points out to us, let us act under a settled conviction and an habitual feeling that these 24 States are one country. Let our conceptions be enlarged to the circle of our duties. Let us extend our ideas over the whole of the vast field in which we are called to act. Let our object be our country, our whole country, and nothing but our country."

And especially here in Boston, where Robert C. Winthrop, in 1879, in a letter to the Boston Commercial Club said:

"There are no points of the compass on the chart of true patriotism."

Earlier, at Faneuil Hall, he had said:

"I have heard something said about allegiance to the South. I know of no South, no North, no East, no West, to which I owe my allegiance."

Here in Massachusetts, at the cornerstone of the Nation, is a proper place to call attention to the insidious and pernicious sectional influences upon which are predicated many of the policies of the present administration. There should be no South, no North, no East, and no West. There likewise should not be any advantage given to one section over another.

The Democratic Party has not been in the saddle many years since the birth of the Republican Party under the oaks at Jackson, in my home State. The old democracy believed, as we Republicans believe, that the geographical boundaries of our States were not created for the purpose of setting off one particular section of the country to vie with another. New-deal democracy is different. It was expressed in the cloak rooms of the House of Representatives at Washington by one perhaps over-zealous member of the majority party, that he was going to see to it that his State "got theirs while the getting was good."

Because of the inane schoolboy approach to the problems of southern agriculture, those very fine people have lost their foreign market for cotton. Because the President wants the United States to be a "good neighbor" to Japan, is not in itself sufficient reason for the destruction of the rich textile industry of Massachusetts.

Now, in summarizing this whole issue, let me say to the people of Massachusetts that if they believe in the removal of their factories, with an attending dissipation of home, farm, and all other property values, this can be more readily accomplished by continuing to vote for the new deal than in any other manner that I know of. But this is inconceivable. The people of Massachusetts still believe that the cotton and other agricultural interests of the South should be protected and their markets expanded. They believe that the people of the Midwest and the far West should be protected in their rights to raise crops and manufacture automobiles, without limitation by the Federal Government, and they, of course, believe that it is only by destruction of sectional thought and influence that the right of the worker in Massachusetts to be insured against the loss of employment by the importation of cheaply manufactured textiles will be safeguarded. Under Republican administration the South was left to its cotton, the West was left to its wheat and corn, the New England States were left to their industries and their agriculture; and so it will be again when the Republican Party is returned to administer to the needs of the people. Then, and then only, will we have that "abundant life" promised us by this administration.

You will notice that throughout my remarks I have drawn a distinction between the Democrats as we knew them a few years ago, and the new-deal Democrats. I have done this deliberately, having in mind that the majority of Democrats who have earnestly and faithfully followed the doctrines of Thomas Jefferson and the new-deal Democrats are as far apart in their advocacies as Republicans are from Communists. Senator CARTER GLASS, of Virginia, is one of the old-line Democrats whom we all respect, and whose judgment is as sound as the Rock of Gibraltar. At the banquet of the National Association of Newspaper Editors in Washington last Saturday evening Senator GLASS hit the nail on the head when he said:

"There are only a few of us Democrats left."

In what category then can we place those who call themselves Democrats but who believe in the new deal? They are those who have been drugged by the prescriptions of the quack doctors of the administration. It is not to be wondered at that so many of our people who were in the depths of despond—a condition which resulted from a costly war which threw the whole world into chaos, from which we are but now emerging—should have swallowed these sugar-coated palliatives with some degree of hope and confidence in the results. They have had a rude awakening from a delusive sleep, with a terribly bad headache. With the dawning of the inevitable "morning after" they want no more stimulants of that nature, and are returning to the old family doctor for succor.

Well, the old family doctor is expecting them. He knew from the history of the case that the new medicine would not give them permanent relief. He is going to diagnose their case all over again in the light of new developments and will prescribe for them. Whether the headache takes the form of a delusion, whether it takes the form of communism, fascism, nazi-ism, or just a plain abandonment of common sense, the prescription will be the same. The old doctor will not aggravate the ailment by trying to cure communism with communism, fascism with fascism, nazi-ism with nazi-ism, socialism with socialism, fear with lack of confidence, but will give them a great big dose of the medicine which has always cured them of all of their economic and social ailments—a great big dose of constitutionalism and Americanism as promulgated by the ideals and principles of the Republican Party. You can't compel the American people to adopt fascism with the threat of communism; you can't compel the American people to adopt nazi-ism with the threat of fascism; you can't compel us to accept socialism by the claim that the American Constitution has outlived its usefulness.

There seems to be a veritable epidemic of justified dissatisfaction. Whether this dissatisfaction is evidenced by the dumbness of the people to appreciate the finer things in life, as re-

flected by F. E. R. A. research into the movements of populations of Europe and Asia in the second millennium; or the militant anarchistic labeled endeavors of the farmers to get a decent price for their milk; or the "whining" of the people of New England because they are losing their factories; it is apparent, nevertheless, that the dissatisfaction is existent and growing.

It is evidenced by the protestations of those who have to pay an exorbitant price for meat due to the un-Christian and economically unsound policy of slaughtering and burying millions of pigs; in the lamentations of the Southern cotton grower that his foreign markets are being destroyed; in the assemblies of farmers throughout the Midwest, who in their meetings reflect and denounce the fact that the importation of agricultural commodities is steadily increasing because of the tariff policy of the administration; in the money market of the United States, due to the proposal to take from the people the last vestige of an opportunity for the obtaining of private loans and credit, by concentrating the credit and monetary powers under one political head in Washington; in the retaliation by our State governments against the attempts of the Federal Government to take over purely State functions; in the strikes in our factories which are but evidence of the fact that wages have not been increased in line with the forced increase in the price of commodities. In the face of these failures, how can it be said that the new deal has been successful? Because of the inconsistencies in policies and administration, how can it be hoped that it will be any more sucessful in the future than it has been in the past? Confidence is the keystone of the arch of government. Without confidence and at least a show of integrity no government can endure. It would not be quite as bad if this lack of confidence was confined to the administration, but we know that many of our people do not distinguish between the administration and the Government, and so there is a constant and growing fear that because of the inconsistencies of the administration there will be a resultant lack of confidence in government, which it will take the Republican Party years to overcome after it comes back into power.

May we be reminded of some of these inconsistencies? The President in his inaugural address, in criticizing some persons unknown to me, whom he calls "the rulers of the exchange of mankind's goods", says:

"True, they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money."

Has President Roosevelt in any manner or for any purpose stopped the lending of money? Furthermore, he says:

"They have no vision, and when there is no vision the people perish."

Vision is described as an apparition, a dream, a fantasy, an unreal or imaginary thing. If, by having visions, the people can pull themselves out of the depression, then we should have had prosperity months ago, because there has been no wanting of apparitions during the last 2 years.

Do you people in Massachusetts know why the administration thinks it advisable not to give you the protection to your industries which you think you need? I didn't know until by glancing through the inaugural address the other day, I found an answer. I don't know whether it is the President's or not, but it is the only reason that I can see for closing the textile factories of Massachusetts. Is this the reason? And again I quote from his inaugural address:

"Hand in hand with this, we must frankly recognize the overbalance of population in our industrial centers, and by engaging on a national scale in a redistribution, endeavor to provide a better use of the land for those best fitted for the land."

This is apparently the answer. You have too many people in Massachusetts. You must seek the "more abundant life" elsewhere, and so he wants you to move out on the farms. We will welcome the good textile workers of Massachusetts out in Michigan, but we would rather they would come of their own free will and accord and not from necessity occasioned by false economic theories. And in this particular, while we are talking of inconsistencies which result in lack of confidence, let me say that the Banking Act of 1935, wherein it regiments credit under one political head, with the dictatorial power in that head to compel the banks to buy Government bonds when there is an approaching danger to the Government bonding market, perhaps at the same time there is a desire on the part of the banks to loan money to industry, results in a concentration of industry around the 12 credit structures set up by the act. Population follows industry, and the Banking Act of 1935 will do more to effectuate the centralization of population than any other thing that I know of. What manner of man is this, who on the one hand advocates the decentralization of population and on the other hand forces down the throat of the American Congress a bill which is particularly designed to centralize population, contrary to the announced administration policies? Is this gross inconsistency conducive to confidence?

We are much concerned with the effect which the Banking Act of 1935 will have upon the soundness of our currency. Government financing should be upon the same basis as private financing, and the cost of running the Government should be financed by voluntary investment in Government obligations. The Banking Act of 1935 creates a situation where the Government may compel the use of the savings of the people to market Government obligations. This method of financing becomes a forced loan and is one of the most vicious inroads on liberty.

When the banks are forced to invest in Government bonds against their will, and at the same time the same authority which may compel them to take these bonds is the authority to which Congress has delegated its prerogatives of coining money and regulating the value thereof, there is such a close affiliation between the public debt and the currency-creating power as to leave but little room for doubt that the one might seriously affect the other, thereby causing a fluctuation in the value of our currency as the public debt increases or decreases. Federal Reserve banks should be maintained as central banks whose purpose is to maintain a sound currency and to provide credit to American business when and as such credit is needed. Federal Reserve Banks were never intended to become fiscal agencies of the Federal Government as contemplated by the Banking Act of 1935, primarily for the purpose of liquidating the annual deficits and the national debt.

But let us get back to the inaugural address. The President says further:

"Through this program of action we address ourselves to putting our own national house in order and making income balance outgo."

If that means anything, it means that he is either going to keep his expenditures within the present income or raise the income to balance the expenditures. I challenge him to propose legislation in the Congress which would increase taxes sufficient to balance expenditures. But it is due partly to the fear that he will adopt one of the only two ways of paying the debt of this administration, namely, by confiscatory taxation that business is so hesitant about expanding and giving employment. The other way to pay the debt is by inflation, of which the less said the better. Of course, we might balance income with outgo by reducing outgo, but this method seems to be giving him little worry at present. In the words of Mr. Roosevelt:

"Only a foolish optimist can deny the dark realities of the moment."

And in this connection, I quote again from his inaugural address, in which he says that the task can be helped, * * *.

"* * * By insistence that the Federal, State, and local governments act forthwith on the demand that their cost be drastically reduced."

And again:

"In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors * * *."

And again:

"Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, on unselfish performance; without them it cannot live."

And again:

"If we are to go forward we must move as a trained and loyal army, willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective. We are, I know, ready and willing to submit our lives and property to such discipline because it makes possible a leadership which aims at a larger good."

And so you "whiners" in New England know now why you are asked to forego any recourse to executive action in the closing of your factories, you are but making the willing sacrifice for the good of a common discipline, without which no progress is made and without which no leadership becomes effective.

EXTENSION OF TIME FOR GENERAL DEBATE ON THE BANKING ACT, 1935

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the time for general debate on the bill H. R. 7617 be extended to continue throughout the day on Saturday, with the understanding that the House will take up no other business than that, the time to be equally divided under the provisions of the rule.

The SPEAKER. The gentleman from Alabama [Mr. STEAGALL] asks unanimous consent that general debate on the bill H. R. 7617 be continued through Saturday, to be equally divided and controlled between himself and the gentleman from Ohio [Mr. HOLLISTER]; that said debate conclude when the House adjourns on Saturday May 4. Is there objection?

Mr. O'CONNOR. Reserving the right to object, will the Chairman of the Committee on Banking and Currency give some assurance that some of the Members who are asking for time are going to be allotted time? There is great complaint that they are not able to get time. When 15 hours was allowed to the Committee, it was not allowed just for the members of the committee. That was not the understanding. There were such Members as the gentleman from Texas [Mr. PATMAN], the gentleman from Texas [Mr. MAVERICK], and other gentlemen who say they cannot get time. We have had that difficulty every once in a while, where Members of the House, on an important subject, do not get an opportunity to speak. Now, this is a subject for which 15 hours was given, solely for the reason that so many Members of the House, not simply members of the committee,

desired to speak. I wish the gentleman would give some assurance that every Member who desires to speak, within reason, will get some time.

Mr. STEAGALL. I should hesitate to say that I could guarantee that every Member who desired to speak could get time. I may say, however, that the purpose of the request is to accommodate gentlemen who have expressed a desire to use time in the debate. Because of intimations made by the Speaker I have anticipated that there would be an additional day and I have granted a longer time to Members who have spoken for this reason, anticipating that I would be able reasonably to take care of the time generally in the House, and that is the purpose of the request.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, many Members have asked me whether or not there was going to be a session on Saturday and I have assured them that if there was a session on Saturday nothing else would be done except to continue general debate on this bill.

Mr. STEAGALL. That provision was included in my request, I may say to the gentleman from Colorado.

Mr. SNELL. Mr. Speaker, will the gentleman from Colorado yield?

Mr. TAYLOR of Colorado. Certainly.

Mr. SNELL. I have no objection to a session on Saturday if we could have the understanding that no business would be conducted on that day except a continuance of general debate on this bill. I do not know whether the Speaker is willing to reply to my suggestion whether it could be generally understood that the Chair would not recognize anyone for any request except purely perfunctory ones.

Mr. TAYLOR of Colorado. I am in hopes the Speaker will announce that limitation so Members will know what may be expected.

Mr. SNELL. I realize, of course, that it is really unfair to ask the Speaker such a question, but under the circumstances I thought perhaps the Chair might not be averse to expressing the intention of the Chair in this regard.

The SPEAKER. In response to the inquiry of the gentleman from New York, the Chair will state that it is important that general debate on this bill should be concluded this week. Many Members have expressed a desire to be heard on this bill in general debate, and the Chair hopes that the House will agree to meet on Saturday.

The Chair will make this statement so there will be no misapprehension as to the views of the Chair: That the Chair will not recognize anyone to call up any bill or to transact any business whatsoever except to submit perfunctory requests, such, for instance, as to correct the RECORD or to extend remarks.

Mr. SNELL. Those are purely perfunctory matters.

Mr. O'CONNOR. Mr. Speaker, further reserving the right to object, I do not think I yet have received any assurance that these Members are going to be taken care of. Sometimes we have difficulty in getting assurances or even answers to inquiries.

Mr. STEAGALL. Mr. Speaker, I thought I had made quite clear that the chief purpose of this request for extension of the time for general debate is for the purpose of yielding to Members of the House who are not members of the committee.

Mr. O'CONNOR. Will the gentleman whose names I have mentioned be given time?

Mr. STEAGALL. I would remind the gentleman that we have yielded time this afternoon to several Members of the House not members of the committee, and we expect that the greater portion of the time from now on will be consumed by Members of the House who are not members of the committee.

Mr. O'CONNOR. Let me ask the gentleman definitely whether the Members whose names I have mentioned will be yielded time?

Mr. STEAGALL. I do not know that I understand the purport of the gentleman's inquiry. Who particularly desired the time?

Mr. O'CONNOR. They have been asking the gentleman for time but cannot get any more assurance out of the gentleman than I can get out of him at this moment.

Mr. STEAGALL. To whom does the gentleman refer?

Mr. O'CONNOR. The gentleman from Texas [Mr. PATMAN] and the gentleman from Texas [Mr. MAVERICK], among others.

Mr. STEAGALL. I may say to the gentleman from New York that the gentleman from Texas [Mr. PATMAN] made a request of me for time, but later yesterday afternoon he withdrew his request. I told him there was no need for him to withdraw it, for him to let it stand; but he withdrew his request.

Mr. O'CONNOR. If I may make the suggestion to the gentleman from Alabama, I think those Members who want to talk not in excess of 15 minutes should have preference over Members who want to talk for an hour; and I think that if Saturday is devoted to general debate every Member desiring to talk could be accommodated. I sincerely hope they are.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1932. An act for the relief of the State of California; War Claims.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3787. An act for the relief of Robert D. Hutchinson;

H. R. 3911. An act for the relief of Sarah J. Hitchcock;

H. R. 5133. An act for the relief of Nellie Oliver;

H. R. 6084. An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed $1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes; and

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Friday, May 3, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Friday, May 3, 10 a. m.)

Will continue hearings on the bill (H. R. 7521) pertaining to merchant marine subsidy.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

315. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for District of Columbia for the fiscal year 1935, amounting to $54,000 (H. Doc. No. 169); to the Committee on Appropriations and ordered to be printed.

316. A letter from the Secretary of State, transmitting the report of the Chicago World's Fair Centennial Commission to the Congress; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 1993. A bill giving superintendents at classified post-office stations credit for substitutes serving under them; with amendment (Rept. No. 818). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DEEN: Committee on War Claims. H. R. 237. A bill for the relief of the Rowesville Oil Co.; without amendment (Rept. No. 815). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 254. A bill for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.; with amendment (Rept. No. 816). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 1437. A bill for the relief of August A. Carminati; with amendment (Rept. No. 817). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Military Affairs was dicharged from the consideration of the bill (H. R. 7649) for the relief of Pete E. Simon, and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARTER: A bill (H. R. 7847) to amend section 100 of the Judicial Code as amended; to the Committee on the Judiciary.

By Mr. HOEPPEL: A bill (H. R. 7848) to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes"; to the Committee on Military Affairs.

By Mr. MURDOCK: A bill (H. R. 7849) for the relief of the confederated bands of Ute Indians located in Utah, Colorado, and New Mexico; to the Committee on Indian Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 7850) granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, nurses, and for other purposes; to the Committee on Pensions.

By Mr. TRUAX: A bill (H. R. 7851) providing for nonrecognition of certain persons to practice before the United States Patent Office and prohibiting certain forms of advertising; to the Committee on Patents.

By Mr. WALLGREN: A bill (H. R. 7852) to transfer control and jurisdiction over a building owned by the United States; to the Committee on Public Buildings and Grounds.

By Mr. HEALEY: A bill (H. R. 7853) to provide for dispensing with oath or affirmation as a method of verifying certain written instruments; to the Committee on the Judiciary.

By Mr. MORAN: A bill (H. R. 7854) to further the development and maintenance of an adequate and well-balanced American merchant marine, to provide for the separation of the regulatory functions of the Government over shipping from the Government business interests in ships and shipping, to repeal certain former legislation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. GREENWAY: A bill (H. R. 7855) to amend section 5 of the act of March 2, 1919, generally known as the "War minerals relief statutes"; to the Committee on Mines and Mining.

By Mr. HILL of Alabama: A bill (H. R. 7856) to authorize exchange of lands at a military reservation, and for other purposes; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 7857) to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding $500 in any one case; to the Committee on Claims.

Also, a bill (H. R. 7858) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 7859) granting an increase of pension to Jane McFarlane; to the Committee on Invalid Pensions.

By Mr. COLMER: A bill (H. R. 7860) for the relief of Capt. Henry T. Korner; to the Committee on Claims.

Also, a bill (H. R. 7861) for the relief of Mrs. J. A. Joullian; to the Committee on Claims.

Also, a bill (H. R. 7862) for the relief of Henry Hilbun; to the Committee on Military Affairs.

By Mr. GAMBRILL: A bill (H. R. 7863) authorizing the President to promote Charles T. S. Gladden to the grade of commander, United States Navy; to the Committee on Naval Affairs.

By Mrs. GREENWAY: A bill (H. R. 7864) for the relief of Edward P. Oldham, Jr.; to the Committee on Claims.

Also, a bill (H. R. 7865) for the relief of Henry P. Johnson; to the Committee on Military Affairs.

By Mr. HARTER: A bill (H. R. 7866) for the relief of James Adio; to the Committee on Military Affairs.

By Mr. HULL: A bill (H. R. 7867) for the relief of John Micek; to the Committee on Claims.

By Mr. LEA of California: A bill (H. R. 7868) for the relief of Blanche N. Puter; to the Committee on Claims.

By Mr. McCLELLAN: A bill (H. R. 7869) for the relief of Neeley C. Lucas; to the Committee on Claims.

By Mr. MARTIN of Colorado: A bill (H. R. 7870) to provide a preliminary examination of the Purgatoire (Picketwire) and Apishapa Rivers, in the State of Colorado, with a view to the control of their floods and the conservation of their waters; to the Committee on Flood Control.

By Mr. SANDLIN: A bill (H. R. 7871) for the relief of Edward W. Goetz; to the Committee on Military Affairs.

By Mr. STACK: A bill (H. R. 7872) for the relief of Blanche J. Sprague; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8208. By Mr. FULMER: Concurrent resolution of the South Carolina Legislature, endorsing the policies of the Democratic administration in Washington looking toward rehabilitating the condition of the cotton farmers of the South; to the Committee on Agriculture.

8209. Also, concurrent resolution of the South Carolina Legislature, memorializing the Congress of the United States to continue the cotton-control program of the Agricultural Adjustment Administration and, if need be, enact such legis-

lation as is necessary for that purpose; to the Committee on Agriculture.

8210. By Mr. HEALEY: Memorial of the City Council of Malden, Mass., favoring legislation relative to the placing of higher tariff on such foreign-made articles which are in competition with our home industries; to the Committee on Ways and Means.

8211. Also, memorial of the Board of Aldermen of Medford, Mass., opposing the existence of any processing tax in the cotton industry, which is vitally affecting the industry in Massachusetts; to the Committee on Ways and Means.

8212. By Mr. JOHNSON of Texas: Memorial of Mrs. C. A. Teeple, corresponding secretary Woman's Christian Temperance Union, Corsicana, Tex., favoring House Joint Resolution 159; to the Committee on the Judiciary.

8213. Also, memorial of Lt. Carl E. Green, Fort Randolph, Canal Zone, Panama, favoring House bill 5071; to the Committee on Military Affairs.

8214. By Mr. KING: Petition of the Eighteenth Legislature of the Territory of Hawaii, declaring that the Territory of Hawaii shall be made a State, and requesting and urging the Congress of the United States of America to pass an enabling act authorizing the people of the Territory of Hawaii to form a constitution and a State government to be admitted into the Union on an equal footing with the original States; to the Committee on the Territories.

8215. By Mr. MURDOCK: Resolution of the Kamas Valley National Farm Loan Association, of Kamas, Utah, urging the enactment of legislation designed to reduce interest rates on agricultural loans; to the Committee on Agriculture.

8216. By Mr. PFEIFER: Petition of the American Manufacturing Co., Brooklyn, N. Y., concerning House bill 7348; to the Committee on Insular Affairs.

8217. Also, resolution of the Holy Name Society District Committee, Twenty-fourth District, Brooklyn Diocesan Union, New York, protesting against the religious persecution in Mexico; to the Committee on Foreign Affairs.

8218. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, relative to protection of American industry and employees from foreign competition; to the Committee on Ways and Means.

8219. By Mr. RUDD: Petition of American Manufacturing Co., Brooklyn, N. Y., concerning House bill 7348; to the Committee on Insular Affairs.

8220. By Mr. SNELL: Petition of the Chamber of Commerce of Port Henry, N. Y., favoring enactment of legislation seeking readjustment of import duties on pig iron and iron ores; to the Committee on Ways and Means.

8221. By Mr. TRUAX: Petition of the Amalgamated Association of Iron, Steel, and Tin Workers of North America, Mansfield, Ohio, by David H. Creps, corresponding representative, urging whole-hearted support of the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8222. Also, petition of the Athens County Association for Protection for the Aged, Nelsonville, Ohio, by their secretary, William McCall, urging adoption of the Townsend plan as the American people do not want doles and paupers' pensions, and the plan will materially help to stop the worries of elderly people; to the Committee on Ways and Means.

8223. Also, petition of the National Brotherhood of Operative Potters, Tiffin, Ohio, by their secretary, Edison Foght, urging support of the Wagner-Connery labor relations bill; to the Committee on Labor.

8224. Also, petition of the Tobacco Workers' International Union, Toledo, Ohio, by their secretary, John O'Hare, favoring the Mead substitute bills (H. R. 7172 and H. R. 6990), which call for a 40-hour week for all postal employees; to the Committee on the Post Office and Post Roads.

8225. Also, petition of the Bakery Drivers Local 28, Springfield, Mo., by their secretary, Harold Roper, urging support of the Wagner-Connery labor relations bill and the Black-Connery 30-hour-week bill; to the Committee on Labor.

SENATE

FRIDAY, MAY 3, 1935

(Legislative day of Wednesday, May 1, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the calendar day Thursday, May 2, 1935, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Robinson
Ashurst	Costigan	Logan	Russell
Austin	Couzens	Lonergan	Schall
Bachman	Dickinson	Long	Schwellenbach
Bankhead	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	Gerry	Metcalf	Thomas, Utah
Brown	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Hale	Murray	Tydings
Byrd	Harrison	Neely	Vandenberg
Byrnes	Hastings	Norris	Van Nuys
Capper	Hatch	Nye	Wagner
Caraway	Hayden	O'Mahoney	Walsh
Carey	Johnson	Overton	White
Clark	Keyes	Pittman	
Connally	King	Pope	
Coolidge	La Follette	Radcliffe	

Mr. LEWIS. I announce the absence of the Senator from Connecticut [Mr. MALONEY], caused by illness, the absence of the Senator from North Carolina [Mr. BAILEY], caused by illness in his family, the absence of the Senator from Georgia [Mr. GEORGE], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Montana [Mr. WHEELER], necessarily detained from the Senate, and the absence of the Senator from North Carolina [Mr. REYNOLDS] on official business.

Mr. AUSTIN. I wish to announce that the Senator from New Jersey [Mr. BARBOUR] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House insisted upon its disagreement to all Senate amendments except Senate amendments numbered 8, 58, and 60 to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes; that the House insisted upon its amendment to Senate amendment numbered 29 to the bill; that the House requested a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SANDLIN, Mr. CANNON of Missouri, Mr. TARVER, Mr. BUCHANAN, Mr. THURSTON, and Mr. BUCKBEE were appointed managers on the part of the House at the further conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3787. An act for the relief of Robert D. Hutchinson;

H. R. 3911. An act for the relief of Sarah J. Hitchcock;

H. R. 5133. An act for the relief of Nellie Oliver;

H. R. 6084. An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed $1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes;

H. R. 6223. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes; and

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Appropriations:

Chapter 69—Assembly Joint Resolution 51—Relative to memorializing the President and the Congress to enact legislation (H. R. 2772) declaring admission day a holiday for all officers and employees of the United States whose headquarters are in California

Whereas the 9th day of September is the day when all persons residing in California celebrate the admission of the Golden State into the Union; and

Whereas this day of celebration is one of great sentiment to the people of the State of California; and

Whereas the 9th day of September of each year is an official holiday for all public employees of the State of California and political subdivisions thereof; and

Whereas many organizations, together with the Native Sons of the Golden West, have sponsored the plan to allow officers and employees of the United States whose headquarters are in California to celebrate and honor the admission day of California; and

Whereas on January 3, 1935, there was introduced by Mr. ENGLEBRIGHT, of California, a bill known as "H. R. 2772", which proposes to declare the 9th day of September of each year, which is the date California was admitted to the Union, a legal holiday for all officers and employees of the United States whose headquarters are in the State of California: Now, therefore, be it

Resolved, That the Assembly and the Senate of the State of California, jointly, respectfully urge the President and the Congress of the United States to enact H. R. 2772, which proposes to provide a legal holiday for Federal employees; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and the Vice President of the United States, and to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are hereby respectfully urged to support such legislation.

The VICE PRESIDENT also laid before the Senate the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Finance:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

Resolutions relative to protection of American industry and employees from foreign competition

Whereas it is apparent that competition with foreign countries can no longer be met, in many instances, by greater manufacturing efficiency or by further increases in tariffs; and

Whereas, owing to low wage scales in foreign countries, the instability of foreign exchanges and the disparity between the dollar and foreign currencies it is too frequently possible for foreign producers to send quantities of their goods into the American domestic market sufficient to break that market and prevent the sale therein of American-made products; and

Whereas such disruption of the American market seriously interferes with the employment and earnings of American workers: Therefore be it

Resolved, That the President of the United States be, and hereby is, requested to utilize fully the powers vested in him by section 3 (e) of the National Industrial Recovery Act to apply embargoes or establish quotas as a means of protecting American manufacturers, and thus American workers, against the losses they now suffer from foreign competition; and be it further

Resolved, That the secretary of the Commonwealth forthwith forward copies of these resolutions to the President of the United States, to the Presiding Officers of both branches of Congress, and to the Members thereof from this Commonwealth.

In house of representatives, adopted, April 23, 1935.

In senate, adopted, in concurrence April 26, 1935.

A true copy. Attest:

[SEAL]

F. W. COOK,
Secretary of the Commonwealth.

The VICE PRESIDENT also laid before the Senate petitions of sundry citizens of the State of New York, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a letter from Hon. Lino Padron Rivera, chairman of the special committee of the House of Representatives of Puerto Rico to investigate public works constructed by the P. R. E. R. A., relative to the manner in which the chief of the Emergency Relief Administration for Puerto Rico, Mr. James R. Bourne, is proceeding, and referring especially to one José Soto Rivera, chief of a division of the Puerto Rican Emergency Relief Administration, and also enclosing copy of opinion and decision rendered by the Supreme Court of Puerto Rico on January 14, 1932, on disbarment proceedings instituted against said José Soto Rivera, etc., which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate memorials of sundry citizens of Bradford, Pa., remonstrating against the enactment of the so-called "Wheeler-Rayburn public-utility regulation bill", which were ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from R. Lee Davis, supreme commander Veterans' Club of America, Orange, Tex., on behalf of that club, praying for the enactment of the so-called "Patman bonus bill", which was ordered to lie on the table.

Mr. LONERGAN (for Mr. MALONEY) presented a petition of sundry citizens of New Britain and vicinity, in the State of Connecticut, praying for the enactment of legislation establishing a central bank, as advocated by Rev. Charles E. Coughlin, which was referred to the Committee on Banking and Currency.

He also (for Mr. MALONEY) presented the petition of members of the Bridgeport (Conn.) Commercial Council (being telephone employees), praying that the words "or contribute financial or other support to it" be stricken out of section 8, page 10, paragraph (2), of Senate bill 1958, known as the "Wagner labor-disputes bill", which was ordered to lie on the table.

OLD-AGE PENSIONS

Mr. VANDENBERG presented resolutions adopted by the Old Age Pension Division, Modern Fraternal Union, Inc., Peoria, Ill., which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

PEORIA, ILL., *April 20, 1935.*

To the Honorable Senate of the United States of America:

Whereas the social security bill, as passed by the House of Representatives, in Washington, D. C., on April 19, 1935, is described by Congressmen as a pauper dole; and

Whereas President Franklin D. Roosevelt's message to the House of Representatives on June 8, 1934, contained the promise of security against the hazards and vicissitudes of life; and

Whereas Congressman Gearhart says the amount appropriated for this year for paying old-age pensions is but $49,750,000 and that this amount will only give each pensioner $6.56 a year, or 54 cents a month, to the 7,500,000 who are over 65 years of age: Therefore be it

Resolved by the Old Age Pension Division, Modern Fraternal Union, Inc., That we are very much dissatisfied and disappointed with the social security bill, as passed by the National House of Representatives, and herewith petition the United States Senate to amend the social security bill so that the promise of President Roosevelt may be realized, and the millions of old people, who are now in need may be taken care of; and be it further

Resolved, That the social security bill be so amended that the old-age pension shall take precedence over the other portions of the bill, and the minimum amount of the pension be $30 a month for each of the old-age pensioners; and be it further

Resolved, That we ask your honorable body to make the social security bill a Federal bill, not dependent upon any State pension law, since it has been found that very few States are paying the old-age pensions, as required by law, on account of the depression, which is causing old people to suffer for want of the bare necessities of life; and be it further

Resolved, That we beg of the United States Senate not to allow this social security bill to become a partisan measure, but a relief measure for all old people over 65 years of age.

Signed by members of the executive committee of the supreme council, Old Age Pension Division, M. F. U., Inc.

[SEAL]

Rev. M. G. NEWMAN.
C. H. BEARD.
A. E. DUKE.

PROCESSING TAX ON COTTON

Mr. METCALF. Mr. President, I ask to have printed in the RECORD the body of a petition signed by 7,414 people asking that the processing tax be removed from cotton and that something be done for the employees of our closed cotton mills. It was transmitted to me by the Chamber of Commerce of Providence, R. I. I have received petitions signed by over 10,200 people of my State on the same subject. I have also received a resolution adopted by the Common Council of the City of Pawtucket, R. I. I shall not take the time of the Senate to read them, but I ask to have the body of the matter printed in the RECORD and the petitions appropriately referred.

There being no objection, the body of the petition and the resolution were ordered to be printed in the RECORD and referred to the Committee on Agriculture and Forestry, as follows:

[Chamber of Commerce of Providence, R. I.]

PETITION

To the President and the Congress of the United States:

We, the undersigned, citizens of the State of Rhode Island, do hereby petition you to take immediate steps to save from destruction the cotton-textile industry, upon which thousands of residents of Rhode Island and nearby States are dependent for their livelihood.

The serious plight of this industry cannot be overemphasized. Many mills in this State and in other New England States have been closed, never to open again, and others are on the verge of closing. As a result, thousands of people have been thrown out of employment, and the very existence of whole communities is seriously threatened.

We therefore most earnestly entreat you (1) to repeal the processing tax on cotton and (2) to enact legislation which will give adequate protection to the cotton-textile industry in this country against importations of goods manufactured by cheap labor abroad.

APRIL 10, 1935.

Resolution

Whereas it is generally recognized among both employees and employers in the textile industry of this city and State and other citizens who have been adversely affected thereby that the Federal processing taxes have greatly injured the continued operation of our textile businesses and have reduced employment of the people of the city of Pawtucket; and

Whereas the continued imposition of this form of taxation will further damage local industries of this city and cause even greater unemployment of many of the citizens of Pawtucket; and

Whereas in view of the opposition of large numbers of the people of this city and State and public officials of this and other States it appears necessary officially to offer the objections of the Common Council of the City of Pawtucket toward this unfair form of taxation, this expression being now particularly timely because of the present attitude of Federal officials toward the needs of this and other New England communities: Now, therefore, be it

Resolved, That this the Common Council of the City of Pawtucket, R. I., strongly protests the continued imposition of this tax and requests that the Secretary of Agriculture and the President of the United States take steps to relieve the hardships created because of this tax; and be it further

Resolved, That copies of this resolution be forwarded by the clerk of the common council to the President of the United States, to the Secretary of Agriculture, and to the United States Senators from Rhode Island.

A true copy.

Attest:

JAMES L. KARENUL,
City Clerk.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. WAGNER. I ask to have printed in the RECORD and to lie on the table certain telegrams which I have received, one from the Ludlum Steel Co., one of the small units of the steel industry, another from the Apparel Industries Committee, another from the Clothing Manufacturers' Association of the United States, another from the Clothing Manufacturers' Exchange, one from the Allied Hat Manufacturers of New York, and other telegrams, all urging the passage of legislation which will extend the N. R. A. for a period of 2 years.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

WATERVLIET, N. Y., *May 1, 1935.*

Senator ROBERT F. WAGNER:

Ludlum Steel Co., one of the small units of the steel industry, desires your support in securing extension of National Industrial Recovery Act for period of 2 years. We believe N. R. A. has helped stabilize business conditions over last 2 years and has been a protection to the smaller units rather than otherwise, but that most of good accomplished would be sacrificed if N. R. A. is not extended for reasonable period.

LUDLUM STEEL CO.,
H. G. BATCHELLER, *President.*

NEW YORK, N. Y., *May 2, 1935.*

Hon. ROBERT F. WAGNER,
Personal, Washington, D. C.:

Apparel industries, comprising approximately 20,000 units, wants and desperately needs N. R. A. We urge you to give us immediate extension of N. R. A. in unemasculated form for 2 years. We need long breathing space to function under codes without fear of repetition of present devastating period of indecision. Any makeshift would increase, accentuate, and perpetuate the uncertainty which is our great handicap to recovery.

APPAREL INDUSTRIES COMMITTEE FOR
THE RENEWAL OF N. R. A.

NEW YORK, N. Y., *May 2, 1935.*

Hon. ROBERT F. WAGNER,
Senate Chamber:

We have today wired membership Senate Finance Committee "The Clothing Manufacturers' Association of the United States, America, a country-wide organization representing 80 percent of the clothing industry in the United States, wishes to register vehement protest against the proposed short-term extension of the N. R. A. We urge your support of the improved Harrison bill providing for a 2-year extension. We believe that the country will be thrown back into a depression surpassing that from which the N. R. A. rescued industry if the act is not extended for a minimum of 2 years." We entreat your active support of the legislation.

CHARLES D. JAFFEE,
Vice President Clothing Manufacturers' Association of the United States of America, 225 Fifth Avenue, New York City.

NEW YORK, N. Y., *May 2, 1935.*

Hon. ROBERT F. WAGNER,
Senate Chamber:

We have today wired membership Senate Finance Committee as follows: "The New York Clothing Manufacturers Exchange, with a membership of 220 men's clothing manufacturers and representing $300,000,000 annual output of men's clothing in the Greater New York area, appeals to you for favorable action on improved Harrison bill providing for 2-year extension of N. R. A. We believe that a short-term extension of N. R. A. will result in a return to the chaotic conditions rampant in industry before the enactment of the N. I. R. A., and implore your support of an extension of at least 2 years." We urge you use your efforts in favor of this legislation.

JULIUS H. LEVY, *Executive Secretary,*
New York Clothing Manufacturers Exchange, Inc.,
22 East Seventeenth Street, New York City.

NEW YORK, N. Y., *May 2, 1935.*

Senator ROBERT F. WAGNER,
Senate Building, Washington, D. C.:

This trade association, representing 82 manufacturers, wishes to go on record for the extension of the N. I. R. A. for a 2-year period. Much good has resulted through the N. R. A., and it will be to the interest of the industry to have it continue for 2 years. The proposed extension for 10 months would prolong the uncertainty of industry and chaos may result therefrom. We further protest against the Clark plan, and wish to emphasize the importance of code authorities being administered by industry members. Your support is earnestly solicited, for the association represents the type of manufacturers who have benefited by the N. I. R. A.

ALLIED HAT MANUFACTURERS, INC.,
LOUIS R. GOODMAN, *President,*
13 Astor Place, New York City.

UTICA, N. Y., *May 2, 1935.*

Hon. R. F. WAGNER,
Senate Building, Washington, D. C.:

Your favorable support for extension of N. R. A. and passage of following bills greatly urged by Local 753, United Textile Workers of America: Wagner No. 6288, Connery Nos. 6450 and 141, Byrnes No. 2039.

STEPHANIE KLOSEK, *Secretary,*
68 Burrstone Road, New York Mills, N. Y.

NEW YORK, N. Y., *May 2, 1935.*

Senator ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:

The independent retail pharmacists of New York City, which this organization officially represents, are greatly distressed over newspaper reports that President Roosevelt is apparently receding from his determination to extend N. R. A. for 2 years. We feel that action of Senate Finance Committee will only cause great business uncertainty. We urge you, on behalf of our industry locally, to appeal to President Roosevelt not to recede from his original position, which, in our opinion, is the only correct position.

FRANK L. GRENNIE,
President New York Pharmaceutical Council,
535 Fifth Avenue, New York, N. Y.

REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 2642) to incorporate the American National Theater and Academy, reported it without amendment.

Mr. THOMAS of Utah, from the Committee on Mines and Mining, to which was referred the bill (S. 2027) to regulate commerce in petroleum, and for other purposes, reported it with amendments and submitted a report (No. 576) thereon.

INVESTIGATION OF THE MUNITIONS INDUSTRY—REPORT

Mr. NYE. Mr. President, on April 11 there came from the House of Representatives to the Senate the bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace. The bill was referred to the Special Committee on Investigation of the Munitions Industry, which committee now reports the bill with amendments and submits a report (No. 577) thereon.

There has been an understanding that when the committee reported the bill it would be referred to the Committee on Military Affairs. Therefore I ask that the bill be referred to the Committee on Military Affairs.

Mr. JOHNSON. Mr. President, does the bill contain references to our neutrality laws or suggest any policy in respect to them at all?

Mr. NYE. Mr. President, the bill deals with no neutrality feature whatsoever. It is confined strictly to the control of profits in time of war.

The VICE PRESIDENT. On request of the Senator from North Dakota, the bill will be referred to the Committee on Military Affairs.

Mr. NYE. Mr. President, I desire to submit to the Senate the report of the committee in connection with this bill and to call to the attention of the Senate the fact that the committee does not feel that the consideration of the bill and the report are by any means the most urgent obligation upon the committee named to investigate the munitions industry. Far more important do we consider the task of providing control of the munitions industry in both war and peace time. The committee is continuing its investigations in those fields and will be reporting to the Senate from time to time, and, in order that it may complete its work, it has authorized the chairman of the committee to report a resolution, which is reported at this time, to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The report (No. 577) on House bill 5529 which the committee is submitting I ask to have printed and to be placed on the desks of Senators.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXPENSES OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY

Mr. NYE, from the Special Committee on Investigation of the Munitions Industry, reported a resolution (S. Res. 129), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the special committee appointed by the Vice President under authority of Senate Resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $45,000 in addition to the amount heretofore authorized to be expended for the purposes set forth in said resolution.

ADDITIONAL CLERK FOR INTERSTATE COMMERCE COMMITTEE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 117, submitted by Mr. WHEELER on April 11, 1935, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Interstate Commerce is hereby authorized to employ for the remainder of the session of the Senate an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

HEARINGS BEFORE COMMITTEE ON POST OFFICES AND POST ROADS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 121, submitted by Mr. MCKELLAR on April 25, 1935, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Post Offices and Post Roads, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions and recesses of the Senate.

HEARINGS REFORE COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported a resolution (S. Res. 128), which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee to Audit and Control the Contingent Expenses of the Senate, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundreds words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DUFFY:

A bill (S. 2745) to authorize the Secretary of War to appoint to the United States Military Academy one cadet from among the honor graduates of each of certain educational institutions; to the Committee on Military Affairs.

By Mr. BARKLEY:

A bill (S. 2746) for the relief of Warren G. Brickey; to the Committee on Military Affairs.

By Mr. MCKELLAR:

A bill (S. 2747) to authorize Canal Dredging Co. to bring suit in the Court of Claims against the United States for additional compensation under contract terminated as for the Government's best interests; to the Committee on Claims.

By Mr. SCHALL:

A bill (S. 2748) for the relief of Arthur Edgar Scroggin; to the Committee on Military Affairs.

By Mr. CLARK:

A bill (S. 2749) granting a pension to Retta Tunnell; to the Committee on Pensions.

By Mr. LONERGAN (for Mr. MALONEY):

A bill (S. 2750) for the relief of Horace Franklin McMahon; to the Committee on Naval Affairs.

By Mr. NEELY:

A bill (S. 2751) for the relief of Walter C. Price and Joseph C. Lesage; to the Committee on Claims.

A bill (S. 2752) granting a pension to Jennie Tewksbury; to the Committee on Pensions.

By Mr. VAN NUYS:

A joint resolution (S. J. Res. 116) authorizing the President of the United States of America to proclaim October

11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

Mr. ROBINSON. Mr. President, I ask consent to introduce two joint resolutions providing for appointments to the Board of Regents of the Smithsonian Institution, and I also ask unanimous consent for their present consideration.

The VICE PRESIDENT. Without objection, the joint resolutions will be received. Is there objection to the present consideration of the joint resolutions? The Chair hears none.

The Senate proceeded to consider the joint resolution (S. J. Res. 117) to provide for the reappointment of Frederic A. Delano as a member of the Board of Regents of the Smithsonian Institution, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the expiration of the term of Frederic A. Delano, of the city of Washington, on January 21, 1935, be filled by the reappointment of the recent incumbent (Frederic A. Delano) for the statutory term of 6 years.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The Senate proceeded to consider the joint resolution (S. J. Res. 118) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the expiration of the term of Irwin B. Laughlin, on January 21, 1935, be filled by the appointment of Roland S. Morris, a citizen of Pennsylvania, for the statutory term of 6 years.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

EXPERIMENTAL FARM AT BELTSVILLE, MD.—E. W. SHEETS

Mr. CAREY. Out of order, I ask unanimous consent to submit a resolution which I ask to have read.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read the resolution (S. Res. 126), as follows:

Resolved, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to investigate the cost of the construction, development, and expansion of the experimental farm of the Department of Agriculture at Beltsville, Md., and to investigate the circumstances connected with the demotion or dismissal of E. W. Sheets, formerly head of the Division of Animal Husbandry of the Bureau of Animal Industry in the Department of Agriculture, with a view to determining the connection, if any, between such demotion or dismissal and the construction, development, and expansion of said experimental farm. The committee shall report to the Senate, as soon as practicable, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $1,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

Mr. CAREY. I ask to have the resolution referred to the Committee on Appropriations.

The VICE PRESIDENT. The resolution will be referred to the Committee on Appropriations.

Mr. ROBINSON. Mr. President, I inquire why the Senator seeks to have the resolution referred to the Committee on Appropriations. Is not the jurisdiction in the standing Committee on Agriculture and Forestry?

Mr. CAREY. The funds used were out of the public-works funds which were appropriated by the Appropriations Committee.

Mr. ROBINSON. I understand, but the substance of the resolution pertains to agriculture, and the standing Committee on Agriculture and Forestry would seem to have jurisdiction. I ask that the matter of reference be passed over for the present.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Subsequently the resolution was ordered to lie over under the rule.

HEARINGS BEFORE THE COMMITTEE ON PATENTS

Mr. McADOO submitted the following resolution (S. Res. 127), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Patents, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

IMPORTATIONS OF COTTON CLOTH INTO THE PHILIPPINES

Mr. GIBSON. Mr. President, a great deal has been said recently with respect to the cotton situation. It is apparent we are losing our trade abroad, both for raw cotton and for cotton cloth.

For several years the Philippines have been our best customers of any political subdivision in the entire world for cotton cloth, bleached and unbleached. We are losing that trade to Japan.

The extent to which the consumption has gravitated away from the United States is clearly shown by a report of our trade commissioner located at Manila and made within recent months.

This report shows that imports or unbleached cotton cloth from Japan increased 858 percent in 1934 over 1933, while the imports from the United States declined 12 percent; that imports of bleached cotton cloth from Japan increased 308 percent, while the imports from the United States declined 25 percent; that the imports from Japan of dyed cotton cloth increased 133 percent, while the imports from the United States declined 51 percent; that the imports of printed cotton cloth from Japan increased 190 percent, while the imports from the United States declined 43 percent.

The report shows that for all these grades the imports from Japan increased 192 percent, while the imports from the United States decreased 43 percent.

I ask unanimous consent that a portion of the report showing the importations may be printed in the CONGRESSIONAL RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

1934 IMPORTS OF COTTON-PIECE GOODS TO THE PHILIPPINE ISLANDS FOR 9 MONTHS ENDING SEPTEMBER 30, 1934

While imports of all classes of cotton-piece goods from the United States have declined, imports from Japan have registered very substantial increases. Total imports of cotton-piece goods from Japan advanced from 13,826,353 square meters during the first 9 months of 1933 to 40,363,933 square meters for the similar period of 1934—an increase of 192 percent. For the same period imports of cotton-piece goods from the United States declined from 59,514,522 square meters to 33,892,152 square meters—a decline of 43 percent. With the exception of a small increase in dyed cotton-piece goods imports from Great Britain, imports of cotton-piece goods from all other countries declined during this 9-month period. During this 9-month period imports of cotton-piece goods from all countries were only about 625,000 square meters less than a year ago, which further reveals the heavy gains made by Japan in the trade formerly held by American cotton-piece goods importers. The following statement includes imports of cotton-piece goods into the Philippine Islands for the first 9 months of this year and for the similar period of 1933:

	1934	1933	Percent increase (+) or decrease (−)
	Square meters	*Square meters*	
Unbleached:			
United States	5,342,742	6,852,008	−12
Japan	2,386,061	249,612	+858
Other countries	211,558	404,561	−48
Total	7,940,361	7,506,181	+6
Bleached:			
United States	10,566,673	14,033,650	−25
Japan	8,711,464	2,133,395	+308
Switzerland	1,085,366	1,483,844	−27
Great Britain	1,062,106	1,136,948	−7
Other countries	145,508	529,897	−72
Total	21,571,117	19,317,734	+12
Dyed:			
United States	12,541,335	25,804,343	−51
Japan	15,815,094	6,800,538	+133
China	1,318,420	1,784,617	−16
Great Britain	1,388,801	1,002,887	+38
Other countries	374,843	615,775	−39
Total	31,438,493	36,008,160	−13
Printed:			
United States	5,441,402	12,824,521	−58
Japan	13,451,314	4,642,808	+190
Other countries	135,611	304,762	−56
Total	19,028,327	17,772,091	+7
Total:			
United States	33,892,152	59,514,522	−43
Japan	40,363,933	13,826,353	+192
Other countries	5,722,213	7,263,291	−21
Grand total	79,978,298	80,604,166	−1

COMPARISON OF IMPORTS FROM SHIPS' MANIFESTS, 1933 AND 1934

An interesting trend in the imports of cotton piece goods, cotton yarns, underwears, hosieries, cotton ducks, and rayon goods from the United States and Japan is determined from the attached statement supplied by the author of the above memorandum. For the 12-month period ending November 1933 imports of these goods from the United States amounted to 68,870 packages as compared with 34,516 packages from Japan. In striking contrast to this, imports of these goods from the United States for the 12-month period ending November 1934 amounted to 36,194 packages and from Japan, 67,098 packages—a reversal of the trade insofar as the source of supply is concerned. Imports for this period of 1934 from Europe aggregating 7,638 packages showed a decline as compared with the similar period of 1933, when imports amounted to 8,814 packages Imports from China (Shanghai and Hong Kong) declined from 7,430 packages in 1933 to 6,883 packages for the same 12-month period of 1934.

COMPARATIVE ARRIVALS TAKEN FROM MANIFESTS OF INCOMING SHIPS OF COTTON PIECE GOODS, COTTON YARNS, UNDERWEARS, HOSIERIES, COTTON DUCKS, AND RAYON GOODS FOR 12-MONTH PERIODS ENDING NOV. 30, 1933 AND 1934

	United States of America	Japan	Europe	Shanghai	Hong Kong
	Packages	*Packages*	*Packages*	*Packages*	*Packages*
December 1932	4,075	4,528	488	443	456
January 1933	7,047	1,897	988	207	306
February 1933	5,364	1,857	566	367	383
March 1933	12,499	1,531	689	352	120
April 1933	8,677	1,563	776	345	120
May 1933	5,499	1,710	999	220	96
June 1933	5,238	1,734	110	416	239
July 1933	4,692	3,097	818	311	220
August 1933	5,639	4,189	1,463	1,007	203
September 1933	4,665	2,848	539	377	185
October 1933	2,559	4,483	462	469	336
November 1933	2,916	5,088	486	277	95
Total	68,870	34,516	8,814	4,771	2,659
December 1933	3,642	6,228	674	208	122
January 1934	4,101	3,738	484	489	135
February 1934	5,020	4,161	367	336	84
March 1934	2,144	5,748	518	614	100
April 1934	5,402	6,837	1,022	332	73
May 1934	2,910	5,407	1,256	565	201
June 1934	3,417	7,308	714	559	238
July 1934	1,505	4,433	564	464	73
August 1934	2,200	6,539	665	317	124
September 1934	1,904	4,605	905	530	123
October 1934	1,771	5,653	287	458	135
November 1934	2,138	6,441	183	552	49
Total	36,194	67,098	7,638	5,426	1,457

OCEAN MAIL CONTRACTS

Mr. BLACK. Mr. President, a few moments ago there was placed on the desk of each Senator a print of a portion of the report with reference to ocean mail contracts, submitted to the President by the Postmaster General, Mr. Farley.

It is not the entire report. It deals with the first 11 contracts only. I am calling the attention of Senators to the report in order that they may take advantage of the opportunity to give it such investigation as they may desire.

I wish to state in this connection that this report was made after an open public hearing by the Postmaster General. Information which was in the hands of the special Senate committee was turned over to the Post Office Department, and they then summoned witnesses, and permitted the contractors to be represented by counsel. The hearing was in progress for some months. Thereafter a general report was made by Mr. Farley on these contracts, and a special report was made on each individual contract.

The reports now being printed are the individual reports. The present print comprises the first 11 of them; and as the reports on the other contracts are printed, they also will be placed on the desk of each Senator for consideration and study.

EXTENSION OF THE N. R. A.

Mr. LA FOLLETTE. Mr. President, under date of May 3, 1935, the executive council of the American Federation of Labor delivered a message to the President of the United States. I have been requested to have the message inserted in the RECORD, and I ask that it may be printed as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., May 3, 1935.

MR. PRESIDENT: The executive council of the American Federation of Labor is deeply concerned over the action of the Senate Finance Committee in approving a resolution extending the National Recovery Act for a period of 10 months. We interpret such action as an abandonment of the administration's national-recovery program. In the opinion of the executive council, it represents a total disregard of the seriousness of the unemployment situation which prevails throughout the Nation, and a lack of appreciation of the value of the remedies which, under your Executive authority, have been applied to the economic ills of the Nation.

Through the application of the provisions of the National Recovery Act, which has been in effect since June 16, 1933, constructive plans have been followed and practical methods have been employed in all the heroic efforts which have been put forth to overcome unemployment. Even the most uncompromising foe of the National Recovery Act is forced to admit that through its operation child labor has been abolished, minimum rates of pay for unprotected workers have been lifted to a higher level, hours of labor have been reduced, many reprehensible unfair trade practices have been eliminated, and work opportunities created for millions of unemployed.

Your recommendation that a more effective and more constructive National Recovery Act be enacted by the Congress of the United States for a period of 2 years represents, in our opinion, the minimum legislative requirement which should become operative at this most important period in our national life. Nothing less will meet the urgent needs of the serious unemployment situation which prevails throughout the Nation. It is the emphatic opinion of the executive council that a continuation of the National Recovery Act for a period of 10 months as provided for in the joint resolution recommended by the Senate Finance Committee, will be regarded by labor throughout the Nation as a congressional abandonment of your national recovery policy and as the liquidation of the National Recovery Act. It represents, in our opinion, the end of the definite economic policy inaugurated under the new deal and a return to the old industrial, social, and economic policies administered by the reactionary forces of the Nation, and which human experience and history show were directly responsible for the distressing unemployment situation through which the Nation has passed during the last 5 years.

The joint resolution, if adopted by Congress, will take the heart out of the National Recovery Act. It is estimated that it will deprive 75 percent of working people of the benefits of section 7 (a), child-labor prohibition, minimum rates of pay, and maximum hours of employment as incorporated in industrial codes of fair competition. The National Recovery Act for the next 10 months would be a skeleton, a shadow, applicable to a small minority of workers employed in industries engaged in only what might be technically determined as interstate commerce.

The executive council would rather see the National Recovery Act abandoned, terminated, or repealed than emasculated and adopted for a 10-month period as recommended by the Senate Finance Committe.

The executive council feels justified in calling upon the friends of labor in Congress to vote against Senate Joint Resolution 113, proposed by the Senate Committee on Finance, and to decisively defeat it. We feel that the facts warrant an appeal to Congress to give the Nation nothing less than the 2-year extension of the National Recovery Act recommended by you in such a convincing way in your message to Congress on February 20, 1935.

In the opinion of the executive council the situation created through the action of the Senate Finance Committee is alarming. The working people of the Nation view with feelings of apprehension the amazing action of the Senate Finance Committee. Resentment, protest, social unrest, industrial strife, and strikes, in our opinion, will occur if the Congress of the United States adopts Senate Joint Resolution 113. We hold that the adoption of this joint resolution will represent a complete retreat and surrender to reactionary forces. Such action at this critical period of the Nation's history is unthinkable. Instead, we must go forward, attacking vigorously the problem of unemployment until we overcome it and achieve success.

We pledge to you, Mr. President, a full measure of support in your efforts to secure a continuation of the National Recovery Act for 2 years, with the suggested amendments which experience has shown are necessary. We will support you without reservation in your patriotic and constructive fight to achieve this legislative objective.

INVESTIGATION OF AFFAIRS IN THE PHILIPPINE ISLANDS—REPORT

Mr. McKELLAR. Mr. President, last fall a subcommittee of the Committee on Territories and Insular Affairs of the Senate went to the Philippine Islands. I have a separate report, as a member of the subcommittee, which I desire to have printed in the RECORD. I ask unanimous consent that it may be printed in the RECORD, and also that it may be printed as a Senate document.

I also ask to have printed at the end of the report a newspaper article which I send to the desk.

The VICE PRESIDENT. Is there objection?

There being no objection, the report was ordered to be printed as a Senate document (S. Doc. No. 57) and to be printed in the RECORD, with the accompanying newspaper article, as follows:

To the PRESIDENT OF THE SENATE:

As a member of a subcommittee of the Committee on Territories and Insular Affairs of the Senate, appointed at the request of the President in pursuance of a resolution of the Philippine Legislature asking that a committee or subcommittee visit the Philippines and make an investigation and report to the Congress on the subject of possible "inequalities or injustices" of the Tydings-McDuffie Act, approved March 24, 1934, I beg to state that in company with Senator TYDINGS, chairman, Senator MCADOO, and Senator GIBSON, I visited the islands, and, with them, made as thorough an investigation of the conditions in the islands as possible in the time of our command. Not agreeing in all respects with the other members of the subcommittee, I desire to submit a separate report. It is proper to say that Senator CARL HAYDEN, of Arizona, was also a member of the subcommittee; but he visited the Philippines last summer, and has already made a report of his findings.

VISIT OF THE SUBCOMMITTEE

Our subcommittee left Los Angeles on November 14, 1934. We stopped at Honolulu, and stayed in Hawaii 4 or 5 days. Then we went to Yokohama, where we landed on November 22. We drove to Tokyo, and, after spending 2 days there, took a train, going through what is known as industrial Japan, sometimes called the heart of Japan, and rejoined our ship at Kobe. From there we went to Shanghai, stopping over a day and night; then to Hong Kong, where we spent a day and night.

We landed at Manila on December 9. We spent some 3 weeks in the Philippines. We visited the four largest islands in person, taking the evidence of all aggrieved persons who desired to be heard, making inquiries from all possible sources, receiving memorials from various citizens, corporations, public and quasi-public bodies, conferring daily with leaders, talking informally with all classes of people, Filipinos, Americans, and any others who wished to be heard. I think we obtained a very good picture of the economic, social, financial, and political condition of the islands.

Specifically, we visited in person the islands of Luzon, Panay, Negros, and Mindanao.

During our stay we had the most efficient and cordial aid of the present Governor General of the islands, Gov. Frank Murphy, and of his entire and most efficient staff. It is due Governor Murphy to state here that he is making a splendid Governor of the islands. He has become a great student of Filipino affairs, is popular with all classes of people, is able, alert, courageous; and so far as I could see and learn, no one is better posted concerning the islands and their problems than is he.

We also had the active aid and advice of Gen. Frank Parker, commander of our armed forces in the islands. He is a very energetic, well-informed, and capable officer. Admirals Upham and Allen also gave us most courteous aid, and were most helpful in furnishing us information and advice.

The president of the Philippine Senate, Manuel L. Quezon—well known in the United States, where he served long and faithfully in Washington as Delegate from the islands—is a fine man, able, gifted, eloquent, and with the most remarkably delightful personality. He gave us every aid and help in his power. Messrs. Osmeña, Roxas, Alunan, Paredes, and many other able Filipino leaders, as well as judges of the supreme court—among whom were Judge Thomas A. Street, an American, and Chief Justice Avanceña, a pure Filipino—were most helpful and courteous. They gave us much information.

We also talked several times with General Aguinaldo, the Filipino leader prior to and during the Spanish-American War. Although General Aguinaldo is no longer a young man, he is still powerful and helpful. We had the benefit of his views. We also conferred with leaders in business, in banking, in professional life, in agriculture, in education, in newspaper work, and in every walk of life.

Practically all those whom we consulted wanted Philippine independence; but all, or practically all, expressed the greatest fears in the event of independence on three important subjects:

One was the fear of economic collapse if the Filipinos should not secure a trade agreement under which they could indefinitely sell their products free of duty in America after their independence was granted.

A second fear was of outside aggression. In other words, if given independence without an army or a navy or an air corps, and admittedly being unable financially to build up a military defense strong enough for their protection, they greatly fear the islands would be overrun and taken over by a stronger military and naval power.

A third fear is that the islands could not stand the export tax levied under the Tydings Act for the payment of their unpaid bonds which the United States Government had substantially and morally guaranteed.

HISTORY AND PRESENT CONDITIONS OF THE PHILIPPINES

The Filipino people are Malays. How long they have inhabited the islands is not definitely known, but some of them were there probably many hundreds of years ago. In 1570, Legaspi, acting for Spain, took over the islands, and for about 329 years after that time the islands were under the absolute control of Spain. When they were taken over there were about 500,000 people in the islands. Incidentally, the islands themselves are something more than 7,000 in number. Spain ruled the Filipinos until 1898—as I stated before, a period of 329 years—and when the Spanish rule ceased there were about 6,700,000 people in the islands.

Spain gave them little except the Christian religion. She did give most of them that. Theirs is the only Christian nation in the Far East. According to the census of 1918, there were about nine and one-half million Christians in the islands. The remainder were either Moslems or pagans. At the present time the Christians compose about 91 percent of the population, the Moslems about 4 percent, and the pagans about 5 percent.

Prior to the Spanish rule the Portuguese, the English, the Chinese, the Japanese, and the Dutch had severally attempted to obtain control of the islands; but, with the exception of the Chinese, their stay left little impression. The Chinese have always traded in the islands and are still among their leading merchants and traders, though they are now being rapidly supplanted by the Japanese. Apparently, Spanish control was never beneficial to the Filipinos. During that occupation they gained little in moral fiber, in education, or in wealth. They were constantly revolting against Spanish rule, and had been engaged in a revolution led by General Aguinaldo shortly before Dewey sank the Spanish Fleet in Manila Bay May 1, 1898. Just prior to Admiral Dewey's celebrated victory, however, the Spanish Government had made a treaty with General Aguinaldo by which peace was restored, and the Spanish Government paid to General Aguinaldo the sum of $400,000 to compensate the Filipinos for certain losses and to restore good feeling.

It is proper to say at this point that the members of the subcommittee, during their recent visit, were entertained by General Aguinaldo in his home at Cavite. The general is about 65 years of age, looks about 45, and is a quiet, modest man. He has a lovely family and home, and was most cordial and hospitable to us. He is tremendously interested in immediate Philippine independence. He does not want to wait at all, and is willing to take independence on the chance of being able to protect the islands, both economically and from being overrun by other powers. General Aguinaldo frankly stated, however, that he realized the danger from both sources. The day we were at his home 5,000 of his old soldiers were present, dressed in uniform, and they marched in front of the house for our benefit. It was said that they came from all parts of the islands voluntarily, and at their own expense, to take part in the parade. It is also fair to state that General Aguinaldo made a good impression on the subcommittee.

Returning to the Filipinos and their questions generally, the great body of them are Malay, speaking some 60 dialects. Attempts have been made to divide the Filipinos into tribes. I do not believe this can be done. They all look much the same, whether Tagalog, Moro, or Igorrote. So far as my unpracticed eye could discern, they all looked alike, being much the same in build, in color, in habits, and in customs. They are for the most part a quiet, gentle, hard-working and worthy people. I believe they are probably the most enlightened of all the Malays, certainly the most so of all those I saw, and I visited several Malay countries. Since

American occupation, nearly 37 years ago, they have evidently made real progress in wealth, in standards of living, in education, in population, in the development of their natural resources, and in their ambitions and ideals of life. Certainly this is true of the better classes of their population. Under American direction and control, and especially since the Jones Act passed in 1916, giving them a virtual autonomy of government with an American governor, they have done well in the conduct of their government. It is true that this in a measure was due to the leadership and guidance of the Governor General and the stabilizing influence of the able mixed supreme court.

The great body of the Filipinos—the farmers, the laborers, and the ordinary run of the people—apparently take little interest in government. On the other hand, they have some very able and constructive leaders who compare favorably with the leaders of other nations. They have some excellent and substantial business men, though most of their business is done by Chinese, Japanese, English, Americans, or mestizos. They have able and ingenious lawyers, some remarkably bright and active newspaper men, skillful doctors, and members of other professions. Under the leadership and inspiration of America they have acquired an excellent school system, fairly good schoolhouses, good teachers, some colleges, and quite a number of learned and literary men, some of these very able and gifted. Under the impulse of American precept and example they are making considerable headway in education. Their standards of living are much higher than those of any other eastern people. I visited, personally, many public schools, and know that they are doing very well in education. The teachers were usually Filipino women, with Filipino men superintendents, and English was taught. In more than a dozen schools the children sang songs like America and Philippines, My Philippines to the tune of Maryland, My Maryland.

In agriculture, however, the Filipinos are proceeding along lines of centuries ago. They plow with carabao. They do not even use horses and mules in their fields, much less agricultural machinery. They dig and grub, often knee-deep in water, planting rice grain by grain. After it has matured they reap it stalk by stalk, and then, in many cases, thresh it out with their feet. Rice is their principal crop.

For the most part the people live in villages composed of the most rickety kind of bamboo houses, with no sanitation, and necessarily very damp during the heavy rains of the rainy season. The people pay little attention to rain, however, and when their clothes get wet they let them dry on their bodies. They live principally on rice and fruits. Sugarcane is grown principally by the large planters or by the native farmers in the old way and turned over to the large planters or mills on a share basis. Coconut groves are everywhere. As the Filipinos are overwhelmingly farming people, it is seen that this portion of them, living and digging as they do, cannot be much concerned in governmental affairs. Twenty-nine percent of the people are engaged in domestic or personal service. These figures are taken from a recent book by former Senator Hawes. Thus, quite three-fourths of the people are so situated that it is impossible for them to take much part in government, and, so far as I could tell, they are unfitted to do so. Former Senator Hawes, on page 69 of his book, says that 11 percent of the people are engaged in professional occupations. While I think this figure is high, this class constitutes the ruling class, and I should say its members are fitted for self-government, other things being conducive thereto. The remainder of the people are little concerned in public affairs of any kind.

In connection with agriculture, it should be said that the Filipinos export 60 percent of all they raise, and 86 percent of this 60 percent goes to America free of duty. It is seen, therefore, how absolutely dependent these people are on the tax-free markets in America. They sell in our markets about twice as much as they buy from us, their sales being largely of sugar, copra, tobacco, and hemp.

The islands are very rich in natural resources, and at this time the common people—and, indeed, all of the people—seem to be unusually prosperous. In my judgment, they will be, as long as they have free American markets in which to sell their sugar, copra, tobacco, and hemp.

The lands are most productive. Their sugarcane compares favorably with the sugarcane of Hawaii, Java, or any other sugarcane-raising country. Their coconuts are as good as or better than the coconuts of other countries. Their hemp is world-famous. They have 45 sugar factories, or "centrals", as they are called in the islands. On the island of Negros there is almost an aristocracy of wealth, due to the large number of sugarcane factories and rich cane plantations. These growers and manufacturers pay good wages, keep up their lands and properties in fine style, and apparently their tenants and share-croppers are a happy and prosperous people. The leaders of the island of Negros, such as Mr. Aluman, well-known in Washington, are powerful and influential men. In a somewhat less degree the same thing is true of the sugar plants and factories and coconut groves of Luzon and Panay.

On account of a typhoon we did not see Cebu, but our information is that this island, like Negros, is one of the most prosperous islands in the group. We went by Mindanao, and its coconut groves are truly wonderful. We did not see Basilan; but we were told that the rubber plantations on this island, which is just south of Mindanao, have been very successful.

In Luzon gold is being mined most successfully in large quantities, $11,000,000 worth having been mined in 1934. It is said that the next year's output is estimated at $17,500,000. The gold mines are literally booming.

The forests of the Philippines contain enormous quantities of the finest timber, it being estimated that on Government lands alone there are now more than 8,900,000,000 feet of splendid timber.

The surrounding waters are full of the finest fish, although, strange to say, the Filipinos import fish! All of these waters, however, are thickly dotted with Japanese fishing vessels.

Within a radius of 2,000 miles of Manila there live 650,000,000 people; within a radius of 2,500 miles there live 910,000,000 people; and within a radius of 3,000 miles there live more than a billion people—indeed, more than half the population of the world. What a center of trade and commerce these islands could be made.

WHAT AMERICA HAS DONE FOR THE ISLANDS

After taking over the islands in our treaty with Spain, we paid Spain the sum of $20,000,000 for them.

The pacification of the islands several years after Dewey's fleet sank the Spanish fleet cost 4,165 good American lives.

The occupation and pacification of the islands from May 1, 1898, to June 30, 1902, cost, in money, $190,000,000.

Since pacification, the expenditures of the United States Army and Navy in the Philippines are estimated at $614,000,000.

The total cost to the United States, including all departments of the Government which have made expenditures in the islands, from the date of occupation to June 30, 1934, is approximately $835,000,000.

In addition to this, the balance of trade has always or practically always been against us and in favor of the islands, and in recent years this balance of trade has cost American consumers about $30,000,000 per year.

The Tydings Act wiped out all these implied obligations. We have never taxed the Filipinos a single cent, except the recent excise tax on copper and oil, and under the law taxing them these taxes go to the Philippine government. We have never made a cent out of the islands; and yet, under the Tydings Act, we turn over to the Filipinos every dollar of our property in the islands, except a naval station, and will ultimately, of course, turn that back also. We have been generous to the Filipinos beyond comprehension; and yet we are asked to enter a trade agreement which will continue after their national independence, and under which the American people will continue to tax themselves for the purpose of keeping the Filipino people prosperous and successful indefinitely.

It may not be accurate to say that these are the richest islands in all the world, or the most fortunately situated; but certainly the statement is within the bounds of truth that there are no richer or more valuable islands on the face of the globe, and none better situated so far as trade and commerce are concerned. Americans who have not been to the islands cannot visualize their possibilities. Filipinos who have not studied their economic or political problems—and some seven-eighths of them have not studied these questions—cannot overrate the mistake they are likely to make by overturning the present political and economic set-up.

It is important, therefore, for both Filipinos and Americans to weigh most carefully these problems. The Filipinos are at the parting of the ways. The action now taken will either cause them to continue to be a progressive, prosperous, happy, and contented people or it may cause them to revert to their unhappy state before America took them over and instituted among their people the most altruistic and unselfish course ever adopted toward a subject people at any time in the world's history.

It should here be said that from the beginning of our occupation of the islands our leaders have continually promised the Filipinos a greater and greater degree of independence, and eventually national independence. The American people generally have felt that as soon as the Filipinos showed themselves capable of self-government they would be given independence. The Congress, in the Jones Act, gave them the largest measure of self-government. At the present time more than 98 percent of the employees of the Philippine government are Filipinos. The American Government now retains sovereignty, a Governor General, a Vice Governor, an insular auditor, and a slight majority of the members of the supreme court. These act as stabilizers and as instructors and helpers. The Filipinos, however, are not satisfied with present conditions and want America to get out of the islands entirely and give them immediate, complete, and national independence.

In 1933 Senator Hawes secured the passage of what was known as the "Hawes-Cutting Act", giving the Filipinos an independent government.

THE HAWES ACT

This act (Public, No. 311, 72d Cong.) became a law on January 17, 1933. It was entitled "An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes."

The act provided for the election, by or before January 17, 1934, of delegates to a convention to draft a constitution for the government of the Commonwealth of the Philippine Islands. This constitution was required to be republican in form, and to contain a bill of rights, as well as certain provisions governing relations with the United States pending the complete withdrawal of the sovereignty of the United States over the islands, which was to occur 10 years after the inauguration of the new Philippine government. Meanwhile provision was to be made for absolute religious toleration; property of the United States and property used for religious, charitable, or educational purposes was to be exempt from taxation; a limit was to be placed upon the indebtedness of the islands; existing obligations were to be assumed by the new government;

English was to be taught in the public schools; certain important acts were not to become law until approved by the President; foreign affairs were to be under the direct supervision and control of the United States, which was permitted "to maintain military and other reservations and armed forces" in the islands and to call upon the military forces of the new government when required; the decisions of the islands' courts were to be subject to review by the Supreme Court of the United States; the United States was to be allowed to intervene to maintain constitutional government, protect life, property, individual liberty, etc.; and citizens and corporations of the United States were to have equal rights in the islands with Philippine citizens and corporations.

After the approval of the new constitution in the Philippine Islands it was to be submitted to the President of the United States, who was to determine whether or not it complied with the requirements of the act. If he decided this question in the affirmative, an election was to be held by the Filipinos in which they were "to vote directly for or against the proposed constitution." In case of a favorable vote, duly certified to the President, he was to issue a proclamation announcing this fact; and upon the issuance of this proclamation the new Philippine government was to come into existence. Thereupon all the property and rights of the United States in the Philippines—except certain military and other reservations—were to become the property of the new government.

After the inauguration of the new government, trade relations between the two countries were to be "as now provided by law, subject to the following exceptions":

Annual quotas were provided for the importation into the United States, free of duty, of certain important Philippine products, the excess above the quotas to pay the same rates of duty as like articles imported into the United States from foreigng countries. These quotas were as follows:

Refined sugars, 50,000 long tons.

Unrefined sugars, 800,000 long tons.

Coconut oil, 200,000 long tons.

Manila and similar yarn, twine, cord, cordage, rope, and cable, 3,000,000 pounds.

Provision was made for allocation among Philippine producers in case the importations into the United States exceeded the quotas.

The importation of the above products was to be free to the amount of the quotas. All other products—and this is most important—were to continue to enjoy free and unrestricted entry into our markets.

An export tax for the benefit of the Philippines was provided for on articles coming into the United States free of duty, this export tax beginning during the sixth year after inauguration of the new government at 5 percent of the United States tariff rates on such articles coming from foreign countries, and increasing by graduations to 25 percent in the ninth year after inauguration of the new government; this export tax to be placed in a sinking fund for the purpose of paying, with other available moneys, the bonded indebtedness of the Philippines and their political subdivisions.

Pending complete withdrawal of the United States—

(1) Amendments to the Philippine constitution were to be submitted to the President for approval, and he was to have authority to suspend the operation of any act of the new government which was likely to result in failure to fulfill its contracts, or to pay interest or principal of the bonded indebtedness of the islands, or to impair their currency, or to violate international obligations of the United States.

(2) The chief executive of the new government was to make annual reports of its operations to the President and Congress of the United States, and other reports upon request.

(3) The President was to appoint a high commissioner to the Philippines, who was to be the representative of the President in the islands, have access to their records, be furnished information requested by him, and make annual reports to the President and Congress, and other reports upon direction of the President.

(4) The new government was to designate a resident commissioner to the United States, who was to have a seat in the House of Representatives, with right of debate, but without right of voting.

(5) Cases from the Philippines were to be subject to review by the Supreme Court of the United States as formerly.

(6) An annual quota of 50 persons was provided for immigrants from the Philippines to the United States, and for immigration purposes they were to be considered a foreign country.

(7) There was to be no obligation on the part of the United States to meet interest or principal of the bonds of the Philippine government or its political subdivisions issued after the taking effect of the act and during continuance of United States sovereignty, but they were not to be exempt from taxation by the United States.

On the 4th of July following the expiration of the 10-year period from the inauguration of the new government, the United States was to withdraw completely from the islands (except as to land or property redesignated by the President as military or other reservations), and to recognize the independence of the Philippine Islands as a separate and self-governing nation, provided the new constitution made provision for the equitable settlement of questions of property rights between the two countries and their citizens, for the assumption by the new government of the debts incurred by the islands during the sovereignty of the United States, and for the discharge by the new government of obligations assumed by the United States under the treaty of peace with Spain which ceded the islands to the United States.

Section 11, a very important one, requested the President of the United States at the earliest practicable date, to enter into negotiations with foreign powers with a view to the conclusion of a treaty for the perpetual neutralization of the Philippine Islands if and when their independence should have been achieved.

After the complete independence of the Philippines, their products imported into the United States were to pay the same duties as those paid by the products of other foreign countries, provision being made for a conference between the two countries for the purpose of formulating recommendations as to future trade relations between the two countries.

The Philippine Legislature met and rejected the Hawes Act, and national independence seems, for the time, to have been given up.

THE TYDINGS ACT

This act (Public, No. 127, 73d Cong.) was approved on March 24, 1934. It was entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes."

The act followed in all substantial respects the provisions of the Hawes Act, being for the most part word for word the same, with certain transpositions which do not affect the substance of the act.

Instead of not later than January 17, 1934, the time within which delegates to the constitutional convention might be elected was fixed at not later than October 1, 1934.

Another difference was that while section 10 of the Hawes Act provided for the retention after independence of "such land or property reserved under section 5 as may be redesignated by the President of the United States not later than 2 years after the date of such proclamation", viz, the proclamation of withdrawal, section 10 of the Tydings Act provided for the retention after independence of "such naval reservations and fueling stations as are reserved under section 5", and provided for negotiations between the two governments after independence for the settlement of questions relating thereto.

REASONS GIVEN FOR REJECTION OF THE HAWES ACT

The reasons given by the Philippine Legislature for rejecting the Hawes Act are thus stated in the Annual Report of the Chief of the Bureau of Insular Affairs for the fiscal year ending June 30, 1934:

"The Philippine Independence Act (Public, No. 311, 72d Cong.), known as the "Hawes-Cutting Act", enacted January 17, 1933, was rejected by a concurrent resolution of the Philippine Legislature on October 17, 1933, which declined to accept the act because "in the opinion of the legislature, the law does not satisfy the national aspirations nor does it safeguard the welfare of the Filipino people or the stability of the social, economic, and political institutions of their country"; and because of specific objections to provisions of the act relative to immigration, military, and other reservations, powers of the high commissioner, and trade relations between the islands and the United States. The act lapsed on January 17, 1934, 1 year after its enactment by Congress.

"The Philippine Legislature, in the concurrent resolution rejecting the Hawes-Cutting Act, also named a legislative committee to come to the United States and 'express to the Government and people of the United States the objections to the said law and the reasons therefor, and petition the President and the Congress of the United States for changes therein or the enactment of such new legislation as will fully satisfy the aspirations of the Filipino people to become at the earliest practicable date a free and independent nation, under conditions and circumstances that will not imperil the political, social, and economic stability of their country.' This committee arrived in the United States in November 1933, and for the next several months directed its efforts toward securing the enactment of further independence legislation along lines that would be more acceptable to the Filipino people."

"The Philippine Independence Act (Public, No. 127) enacted by the Seventy-third Congress, and commonly known as the 'Tydings-McDuffie Act', was approved by the President on March 24, 1934. Under the provisions of section 17 the act became effective upon its acceptance by the Philippine Legislature on May 1, 1934. The Philippine people are now carrying out the further steps provided in the act, the initial one being the election of delegates to a constitutional convention. This election was held on July 10. At the time of writing this report the convention, which assembled on July 30, 1934, is engaged in drafting the constitution for the government of the Commonwealth of the Philippine Islands.

"One of the provisions of the Independence Act that became immediately effective upon its acceptance was that contained in section 8 relating to immigration of Filipinos to the United States, which places them on the status of aliens as regards entry into the United States, and allots to the Philippine Islands a quota of 50 for each fiscal year."

NO "INEQUALITIES" OR "INJUSTICES" IN THE INDEPENDENCE ACTS

The two independence acts have been summarized in detail because of their great importance in this connection. In large part the language of the acts themselves has been used in the summarization.

No fair-minded person reading this summarization, or the acts themselves, and considering them in the light of the history, geography, and economic condition of the islands, can come to the conclusion that there are any substantial "inequalities" or "injustices" in them.

It must be remembered that at the time of the passage of each of these acts, and for a number of years theretofore, there had been a growing demand in the United States, largely because of the beet sugar interests in Western States, that this country should withdraw from the islands, refrain from assuming any responsibility for their future protection or welfare, and require all Philippine importations into the United States to pay exactly the same rates

of duty as the products of any other country. Many in this country believed that we had made a great mistake in ever assuming sovereignty over the islands. The difficulty of defending them in case of war with a maritime nation and the ever-increasing competition of Philippine products with those of continental United States were urged, among other things, as imperative reasons for taking at their word the Filipino leaders who demanded independence, summarily withdrawing from the islands, and, in fact—though it was not so stated in words—abandoning them to their fate in a world where other nations were likely, for their own benefit, to take advantage of the helpless condition of the islands.

Instead of yielding to these demands and consulting only the welfare of the United States, this country has accepted many heavy responsibilities during the time which is to elapse before complete independence. It has given the products of the islands free access to the markets of the United States, the richest in the world, save for a few products as to which quotas are established. It has sought in every way possible to act for the real welfare of the islands instead of taking the easy course of immediate and complete withdrawal.

So far, therefore, from charging the United States with seeking to inflict upon the Philippines "inequalities" or "injustices" in the legislation granting independence, the Filipino leaders should be, and I believe many of them are, sincerely grateful for the unexampled liberality of this country in dealing with their nation. If there be some minor matters requiring further adjustment between the two countries, the United States unquestionably will lend an attentive ear to their presentation, and will be glad to do what equity and justice require; but it is my conviction, after careful study of both the acts and the facts and circumstances concerning independence, that it is wholly unfair and inaccurate to allege that any substantial "inequalities" or "injustices" are contained in the Tydings Act which ought to be cured by amendment if the Filipinos insist on national independence.

The Tydings Act was not only agreed to by the Filipinos before its passage, but on the floors of both the House and the Senate their Resident Commissioners privately urged its passage. The "injustices and inequalities" are all against the United States and not against the Philippines.

We find upon investigation that the Filipino leaders are still not satisfied with the act. They desire to have stricken from it the export-tax provision, by which tax it is proposed that the Philippines shall pay, before final independence, the remaining $51,500,000 of Philippine bonds on which the United States is morally obligated by way of security. In my judgment, to do this would be totally and wholly unfair to the United States, and would end by our making a gift of that sum to the Philippines.

Next, the Filipino leaders want the economic provision changed or added to so that the Philippines may continue to have a free market in America for their sugar, copra, hemp, and other products after final independence. In my judgment, to do this would be without precedent in all history, would be unfair and unjust to the beet-sugar producers of the United States, and would be unfair to Cuba, Hawaii, and Puerto Rico. It is true that these leaders say if the islands had to pay our tariff taxes on sugar even in part it would bring about the economic annihilation of the islands. I am sure they are correct in this contention; but the answer to it is that they cannot have their cake and eat it, too.

Upon our return we came through the island of Java, which is perhaps the largest sugar-raising district in the world. Its production in recent years ran up as high as 3,000,000 tons per year. Holland, which owns the island, has had to fix a quota production, and this year that production is limited to 500,000 tons, because Java can find no adequate market for her sugar.

Because of high standards of living and high labor costs, the Philippine Islands cannot compete with Java in raising sugar or in raising coconuts. Hence, it is almost certain that without free American markets the Filipinos must quit raising sugar and coconuts, revert to rice raising only, and necessarily to lower standards of living.

As I look at the situation about the Philippines, what will it profit the Filipinos to obtain national independence if, at the same time, they make uncertain their economic welfare and possibly bring about their ruin? High standards of living, and bumper crops sold in a free market at high prices, bringing prosperity and happiness to all their people are far better than a weak fling at national independence, or even a local dictatorship. Especially is this true when the Filipinos are now enjoying such an excellent local self-government—the first they have ever enjoyed—and an independence and freedom, I venture to say, which is not enjoyed to a greater extent by any people on the face of the globe. When the free markets of the Philippines are gone, when their balances of trade are no longer favorable, attendant want and poverty will come, and their so-called "national independence" will fade out as a dream which failed to come true.

Again I say, they are independent now—more independent than perhaps half the peoples of the world.

AMERICA'S OCCUPATION OF THE PHILIPPINES

Since we bought the islands over 36 years ago, no country in the history of time has ever been governed more altruistically or more generously than America has governed the Philippines. We have never sought to profit by them in the slightest degree. We have governed them with an eye single to their advancement and their betterment physically, morally, financially, governmentally, and in every other possible respect. We have disregarded the enormous cost to ourselves in performing what Americans believe was a trust. We desired to set an example of a great government's treatment of a dependency. Our course has always been determined by what was to the best interests of the Filipino people. In my judgment, Americans still feel that way. After the most careful examination of the facts and the most careful thought as to their conditions, I am convinced that this great experiment which we have been making for over 36 years and which has already done such wonderful things for the Filipino people, will all be destroyed and pass away as "a tale that is told" should the Philippines insist upon the bargain that has already been made, giving them national independence at this time.

Such are the facts. In view of them, what will happen if the Tydings Act goes into force unamended?—and I see no possible grounds on which it could be amended as the Filipinos desire to have it amended. As I have shown, we have already been the most generous Nation toward them in all the history of time.

CONSEQUENCES OF INDEPENDENCE

If the Tydings Act goes into effect, I sum up what will happen:

The United States will withdraw from the Philippines, bag and baggage, and leave the Filipinos to defend themselves or to be taken over by some stronger power. We cannot, without running great risks, keep a naval station there for the protection of the islands. One of these risks is war with some foreign country. Another is having the Filipinos themselves contend that inasmuch as they have allowed us to have a naval station on the islands, it is our duty to defend the islands for all time.

If the Filipinos are given national independence there will be no need or justification for the retention of a naval station when our country has no interests there to protect.

All Americans and American interests in the islands will be left to shift for themselves under a new Philippine government, or under whatever foreign government may take over the islands.

America will give up, before the task is done, one of the greatest and most altruistic and most successful experiments ever made in the government of a dependent people.

America will leave in the lurch a people she promised to protect.

She will permit her wards, the Filipino people, to commit economic suicide.

She knows, and the Filipino leaders know, that the granting of so-called "national independence" by our Government will mean simply a change from benevolent and successful government by our country to an arbitrary and oppressive rule by some other powerful nation.

The attitude of Japan toward the Philippines cannot be accurately stated; but the bald fact is that 15,000 or more Japanese are in Davao now, and they virtually control that Province. Japanese merchants and fishermen and agents are all over the islands, and are constantly increasing in power and influence. Should Japan not take over the islands, the withdrawal of the United States means that they will be easy victims of the rapaciousness of any other nation that may want them, as, confessedly, the Filipinos are not able to organize, maintain, and support an army or a navy or an effective air corps.

I voted for Mr. Bryan in 1900 on his platform of anti-imperialism. I thought our purchase of the Philippines in 1898 was a mistake. Had I been in the Senate when the treaty came up for ratification, I no doubt should have voted against the treaty. I have always supported Philippine autonomy to the last degree possible. I supported the Jones Act in 1916. That act has been a success. When the Hawes Act and the Tydings Act were before the Senate, with little study or consideration of the problems involved, I voted for both, believing the statements made on the floor that the Philippines were ready for independence. From this it can be seen what my views were when I went out to visit the Philippines last fall. My visit to the islands has conclusively convinced me that national independence is not now best for the Philippine Islands.

While the Filipinos have done well in managing their affairs under American guidance, they cannot at this time successfully govern themselves as a wholly independent nation. They have no semblance of a navy now, and because of their financial situation they are not now, and will not be for many years, able to build a navy. Even if they had one, they could not build it large enough to protect themselves. It is true that they have a Philippine constabulary; but this is necessary for purely domestic purposes, and could not be organized into an army sufficient to protect them. They have no air corps, and, of course, are not able to build one. In the present condition of international affairs, in my judgment, immediately after becoming independent the Philippines will be taken over by some other nation.

But there is another reason, even more compelling, why the islands should not have national independence at this time. It is the economic reason. The new government, to be a success, must have the funds necessary to run it. At the present time the Filipino people are absolutely dependent for their success and prosperity on the free markets in America for their sugar, copra, and cordage; and these free markets they cannot hold, or even expect to hold, with complete national independence.

In this situation a new independent national government could not live, and the Filipinos would soon be either in revolution or under the dominion and control of some other nation, and, perhaps, both.

While these are the two main reasons against independence at this time, there are others. The first of these is the lack of sufficient education and experience on the part of the masses of the people to enable them to govern themselves. They never have governed themselves. Probably 60 percent, perhaps more, of the people above 10 years of age cannot read or write, even with all

the encouragement in educational matters they have received from the United States, and all the progress that has been made by them.

The Filipinos confessedly are not ready for a democratic or republican form of government. In their draft of the new constitution, which was shown to me, they specifically admit this by providing for a dictatorship. Of course, the new constitution would not provide for a dictatorship if their leaders did not know, as every well-informed person must know, that a dictatorship would be necessary. Indeed, from my observation and information, it is the only practicable form of government they could have at this time even if outside aggressors let them alone.

Since writing the above, I have been informed that Senator Quezon, after learning of my report, has had that provision of the constitution as drafted and passed stricken out.

To give the Filipinos complete national independence now would be to cause the complete loss of all they have gained during the 36 years of American occupation; and I believe no one familiar with the situation will deny that they have gained much.

POSSIBLE ALTERNATIVES

It was claimed by some of their leaders that the Filipinos can accept the Tydings Act and obviate the economic difficulties in this way: The United States, having fixed a quota of 950,000 tons of sugar for the Philippines under the Costigan Act, it is urged that that provision of the act supersedes the Tydings Act pro tanto; that the provision of the Costigan Act referred to probably will remain in full force after complete independence, and that under that provision the 950,000 tons of sugar will continue to come in free under the new national government.

Certainly there was no such intention on the part of Congress in the passage of the Costigan Act. I do not believe the Costigan Act will have that effect. No suggestion of such a purpose was made at the time of its passage. If it should have that effect, however, it is certain that the Congress will change it when the Filipinos become nationally independent. To take any other course would be unfair to our own other sugar-producing territories, unfair to the beet-sugar sections of the United States, and exceedingly unfair to Cuba. Incidentally, I may mention the fact that under the Costigan Act, Cuba's quota is fixed at 1,950,000 tons, but those sugars do not come in free. Cuba pays the tariff taxes provided by law, and of course the Philippines also will pay the tariff tax when they are similarly situated.

It was also claimed that the export provision of the Tydings Act must necessarily be repealed. Certainly it is not an "injustice" or an "inequality." On the contrary, that provision is absolutely necessary in the event of the national independence of the islands. Not to have it would not only be unfair and unjust to the bondholders who took the bonds on the faith of the United States standing behind them but to repeal it would be just to make a gift of some $51,500,000 to the Filipinos. The United States will have to stop playing Santa Claus some time.

TYDINGS ACT ACCEPTED

The Filipinos, however, have accepted the Tydings Act as it is. Congress gave them the privilege of accepting it, and that matter is ended. In my opinion, the United States is bound by the Tydings Act and its acceptance. So are the Philippines bound. Under that act the last vestige of right we have in the Philippines is the right to retain a naval station, which we may or may not use.

I recommend that by an independent joint resolution the President be authorized to convey any such right to a naval station to the Philippines immediately upon their becoming nationally independent, if they persist in taking that step. We should either get out of the Philippines entirely or we should stay there with full power to protect and defend the Filipinos and the American residents in the islands. We should let the Filipinos know now that if they obtain national independence it is not our duty and we do not propose to protect them with our Army, our Navy, or our Air Corps, and that if they have a national government of their own we are not going to treat them differently economically than the way we treat Cuba and other independent nations.

IF INDEPENDENT THE PHILIPPINES MUST ACCEPT THE RESPONSIBILITIES OF INDEPENDENCE

We must not directly or indirectly lead the Filipinos to believe that after giving them complete national independence we are going expressly or impliedly to agree to defend them with our Army, our Navy, or our Air Corps; nor must we for a moment let them believe that in order to sustain their national independence and to keep their people prosperous we are going to give them free markets in America.

I am informed that a majority of the subcommittee is in favor of entering into a trade agreement with the Philippines now providing that Philippine sugar to the extent of 950,000 tons shall be allowed to come into the United States for the transition period of 10 years, and thereafter until the agreement may be abrogated. Most emphatically I cannot recommend such an agreement. As already stated, such an agreement would be unfair to our beet-sugar interests, to Hawaii, to Puerto Rico, and to Cuba, whose position is like that of the Philippines. Cuba pays these tariff duties now, and when the Philippines become nationally independent they will have to do likewise.

Again, to make such an agreement so long in advance would be a gross injustice to the American people generally. As a matter of law, it is doubtful whether such an agreement can be made before complete national independence of the Philippines; but for the present the legal point may be dismissed. The merits of the case forbid our making such an agreement. If the Filipinos, after all we have done for them, want to take a chance on paddling their own canoe by becoming nationally independent, that is their responsibility, not ours; and it is our duty to look out after our own interests. We certainly have been generous to them in the past, and we have never exploited them to the extent of one penny. We should now tell them, if they want to leave us, that we wish them well, and that we shall be glad to trade with them and deal with them as we do with other free and independent nations.

SUGGESTED AMENDMENTS TO THE TYDINGS ACT

My opinion is that in seeking independence now the Filipinos are making a monumental mistake. If I were advising them, I should tell them to come before the Congress and ask for amendments to the Tydings Act (a) leaving sovereignty in control of the United States; (b) leaving foreign relations, army, navy, and air affairs entirely to the United States; (c) leaving tariff and immigration entirely to the United States; (d) providing for a supreme court divided in membership as now; (e) putting restrictions on the new government's grants of public property and franchises and its issues of bonds. This would give their new government an impregnable position and fix a guaranty of both its political and economic stability. Then I should advise them to leave the present constitution, with certain amendments, to make it accord fully with the Tydings Act.

It may be objected that this plan would not give the new government much to do. Quite the contrary is true. In the first place, it would give the Filipinos a president who would be a native—and probably the first president would be Mr. Quezon. As president, he would perform all of the duties that the Governor General now performs, except as to the powers above reserved. These reserved powers would be performed by the High Commissioner representing the President of the United States and the Government of the United States.

In the next place, the plan outlined would furnish a defense of the islands that no native government could possibly give. It would settle, in the interest of the Filipinos, the economic questions heretofore referred to which are so vital to their prosperity and even to their life.

VIEWS OF ELPIDIO QUIRINO

Still it may be contended that reservation to the United States of the powers mentioned would not leave much for the Philippine government to do. Such a claim is untenable. I have recently read Economic Problems of the Philippines, published in 1934 by the Philippine Economic Association, with a preface by Elpidio Quirino, its president. This is a most interesting work from the Philippine point of view. In this work the following are stated as some of the functions over which a new Philippine government would have control and jurisdiction: Survey and subdivision of public lands; colonization of public lands; education, including vocational education; rural problems; forests and forest resources; mines and minerals; manufacturing and industries; fisheries; labor and population; domestic trade; transportation and communications; banks and credit facilities; public finance; post offices and post roads; taxes; animal resources; monetary system; public expenditures.

In all these matters, and many others, the new government would be supreme, independent, and wholly self-governing. The State of New York is not any more independent, or free. The new president would have his hands full in handling these and related problems. As showing how important and beneficial such a division of powers would be to the Philippines, I quote the following from Economic Problems of the Philippines:

"Foreign trade constitutes the basic foundation of the Philippine economic system. The decline of foreign trade would inevitably cause the collapse of, or create a serious disturbance in, our present economic structure.

"The greatest development came after 1909. In that year the free trade between the United States and Philippines was established. The United States Payne-Aldrich Tariff Act of 1909 provided that all articles grown, produced, and manufactured in the United States were to be admitted free of duty into the Philippine Islands without any restrictions. Free entry was also to be given to Philippine products in the United States market with certain restrictions, most of which were removed later by the Underwood tariff of 1913.

"The total foreign trade of the islands increased immediately from ₱124,000,000 in 1908 to ₱181,000,000 in 1910, the year after the free trade was established, this increase continuing steadily during the succeeding years.

"In 1912, the end of the second decade of American rule, Philippine foreign trade had reached the value of ₱467,587,387, or an increase of 254 percent over what it was at the beginning of that decade. Exports increased from ₱69,848,674 in 1909 to ₱270,388,964 in 1918, while imports for the same years rose from ₱62,168,838 to ₱197,198,423. The share of the United States in the total trade of the islands increased from 32 percent in 1909 to 63 percent in 1918. In 1909, 21 percent of the total imports of the islands was supplied by the United States, while 10 years later this amount had increased to 60 percent. The United States took 42 percent of the total exports of the islands in 1909 and 66 percent in 1918.

"In 1933, the United States took 86 percent of the total exports of the islands, the rest being distributed in small quantities among European and Far Eastern countries.

"Thus Philippine exports are now dependent almost entirely upon the United States market. The United States takes 90.9 percent of the islands' export of sugar, 66 percent of copra, 46

percent of tobacco, and almost all of the exports of coconut oil, and embroideries. Because of the concentration of the islands' development on lines of production intended to supply the American market, the production of articles for local consumption and for export to other countries has been largely neglected.

"Influence of free trade.—It is therefore, seen that the present free trade with the United States has been the great stimulating force in the development of Philippine commerce during the last 25 years. This special arrangement has caused the trade of the islands to flow mainly in the direction of the United States market. More than 80 percent of our total exports now go to the United States, and it is estimated that 88 percent of our exports to the United States is dependent upon the free trade. In other words, about 70 percent of our total exports at present exists only because of our free-trade relations with the United States.

"The Far East is the world's greatest potential market today, and every commercial nation is desirous of gaining a strong and permanent foothold in this market. America is in the far-eastern trade to stay. Its trade in the Far East has attained considerable proportions, representing in value at present about $1,000,000,000 a year. In 1930, it reached $2,407,553,000. This trade represents nearly one-fourth of the total foreign trade of the United States. In 1932 it was exactly 23.18 percent. American trade with the Far East far exceeds that with South America and the former evidently holds more attraction and a brighter promise as a field for trade expansion. The United States has built up a big mercantile marine for service in the Pacific trade, and thus the factor of distance is not a serious hindrance to the continuation of Philippine-American commercial relations.

"The value of the Philippine market in the United States is now well known to American commercial interests. The Philippines is today the ninth best customer of the United States. It is among the principal outlets for American textiles. In 1932, the United States sold in the Philippine market $9,880,718 worth of cotton textiles, representing about one-fourth of the total cotton goods exports of the United States for that year. American manufactures of iron and steel, automobiles, radio, farm implements and machinery, and various lines of hardware, wheat flour, mineral oils, paper, and other articles and products of the United States also have a good market in the Philippines. Certainly, the United States would not so willingly relinquish her hold of this valuable market.

"During the 10-year period from 1885 to 1894 the value of the total Philippine-American trade was ₱122,415,204, of which ₱113,628,388 was the value of our exports to the United States and ₱8,786,816 was the value of our imports from that country.

"It is interesting to note in this connection that even in those early years preceding the period of American administration our exports to the United States far exceeded our imports from her. For the 10-year period mentioned we exported to the United States goods 14 times more in value than what we imported from her. This has, therefore, been the general condition of our trade balance with America throughout the past, with or without the free trade. Our principal exports to the United States then were sugar, hemp, leathers, tobacco, and indigo, while the most important articles imported from the United States were mineral oils, coal, canned goods, wheat flour, and iron and steel manufactures.

"In return for whatever tariff concessions or favors the United States will grant to our exports, the Philippines could also extend to selected American products entering our market such amount of protection or preferential treatment as may be found necessary to place the trade between the two Nations on a reciprocal basis.

"It is therefore imperative that changes be made in the act. Fortunately, the administration in Washington is disposed to give a fair hearing and full consideration of such necessary changes. President Roosevelt himself, in a special message to Congress, which led to the approval of the Tydings-McDuffie Act, stated that as regards the economic provisions of the law any imperfections and inequalities that exist 'can be corrected after a proper hearing and in fairness to both peoples.'

"The following changes should be secured:

"1. Complete elimination of subsection (e), section 6, providing for the imposition of an export tax during the last 5 years of the commonwealth.

"2. Amendment of subsections (a) and (e), section 6, by increasing the 800,000-ton limit for sugar to 926,000 long tons, as was recommended by the President of the United States to Congress; and raising the limitation for cordage from 3,000,000 to 5,000,000 pounds.

"3. Amendment of subdivisions (5), (9), and (10) of subsection (a), section 2, so as to give full autonomy in tariff and fiscal matters to the Philippine commonwealth government so that the proper steps may be taken during the transition period to remedy existing inequalities in our foreign trade and to prepare for the general adoption of a permanent tariff and fiscal policy for the future independent government.

"4. Amendment of section 13 by fixing the time for the conference between representatives of the United States and the Philippines to formulate policies for future commercial relations between the two countries to at least 2 years, instead of 1 year, before the advent of complete independence. This will give more ample time to readjust our trade relations with the United States.

"As has been pointed out, our export trade has been the main support of our material prosperity. Unless timely measures are adopted to insure the continuance of at least a substantial portion of our present trade with the United States and to develop more extensively our other markets in Europe and the Far East, there is going to be a radical decline in the levels of income of the population and a corresponding drop in the general standard of living.

"2. We should secure changes and amendments of the economic provisions of the Tydings-McDuffie law to (a) eliminate the export tax, (b) increase the sugar limitation to 926,000 long tons and the cordage limitation to 5,000,000 pounds, (c) give full autonomy in tariff and fiscal matters to the commonwealth government, and (d) set the time for the United States-Philippine trade conference to 2 years prior to the advent of complete independence."

From these statements it is seen that there is no dispute about the economic situation in the Philippines. In asking for full, complete, and absolute national independence now, they, themselves, admit that it will ruin them; and they simply are hoping, like Mr. Micawber, that "something will turn up" to save their national and economic life.

VIEWS OF MANUEL QUEZON

I also quote from the Hon. Manuel Quezon (after the passage of the Hawes bill) as follows:

"In all sincerity, I must confess I am deeply apprehensive over the effects that the immediate termination of free trade with America will have upon our economic and social life. Especially do I feel thus because of the present world depression. The barring from the American market of the products of industries which were created and stimulated under the shelter of a protective American tariff cannot but affect our commerce. And consequently there will be lowering of wages and reduction in the income of the government, which is already being curtailed by the present depression. In a word, I am of the firm belief that with a sudden and abrupt termination of free trade with America, there will be created here a situation of extreme difficulty for the people and the government of the Philippines. And it is not just to impose on us this hardship."

Again, Mr. Quezon says:

"And right here, I want to say that I am more interested in securing the enactment of legislation beneficial to our country, that would definitely settle the Philippine question, in line with our national aspiration, even though it did not grant immediate, complete, and absolute independence, than in all the speeches and prospects about immediate independence, however brilliant and sincere, if, after all, nothing will come out from it."

I now quote from Senator Osmeña:

"A grant of independence will not require radical changes in the structure. Unless other forms of government were attempted, all that would be needed would be the election of a new executive."

COMPARISON WITH NEW YORK

There are about 14,000,000 people in the State of New York, substantially the same number as are in the Philippines. Probably 95 percent of the people over 10 years of age in New York can read and write. Practically all of them take the greatest possible interest in politics and government. There are probably no richer, no better educated, no more intelligent, no more capable people on the face of the earth than the citizens of New York. They are as free and independent as any people who have ever existed, yet they do not control their foreign affairs, nor do they have their own army, their own navy, or their own air corps for their protection. They do not fix their tariffs or their immigration laws, though the greatest part of all immigrants and goods come into our country through the ports of New York. If we are going to make an independent nation out of the 14,000,000 people in the Philippines, probably 60 percent of whom over 10 years of age cannot read or write, why should we not by the same token make an independent and separate nation of New York, with her 14,000,000 people? We should, of course, make the Philippines a self-governing and an independent people; but why should we give them powers and responsibilities greater than those enjoyed by the people of New York? I cannot see any justification in reason or experience for such a course, after having given the matter most careful thought, study, and my best examination.

VIEWS OF FORMER SENATOR HAWES

Former Senator Harry B. Hawes has written a book on the Philippines. He is a most earnest advocate of complete national independence of the islands; and yet he has this to say:

"But I wish to set down that I favor, and to the best of my abilities I will further, the independence of the Philippines on terms and conditions which will cause the least disarrangement in the economic relations between the United States and the islands" (p. 311).

This is good sense. We all know that at the present time complete national independence will not only cause a rupture of the economic relations now existing between the two countries, but it will probably cause a complete cessation and break-down of those relations. Why should we take a course so fraught with danger to the islands? They now have law, order, and justice, all meted out by themselves. They have a material well-being which they have never had before in all their history. They have a greater independence and security than they could ever possibly hope to have either under a dictatorship, as provided in their constitution, or under the control of a foreign nation.

CONCLUSIONS AND RECOMMENDATIONS

I conclude and recommend as follows:

1. That inasmuch as the Tydings Act has passed, proposing complete national independence, and has been accepted by the Philippine Legislature, as provided in the act, no other course is open to us than to complete the transaction, providing the conditions specified in the act are fully met.

2. Filipino leaders were in Washington when the act was passed. They urged its passage as meeting their approval. It was one of the most generous acts of one people toward another ever recorded in history. I find in the act no injustices or inequalities toward the Filipinos.

3. The act, in directing the President to convey to the Philippine government all property of the United States, expressly says, "except such naval reservations and fueling stations as are reserved under section 5." If the Filipinos insist upon full compliance with the Tydings Act, I recommend that no naval or fueling stations be retained, as such retention would likely involve us in further claims of protection or other international complications. My opinion is that the United States must either stay in the Philippines with full sovereignty or get out entirely.

4. An examination of the proposed constitution (a copy of which was shown me) clearly demonstrates that it is not in accord with the Tydings Act. I call attention to the following proposals in the constitution which are at war with the act or are so far out of harmony with it as to fail to follow its requirements:

(a) There is a provision in the Tydings Act that English shall be taught in the public schools. In one section of the constitution it is provided that English shall be taught only in the primary schools. In another section the constitution gives the legislature the right to choose one of the native dialects or languages. This provision shows a plain intention to disregard the requirements of the Tydings Act regarding the English language.

(b) The Tydings Act further provides that the property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded. The constitution provides that the legislature shall have the right to sequester large estates and divide them among Filipino citizens.

(c) The Tydings Act requires that the constitution shall provide for a government "republican in form." This expression has a distinct meaning, viz, that the new government shall be a republic patterned after the Government of the United States. The new constitution so provides. Since writing the above I understand this provision has been stricken out. The truth is that the Filipinos are not ready for a republic, and they know they can give themselves no kind of government other than a dictatorship; nor do I believe any other kind of government is intended or will be had.

5. The Filipinos desire a trade agreement by which they can sell their products in America free of tariff duty. They cannot have such an agreement until the 10 years have expired, because they are in no position to make a contract; but, without regard to the legal situation, the United States should not bind itself 10 years in advance of national independence as to what kind of trade agreement it will make with the Philippines. Such an agreement would not be fair to the sugar growers in continental United States; it would not be fair to the sugar growers in Hawaii or Puerto Rico; nor would it even be fair to the sugar growers in Cuba, whose position is similar to that of the Philippines. It would be unthinkable to make such an agreement 10 years before it is to go into effect. The Filipinos now have an excellent sugar quota, just as our own people have, and they are entitled to no better treatment than our own people.

6. I desire to warn our Filipino friends that they are making a great mistake in asking for complete national independence after a period of 10 years. I suggest to them that they petition the Congress to amend the Tydings Act by reserving to the United States sovereignty control of foreign affairs, Army, Navy, and air matters, tariff and immigration, leaving the power of review of the Supreme Court as it is now, and leaving to the United States the final determination as to issuing bonds and creating debts. They can well afford, and so can we, to leave the presidency as provided for under the new constitution, and to leave with the Philippine Government control over all other matters.

In view of the present condition of political and economic world affairs, this is the most inopportune time imaginable for the Filipinos to have granted to them complete national independence.

CONCLUSION

In closing, I desire to say that I have never been treated more hospitably, more courteously, or more kindly than I was by the Filipino people on the occasion of my recent visit to the islands. The Filipinos are naturally a kind and hospitable people. Their leaders are my friends, and some of them have long been so. I feel the greatest interest in them, in their country, and in their aspirations. I went to the islands earnestly desiring to help them in those aspirations to be a separate, free, and independent nation. After seeing the situation, however, after studying their problems, after talking to their leaders and their people, I am convinced that it is to their best interest at this time to become a completely self-governing local political entity, like one of our own States, but that it is wholly unwise and probably will be ruinous to them to separate themselves as an independent nation. Under the Tydings Act, of course, the matter has gone so far that it is now in their power to have national independence at the end of 10 years; but to persist in their present proposal, in my judgment, will result in bringing them nothing but economic disaster and ruin, and almost beyond a doubt political disaster as well. This course I cannot recommend.

The conclusions I have stated are those to which I am conclusively persuaded by the logic of the facts as I found them. I have discussed this subject solely from the standpoint of the Filipinos and what is best for them. I have scarcely referred to what is best for the United States. My best judgment is, however, that for the Philippines to separate from the United States and become an independent national entity would be hurtful to both peoples.

The attitude of the Filipinos in this matter is proof of the old saying that "almost anyone can stand adversity, but few can stand prosperity." Our Filipino friends have everything to make them free, independent, prosperous, and happy. Still, they are not satisfied. Apparently they are unable to stand the prosperity which is now theirs in so large and generous a measure, and which has been received at our hands.

KENNETH MCKELLAR.

FILIPINOS REVOLT; 65 REPORTED SLAIN IN FIERCE BATTLES—RADICALS REBEL IN PROVINCES AROUND MANILA—CUT OFF CAPITAL'S COMMUNICATIONS—SHARP FIGHT AT CUBUYAO—ACTING GOVERNOR HAYDEN IS URGED TO FLY BACK TO MANILA FROM NORTHERN AREA

[By the Associated Press]

MANILA, Friday, May 3.—At least 65 persons were reported slain in two battles growing out of bitter and wide-spread uprisings in the Provinces today against the projected new commonwealth governmental system. The suddenness and extent of the insurgent movement stunned high authorities.

Capt. José Guido, of the Constabulary Intelligence, reported to the Governor General's office that the situation was "very grave." He suggested that Acting Gov. Gen. Joseph R. Hayden dash back to Manila at once by airplane from Mountain Province, in northern Luzon, where he had been on an inspection tour.

SIXTY SLAIN IN ONE FIGHT

Two bloody battles were fought between constabulary detachments and extremists, called "Sakdalistas", in Laguna Province, south of here. The constabulary reported more than 60 dead as the result of the principal fight at Cabuyao, Laguna, but that the situation there was under control.

Previously five persons were reported slain in a clash between Sakdalistas and constabulary men at Santa Rosa, Laguna. One constabulary soldier was reported among the dead and three others were wounded.

A correspondent of the Spanish language newspaper La Vanguardia wired from Cabuyao that the extremists had barricaded themselves behind a wall of the town plaza for the night. Cabuyao is only a few miles from Santa Rosa.

Additional reports told of disorders in Cavite, Bulacan, and other Provinces adjacent to Manila.

MANILA CUT OFF FROM PROVINCES

Previously wire communications to and from the Provinces both north and south of the capital were severed. Constabulary men were sent to points where wires were reported cut.

Members of the Sakdal Party, asserted extremists with communistic leanings, are accused of plotting to assassinate Manuel Quezon, president of the insular senate and foremost candidate for the commonwealth presidency. Seven members of the party, allegedly involved in the assassination plot, are being prosecuted here on sedition charges.

[Gov. Gen. Frank Murphy, who is ill in White Sulphur Springs, W. Va., expressed regret that blood had been shed. "I am familiar with the Sakdal movement, which is radical but is being carried on by sincere people", he said.]

The Sakdalistas recently charged before Acting Gov. Gen. Joseph R. Hayden that they were being "threatened with prosecution for sedition" if they voted against ratification of the commonwealth constitution in the plebiscite to be held May 14.

Organized opposition to the commonwealth constitution has come thus far only from the Sakdalistas, a relatively small group. If the plebiscite results in popular ratification of the constitution, officials will set up a commonwealth government late this year.

It will serve the Philippines for the 10-year transitional period, after which the islands are destined to become a republic, independent of the United States.

WASHINGTON ASKS REPORT

WASHINGTON, May 2.—The War Department today telegraphed the Acting Governor General of the Philippines for a full report on the clashes between extremist groups and the Philippine Constabulary.

No direct report of the clashes had been received from any island officials.

Even before the seriousness of the situation in the Philippines had been described in press reports some Filipino quarters here viewed the fighting as an alarming indication of revolutionary conditions that might follow independence. PEDRO GUEVARA, Resident Commissioner for the Philippines, expressed outright alarm.

"It is my sincere conviction", he said in a statement after reading early newspaper reports of the Sakdalista uprising, "that such political riots, insignificant as they may be, may even jeopardize the life of the Philippine commonwealth.

"The event might be taken by the world as a hint as to what will happen in the Philippines once independence is an accomplished fact."

Resident Commissioner FRANCISCO DELGADO took a calmer view of the disturbance, saying:

"I think this is one of the things apt to happen in any country when passions are aroused as they are now on the eve of the plebiscite on a Philippine constitution. I believe it is the work of a few misguided racketeers taking advantage of the upset state of affairs to further communistic ends."

In congressional quarters reports of the uprising brought forth several expressions of opinions that the Filipinos are not ready for independence.

QUEZON, HERE, NOT ALARMED

Manuel Quezon, president of the Philippine Senate, who is in New York City, announced yesterday afternoon that all telephone and telegraph communication between Manila and the Philippine Provinces had been cut off at 8:30 p. m. yesterday (8:30 a. m. in New York) during an uprising of the Sakdalistas.

Señor Quezon, who is staying at the Hotel Warwick, 65 West Fifty-fourth Street, declared that there was some fighting in outlying towns but that the revolt had been quickly put under control by the government forces without severe losses. He explained that the Sakadalistas were led by Benigno Ramos, radical editor, who had left the country several months ago, and were composed, for the most part, of unemployed men.

He described Señor Ramos as " an irresponsible demagogue who at one time was in my employment in the senate and who was discharged from the service." Señor Quezon said he had been informed of the trouble over the long-distance telephone early yesterday morning.

" While no details could be given to me as yet of the scope or the extent of the movement, I am sure that the situation is well under control by the government and that there is no occasion for anxiety whatsoever ", he said.

" The Philippines, like many other countries, are suffering at present from the effect of the depression, and men out of work can easily be induced to do something drastic. The leader of the movement, Benigno Ramos, after inciting the masses, has left the islands, so that no action can be taken against him."

Mr. GIBSON. Mr. President, as a member of the special committee making the investigation of the Philippine Islands, I also have a report to submit, but I should prefer if possible to deliver the report at some convenient time in the near future. In view of the request of the distinguished Senator from Tennessee [Mr. McKELLAR] to have his report printed as a Senate document, I request that the reports to be submitted by me may also be so printed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

AMERICAN FOREIGN COMMERCIAL POLICY—ADDRESS BY SECRETARY OF STATE

Mr. McKELLAR. Mr. President, yesterday the Honorable Cordell Hull, Secretary of State, delivered a notable address before the Chamber of Commerce of the United States at its twenty-third annual meeting. In his address the Secretary of State very strongly stressed the importance and value of foreign trade and also the importance and necessity of lowering tariff rates. During the course of his address he said:

We have reached a point, however, when every country must go forward both on a domestic and international economic program, so that the buoyancy of an expanding world prosperity will develop to sustain and promote the expansion of domestic recovery. The international aspects of such a combined program are far broader than the mere readjustment of a limited number of tariff rates in this country. It envisages, broadly speaking, that important nations throughout the world will proceed gradually but simultaneously to readjust to a more reasonable level the existing excessive tariffs, quotas, and other trade barriers, and to abandon the chief forms of discrimination in international finance and commerce, and to adopt fair, equal, and friendly trade methods and practices.

Further in his address he said:

This country, of course, will not think of repeating its past experience of prescribing a one-way trading policy and then indulging in wild and reckless lending abroad. We need not, however, hide the fact that we made a far greater amount of equally reckless and worthless loans at home. The entire policy of careless and unsound lending at home and abroad alike should be reformed and placed on a sound and safe basis. Naturally, so long as the larger part of the world remains undeveloped and the overwhelming mass of the world population is suffering the pinch of economic distress, far-seeing business men in the capital producing countries will, as in the past, be found making investments and loans abroad.

I shall not quote further from the very interesting and timely address of the Secretary of State, but ask that, in its entirety, it may be printed in the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FOREIGN COMMERCIAL POLICY OF THE UNITED STATES

Mr. President, ladies, and gentlemen, I am very happy to have been given this opportunity to speak to you about the effort which the administration is making to restore our foreign trade, for the condition of that trade and the state of our national well-being are intimately related. In time of acute depression measures of a purely national character are given paramount attention and considerations of foreign commercial policy tend for a time to become lost to view.

We have reached a point, however, when every country must go forward both on a domestic and international economic program, so that the buoyancy of an expanding world prosperity will develop to sustain and promote the expansion of domestic recovery. The international aspects of such a combined program are far broader than the mere readjustment of a limited number of tariff rates in this country. It envisages, broadly speaking, that important nations throughout the world will proceed gradually but simultaneously to readjust to a more reasonable level the existing excessive tariffs, quotas, and other trade barriers, and to abandon the chief forms of discrimination in international finance and commerce, and to adopt fair, equal, and friendly trade methods and practices.

While this and other countries have made a very considerable recovery in production and prices, and, under its constructive domestic program this country will make considerably more, the limitations encountered by reason of the extreme isolationism throughout the world are more and more pressing themselves upon the national consciousness of this and other countries. It is well, therefore, to give thought to the permanent and fundamental aspects of the situation in which our recovery policies as a whole must function. While it would be difficult to exaggerate the importance of domestic and internal measures for recovery, it is nevertheless true that the collapse of world trade is beyond any doubt one of the most important factors prolonging the depression. The break-down of the international structure has created uncertainty and fear, and holds in check the tens of billions of dollars of investment which today are most urgent owing to capital depreciation, obsolescence, renewals, repairs, and the need for new structures. What is required at this juncture is to move forward both on the domestic and the international fronts toward a full and stable measure of trade expansion and industrial prosperity.

May I here remark that on this day 2 years ago, in addressing the American section of the International Chamber of Commerce here in Washington, I strove to combat the isolationist tendency, and said:

" The opposing view, while disclaiming extreme economic internationalism, on the other hand would challenge extreme economic nationalism and launch this country upon a sane, practical middle course. It would supplement our impregnable home market with adequate foreign markets for our ever-increasing surpluses."

In the nineteenth century a closely coordinated world economy was developed based upon the very sound principle that man could conduct his affairs most profitably under conditions of reasonable freedom. It is indeed significant that this period, in which the great advantages of international commerce were generally recognized, witnessed the most rapid growth of population, the most amazing rise in the standard of living, and the broadest increase in the utilization of the earth's natural riches for mankind's benefit and happiness that has ever been experienced.

The industrial technic, together with its handmaidens, commerce and finance, was brought to a high degree of development first in England, from where it spread during the course of the nineteenth century to many other countries, including the United States. In this era we made immense gains in the production of both agricultural and industrial goods, thereby providing employment and a constantly rising standard of living for our rapidly increasing population. No small part of this advance was made possible by the steady expansion of world trade and the increasing demand of other countries for the goods we had to export. Being at that time a debtor and undeveloped country, a policy at times highly protective led to no serious consequences, but shortly after the World War, ignoring the economic transformation which had taken place, we began to erect barriers to our foreign trade not consistent with our newly achieved creditor position nor our efficiency in production. Within the short space of a decade we had raised our tariff rates on three successive occasions, thereby preparing the destruction of our vast foreign trade upon which a large share of our prosperity rested. This interference, opportunist in spirit, uncoordinated with our other policies, and contrary to our long-term interests, represented a definite break with the ideal of economic liberalism which had made possible this great commercial expansion.

The events of the World War enormously increased the importance of the United States commercially and financially in world affairs. Just at the time when the disturbed international relations of the post-war period called for the broadest possible development of world trade as a means of minimizing shocks and creating a new international balance, we adopted an unduly high protectionist policy which played its part in the subsequent world-wide collapse and contributed in so important a measure to the present break-down in international commercial and financial relations.

The time was when international relations were few and intermittent. The most widely different conditions could exist in different countries entirely unaffected by developments in other regions. Wars might even occur in parts of the world without the disturbance being felt appreciably elsewhere. The World War definitely demonstrated that this era had ended and that the expansion of transportation and communication combined with the growth of industry and commerce had created a world of closely connected states economically interrelated. Although many people in this country and abroad have refused to recognize this fundamental change, the universality of the depression has again furnished conclusive evidence of its actuality and completeness.

International relations are no longer incidental to national life but have become an essential factor in the existence of all nations.

When the war ended, many Americans of experience and vision saw the position of courageous economic leadership which the best interests of both this country and the rest of the war-sick world demanded of the United States. But the Nation as a whole allowed itself to be seized with an irrational fear of foreign competition. I believe that it was primarily that fear, and not pride or selfishness, that blinded us to the great advantages which we might have secured from an intelligent and sound development of our international economic relations.

This country, of course, will not think of repeating its past experience of prescribing a one-way trading policy and then indulging in wild and reckless lending abroad. We need not, however, hide the fact that we made a far greater amount of equally reckless and worthless loans at home. The entire policy of careless and unsound lending at home and abroad alike should be reformed and placed on a sound and safe basis. Naturally, so long as the larger part of the world remains undeveloped and the overwhelming mass of the world population is suffering the pinch of economic distress, far-seeing business men in the capital-producing countries will, as in the past, be found making investments and loans abroad.

Let us not fool ourselves as to the direction in which we are going. It is literally accurate to say that no nation was ever so well equipped to become a great trading nation, to play its role in assisting in the development of higher standards of living throughout the world and thereby stimulating the increased purchasing power of the huge populations in backward areas, which cannot fail to increase our own prosperity. With our superb natural resources, transportation facilities, productive equipment, and technique and power resources, we stand face to face in this year 1935 with the problem of whether we shall go forward with renewed industry, energy, hardihood, and the old pioneering spirit, or whether we shall falter and fall back, allowing second- and third-rate countries to step forward and take our place.

Extreme high-tariff barriers have been supplemented in many foreign countries by quantitative restrictions tantamount frequently to embargoes and by the control of foreign exchange which is often allotted on a most arbitrary basis. To these a number of other less important but scarcely less burdensome and irritating restrictions have been added, all designed to exclude imports and all having the effect of choking and throttling world trade. As a result, on the one hand, surpluses of many kinds of both agricultural and industrial goods have accumulated in the countries which formerly supplied these products to the world, while on the other hand these very goods are being produced uneconomically and consequently at exorbitant prices in the former consumer countries behind their unscalable barriers. Sorry substitutes, absurd synthetic production, and inferior quality production, virtually worthless, are being attempted.

The international price structure for some time has been dislocated. For many commodities there is no longer any such thing as a world price. In many instances prices are 2, 3, or 4 times higher in one country than in the surplus-producing countries. This is true of wheat, lard, and other commodities highly important for our domestic producers and for consuming masses of foreign populations.

The resources of the world needed for modern ways of living and for the development of a higher future civilization are not evenly distributed throughout the globe. Basic raw materials of modern industrialism are highly concentrated in certain countries, notably the United States and western Europe. Even our own great country, with its natural resources of iron ore, coal, petroleum, lead, zinc, copper, and other mineral resources, is deficient of many basic materials which are drawn from all parts of the world, including wood pulp, tin, nickel, manganese ore, rubber, raw silk, jute, hemp, flax and other fibers, hides and skins, and of foods such as sugar, coffee, tea, spices, and certain fruits not obtainable at home. The modern industrial structure depends upon the interchange of products localized in certain areas and which the various countries of the world can enjoy only on the basis of international trade.

One has only to look at the figures of the proportion of domestic production exported by the countries of Central and South America and the Orient to see how highly dependent these areas are upon world trade. No one who has not particularly concerned himself with these problems can realize the degree to which various countries have developed specialties of their own. We in this country have developed such specialties, notably in cotton, lard, tobacco, automobiles, machinery, copper and petroleum products, fruits, electrical and office appliances, as well as a host of products of smaller value, and these specialties bulk large in our trade with almost every country. Similarly every other country has specialties with which it reaches out in its contacts with the four corners of the globe.

Whenever this interchange of products, to the extent mutually profitable, is obstructed, the prices of the products that are destined for the world market are seriously depressed. The ensuing economic distress leads to political unrest and sometime to revolution. The disturbed conditions of the last 6 years incident to the disruption of the world economic system have been chiefly responsible for the political upheavals and the downfall of government after government in almost all parts of the world. Internal distress opens the way for the demagogue and the agitator, stirs up internal class strife, and especially develops international friction, fear, and resentment of foreign peoples and governments, and shatters the very foundations of world peace. The dangerous political situations that exist throughout the world today, the international tension, the recrudescence of the military spirit, the expansion of standing armies, the enormously increased military budgets, the feverish efforts made to invent new instruments of warfare, new weapons for offense and defense—all these have emerged and developed in a world in which the international economic structure has been shattered, in which normal peaceful commercial intercourse has been broken and vast unemployment and human distress has resulted. It is the collapse of the world structure, the development of isolated economies, that has let loose the fear which now grips every nation and which threatens the peace of the world. We cannot have a peaceful world, we cannot have a prosperous world, until we rebuild the international economic structure.

Economic questions and conditions form the basis of international relations now more than at any other time in history. If nations are engaged in discrimination or retaliation or in the practice of irritating trade methods toward one another, the preservation of friendly relations and of that understanding necessary for peace and mutual prosperity is rendered difficult and precarious. Without friendly relations and understanding nations are little prone to settle questions or controversies by arbitration or other orderly and peaceful means. On the contrary, they are hasty to arm and to institute force for justice in international affairs. We behold that tendency progressed to an alarming extent today.

The desire of the Government to combat this trend, which it is convinced can lead only to the serious deterioration of our civilization, is the controlling reason for the efforts which it is now making to restore international trade on a basis of equality and friendship. This must continue to be the basis for world commercial relations.

The numerous discriminations now practiced by nations in their manipulation of tariff rates, quotas, exchange controls, and other devices designed to exclude foreign products, and in their exclusive bilateral arrangements, have undoubtedly been one of the chief causes which have led to the serious economic and political conditions now prevailing. Not only are nations rapidly impoverishing themselves by these practices, but they are thereby also inviting the enmity and provoking the resentment of other peoples. The irony of bilateral arrangements to the exclusion of triangular and multilateral trade lies in the fact that, while their advantages are soon overcome by the counteractive measures adopted by the states against which they discriminate, the feelings of dislike and distrust which they engender live on.

I am not altogether surprised when people uninstructed in the conduct of international relations and commercial policies and concerned solely with their immediate selfish interests criticize the Government for refusing to adopt this course, for doubtless they can see in it only the temporary advantages which it promises to themselves and not the harm that it inevitably causes the Nation as a whole.

The tendency to seek special preferences abroad is coupled with the stubborn and frequently unscrupulous resistance encountered by the Government when even the most moderate reduction in a tariff rate is proposed regardless of how clearly this may be to the advantage of the country as a whole. The pressure which is being currently brought upon both legislators and officials in Washington by those who fear that they are to be deprived of even a small part of the artificial advantage given them by an overindulgent Government too often at the expense of efficient producers and consumers in general, would incline one to believe that much of the sturdy self-reliance, hardihood, and vigor of this country are definitely on the decline. Every post which comes to the Department of State brings letters requesting, and frequently demanding, that the Government obtain for their writers some personal or local advantage, often in clear defiance of the general interest. As I suppose is only to be expected, these demands are frequently absurdly conflicting.

The Government is asked, on the one hand, to reduce, or more often to prevent entirely, the importation of this or that article or class of goods and, on the other, to secure preferences in foreign markets for this or that American product. I have had presented to me time and again schemes for expanding our exports of our agricultural products by means of preferential arrangements, dumping devices, and other measures which involve serious complications of our general trade relations. These same people insist on complete embargoes against industrial and agricultural imports. These people have not yet learned the lesson, which now ought to be evident to everyone, that foreign countries cannot continue to buy our cotton, lard, tobacco, and other surplus commodities unless the exchange with which to pay for these products is made available through imports into the United States. We cannot continue to sell even our most important products abroad unless we are disposed to buy to the extent mutually profitable. I wish to call your attention particularly to the decline in this current year of our exports to many of our best consuming markets in Europe. Thus our exports to Europe in January and February of this year declined 16 percent in relation to that of January and February of a year ago. If we place embargoes upon our imports, we shall, in the last analysis, witness inevitably the destruction of our export trade. Seized with an unreasoning fear whenever a small driblet of imports of a competitive nature comes over our tariff wall, even when under purely temporary or accidental conditions, such as, for example, the drought, action is urged which, if allowed too frequently, may lead to retaliation by other countries, so that step by step such actions lead straight toward a complete embargo of imports all

around, and, since one country's imports is another country's exports, a like embargo of exports all around.

We oppose exclusive or preferential arrangements the effect of which would be to impose discriminatory tariff rates against other countries. On the other side this country does not intend to accept discrimination against American commerce in foreign countries. It desires to extend equality of treatment to all nations and it seeks to obtain fair and equitable treatment from all nations. The unconditional most-favored-nation policy, as already indicated, is the one which almost universal experience since the middle of the last century has demonstrated to be the best suited for the attainment of these purposes. This Government is convinced that only if it makes the most determined attempt to stem the degeneration of international commercial intercourse into a network of bilateral arrangements of an exclusive and restrictive type with their accompanying discriminations and retaliations can international trade be restored.

It is my belief that most nations drifted into the condition in which they now find themselves, due primarily to the pressure of the peculiar maladjustments of the post-war period and the wave of extreme economic nationalism incident thereto; that, with possibly a few exceptions, they have not deliberately elected to follow the course to which circumstances have forced them. It is incumbent upon some great nation, certainly the United States as much as any other, to come forward with a broad, constructive program calculated to displace gradually the policies which have proven so futile and so destructive during these past several years. With the sources of information that the organization of the Government places at my disposal I see not a few evidences of the state of mind of other peoples which give me reason to believe that the program which this administration is following is beginning to supply the inspiration necessary to induce them to alter their course and to hope that the world can shortly expect a general movement in the direction of international economic sanity.

There are those who believe that international trade cannot exist in modern times without endangering and destroying the industries of each separate country. These people believe, too, that all international commerce is highly competitive and therefore destructive to industries of the various nations. On the contrary, in the very nature of the case, international trade as contemplated in our program is, broadly speaking, complementary in character. The history of our own foreign trade, and the shifts that have occurred in the structure of our imports and exports illustrate the complementary character of foreign trade. One hundred years ago two-thirds of our exports consisted of raw materials, and more than half of our imports consisted of finished manufactures Today half of our exports consist of finished manufactures and nearly half of our imports are raw materials. These enormous shifts in the structure of our imports and exports indicate in part the adjustment of foreign trade to the needs of our national economy, though in part the present structure of our trade has been shaped by artificial restrictions. While our imports of finished manufactures constitute a smaller proportion of our imports now than formerly, it is important to note that the absolute value of these imports increased from $100,000,000 in 1850 to $1,000,000,000 in 1929. Of the finished manufactures, the greater part consist of specialty products which are not directly or seriously competitive with products of our own industries. Essentially, they complement our own products. With the progress of invention and the development of an increasing number of finished goods which go with higher standards of living, in contrast to the simpler products needed in a more primitive society, we may anticipate a constantly larger interchange of finished products.

Foreign trade, to be complementary and noncompetitive, is not necessarily confined to the exchange of raw materials and foodstuffs for finished manufactured goods. The new products that have emerged in the last few decades illustrate the enormous impetus which invention and discovery may give to foreign trade. One has only to mention in this connection the importance of many of these newer products such as motor cars, radio sets, office equipment, electrical appliances, etc., in our own foreign trade. With rising standards of living incident to the industrial development of the economically backward countries, the increased purchasing power will inevitably give rise to a larger consumption of our mass production goods in exchange for specialty products. Each dollar of such imports, of course, pays for a dollar's worth of our burdensome surplus exported.

I repeat, international trade has always been essentially of a complementary character, rather than sharply competitive, and this will continue to be the case. If we give proper encouragement, by minimizing the obstacles to trade, to the development and expansion of those industries in which each country, by reason of natural resources, soil, climate, mechanical equipment, horsepower, and special aptitudes of skill and training, is most efficient, there will continue to be an expanding scope for international trade based on complementary relations rather than on sharp competition. Indeed, the more we encourage our efficient industries to find foreign markets, the more the structure of our industry will be shifted toward those lines where it will not feel the impact of foreign competition. It is the country that seeks to protect unnatural industries which is always faced with foreign competition. And, on the contrary, it is the country that efficiently and courageously develops its natural strength and natural industries which is least subject to foreign competition. It is not our automobile industry, for example, which complains about foreign competition. It is our highly protected industries which complain.

The trade-agreements program, first promulgated and unanimously adopted by the 21 American nations at Montevideo and now actively being carried forward by this Government, is based upon the view that international trade among other things is a material factor in the full and stable business recovery of individual nations; that unreasonable trade barriers can only be effectively reduced by a constructive program carried out over a period of years concurrently by the leading nations of the world; that such liberalized commercial policy will be a vital factor in the reduction of unemployment, the increase in domestic prices, and the improvement of business conditions throughout the world. What we propose in a fair and friendly way as stated affords the best possible foundations on which to rebuild sound and worthwhile international relations. This program contemplates a simultaneous and continuous attack by all wide-awake nations upon the several well-recognized obstructions to the restoration of international trade and finance.

The opponents of a liberal commercial policy would have every nation by means of a purely nationalistic program alone attempt to restore domestic prosperity, while at the same time intensifying the existing network of trade-destroying restrictions and practices. The proponents of a liberal commercial policy, on the other hand, would utilize the most comprehensive domestic and international programs combined and would cut through these trade restrictions and open the way toward an expansion of world trade as an aid to domestic recovery, thereby combining domestic measures with international measures designed to rehabilitate a full measure of domestic and world prosperity.

This country can and must furnish its fair share of leadership in this great movement. For this it is peculiarly fitted because of its weight and importance in the world economy, and because it is less tied up in the entanglements and restrictive policies in which other countries, frequently against their will, have become enmeshed. The way lies open for new opportunities in world leadership toward peace and prosperity.

PAYMENT OF SOLDIERS' ADJUSTED COMPENSATION

Mr. VAN NUYS. Mr. President, on Armistice Day, 1922, the junior Senator from California [Mr. McADOO] delivered a very informative and interesting address on the subject of the soldiers' bonus. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is the fourth anniversary of a memorable day in human history. November 11, 1918, signalized not alone the ending of the greatest war in the annals of mankind but it marked the beginning of a new era in civilization.

The European war had its origin in causes which were distinctly alien to American ideals and traditions. Conflicting national interests and ambitions, secret alliances and counter alliances which sought to gain political, economic, and military advantages to those concerned, racial and national hatreds engendered by centuries of strife, resulted in a final death grapple between two opposing principles of government, autocracy on the one hand and democracy on the other. For generations all Europe had been an armed camp. England, the greatest military power on the high seas, Germany, the greatest military power on land, and France, Italy, Belgium, Russia, Austria, Turkey, and the Balkan States, all armed to the death, awaited only the explosive to set in motion the mightiest machine for human slaughter ever operated in the history of mankind. The explosion came in August 1914 and the world was thrown into a colossal convulsion from which it has now only partially emerged.

ISOLATION COULD NOT KEEP AMERICA OUT OF WORLD WAR

America had nothing to do with the controversies or causes which lead up to this great disaster. By tradition and by consistent policy we had never been a military power. We had never maintained a large standing army, but with the growth of powerful foreign navies, and because of our extended coast line, we had gradually built up a formidable modern navy of our own. But its primary purpose was self-defense and not aggression. We believed that our remoteness from the fields of foreign wars rendered us immune from embroilment or attack. But we had not taken into consideration the fact that our growth as a nation had necessarily made us a powerful factor in world commerce and that our security and prosperity were dependent upon the maintenance of our rights upon the high seas and upon uninterrupted intercourse with all parts of the world. When the European clash came, we declared our neutrality and sought by every peaceful means to maintain it. But the most powerful of the European belligerents began to encroach upon our neutral rights whenever they found that it was to their advantage to do so. We quickly discovered that it was impossible to isolate America. She was an integral part of world economy, her products were in demand by all the nations, she had a right as a neutral to trade with them and she refused to yield any of her vital rights to escape collision with any challenger or upon the behest of any despot. She was one of the most important members of the family of nations and she could neither shirk her responsibilities nor avoid the conse-

quences. Disregard of America's rights by all of the belligerents produced a continuing tension which finally culminated in the destruction by one of the great powers of the lives and property of American citizens on the high seas in violation of the accepted rules of international warfare, and no alternative was left except to draw the sword.

AMERICA'S ACTION AN INSPIRING SPECTACLE

On April 6, 1917, Congress passed the fateful resolution that threw America into the World War and made her a party belligerent in the greatest conflict of all time on a field of action more than 3,000 miles from the Atlantic seaboard. With characteristic patriotism and energy the Nation sprang to arms. One of the most inspiring spectacles of all history was presented when the most powerful and peaceful democracy of all the ages transformed itself, with incredible celerity and efficiency, into an irresistible military machine. The young David of democracy was matched in mortal combat with the mailed Goliath of autocracy. Democracy won the battle and we today celebrate the victory.

ARE WE UNEQUAL TO OUR IDEALS?

But have we realized the thing for which we fought primarily, the thing which lit the crusaders' fire in the hearts of our people, the thing which has been the Christian dream of centuries, the thing without which civilization is still imperiled, the thing which, above all things, would bring the greatest blessings to the human race—the destruction of war itself and the enthronement of enduring peace? We have not. America failed to follow up the victory. The greatest tragedy of human hopes was written when she refused to march onward to the goal which, for the first time since Christ, seemed almost within the Christian grasp. The 4,000,000 men who sprang to the defense of their country with the determination to end war for all time, found themselves cheated of their prey in the very hour of their victory. Mars, the repulsive god of war, escaped, and again sits omnipotent upon his throne, ready to hurl new disasters upon the world. The peace of the world was destroyed by partisan politics. Selfishness and intolerance regained the day. We seek an isolation we cannot find, and we suffer the consequences, moral, spiritual, and economic, of our failure to live up to our responsibilities and maintain the noble ideals which made us unconquerable on the field of battle.

In this reversion from the sublime heights of Christian purpose and glorious achievement to the debased level of partisan politics and ignoble shirking, our sense of justice and gratitude to the 4,000,000 men who fought the war and won the victory seems to have been destroyed. We have failed them. We have, thus far, proven ourselves unequal to the ideals for which they fought and incapable of appreciating the heroic services they rendered in the hour of national peril.

ALLIES WERE FACING DEFEAT

What was the situation in the spring of 1917 when America entered the war? A gloomier outlook for the Allied cause could not be painted. The submarine was doing its deadly work at sea, rapidly destroying the means of communication between Great Britain, France, Italy, and the United States, upon the maintenance of which depended their supplies of food, munitions, and war materials. The ghastly prospect of starvation stared the Allies in the face. Quick relief could be obtained only from America. But the credit of the Allies was exhausted. This was a graver danger than the immediate effects of the submarine because without money or credit they could not buy essential supplies in America. At that time Great Britain had demand obligations in American banks amounting to $400,000,000 which she could not meet. France and Italy were in financial extremity. What the Allies needed immediately to save them from irretrievable disaster was, first, American money, and second, American men.

By act of Congress the Secretary of the Treasury was armed with authority to meet the credit situation. The Treasury of the United States immediately extended first aid to Great Britain, France, and Italy by lending them money to buy the food and munitions necessary to keep them on their fighting line until American men could arrive upon the field of battle.

THE DOUGHBOY WON THE VICTORY

American men quickly followed American money—and what a colossal task it was to prepare untrained young America to fight the veteran legions of the most powerful military nations of the earth! But this was not all: To transport them across 3,000 miles of sea infested with treacherous submarines and to put them in the battle line on foreign soil in strange surroundings amid a jargon of foreign tongues equipped to fight the experienced veterans of the enemy, seemed an impossible task. But in an incredibly short space of time our raw recruits were transformed into a militant and irresistible fighting force. Three thousand miles of ocean were annihilated. The submarine was overcome. The mighty legions of the trained enemy were met and conquered, and in 18 months after America entered the war, victory had been torn from the hands of defeat, and the American doughboy was acclaimed as the protector of the Nation and savior of liberty and democracy in the world. For these heroic achievements, and in the flush of victory, the lips of a grateful people, in a grand chorus of praise and gratitude, said that nothing was too good for him.

How was this mighty deed accomplished? By the organized might of America! The crisis was so grave that we could not rely upon our traditional policy of waiting for the volunteer to come forward and undertake this perilous and prodigious task. Swift measures were imperative. The Congress had provided the necessary money and credit to sustain the allied cause until American troops could take the field, and now Congress took the next great step and passed a law, establishing a fundamental principle of war-making in a democracy—a universal draft law—that required every eligible young man, the sons of the rich and the sons of the poor alike, to go into training and fight without discrimination or favoritism for the cause of their country.

Under this law the strong arm of Uncle Sam stretched out into every home in the land where there was an eligible boy of military age, and took him, without the sanction and regardless of the feelings of parents and loved ones, before selective service boards which chose those who were physically fit and sent them into training camps throughout the country. Four millions of America's finest young effectives were taken in this manner and molded into an unconquerable fighting force.

OUR SOLDIERS DRAFTED, NOT CONSULTED

We did not ask these young men if they wanted to go into the trenches and give their lives for their country. We did not, nor could we in time of national peril, consult their wishes in the matter. We took them and sent them out to perform the supreme duty of patriotism. The life of the Nation was at stake and it was they who had to save it. We did not ask these men what compensation would be acceptable for the hazardous work we thrust upon them. There was neither individual nor collective bargaining as, of course, there could not be. The Congress arbitrarily fixed their pay and said that a soldier should receive, while fighting on the bloody fields of France, the sum of $1.10 per day, and while in reserve on American soil, awaiting the call to Europe, $1 per day. In the judgment of Congress it was worth 10 cents more per day to face the enemy's shot and shell and poison gas on the battlefields of Europe, than to be in reserve in America. Of this meager compensation the soldier paid almost one-fourth for the life insurance which a grateful Nation permitted him to buy at minimum rates. If he was a married man, he was required by law to pay in addition, another half of his compensation for the support of his dependent family. The little that was left (about $10 per month) the soldier was permitted to dispose of as he saw fit. There was, of course, no chance for the men and women in the Army and Navy to effect savings. After payments for life insurance and allowance for the support of families and loved ones, barely enough was left for their ordinary needs.

The war was ended, and, by their valor, ended a year sooner than expected.

The victorious heroes returned. With justified pride and deep emotion they trod again the soil of their native land amid the plaudits of the multitude. Then they were mustered out. Their swords were sheathed, their guns stacked, their uniforms laid aside, and the undramatic and crowded fields of civil life stretched before them. These young heroes had come from the farms, the villages, the towns, and the cities of every part of the land. They had given up their jobs and occupations. They had exchanged their environments for something new, something different, something uplifting. Their horizons had been widened. They had fought for great ideals and for noble objects. They had been reforged in a crucible of fire and remade in the grim school of discipline and danger. They were bigger men—they were broader men than the unsophisticated youths who entered the Army as raw recruits from the farms, the plains, the mountains, and the cities of a great Nation. They had to start life anew with enlarged vision, with new and finer conceptions of duty, with higher aims and ambitions. Thousands of them could not look with patience upon the narrow and provincial life from which they had been drawn. They wanted larger opportunity to make themselves useful citizens of the greatest Republic of all time. They wanted a chance at a larger and more fruitful life.

RETURNING VETERANS DISILLUSIONED

But what was there to begin with except character, enlarged experience and bright hope? They had emerged from the warm atmosphere of national welcome to find themselves in the cold atmosphere of practical, unsympathetic, indifferent civil life. Where were the jobs they had been led to believe were awaiting with warm welcome their return? Where were the opportunities which they had been told that a grateful Nation would shower upon them for their heroic services—for their priceless contribution to the cause of liberty and democracy? They were gone. Jobs and opportunity had been conquered by those who stayed at home and faced no peril while the conquerors of the Nation's foe were engaged on the field of battle. Life stretched before them, but what was there to start with? Not even a paltry fund which, if promptly available, would have opened up to the returned soldier the opportunity for a new and prosperous career.

It was the very need of this assistance, resulting from the inadequate pay granted the soldiers, that prompted the suggestion that a grateful nation recognize their inestimable services by increasing the compensation paid to them during the war. This is familiarly known as "adjusted compensation" or "soldiers' bonus", and since it has been under consideration for the past 4 years and is an important public question, it does not seem inappropriate to discuss it on this occasion.

BONUS IS JUSTICE

What is "adjusted compensation" or "soldiers' bonus"?

It is a proposal that the men who fought in France and received but $1.10 per day therefor be paid an additional $1.25 per day for the period of actual service and that the men who were held in reserve in camps in the United States and received but $1 per day therefor be paid an additional $1 per day for the period of actual service; but that in no case should the soldier in foreign service receive a total additional payment of more than

$600 nor the soldier in home service a total of more than $500.

Is this an unreasonable request? Is $2.35 per day, or $70.50 per month, too much to pay to the men who endured all the dangers and horrors and sufferings of the trenches and of bloody battles? Is $2 per day too much to pay to the men who were kept in reserve, awaiting orders to go to the front and fill the gaps caused by those who died in battle?

As adequate compensation for service performed, it is, of course, too little; but as evidence of gratitude and appreciation of a great duty nobly performed, it is something. As a genuine help to the four million men and women who saved the Nation from grave peril it is much. As a matter of justice, it is everything.

GOVERNMENT CIVIL EMPLOYEES RECOGNIZED

While these men were fighting and sacrificing for country every class in America, protected by their valor and sacrifice, was living in safety and earning more money and making larger profits than ever before in our history. Even the civil employees of the Government, more than 500,000 in number, who were receiving salaries of $2,500 or less per annum were granted a bonus of $240 per year. For the past 5 years these civil employees have already received a total bonus of $1,200 each—twice the maximum proposed for the soldiers, and the bonus is still continuing.

The great manufacturing interests, which produced war munitions and supplies, and the great trusts and combinations in control of vital necessities for the Army and the Navy, and the people, made fabulous profits during the war because the valor of our heroes in the field made them secure in life, liberty, property, and the pursuit of profit. By contrast, how can this great Nation fail to grant the claim of the men, who saved the Nation from disaster, to the comparatively small recognition involved in the allowance of their request for a readjustment of compensation for the actual time they were in the service of their country?

A committee of the Senate, after exhaustive investigation, reported that it would require only about $1,600,000,000 to pay in cash the entire amount of the adjusted compensation or bonus to the enlisted men and women of the United States.

But immediately a cry arose from the very interests which had profited most by the valor of the soldiers, that to pay the adjusted compensation would impose a greater burden upon the American people than they could bear, and that the credit of the Government would be destroyed if such payment should be undertaken.

Never was there a more fallacious and unsupportable claim, and never was there an exhibition of baser ingratitude.

ADJUSTED COMPENSATION NOT A BURDEN

The Nation could have paid the claims for adjusted compensation without hurt to the national credit, and without imposing serious burdens upon the people. The additional compensation should be treated as a part of the cost of the war and should, like other burdens of the war, be funded into long-time obligations and the payment spread over several generations so that the present generation should not be required to pay an undue share of it and succeeding generations should be required to pay a just share of it. We could issue 50-year Government bonds in sufficient amount to pay the bonus in cash and thus not only discharge creditably and promptly an obligation the country justly owes, but remove the question from the hands of partisan and tricky politicians who have made use of the issue for base and ignoble ends. By this method another desirable result is accomplished—additional onerous burdens would not be imposed on the present generation which is already staggering under a heavy load of taxation. Only the annual interest and sinking fund would have to be paid. This would not exceed a total of 5 percent, or about $80,000,000 per annum, to take care of the interest on the bonds and the payment of the principal at maturity.

A HUGE TARIFF SUBSIDY GRANTED TO GREED

It is sheer hypocrisy to say that the Nation cannot bear this relatively insignificant burden when great subsidies are granted to private interests at the expense of the people and for purposes which cannot be successfully defended. The Fordney-McCumber tariff bill was recently passed by Congress and approved by the President. It is estimated that the trusts, monopolies, combinations in restraint of trade and other beneficiaries of this measure, will be able to take from the people billions of dollars through indirect taxation by tariff-protected monopolies. How can this indefensible exploitation of the masses be justified when the soldiers and sailors who saved our institutions are denied a just recognition of $1,600,000,000 on the ground that to grant it would impose excessive burdens on the American people? Ten billion, eight hundred million dollars for trusts and monopolies, and not one cent for the heroic defenders of their country!

WHY NOT TARIFF BENEFICIARIES PAY THE BONUS?

But if the frank and direct method of issuing Government bonds for the payment of adjusted compensation in cash should not be adopted, why should not the beneficiaries of the tariff bill be required to divide their subsidy with the Nation's defenders? In this way adjusted compensation could be paid without imposing new burdens upon the American people; in this way those who received the greatest material benefit from the valor of our soldiers will be required to share with them the undue profits and advantages which a complacent Congress has so generously conferred upon them. How can it be done? Let an average of the net earnings of every trust, monopoly, corporation, or beneficiary of the Fordney-McCumber tariff bill be ascertained for 5 years, or for some reasonable period preceding the enactment of that law. Then take each year 50 percent of all net earnings of these tariff beneficiaries in excess of this average, while the Fordney-McCumber bill is in effect, and apply it to the payment of the soldiers' bonus.

It would be peculiarly appropriate to make these tariff beneficiaries divide with the men and women who went to France when the black clouds of disaster overhung civilization and American liberty and dispelled them with the sunshine of their heroism and sacrifice.

This is not an impracticable ideal. It can be formulated into a law that can be administered. The plan is analogous to that adopted by the British Government for raising revenue to carry on the war. An average of the net earnings of all forms of business in Great Britain was ascertained for a period preceding the outbreak of the war and all profits in excess of that average were treated as war profits and taxed 80 percent. By this practical and simple plan the British Government repressed the war profiteer and forced those who profited by the war to contribute 80 percent of those profits to the national defense fund instead of permitting excessive profits arising from abnormal conditions created by the war, to be retained for private ends.

NO EXCUSE FOR INJUSTICE OR INGRATITUDE

There are those who say that our enlisted men and women should not be paid additional compensation because they will waste the money—that no benefits will therefore be conferred upon them. This is, of course, mere assertion based neither upon fact nor reason. Arguing from human experience and natural tendency of most men and women to save money and not to waste it, to use it wisely and not to lose it, it is more reasonable to assume that the great majority will use the money beneficially. But assuming for the sake of argument that justice demands that the claims of the soldiers be paid, or that the gratitude of a saved Nation prompts the payment, it is no answer to say that justice should be denied or gratitude stifled upon the mere assumption that those entitled to justice or those who should be the recipients of the Nation's gratitude may not use the rewards wisely or beneficially. We cannot satisfy the demands of justice by being unjust nor manifest gratitude by refusing to be grateful. If the soldiers are entitled to the bonus either because justice demands it or gratitude prompts it, it should be paid to them no matter what they may do with it. In its final analysis it is an affront to the enlisted men and women to assume that they are so worthless and incompetent that they will not make proper use of a payment to which they are, in justice, entitled.

NOT COMMERCIALIZING PATRIOTISM

There are others who say that the bonus should not be paid because it will "commercialize patriotism." This is merely trying to satisfy conscience with a phrase. If it be commercializing patriotism to increase the pay of the soldier for the dangerous work he did in the war, then why was it not equally commercializing patriotism to pay him anything whatever for serving in the war? The argument must be carried to its logical conclusion. Either he should be paid within reasonable limits to the full extent of the Nation's ability to pay, or he should not be paid at all. If patriotism is to be exacted of the soldier without cost, then in time of war all civilian effort should be drafted without cost, and no profit should be allowed to private enterprise or service as a contribution to the war effort. The most unfair and unjust thing that the opponents of the soldiers' bonus have done to the 4,000,000 gallant men and women who fought the war is this attempt to impeach their patriotism. A greater wrong could not be done. If it would commercialize patriotism to increase the pay of the soldier for the service he rendered in the war, then what can be said of the gross commercializing of patriotism indulged in by every firm, corporation, and individual who turned to the utmost profit the opportunities the war gave them?

It is not unnatural that the people should hesitate to assume new tax burdens at a time when they already are overloaded with State, local, and national taxation. Certainly these burdens ought not to be increased without convincing reasons. The opposition to the soldiers' bonus is grounded largely upon the fear that it will inevitably impose new tax burdens. But this objection is met if the bonus can be paid without increasing existing burdens through a division of the tariff subsidies already imposed upon the people or through the issuance of long-time Government bonds which will distribute the burden lightly over several generations. But in no circumstances can any nation take the position that justice to any great class of its citizens shall be denied because it will cost something to do justice.

JUSTICE, LIBERTY, DEMOCRACY NOT TO BE MEASURED IN DOLLARS

There are some things which cannot be measured in dollars. Justice is one of them. Liberty is another. Democracy is still another. Liberty and democracy are founded upon justice, and the Nation must stand for justice and do justice no matter what the cost may be in blood or treasure. If we refuse to do justice to the great army of men and women who saved the Nation in its hour of extremity; if we leave in the hearts of the 4,000,000 defenders of the Nation and in the hearts of their families and friends the feeling that the Nation is not only unjust, but ungrateful, may we not do a graver injury to the spirit and morale and patriotism of our people than any savings in taxation could ever compensate?

In the wave of materialism which has swept over the land since the war was fought, our higher ideals seem to have been obscured. What Armistice Day ought to celebrate instead of merely signify has not yet been secured. Perhaps these things are only in eclipse. The triumph over war, injustice, and oppression has not yet come. It may never come in full perfection, but it is our duty to fight unfalteringly for this noble end.

Let us pray God that that day of triumph may come, and while we pray God and press on with unconquerable determination, let us make sure that we preserve the soul of the Nation from the corroding influences of injustice, materialism, and selfishness. Let us, on this day made glorious by the valorous deeds of our sons and daughters, resolve that this great Nation, fashioned by our forefathers in the spirit of the Christian God and dedicated by them to the service of humanity, shall be preserved for all time.

TREASURY AND POST-OFFICE APPROPRIATIONS

Mr. ASHURST. Mr. President, I rise to inquire about House bill 4442, being the Treasury and Post Office Departments appropriation bill. It will be remembered that the bill passed the Senate April 1. It contained a proviso that certain employees of the Alcohol Tax Unit in the Treasury Department should be required to take an examination before May 15. The employees affected are ready, willing, and anxious to take the examination. The bill has been in conference since April 1. Of course, if the bill should be delayed much longer it would be a hollow mockery to say that these employees should take an examination by May 15, when May 15 may arrive before the conference report shall be adopted.

Can any Senator give me assurance as to when the conference report on the Treasury and Post Office appropriation bill may be agreed to?

Mr. JOHNSON. Mr. President, may I concur in what is said by the Senator from Arizona, and appeal to the Senator from Tennessee [Mr. McKELLAR], who can possibly tell us what has become of the conference report?

Mr. McKELLAR. Mr. President, the Senator from Virginia [Mr. GLASS] is chairman of the Senate conferees, and I do not see him in the Chamber at the moment. I think there is some question about an appropriation relating to ocean-mail matters which has delayed the report, but I have no idea that the bill will be unduly delayed in any way.

Mr. ASHURST. Mr. President, I assert my conviction that there is no sinister move looking toward delaying the conference report; but I repeat that by the amendment referred to it was provided that these clerks, some thousand in number, should take an examination before May 15. I am sure the Senate does not want to occupy the attitude of requiring some thousand Government employees to take an examination by May 15 when it is doubtful if the bill will become a law by that date.

I call attention, respectfully, of course, to the fact that the House concurred in the conference report, according to the RECORD, on April 22. I do not doubt the correctness of the statement of my esteemed friend from Tennessee [Mr. McKELLAR] in his observation that some appropriation regarding ocean mail is delaying the conference report. I conclude by expressing the hope that the conference report may be adopted at a very early date.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

The VICE PRESIDENT. The question is on the amendment in the nature of a substitute offered by the Senator from Missouri [Mr. CLARK] to the amendment reported by the committee.

Mr. ASHURST. On that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. McNARY obtained the floor.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. THOMAS of Oklahoma. This is a matter of more or less importance, of more importance to some, perhaps, than to others. I think all Senators want to have a chance to vote on the various proposals. Some Senators are absent in the belief, evidently, that no vote would come today. Today is Friday. Some Senators are out of town and others are preparing to leave for the week-end.

I suggest the advisability of agreeing to a time definite when we may vote on the substitute of the Senator from Missouri. If we can come to some agreement, commencing Monday, say, at 1 o'clock, with a reasonable limitation of debate, we can come to a vote, I am sure, with regard to the substitute of the Senator from Missouri within a very reasonable time. That would put each Senator on notice, and he could either be paired or could be present. I suggest such an arrangement to the Senator from Mississippi.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Mississippi?

Mr. McNARY. I yield.

Mr. HARRISON. I submit the following unanimous-consent request:

That beginning on Monday at 1 o'clock, debate on the pending amendment and all other amendments shall be limited to 10 minutes.

Mr. SMITH. Mr. President, before the Senator goes further, I will say that it is hardly necessary for him to consume the time, because there will be objection to any 10-minute limitation of debate.

Mr. CLARK. After 1 o'clock Monday.

Mr. HARRISON. I said, after 1 o'clock Monday.

Mr. SMITH. I understood the Senator from Oklahoma to say that he would like to have us postpone any debate on this matter until Monday. The likelihood is that we shall recess from today until Monday. I wish to have it now understood that this is a measure which involves more than the bonus, and some of us desire to have something to say about the principle involved in other matters which pertain directly to the primary purpose of the bill.

Mr. HARRISON. Mr. President, I may say to the Senator from South Carolina that I was only trying to accommodate the Senate. I am perfectly willing to vote now upon the pending amendment, and proceed in an orderly way through tomorrow. That is perfectly agreeable to me; but it has been suggested by several Senators that if we could reach an agreement to limit debate to 10 minutes on amendments and 10 minutes on the bill beginning at 1 o'clock on Monday, it might be satisfactory. If it is not satisfactory, that is perfectly all right, and we can proceed today and tomorrow with the discussion on the bill.

Mr. McNARY. Mr. President, from the inquiry I have made I feel certain that such a proposal would not meet the unanimous consent of the Members of the Senate. Let me suggest to the Senator from Mississippi that, after 1 o'clock on Monday, debate on the Vinson proposal be limited to 10 minutes and debate on the bill be limited to 10 minutes, and that no limitation be fixed on the other proposals which will follow.

Mr. HARRISON. I do not think that would be agreeable.

Mr. McNARY. I think it would be agreeable to those with whom I have consulted.

Mr. HARRISON. In view of the fact that there are so many matters on the calendar, and we are desirous of expediting their consideration, I withdraw my request for unanimous consent.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri [Mr. CLARK] in the nature of a substitute for the amendment reported by the committee. On that question the yeas and nays have been demanded and ordered.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Dieterich	Hayden
Ashurst	Byrd	Donahey	Johnson
Austin	Byrnes	Duffy	Keyes
Bachman	Capper	Fletcher	King
Bankhead	Caraway	Frazier	La Follette
Barkley	Carey	Gerry	Lewis
Bilbo	Clark	Gibson	Logan
Black	Connally	Glass	Lonergan
Bone	Coolidge	Gore	Long
Borah	Copeland	Hale	McAdoo
Brown	Costigan	Harrison	McCarran
Bulkley	Couzens	Hastings	McGill
Bulow	Dickinson	Hatch	McKellar

McNary	O'Mahoney	Schwellenbach	Trammell
Metcalf	Overton	Sheppard	Truman
Minton	Pittman	Shipstead	Tydings
Moore	Pope	Smith	Vandenberg
Murphy	Radcliffe	Steiwer	Van Nuys
Murray	Robinson	Thomas, Okla.	Wagner
Neely	Russell	Thomas, Utah	Walsh
Norris	Schall	Townsend	White
Nye			

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SMITH. If this amendment shall be voted down, the vote will recur on the so-called "Harrison amendment"?

The VICE PRESIDENT. The Senator states the situation correctly.

Mr. SMITH. And if that shall be voted down, the matter before us will be the Patman bill?

The VICE PRESIDENT. The House bill. The Senator states the matter correctly.

Mr. SMITH. Very well. Then I hope all Senators will vote "nay."

Mr. LONG. Mr. President, there are a number of absentees on this side of the Chamber whose position on this amendment I am unable to ascertain in our effort to get pairs for those who are with us. Some of them I know to be with us, and I know none of them to be against us. The uncertainty of this amendment reaching a vote today no doubt accounts for the large number of absentees—six of them on this side alone.

I think those of us who favor the bonus as such, who really want the soldiers' bonus paid in a liberal way—that is, in accordance with the Patman bill—have all pretty well reached the understanding among ourselves which I get from my friend the senior Senator from Oklahoma [Mr. THOMAS] that we ought to vote down all these amendments, which would leave the Patman bill before us. Do I understand correctly?

Mr. THOMAS of Oklahoma. Mr. President——

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Yesterday I made the statement that I was for the Patman bill. I made the further statement that as between the Vinson bill and the Harrison bill I should vote for the Vinson bill; but, of course, I am against the Vinson bill, and I am against the Harrison bill and for the Patman bill.

As a matter of regularity, after 24 hours' deliberation, I have come to the conclusion that I shall cast my vote against all amendments until the Patman bill is reached. I shall vote against the Vinson bill because I prefer the Patman bill to the Vinson bill.

Mr. CLARK. Mr. President, if the Senator will yield, with the permission of the Senator from Louisiana, of course the issue presented by the vote now to be taken is not between either the Harrison bill or the Vinson bill and the Patman bill. It is between the Harrison bill and the Vinson bill.

Mr. THOMAS of Oklahoma. I realize that.

Mr. CLARK. So that a vote against the Vinson bill as a substitute for the Harrison bill is a vote against full payment of the bonus in behalf of partial payment of the bonus.

Mr. THOMAS of Oklahoma. I realize that; but it occurs to me that it is the best parliamentary procedure for those who favor the soldiers, who favor the enactment of bonus legislation, those who really want to help the soldiers and help this legislation, to vote against all amendatory proposals—to vote against the Vinson bill, and then, when the Harrison bill comes before the Senate for a vote, likewise to vote against the Harrison bill, and to vote against all amendments to the Harrison bill. In the end, if we have a majority, we can clear the calendar of substitutes and amendments and finally get down to the Patman bill, which has passed the House on three separate occasions. That will present the issue in square-toed fashion, and those who are for the Patman bill will have a chance to vote for it, and those who are against it will likewise have a chance to vote against it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. Just a moment. I promised to yield to the Senator from Washington [Mr. BONE]. Then I will yield to the Senator from Missouri.

Mr. BONE. Mr. President, I should like to make a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BONE. I am somewhat in doubt as to the effect of certain votes with respect to the final disposition of the so-called "Patman bill." We confront a very peculiar situation, one which I have never before seen during my term of service in this body.

If the so-called "Vinson bill", which is now proposed to be attached to the pending bill as an amendment in the nature of a substitute, shall carry, that will end any opportunity to vote further on the so-called "Patman bill", as I understand the parliamentary situation.

The VICE PRESIDENT. The Senator does not understand the parliamentary situation.

Mr. BONE. That is what I wish to have made plain to me.

The VICE PRESIDENT. The Senator has not made a parliamentary inquiry. If he would do so, the Chair would directly answer it. The Senator merely stated what he understood.

Mr. BONE. I want some advice.

The VICE PRESIDENT. If the Senator desires, the Chair will make a statement as to his understanding of the parliamentary situation.

The House of Representatives passed a bill, which was sent to the Senate and referred to the Finance Committee of the Senate. The Finance Committee reported the bill with an amendment, to strike out everything after the enacting clause and to insert certain language, the so-called "Harrison amendment."

The Senator from Missouri [Mr. CLARK] offered an amendment in the nature of a substitute for the committee amendment. If the amendment in the nature of a substitute should be agreed to, then the question would come on the Harrison amendment as amended, and if that were not agreed to, it would leave the House bill as it came from the House. If the Harrison amendment as amended were agreed to, no further amendment would be in order.

The Chair thinks that covers the situation pretty thoroughly.

Mr. LONG. I yield now to the Senator from Missouri.

Mr. CLARK. Mr. President, the Chair has stated what I wanted to develop, and I will wait and claim the floor in my own right.

Mr. NORRIS. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. NORRIS. It seems to me that the parliamentary situation is very plain and very simple and that no one need be deceived on account of the parliamentary status.

As I see it, the first vote, upon which we have ordered a roll call, is a choice between the committee bill and the Vinson bill. The Patman bill does not enter into this vote, and any Senator who favors the Patman bill to all the other bills will not on the first vote have an opportunity to vote for or against the Patman bill, but he will assert his choice, by his vote, as between the committee bill and the Vinson bill. If the amendment shall be agreed to and the Vinson bill shall be substituted, then the committee bill will be out of the picture, and instead of the committee bill we will have the Vinson bill.

We must then vote upon the question as to whether we will substitute the Vinson bill for the bill as it came from the House, which is the Patman bill, and the choice will then come between the Vinson bill and the Patman bill.

If the vote shall be against the Vinson bill on the first vote, then the Vinson bill will be out of the picture, and the choice will come between the committee bill and the Patman bill.

So, whatever happens, Senators are not going to be denied the right, under the parliamentary situation, to vote their sentiments upon the Patman bill, which is the House bill.

It does not seem to me that the parliamentary situation is in any way obscured so as to prevent Senators from voting for the bill of their choice.

Mr. SMITH. Mr. President, will the Senator from Louisiana allow me a moment?

Mr. LONG. I yield to the Senator from South Carolina.

Mr. SMITH. There are two substitutes proposed. As the Senator from Nebraska has said, we must choose which one we want, or would take, between those two.

The psychology of the situation is such that if we vote for the Vinson bill the impression will be that perhaps we might take it in preference to the Patman bill. Those of us who really believe that we have backed and filled and used all kinds of tactics, from every conceivable source, opposed to the bonus and who believe in the bonus being honestly and fully met and paid, ought to vote down any and every attempt to distract the minds of Senators from the issue.

Do Senators intend to give the soldier an honest, straightforward payment, or do they want to monkey around and pay him a partial bonus, and chip off here and there? Let us meet the issue which is before us.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I will yield once more to the Senator from Nebraska.

Mr. NORRIS. I thought the Senator from South Carolina had the floor.

Mr. LONG. I do not mind yielding to the Senator again.

Mr. NORRIS. Suppose the Senator from South Carolina prefers the Patman bill to anything else, and wants an opportunity to express himself by his vote. In the present parliamentary situation he is going to have that opportunity. But suppose as a matter of strategy the Senate, believing the Patman bill to be better than any other of the three, proceeds on the theory that it ought to vote as between the committee bill and the Vinson bill, and should vote down the proposed substitute; and then suppose on the final vote, which would be then between the committee bill and the Patman bill, the substitute, the committee bill, were agreed to; then the Senator would be in the attitude of never having voted for the Vinson bill, which he would prefer to the committee bill.

Mr. SMITH. I do not prefer either.

Mr. NORRIS. Very well.

Mr. SMITH. I think it is a matter of choosing between tweedledum and tweedledee. We are acting here as if we had not courage enough to meet an issue.

Mr. LONG. Mr. President, I do not believe that either the Senator from Nebraska or the Senator from South Carolina heard me yesterday. I can clarify the atmosphere, if I may have the attention of both Senators for just a moment.

This is our predicament: There are about 21 Republicans, as near as I can count them—I do not count the Senator from Nebraska in that particular list of Republicans, or in many other lists, sometimes; I count him a universal Democrat. [Laughter in the galleries.] I mean by that——

The VICE PRESIDENT. Just a moment. The occupants of the galleries will refrain from laughter. The Sergeant at Arms has been instructed to deliver to each visitor a slip of paper setting forth the rules of the Senate, and I am sure that, as our guests, the occupants of the galleries will respect the request of the Senate, and refrain from laughter and other demonstrations.

Mr. LONG. Mr. President, when I referred to the Senator from Nebraska as a "universal Democrat" I meant that the logic of the Senator from Nebraska follows not only the logic of Lincoln but that of Jefferson. Lincoln was a believer in and a follower of Jefferson, and had Jefferson lived at a time later than Lincoln he probably would have been a follower of Lincoln. The Senator from Nebraska is one who still really votes in line with the Jeffersonian and Lincolnian policies.

There are about 21 or 22 Republicans who do not dare vote for the Harrison bill as against the Patman will, but who will vote for the Vinson bill as against the Patman bill.

The Vinson bill does not provide for payment of the bonus, any more than a resolution of a chamber of commerce would pay the bonus. It merely provides a suggestion, and there would have to be another act of Congress passed appropriating the money, providing a way of paying the bonus, even though the Vinson bill were enacted. So the Vinson bill is what might be termed "a void"; it is just a shadow, with no substance to it. Therefore we are here in a shadow-boxing game.

There are some of us who claim, of course, to be a little bit more righteous in our advocacy of the soldiers' bonus than some others whom we know. They may make contrary claims, which we would dispute. But those of us who are trying to get the bonus across, who really want to give the soldiers something, realize that we are in a situation where we have to keep the conservative Democrats and the conservative Republicans divided, or the soldiers will not get a cent.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. I yield.

Mr. ASHURST. I do not wish to inject myself into a controversy, but the able Senator from Louisiana has suggested that there are Senators here who desire to shift their responsibility.

Mr. LONG. No.

Mr. ASHURST. In my judgment, the situation is unique. I assert that never before within my memory has there been a question upon which each and every Senator was more anxious to vote than the question before us. Every Senator is anxious that the country should know whether he is for the Patman bill, the Vinson bill, or the Harrison bill. Whatever may be our faults of omission or commission, I do not believe there is today even one Senator who wishes to hide his position as to any one of those bills.

I think the Senator from Nebraska [Mr. NORRIS], whose statement was as clear as a cameo, has pointed out just what we may do. I myself am for the Harrison bill. I wish to have the world know it, and I believe that every other Senator is equally as frank as am I, and is awaiting the opportunity to declare to the country where he stands.

Mr. President, the Senate of course has faults. Being human beings, we know we have some faults; but it so happens that on the bonus question we ought to be free—if I may employ a word which Stephen A. Douglas was wont to use—from any charge of tergiversation; we ought to be free from any charge of being evaders, because I repeat, in my judgment every Senator is now willing that the country should know how he stands on this question.

I thank the Senator for yielding.

Mr. LONG. Mr. President, the Senator is absolutely correct about that. There never was a time when Senators were so anxious to have it known how they stand on this question. However, I will say for the information of the Senator from Arizona, that I am going to vote with him for the first time, to show him how well I like him; I am going to vote with him the first time out of my regard for the Senator from Arizona.

The fact is we are trying to pay the soldiers some money. I care not what the motives of people may be, I am a practical politician, and I am trying to pay the soldiers this money, and I know from what I have learned, that I can get about 21 votes on the Republican side in favor of the Patman bill as against the Harrison bill which we cannot get in favor of the Patman bill as against the Vinson bill. That is a frank statement.

Mr. ASHURST. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Arizona.

Mr. LONG. I yield.

Mr. ASHURST. If the Senator from Louisiana entertains that view, the difficulty can be obviated by asking unanimous consent that the Senate vote first on the Patman bill.

Mr. LONG. I shall do that. Mr. President, I now ask unanimous consent that the Senate vote first on the Patman bill.

Mr. HARRISON. I object.

Mr. LONG. The Senator from Arizona sees what happens. I now want my friend from Arizona to know how honest I am in reference to this question.

Mr. ASHURST. Mr. President, I do not question my friend's honesty.

Mr. LONG. I understand, but I want the other Senators who might have questioned it to know about it.

Mr. President, the fact is that we are up against some very clever politicians. They know this business. I use the term "politician" in an honest sense. Many people do not feel that way about politicians. The Senator from South Carolina looks at me as though he felt I meant to cast some aspersion on him every time I use the term "politician", but I am using that term in an honorable sense. We are up against some very clever politicians. If the Republicans—and I have a very high regard for them whenever I can get them to act for a good purpose—it does not make any difference who he may be, for a vote is a vote in the Senate——

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Illinois.

Mr. LEWIS. I suggest that my able friend from Louisiana should have a very high regard for the Republicans, but they should have a higher regard for him in view of the very great service he renders them.

Mr. LONG. That is the way the Senator from Illinois looks at this business, but the fact of the case is, Mr. President, that the Senator from Illinois sometimes can be mistaken. Unfortunately, I was not rendering the Republican Party a very good service when I was giving the Democrats my money last year and the year before, but I am now trying to render the Republican Party and the Democrats a joint service. I do not want them to get together. I know these folks. I mean those outside the Senate. I do not mean that any Senators would deal in any such manner. I mean the party leaders outside the Senate. I know that they have usually maneuvered matters so that the great bulk of the Democratic leadership in and out of the Congress goes right down the aisle with the great bulk of Republican leadership in and out of Congress, and we shall have to arrange so that they do not dare to be seen together or they will be together two-thirds of the time on every important bill. We shall have to see to it that they do not dare keep company and let the people find out they are kinsfolk. So if some of those who do not want any soldiers' bonus paid can vote for the Vinson bill over the Harrison bill, then they can afford to stand pat in favor of the Vinson bill against the Patman bill, but if we let the Harrison bill stay as it is, the same Senators are going to vote for the Patman bill against the Harrison bill. It is all right for them when they vote for the Vinson bill; then they can go out to the country and say, "We passed the proper law if the President had only appropriated and raised the money to pay the bonus." That is a particularly good political defense for them, but it does not provide the soldiers the bonus we are trying to give them.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Kentucky.

Mr. LOGAN. The American Legion officially endorsed the Vinson bill, did it not?

Mr. LONG. Not the American Legion. It was the legislative committee of the American Legion, I am told.

Mr. LOGAN. Was it not the executive committee?

Mr. LONG. And after that, the convention approved the Vinson bill. It was the legislative committee which first approved the Vinson bill.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Of course, the Senator is not a member of the Legion? However, the Senator is perhaps familiar with the fact that under the constitution of the American Legion the governing body of the American Legion, the body representing the American Legion between conventions, is the national executive committee of the American Legion.

Mr. LONG. Composed of how many members?

Mr. CLARK. Composed of one member from each State, Territory, and insular possession, and certain past national officials.

Mr. LONG. Forty-eight.

Mr. CLARK. The action to which the Senator refers to as having been taken by the national legislative committee was taken by the national executive committee at a meeting called for that purpose.

Mr. LONG. My understanding is that when the convention met it endorsed the bonus, and the only bill pending at the time was the Patman bill.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. This morning I received a telegram from the member of the committee from Tennessee. He was in Indianapolis and he telegraphed me that the American Legion had instructed him to say that they were in favor of the Vinson bill.

Mr. LOGAN. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. LOGAN. The executive committee, under the authority of the constitution of the American Legion, has endorsed the Vinson bill and the Senator says it pays nothing. Is it the Senator's opinion that this committee of the American Legion is deliberately attempting to deceive the veterans?

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, I wish to make a statement and then ask the Senator from Missouri a question. It has been stated on the floor that the Vinson bill, if adopted, would be of no more importance than a resolution passed by some outside body. Statement has been made on the floor that if the Vinson bill is adopted the Congress must hereafter introduce and pass the appropriation to pay the soldiers. Inasmuch as the Senator from Missouri [Mr. CLARK] has introduced the Vinson measure, I ask him in the time of the Senator from Louisiana to make a statement of just what the soldiers would get in the event the Vinson bill becomes a law?

Mr. CLARK. Mr. President, I shall be glad to make a statement in my own time and not in the time of the Senator from Louisiana.

Mr. LOGAN. If the Senator from Louisiana will further yield, I should like to make a statement, and then I will have no more to say about it.

Mr. LONG. I yield to the Senator from Kentucky.

Mr. LOGAN. First, I will say I am for the Vinson bill. Second, I am for the Harrison bill. And after that,. let nature take its course.

Mr. LONG. Mr. President, I desire to amplify the question of my friend from Oklahoma, and make a statement. The statement is that a soldier will not get a thing on earth out of the Vinson bill unless there shall be further action by the Congress.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BONE. I have in my hand a copy of the Vinson bill and I shall read a line or two from it. This is the language which I read from the Vinson bill:

> Payment on account of such certificates—
>
> Meaning the adjusted-compensation certificates—
>
> shall be made in the manner hereafter provided in this act.

Then I look through the entire bill and I find this language, which is at the end of the bill:

> There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

That is all there is in the Vinson bill. Is there any other language anywhere in the bill which I have overlooked, I will ask the Senator from Louisiana?

Mr. LONG. No; there is not.

Mr. BONE. Where in the Vinson bill is the payment provided for?

Mr. LONG. If any Senator thinks the Vinson bill provides for the payment of the bonus, he ought either to be disbarred as a lawyer, if he is a lawyer, or I ought to be for thinking as I do with regard to what it provides. Any lawyer who thinks the language of the Vinson bill provides for paying the bonus ought to be disbarred, or if he is right I ought to be disbarred for being incompetent. If the 48 representatives of the American Legion, or 48 Senators from 48 States, drew that bill intending that it was going to pay the soldiers' bonus they would have done better never to have met. I am told that the leaders of the American Legion were not in favor of the bonus anyway, but that their rank and file were in favor of it, and voted for it over their heads, and when the members voted for a bonus what soldiers' bonus bill were they voting for? They were voting for the bill which HUEY LONG offered in the Senate, because it was the only bill there was in the Senate, and that was the Patman bill. They were voting for the bill which WRIGHT PATMAN offered in the House, because it was the only bill pending in the House. Then after they had endorsed the soldiers' bonus, and the Patman bill at that time being the only bonus bill pending, 48 men—and the chances are that the majority of the 48 did not want the convention to vote for the bonus anyway—go off by themselves and draw them up something which they call a bonus bill. You might just as well label a witch an angel as to label the Vinson bill a bonus bill. The Senator from Washington [Mr. BONE] is exactly correct about it when he says that it is provided in the Vinson bill that "payment shall be made as hereinafter provided", and when we look further we find that it says, "We hereby authorize Congress to appropriate the money to pay the soldiers' bonus."

Mr. BONE. At some time!

Mr. LONG. At some time, somewhere, somehow. Does anyone mean to tell me that we need an act of Congress to authorize Congress to appropriate the money to pay the soldiers' bonus some time from now? What Member of the Senate is going to make any such statement as that?

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. Mr. President, I think it ought to be said, and the Senator should be informed, that before the Appropriations Committee is authorized to make any appropriation there has to be a law providing for that appropriation. It would be out of order to put an appropriation in this bill. This bill authorizes an appropriation, and whenever the Congress authorizes an appropriation it is in order for any Senator to move to provide for it.

Mr. LONG. Then we ought to have passed the relief bill first and later come along with an appropriation.

Mr. McKELLAR. We have done it in every case.

Mr. LONG. Oh, no.

Mr. McKELLAR. In every bill that is reported by the Appropriations Committee there must be an authority for the appropriation passed by Congress in order to make the money available.

Mr. LONG. The Senator does not mean to tell me that we have got to pass a bill and have it become a law before the Appropriations Committee can consider an appropriation for it.

Mr. McKELLAR. Of course, if the Senator is not familiar with the policy and practice, he is just not familiar with it, that is all.

Mr. LONG. According to that, the relief bill would have had to be passed first and then we would have had to pass another bill appropriating $4,880,000,000. That is not the law; nobody ever heard of such a law as that; at least, nobody else ever heard of it.

Mr. McKELLAR. The Senator is just ignorant about it.

Mr. LONG. Oh, no; the Senator from Tennessee does not understand what I am talking about.

Mr. COUZENS. May I ask the Senator from Tennessee to point out the authorization for the appropriation of $5,000,000,000 in the relief bill?

Mr. McKELLAR. That was purely a relief bill originating in the other House. The Senator knows, as I thought every other Senator knew, that before the Appropriations Committee has power to put an appropriation in a bill there must be some act of Congress authorizing the expenditure.

Mr. COUZENS. Will the Senator please give me the reference to the authorization for the money appropriated by the relief bill?

Mr. McKELLAR. I would have to look it up, because I do not know as to that particular measure. That bill was brought before the Senate while I was out of the country, and when I came here I found it pending. But under the rules of the Senate there must first be an authorization. The Senator will recall that the construction of Boulder Dam was first authorized and then afterward an appropriation was made; so as to every other bill there must be an authorization for the appropriation.

Mr. LONG. The payment of the bonus has already been authorized; these adjusted-compensation certificates have been authorized for about 7, 8, or 9 years. So we do not have to have another act to authorize Congress to pay them. If that is the kind of thing for which the Senator is contending, then I will say the bonus has been authorized for a period of 9 years. Why do we need another act authorizing Congress to do something that it has already been authorized to do?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Certainly the Senator from Louisiana is not contending that an authorization to pay the bonus in 1925 could be taken as authority for an appropriation to pay the bonus in 1935?

Mr. LONG. No; but the Senator from Louisiana is a lawyer, has practiced before most of the courts of the country, made a pretty good living, and did not have to have anybody before him to get any law practice, and he knows a legislative body can pass a bill and appropriate money for it at the same time. There is nothing in the Constitution of the United States and in no other constitution that ever held anything else, and no court on the face of the civilized or the uncivilized earth ever held to the contrary. You cannot hand us that hind teat; we will not take it. Senators come in here with a bill proposing to authorize the Congress to pay something that Congress was authorized to pay 10 years ago, and they hand that kind of a thing to us. I discern that an enormous amount of remarkable enthusiasm has been engendered here in favor of the Vinson bill since it has been found out that it does not propose to pay anything. It is remarkable how enthusiastic a certain bloc in the Senate that has always fought the bonus has suddenly become for the Vinson bill since the Senator from Washington rose and the Senator from Oklahoma rose and unmasked the whole performance. The minute the Senator from Oklahoma rose and the Senator from Washington rose behind him and showed that the Vinson bill provided specifically for nothing, that bill received remarkably enthusiastic support from the bloc in this body that always has voted against the bonus. It is remarkable, but, perhaps, is just one of those coincidences that a blind man can see and a deaf man can hear.

When I offered the bonus bill here the last time, the Patman bill, did anybody else offer any other kind of a bill? No; nothing of the kind happened. When the Representative from Texas offered his bill, did anyone else offer any other kind of a bill? Nothing of the kind happened. We are now trying to get for the boys who are lying in the hospitals and for those who are out of work, who went away with the flags flying and the bands playing, the right to be paid this money that the United States of America owes them, and we are met with one kind of a parliamentary strategy at one door and another club at another door and another one at another door, and we are told all the time just to put the money a little bit nearer the reach of the soldier, but never quite put it entirely in his grasp.

Is anybody going to contend that the Patman bill is not constitutional? No. On the contrary, everyone knows it is,

and the reason some of the Members of this body are not going to want to vote for the Patman bill is because of the fact that the Patman bill, if enacted, will pay the money which is due.

I went over on the Republican side this morning and I went around the Democratic side. I do not mind being seen over on the Republican side; I would just about as soon be seen with one of them as the other. There is only one difference between them. Whenever I see the Democratic leaders get up here and hear them make speeches cussing out the Republicans, and then the Republican leaders getting up and making speeches cussing out the Democrats, I am reminded of my old cousin, Jim Terrell, down in Louisiana, who told me about the time he thought his lawyer was going to whip his opponent's lawyer. It looked to him like his lawyer was going to jump on the other man's lawyer every minute; but the first thing he knew—after his lawsuit had been lost—he saw both his lawyer and the other man's lawyer go out and have a drink together, apparently as if there had never been any lawsuit. [Laughter.]

I have seen too much sham battling in the United States Senate. I come back from the woods. I know when the imagination touches me, imagination which the crude rudiments of refinement have never yet erased, and I know that we have got to have a majority of votes to provide specifically that the soldiers shall have this money paid to them or they are not ever going to get a 5-cent piece, and that if the Congress should adjourn after passing this nefarious bill they will not get a 5-cent piece. I will read from section 5:

There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

Now just hold on a minute. I am going to show the Senate something. If my friends from Missouri and Kentucky had not written this provision in the bill, as they did, it might have been that there would have been one chance out of a thousand to have paid this money from some unappropriated source or some money not otherwise appropriated, as was done in the case of the relief bill, but, oh, no, they provide:

The adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereafter provided in this act.

Inclusio unius est exclusio alterius.

Is that right, I will ask my friend from Illinois?

Mr. LEWIS. Not quite; but it is well meant. [Laughter.]

Mr. LONG. In other words, Mr. President, this act has specifically dedicated the particular sum, the particular manner, and none of it may be used except such as is described in the Vinson bill, and the Vinson bill says that a certificate shall be paid in the manner prescribed by this bill.

Inclusio unius est exclusio alterius.

What is the manner expressed by this bill? Here it is. My friend from Indiana is trying to compete with me in my quotation of Latin, but I am not going to let anybody into the RECORD now.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. The manner provided by this bill is set forth in sections 3 and 4, and not in section 5, to which the Senator from Louisiana has been referring. The manner provided in this bill is—

SEC. 3. (a) An application for payment under this act may be made and filed at any time before the maturity of the certificate (1) personally by the veterans, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed.

The authorization contained in section 5 does not purport to be the manner of paying the bonus prescribed in the other section. That comprises an authorization for the appropriation out of the Treasury that may be carried in any regular appropriation bill or be offered as an amendment on the floor to any regular appropriation bill.

Mr. LONG. Mr. President, sections 3 and 4 may be a part of it, but section 5 reads as follows:

There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. That is in exact accord with the rules of the Senate. Rule XVI, paragraph 2, has this to say on this very subject:

The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation.

And, of course, this is general legislation.

Mr. LONG. It is not new.

Mr. McKELLAR. It is not new, but it is general legislation.

Mr. LONG. That is not the question.

Mr. McKELLAR. The rule continues:

And if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation, a point of order may be made against the bill; and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

That has led to the uniform practice in the Senate that for every appropriation there must be authority; there is no escape from it.

Mr. LONG. Let me see the rule.

Mr. McKELLAR. I will show it to the Senator. It is just the usual, ordinary, everyday practice of the Senate.

Mr. LONG. The Senator had to get away from the rule and refer to some ordinary practice.

Mr. McKELLAR. No; I am not, because I am just as much in favor of the soldiers' bonus as is the Senator from Louisiana. I have time and again voted for the soldiers' bonus, and I will do so again.

Mr. BONE. Mr. President——

Mr. LONG. I yield to the Senator from Washington.

Mr. BONE. I asked the Senator from Louisiana to yield in order that I may direct a question to the Senator from Tennessee, who is a good parliamentarian.

Mr. McKELLAR. No; I am a very poor parliamentarian, but I know the practice of the Appropriations Committee, where I have served for a long time.

Mr. BONE. These suggestions are rather confusing to some of us who have not that familiarity with the rules bred by long association and experience with them. However, I have in my hand the Emergency Relief Act of 1935. There probably are provisions in it that I have not been able to put my finger on.

Mr. McKELLAR. My attention was called to it a few moments ago. I do not recall what the facts are about that particular bill.

Mr. BONE. With the consent of the Senator from Louisiana may I read this language to the Senator from Tennessee:

There is hereby appropriated out of any money in the Treasury not otherwise appropriated, $4,000,000,000.

Mr. McKELLAR. Similar language to that is in every appropriation bill. The $4,000,000,000 measure was an appropriation measure, purely an appropriation measure. Laws had been enacted previous to that time providing for public works and other things which were to be done with the money appropriated in that measure. That language is in every appropriation. That was an appropriation measure while the bill now before us is a legislative bill.

Mr. BONE. Mr. President, will the Senator from Louisiana yield a moment further?

Mr. LONG. I yield.

Mr. BONE. I understand that clearly enough, but the discussion has revolved around the proposition that there must be a preliminary law authorizing the appropriation. There was no bill preceding and no legislation preceding which authorized that $4,000,000,000 appropriation.

Mr. McKELLAR. Oh, yes; there was a great deal of legislation relating to public works. I do not remember that there was a specific authorization of a specific amount. We can appropriate whatever the Congress wants to appropriate.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. The question of jurisdiction of the committee comes into this matter. The Appropriations Committee cannot report to the Senate what is known as a "legislative bill." When it reports an appropriation bill presumably it is supposed to be a bill providing an authorization, but it does not have to do that.

With reference to the $4,000,000,000 Public Works bill, there had been no specific authorization covering the entire program contemplated by that measure. That was expected to be expended at once. It is the rule, which has been referred to by the Senator from Tennessee [Mr. MCKELLAR], that amendments to a general appropriation bill involving new legislation or substantive legislation are not in order. The committee itself could not report such amendments without having them subject to a point of order. There is a difference always between a mere authorization, which has to be followed by an appropriation, and the appropriation itself.

The Senator from Louisiana [Mr. LONG] seemed to catch the word "new" legislation as if this were new. Of course that is not the meaning of the rule. The word "new" applies to legislation which is not in existence or has not heretofore been enacted or authorized. The fact that it has been talked about for a century would not take it out of the definition of "new" as applied by the rule itself.

Mr. LONG. Mr. President, we have had a lot of argument about something that does not mean a thing in the world. What we finally get down to is that the Senator from Tennessee found that we had appropriated $4,800,000,000 and violated the rule he had in mind, and he did not know anything about it. If that is so, why worry about an appropriation in this instance? As a matter of fact, this proposed legislation is neither new nor general, because we have already committed ourselves to pay the bonus, and it is not general because it only applies to the ex-soldier.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. Certainly.

Mr. THOMAS of Oklahoma. On page 158 of the hearings General Hines testified that to pay the soldiers' bonus under the Vinson bill would necessitate an appropriation of $2,263,545,684. In order to test the desire and wishes of those in favor of the soldiers' bonus, I ask permission at this time, in the time of the Senator from Louisiana, to submit a new section to the Vinson bill and ask that it may be read at the desk.

Mr. LONG. I yield for that purpose.

Mr. BARKLEY. Mr. President, will the Senator yield further before the amendment is read?

Mr. LONG. Very well.

Mr. BARKLEY. Of course, the Senate has the power to change the nature of this section by striking out the word "authorized" and making it a direct appropriation.

Mr. LONG. We are doing that now. Listen to the amendment which has been offered by the Senator from Oklahoma.

The PRESIDENT pro tempore. The Senator from Oklahoma asks permission to have read a new section, which he proposes to offer to the so-called "Vinson bill."

The LEGISLATIVE CLERK. It is proposed to add a new section, as follows:

SEC. 6. There is hereby appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $2,263,545,684 to carry out the provisions of this act.

Mr. HARRISON. Mr. President, I make the point of order that the Senate cannot initiate an appropriation, and there is no authority of law.

The PRESIDENT pro tempore. It is the opinion of the Chair that there is no constitutional limitation upon the Senate to initiate an appropriation. The point of order is overruled.

Mr. LONG. Has the Chair ruled that we can offer the amendment?

The PRESIDENT pro tempore. That is the ruling of the Chair.

Mr. LONG. Then the next thing is to vote the appropriation. I know we will have no difficulty in doing that.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. THOMAS of Oklahoma. Has not the Senate at this time the privilege and the power to perfect the substitute known as the "Vinson bill"?

The PRESIDENT pro tempore. That is the opinion of the Chair.

Mr. THOMAS of Oklahoma. Then, if the Senator from Louisiana will yield for that purpose, I offer the amendment which has just been read.

Mr. LONG. I yield for that purpose.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oklahoma, which has just been read, to the amendment of the Senator from Missouri [Mr. CLARK] in the nature of a substitute.

Mr. LONG. Mr. President, I am sure my Republican friends will now be glad to vote for this appropriation. I am glad to see us strike this note of harmony. I want to thank my friend from Tennessee for the suggestion. We are all coming together now, either way the cat hops, to get the money for the soldier.

Unless there is opposition I am going to ask unanimous consent that the amendment be adopted. If there is no objection, I should like to have that done. I do not want to do that, however, with the Senator from Missouri [Mr. CLARK] absent. I will ask that the Senator from Missouri be sent for. I am sure he will be happy to have this done; it will avoid some trouble.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. Do I understand the Senator to ask unanimous consent that the amendment be considered as adopted?

Mr. LONG. If there is no objection.

Mr. BARKLEY. It is not the customary way of adopting amendments. Senators will want to vote on it. We do not adopt amendments by unanimous consent, except mere formal amendments.

Mr. LONG. It is only a formal amendment. It involves only $2,000,000,000. [Laughter.]

Mr. BARKLEY. That would be regarded by the Senator from Louisiana probably as a mere pro forma amendment, like striking out the last word, as is done in the House, though we have no rule allowing that in the Senate.

Mr. LONG. But the bill authorizes the appropriation, authorizes the Congress to make the appropriation, and the Senator from Tennessee explained to us that this is only formal. I do not want to be debating a useless matter. If we are all agreed that we will perfect the Vinson bill by this amendment making provision for the appropriation, then I should not be consuming time and arguing a matter on which we are all agreed.

Would the Senator from Kentucky oppose the amendment?

Mr. BARKLEY. I do not have to answer the Senator from Louisiana whether I oppose or approve the amendment. If it is to be adopted, it ought to be voted on and not agreed to by unanimous consent. Such a request is a little bit out of the ordinary. I believe in pursuing the ordinary course.

Mr. LONG. I am not going to delay the matter.

Mr. BARKLEY. Frankly, if the Vinson bill, or any other bill, is to be passed to pay the bonus, I think it ought to provide for a direct appropriation to pay it——

Mr. LONG. That is right.

Mr. BARKLEY. Although there is a good deal to be said in favor of the authorization. The direct appropriation assumes that everybody is going to apply for payment of the bonus and, therefore, the maximum amount would be carried in the appropriation, whereas it might be that only half

of the number would apply or only half of the amount would be needed.

Mr. LONG. That is true.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. In offering the amendment, I do not disturb section 5, which is the authorization provision. If the bill should become a law, it would carry the authorization, and then the next section would make the appropriation. Following the suggestion of the Senator from Kentucky, I desire to modify my amendment to include certain words, and I will ask to have the modified amendment read.

The PRESIDENT pro tempore. The amendment, as modified, will be read.

The LEGISLATIVE CLERK. The Senator from Oklahoma modifies his amendment by inserting after the numerals the words " or so much thereof as may be necessary ", so as to make the section read:

SEC. 6. There is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $2,263,545,184, or so much thereof as may be necessary, to carry out the provisions of this act.

Mr. BARKLEY. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG. I yield.

Mr. BARKLEY. If this is to be a direct appropriation, there is no need to have an authorization for it. It is perfectly silly to have one section authorizing the appropriation and the next succeeding section making the appropriation. There is no need to make two bites of it. If it is to be an appropriation, it ought to be an appropriation, and there is no need for an authorization.

Mr. LONG. It does not hurt anybody's feelings to have the authorization.

Mr. BARKLEY. In the interest of economy it ought not to be stated twice unless it is necessary. It will require considerable economy to work out the proposition.

Mr. LONG. It does not hurt anybody's feelings. I do not want to delay a vote on the pending amendment which has been offered by the Senator from Oklahoma. I should want to be heard on the matter otherwise, but I should like to have a vote on the amendment now.

Mr. THOMAS of Oklahoma. On my amendment I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the request seconded?

Mr. LONG. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Radcliffe
Ashurst	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Lonergan	Schall
Bankhead	Dickinson	Long	Schwellenbach
Barkley	Dieterich	McAdoo	Sheppard
Bilbo	Donahey	McCarran	Shipstead
Black	Fletcher	McGill	Smith
Bone	Frazier	McKellar	Steiwer
Borah	Gerry	McNary	Thomas, Okla.
Brown	Gibson	Metcalf	Thomas, Utah
Bulkley	Glass	Minton	Townsend
Bulow	Gore	Moore	Trammell
Burke	Hale	Murphy	Truman
Byrd	Harrison	Murray	Tydings
Byrnes	Hastings	Neely	Vandenberg
Capper	Hatch	Norris	Van Nuys
Caraway	Hayden	Nye	Wagner
Carey	Johnson	Overton	Walsh
Clark	Keyes	Pittman	White
Connally	King	Pope	

Mr. LEWIS. I reannounce the absence of certain Senators, and the reasons therefor, as given by me on the previous roll call.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

Mr. CLARK. Mr. President, while I do not by any means agree with the view of the Senator from Oklahoma as to the nugatory effect of a mere authorization as against an appropriation—because, to my mind, that is the orderly legislative method of proceeding—so far as I am concerned I am perfectly willing to accept the amendment and make this an appropriation instead of an authorization.

Mr. LEWIS. Mr. President, at this point may I be pardoned for interrupting the Senator?

Mr. CLARK. I yield to the Senator from Illinois.

Mr. LEWIS. I desire to ask if it be not true that under this amendment the bill would carry more money than would be carried under the Patman bill?

Mr. CLARK. I will say to the Senator from Illinois that that statement is perfectly correct. The Vinson bill carries something like $100,000,000 more than the Patman bill. Of course, the Harrison bill carries very much less than either one of the others.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Kentucky.

Mr. BARKLEY. As I suggested a moment ago to the Senator from Louisiana, I suppose, of course, none of this money will be paid out to an ex-service man who does not apply for it.

Mr. CLARK. That is provided in the bill.

Mr. BARKLEY. I understand; but if the Senator should accept the amendment to his own substitute, and it should be agreed to, there would be a possibility of our finding ourselves in the position of appropriating millions of dollars more than would ever be called for by the ex-service men. Therefore, it would seem more orderly to make the authorization, and have the money appropriated as it is needed from time to time and called for by the ex-service men.

Mr. CLARK. I will say to the Senator from Kentucky that, so far as I am concerned, I think the orderly, regular process of making an authorization, and then having the appropriations brought in by the Appropriations Committee from time to time in due course, which is uniformly followed in the Congress, is preferable to the plan proposed by the amendment of the Senator from Oklahoma; but since there is a very wide-spread belief that to take two bites of the cherry in this particular case would tend toward delay, and that following the precedent set on the public works joint resolution it is desirable to make an outright appropriation, I am willing, so far as I am concerned, to accept the amendment of the Senator from Oklahoma.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the amendment offered by the Senator from Missouri [Mr. CLARK], in the nature of a substitute for the amendment reported by the committee.

Mr. HARRISON. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. CUTTING]. Has that Senator voted?

The PRESIDENT pro tempore. He has not.

Mr. GLASS. Then I shall have to withhold my vote. If at liberty to vote, I should vote " nay."

The roll call was concluded.

Mr. MURRAY. My colleague the senior Senator from Montana [Mr. WHEELER] is compelled to be absent. If he were present, he would vote " yea."

Mr. LEWIS. I regret to announce that the senior Senator from North Carolina [Mr. BAILEY] is detained on account of illness in his family; and the Senator from Connecticut [Mr. MALONEY] is detained on account of illness.

The Senator from Wisconsin [Mr. DUFFY] is detained at a conference at the White House. I am advised that if present and voting he would vote " yea."

The Senator from Georgia [Mr. GEORGE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are unavoidably detained from the Senate.

The Senator from North Carolina [Mr. REYNOLDS] is necessarily absent on an official mission of the Senate to the Virgin Islands.

Mr. AUSTIN. I announce the following general pairs:

The Senator from New Jersey [Mr. BARBOUR] with the Senator from North Carolina [Mr. REYNOLDS]; and

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Wyoming [Mr. O'MAHONEY].

I am not advised how any of these Senators would vote on this question.

I also announce the necessary absence of the Senator from South Dakota [Mr. NORBECK].

The result was announced—yeas 57, nays 23, as follows:

YEAS—57

Adams	Coolidge	McAdoo	Schall
Austin	Copeland	McCarran	Schwellenbach
Bachman	Costigan	McGill	Sheppard
Bankhead	Dickinson	McKellar	Shipstead
Bilbo	Dieterich	Minton	Smith
Black	Donahey	Murphy	Steiwer
Bone	Frazier	Murray	Thomas, Okla.
Borah	Gibson	Neely	Thomas, Utah
Bulkley	Hastings	Norris	Townsend
Bulow	Hatch	Nye	Trammell
Byrnes	La Follette	Overton	Truman
Capper	Lewis	Pittman	Vandenberg
Caraway	Logan	Pope	Van Nuys
Carey	Long	Russell	White
Clark			

NAYS—23

Ashurst	Couzens	Johnson	Moore
Barkley	Fletcher	Keyes	Radcliffe
Brown	Gerry	King	Robinson
Burke	Hale	Lonergan	Tydings
Byrd	Harrison	McNary	Walsh
Connally	Hayden	Metcalf	

NOT VOTING—15

Bailey	Duffy	Guffey	Reynolds
Barbour	George	Maloney	Wagner
Cutting	Glass	Norbeck	Wheeler
Davis	Gore	O'Mahoney	

So the amendment of Mr. THOMAS of Oklahoma to the amendment of Mr. CLARK in the nature of a substitute for the amendment reported by the committee was agreed to.

Mr. GORE. Mr. President, I did not vote on the roll call which has just been concluded. When it began, I was seeking to offer an amendment to the amendment proposed by my colleague [Mr. THOMAS].

I will have the proposed amendment read. My amendment would have given the President the power and the discretion to pay the bonus out of the moneys heretofore appropriated under the $5,000,000,0000 relief measure. If I could have offered my amendment and it had been agreed to, then I would have voted for the amendment of my colleague as so amended.

I should like to have the amendment read into the RECORD, in order that Senators may see what I have in mind.

The PRESIDENT pro tempore. The clerk will read.

The legislative clerk read the proposed amendment, as follows:

SEC. —. Notwithstanding any other provision contained in this act, the President is hereby granted the power and the option to make payment of such adjusted-service certificates—with the consent of the owner—in whole or in part—in cash or partly in cash or partly in bonds, immediately or on the installment plan (less in any case of payment in full the amount of any loan or indebtedness secured by such certificate) and in order to make such payments the President is authorized to make use of any unexpended balance, not exceeding $1,700,000,000 of the moneys appropriated in Public, No. 11, Seventy-fourth Congress, making provision for relief purposes, approved April 8, 1935.

Mr. GORE. Mr. President, in the committee I offered this amendment to the bill which was reported, the Harrison bill. It was rejected by the committee. As I stated a moment ago, I was seeking an opportunity to offer this as an amendment to the amendment of my colleague, when the roll call began.

Mr. THOMAS of Oklahoma. Mr. President, is an amendment pending before the Senate?

The PRESIDENT pro tempore. The question now is on the amendment in the nature of a substitute, offered by the Senator from Missouri [Mr. CLARK], as amended.

Mr. THOMAS of Oklahoma. Mr. President, I have just been advised by the representatives of the Veterans' Administration that the Vinson bill does not provide for transferring the money now in the adjusted-service-certificate fund, and if the bonus is to be paid, of course, that fund should be made available and transferred to the regular fund, from which payments may be made.

Because of this condition, I offer a new section, to become section 7, which I now ask to have reported.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add a new section, as follows:

SEC. 7. In addition to all other purposes for which it is available, the adjusted-service certificate fund is hereby made available for any payment authorized by this act.

Mr. HARRISON. Mr. President, I have conferred with the representatives of the Veterans' Administration, and if there is a possibility or probability that the so-called "substitute" which is now being perfected will be agreed to, such a provision as this ought to go into it. Therefore, so far as I am concerned, I have no objection to it.

Mr. CLARK. Mr. President, I am entirely willing to accept the amendment. I think it is desirable and necessary.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment, as amended, of the Senator from Missouri [Mr. CLARK] in the nature of a substitute for the amendment of the committee.

Mr. HARRISON. Mr. President, before the vote is taken I wish to occupy the time of the Senate for merely a moment.

The Committee on Finance has reported the amendment to which the amendment of the Senator from Missouri [Mr. CLARK] is offered as a substitute, in the belief and in the full confidence that if it should be agreed to by the Congress the bill would be signed by the President of the United States.

I say without question that if the so-called "Vinson bill" shall be passed it will be vetoed by the President of the United States and the matter will be back here in our hands.

If the Senate desires to engage in a sham battle by voting for a proposition, and have it sent back as the result of a Presidential veto, which will not be overridden by the Senate, the ex-service men will get nothing. On the contrary, if the proposal now offered shall be defeated and the recommendation of the Finance Committee shall prevail, there will be a law upon the statute books, for I say with full confidence that the bill will be signed by the President of the United States.

Mr. President, that is all I desire to say. I hope that the substitute will be defeated.

Mr. LONG. Mr. President, I have sought the advice of my friends on this side of the Chamber, and some on the other side, and they tell me now that we are all in favor of the amendment of the Senator from Missouri to the committee amendment known as the "Harrison bill." We now favor the Vinson bill as a substitute for the Harrison bill. I shall vote "yea" on this question, and the Senator from Oklahoma tells me he will vote "yea." In other words, we are going to get the bonus paid. Whether we have the Patman bill or the Vinson bill, the bonus is going to be paid if we vote "yea" and adopt either one of these bills.

After we have adopted this amendment we will have a chance to say which we prefer as between the Patman and the Vinson bills, but now, since the Senator from Missouri has met us more than halfway, we ought to be with him and vote in favor of the Vinson substitute for the Harrison bill.

Mr. GORE rose.

The PRESIDENT pro tempore. Does the Senator from Oklahoma desire to be recognized?

Mr. GORE. Mr. President, I have no remarks to make, but I desire to offer an amendment to the pending amendment.

The PRESIDENT pro tempore. The Senator will present his amendment.

Mr. GORE. I present an amendment to be inserted as a new title. I will ask the Senator from Missouri to pay special attention to the amendment as it is read. Perhaps he will be willing to accept it.

The PRESIDENT pro tempore. The clerk will state the amendment to the amendment.

The CHIEF CLERK. At the end of the amendment, as amended, of Mr. CLARK it is proposed to insert the following:

TITLE II

SECTION 201. That the President is authorized to enter into agreements with the several foreign governments which are indebted to the United States to readjust such indebtedness, or to refund or convert in pursuance of such agreements the bonds or other obligations of such governments now held by the United States, and to obtain immediate payment of a portion of such readjusted indebtedness in accordance with the provisions of section 202 of this act.

SEC. 202. The first condition of any such agreement shall be that the foreign government entering into the same shall, prior to November 11, 1935, pay or make provision for the payment of, in such form as may be agreed upon, a sum which bears the same proportion to $1,750,000,000 that the readjusted indebtedness of such government bears to the total readjusted indebtedness of foreign governments to the United States, made hereunder or such other sum as may be agreed to by the President. Such sum or any part thereof when collected or realized shall be used as far as necessary or available to pay the difference between the amount paid on said adjusted-service certificates, respectively, in pursuance of title I hereof and the face value of such certificates less, in any case of payment in full, the amount of any loan or indebtedness secured by such certificate as provided in section 3 of title I of this act: *Provided*, That any part of such sum not required and used for such purpose shall be used to redeem the bonds issued in pursuance of title I of this act.

SEC. 203. The President is further authorized to agree to accept from any foreign government which shall comply with the preceding section full or partial payment, or security for payment, of any balance of the readjusted indebtedness which may be agreed upon in any or all of the following forms:

(a) By the delivery of bonds of such government, or other acceptable securities, to the United States, which bonds shall not be sold or disposed by the United States except when the United States is in a state of war as the result of a formal declaration by Congress.

(b) By guaranteed credits in the central bank of the signatory power or such other bank as may be agreed upon, said credits to be available and availed of by the United States only when in such a state of war.

(c) By selling or supplying to the United States, when in such a state of war, ships or shipping facilities or munitions or other military equipment or supplies, at a price not in excess of the cost of production in the country producing and supplying the same, in an amount agreed upon in pursuance of this act.

SEC. 204. The President is authorized to enter into a special agreement with Great Britain to readjust the amount of its indebtedness to the United States so that the ratio of reduction of its original indebtedness will be the same as that heretofore applied in revising and refunding the indebtedness owed to the United States by the Republic of France, upon condition that the Government of Great Britain stipulate to provide or supply the United States, when the latter is engaged in war, with tin and rubber at prices prevailing at the time of delivery. Nothing in this section shall be construed to prohibit a further readjustment of the indebtedness of Great Britain in accordance with the preceding sections of this act.

SEC. 205. Whenever the President shall enter into an agreement with any foreign government in pursuance of this title he shall then and thereupon be authorized to suspend the operation of Public, No. 151, Seventy-third Congress (the Johnson Act), respecting such government and its nationals, so long as, and only so long as, he shall find it consistent with the public interest to do so, and he shall have authority to prescribe suitable rules and regulations to carry into effect the provisions of this section.

SEC. 206. The President is authorized to prescribe the necessary and proper rules and regulations to carry into effect the provisions of this title.

Mr. CLARK. Mr. President, let me say that, so far as I am personally concerned, I am entirely in sympathy with the purpose sought to be achieved by the amendment of the Senator from Oklahoma [Mr. GORE]. However, in view of the fact that a large number of Senators are interested in the substitute which I have proposed for the committee amendment, I do not feel that I individually am justified in accepting an amendment which introduces another and highly controversial subject. Therefore, much as I am in sympathy with the aim of the Senator from Oklahoma, I shall be forced to vote against the amendment.

Mr. LEWIS. Mr. President, I have from time to time brought to the attention of the Senate my wish to have the debts due us from foreign governments paid. I have often gone so far as to cast criticism on the governments which have deferred payment, and others which have declined to pay either principal or interest.

Mr. President, it will be recalled by the able Senator from Oklahoma [Mr. GORE], who presents the pending amendment, that we have an act of Congress which forbids the settlement of these debts except by the act and action of Congress. The eminent Senator from Oklahoma now tenders an amendment which carries with it directions that we shall have commercial dealings and international and diplomatic dealings, which I feel, sir, tend a great deal directly to oppose the action which we have taken with regard to the payment of the debts. We are by this proposition of the Senator from Oklahoma asked to cancel part of the debts and compromise the remainder.

I respectfully suggest that the President may be authorized to enter into any arrangement looking to the payment of these debts which he feels the best, and any adjustment he feels the most appropriate, and from which shall be obtained for the Government the largest sum of money. Then such conclusion will have to be submitted to the whole Congress. The proposition would have to be adopted or rejected according to the previous law which Congress passed on the subject.

To present this particular amendment at this time to the present measure would involve the measure in complication to such an extent that I feel it would hold up its passage, and that there would be debate on the subject which would hold up the final consideration of the measure for a considerable portion of the remainder of the immediate session of Congress.

On the other hand, I feel it offers a qualification or limitation in behalf of these debts which I cannot accept. I feel that the foreign government debtors should pay the debts as contracted, unless the President of the United States for reasons submitted to this honorable body and ratified, should conclude to the contrary, and that conclusion could not be binding unless we, as Congress, should wish to adopt it.

I respectfully protest against anything which would deprive Congress of the right to collect the foreign debts as contracted. The measure presented by the honorable Senator from Oklahoma, if added to the bonus bill, will prevent this body and the whole Congress from giving due and proper consideration to a separate subject. For that reason, as much as I should be glad to give my approval to any proposition presented by the Senator from Oklahoma, I take the liberty of opposing the amendment that would release or reduce the payment of these debts.

Mr. GORE. Mr. President, I shall detain the Senate but a moment. This amendment was drawn with the intention of offering it to the Harrison bill itself. It would have to be modified before it would be strictly in order with reference to the pending amendment.

I entirely agree with the Senator from Illinois that the debtor nations ought to pay their debts. I think debtors generally ought to pay their debts.

Mr. President, nothing is more certain than that these debtor nations will never pay these debts in full. That is a fixed fact.

It is equally certain that the Congress of the United States will never cancel these debts outright. That is a fixed fact.

It is no less certain that these debts obstruct and choke the channels of international trade. They obstruct commerce. They hinder recovery. They are like debris in the avenues of international trade and commerce. The present status militates against the debtors and it militates against the United States as a creditor nation. It serves the interests of neither.

We ought to look the facts in the face. We are now in a dilemma from which there seems little if any escape.

The amendment which I have offered empowers the President to enter into agreements with the debtor nations, the one fixed condition being that they pay or provide cash enough to retire the adjusted-service certificates.

If the debtor nations will pay anything they will pay the certificates held by the men who fought and bled in their defense. If the debtor nations will not pay those they will not pay anything, and if that be true, the sooner we know the truth the better. There is no point in deceiving ourselves, and there is no point in continuing a condition which does not injure our debtors alone. If it injured them alone,

that would raise a different question and might suggest a different policy.

The existing situation with reference to foreign government debts militates against the United States. It obstructs our commerce. It hinders our recovery. It protracts this depression. It is neither the part of wisdom nor statesmanship to perpetuate a condition which injures everybody and serves no one.

In addition to that, if I may be indulged so unusual a remark—if the President, through negotiation, could prevail on the debtor countries to provide cash enough to retire these adjusted-service certificates it would obviate the necessity of imposing additional taxes upon the American taxpayers. It would relieve them of this burden. I doubt not that the Senators themselves would rather see the debtor nations provide the means and ways of payment than to impose this additional obligation on their government, their fellow citizens, the overburdened taxpayers of the United States.

Let me repeat, if I may do so, that I for one want to take the "ax" out of "tax" and take the ax off the necks of the American taxpayer. I doubt not that in that sentiment the soldiers will agree with me.

If my amendment were adopted I could vote for the pending measure.

Mr. ROBINSON. Mr. President, the amendment which has been proposed by the Senator from Oklahoma [Mr. GORE] relates to a subject matter entirely different from that which is involved in the legislation the Senate is now considering. Moreover, it concerns a subject matter of the very greatest importance. It has not been considered or passed upon by any standing committee of the Senate.

I doubt whether the Senate should authorize the cancelation of the greater portion of existing war debts due this Government from other nations upon the conditions stated in the amendment. It may be true that it will never be possible to collect the full amount of those debts; it may be true that the existence of the obligations tends to interfere with international commerce; but it is also true that the burden of those obligations must be borne by someone. If the obligations are not to be paid by the governments that entered into them, then the taxpayers of the United States must indirectly meet them. I am wondering if it is proposed to premiumize the cancelation of the larger portion of these obligations, called war debts, in order to provide another method by which the funds necessary to pay the bonus may be secured?

I do not believe that a subject of this importance should be acted upon without full measure of consideration by a standing committee of the Senate. To say, as this amendment appears to say—an amendment which few, if any, Senators had read when it was submitted to the Senate—that if we can just be sure to get enough money from our foreign debtors with which to pay the adjusted-compensation certificates, the remainder of the debts may be wiped out if at this particular time a better arrangement cannot be made, I think would be rank folly, and I register my protest against it.

Mr. GORE. Mr. President, let me suggest to other Senators who may not have had an opportunity to analyze this amendment that if the Senator from Arkansas had had such an opportunity he would not have made the statement which has just fallen from his lips. This amendment vests in the President entire authority to readjust the debts, and I am assuming that the President would drive a fairly good bargain, in the light of all the circumstances.

If the Senator will note section 203, it is there provided how payment of the balance of the debts may be provided for. It authorizes the President to accept securities of the other governments, or other acceptable securities, guaranteed credits of the central banks of the debtor countries, and it also contains the provision that the President may stipulate that such countries in time of war shall supply the United States with munitions, equipment, arms, and vessels, at a price not to exceed the cost of the supplies furnished.

The Senator's conclusion that this amendment contemplates a limitation of the payments to an amount adequate and only adequate to discharge the adjusted-service certificates is not warranted by the text of the amendment, and certainly was not in my contemplation when I offered it. Every safeguard is provided to enable the President to make the best bargain possible that would conclude this vexatious matter and give us an opportunity to reembark on the highway of recovery.

Mr. LEWIS. Mr. President——

Mr. ROBINSON. Mr. President, in reply to the Senator from Oklahoma, let it be said that I did not assert that the President would be under obligation to accept any definite sum. The implication of the amendment is that he shall make the best bargain that he can and bring the subject of the war debts to a conclusion.

There is an existing statute which forbids the Executive to enter into any arrangement or to make any adjustment concerning war debts without the consent of Congress.

I have no doubt that if the obligation should be imposed upon the President or if the authority should be granted him he would do the best that could be done; but before passing legislation of this character, there should be thought and consideration given to its terms. It is not a subject that can be determined in a few moments. It is a matter of very great importance. I do not think I care to submit anything further, and I yield the floor to the Senator from Illinois unless he wishes to address a question to me.

Mr. LEWIS. Mr. President, I reply to the query of the Senator. I do not wish to address a query to the able leader from Arkansas but simply to make some observations for the consideration of the Senate and of the Senator from Oklahoma. As the Senator from Arkansas has pointed out, we have a statute which practically forbids the form of adjustment proposed by the Senator from Oklahoma, which calls for payment and denies the right of any arrangement other than payment.

I also call the attention of the able Senator from Oklahoma to the fact that should an arrangement be made by any source whatever that looked to payment to this country by a foreign country in the form of ammunition necessary to supply us in time of war, we would place ourselves at the mercy of a foreign country which might at the time of conflict be an ally of the very nation assailing us. But more sad is it to contemplate that the time shall ever come when in a conflict we must depend upon some other country, to wit, a foreign country, to provide us the means necessary to our defense. It would lead us where we would have such complaints by us against such foreign country for failure to comply on time and of quantity necessary and would otherwise so involve us that, instead of aiding us in war, it would multiply toward dangerous conditions and desperate situations beyond our capacity to describe.

The eminent Senator will realize that one of the methods suggested by his well-meant amendment would carry this country into a conflict beyond the calculations of the Senate either to anticipate its serious results or in any wise to control its operations or fatal consequences.

Mr. ROBINSON. Mr. President——

Mr. LEWIS. I yield to the Senator from Arkansas.

Mr. ROBINSON. The provision referred to by the Senator from Illinois illustrates the point that I attempted to make a few moments ago, namely, that legislation of this character and importance ought to be studied by a committee; but there is another provision which should be noted.

I point out now that subparagraph (a) on page 3 declares:

> (a) By the delivery of bonds of such government, or other acceptable securities, to the United States, which bonds shall not be sold or disposed by the United States except when the United States is in a state of war as the result of a formal declaration by Congress.

I do not know what implication would be given to other governments and peoples by the adoption of language of that character. It apparently puts the United States into the position of seeking to make readjustment of the war debts with a view of preparing for some international con-

flict. I am sure that was not in the mind of the Senator who prepared and offered the amendment, but in addition to what the Senator from Illinois has pointed out, it does carry an implication that I think the Congress should avoid in its legislation.

This is a rather difficult time; international relations between many governments and peoples are strained almost to the breaking point, and now for the Congress to say that it will take bonds from the debtor nations and that such bonds shall never be sold except while we are in war and may be used for the purpose of trading for ammunition and munitions, I think is calculated to disturb the peace.

Mr. GORE rose.

Mr. LONG. Mr. President——

Mr. LEWIS. Mr. President, the Senator from Illinois has the floor.

Mr. LONG. Will the Senator from Illinois yield to me?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. LEWIS. Certainly. The Senator from Illinois gladly yields to the Senator from Louisiana, as he has to the Senator from Arkansas and will to the Senator from Oklahoma [Mr. GORE] if he so desires.

Mr. LONG. I wish to say to my friends from Illinois and Arkansas that my understanding is that the friends of the bonus are opposed to this amendment being tacked onto this bill.

Mr. ROBINSON. Mr. President, I do not know by what authority the Senator from Louisiana represents the friends of the bonus or speaks for them, but I felt it my duty to point out the considerations I have expressed.

Mr. LONG. The only authority I have is that the Senator from Oklahoma and the Senator from Missouri have indicated to me that they did not want to confuse this bill with anything else.

Mr. LEWIS. Mr. President, if I may conclude my observations——

Mr. CLARK. Will the Senator from Illinois yield to me for just a moment?

Mr. LEWIS. I yield.

Mr. CLARK. I should like to state my position. I am opposed to the bonus issue being beclouded or entangled with any other issue, either the issue of printing-press money or the issue of foreign debts or any other extraneous or controversial question.

Mr. LEWIS. Mr. President, I shall conclude unless the Senator from Oklahoma desires to interrupt me. I will yield to him if he does.

Mr. GORE. I do not care to interrupt.

Mr. LEWIS. Mr. President, I wish to add a further suggestion, which I trust may not be misunderstood beyond its exact phrase and exact utterance. I have seen, so far as I am concerned, apart from the suggestions and reason for opposition I have already expressed, that in this amendment we would become dependent upon foreign countries for munitions and instrumentalities in the event we should become involved in war. I am compelled to hark back to the fact that foreign governments which have failed to pay us the money they owe us and have gone so far as even to refuse to acknowledge the obligations and then have refrained from making any payment of any kind whatsoever upon them. As matters of the world exist, to use the words of the Senator from Arkansas, the nations are in a taut and drawn state all over the world.

For this reason and other reasons stated by me it is a matter of mere self-preservation of our Nation. Therefore in a moment of such turmoil and confusion as would be afflicted upon us by war we should express our independence. Our position must remain one of demanding of debtors payment of our debts due, stand on our proven national honor as we demand America shall remain American.

Mr. GORE. Mr. President, I offer the amendment at this time on account of the parliamentary turn the situation has taken. I should like for it to receive further consideration. I am satisfied if Senators understood it they would take a more favorable view toward it, because it would extricate us from a dilemma from which I am unable to conceive any other easy means of escape, a dilemma from which it is desired, from our own standpoint and from the standpoint of other nations concerned, that some sort of honorable way should be found to extricate us and to extricate other nations.

Of course, the Senator from Illinois [Mr. LEWIS] speaks correctly when he says the House offered an amendment to the moratorium bill, which became a law, that no further cancelation of debts should be made. That is entirely true, but that did not bind the hands of this Congress. If this measure should pass with my amendment incorporated in it it would supersede that measure, and that measure then would have no effect.

The point made by the Senator from Illinois that we ought not to rely in any measure upon securing munitions from other countries in time of war, in the hour of need or peril, certainly has no foundation either in fact or in history. During the recent World War, prior to the entry of the United States into that conflict, the leading powers purchased munitions from the United States—billions and multiplied billions. Is there any reason why they should not have done so? Certainly at that time there was no reason why we should not have made the sale under the then existing law. For a belligerent power to purchase munitions from a neutral in time of war has a thousand precedents. There is nothing in international law, in history, or in common sense to militate against such purchase.

So far as the further comments of the Senator from Arkansas [Mr. ROBINSON] are concerned, that these securities were to be disposed of in time of war and only in time of war, the three alternatives I mentioned a few moments ago each contain that provision, that they shall be availed of in time of war. It is not a new thing under the sun. It is not unprecedented. It has the sanction of precedent and of experience for nations to build up a sort of war chest in time of peace to be availed of in time of war. My idea is that this could be constituted into a sort of a war chest, a floating credit or a floating reserve, to be availed of in time of war, in time of exigency, when time should be the essence of security; that it could then be availed of.

Even those provisions are not mandatory upon the President. They are only permissive and suggestive. He need not resort to any of those measures with relation to the balance of the payment due after the acceptance of enough cash to make payment of the adjusted-service certificates. I have no doubt the President, if vested with this power, would make wise and judicious use of it, if he made use of it at all.

Mr. MCADOO. Mr. President, I desire to express my emphatic dissent from some of the views expressed by my distinguished colleague the Senator from Oklahoma [Mr. GORE] upon this important question. I also wish to express my emphatic opposition to any such action as he proposes on the part of the Senate.

He speaks of the United States as being in a dilemma with respect to the foreign debts. I cannot see where we are in any dilemma as to those debts. He talks about extricating us from our dilemma. What he proposes will extricate our debtors from their dilemma. I am opposed to extricating them by cancelation of the debts, which they justly owe to this Government for help rendered to them in a time of national peril, help which brought to them the salvation of their very existence as nations.

It is my purpose, at some future date, to address the Senate upon the question of these foreign debts.

The amendment of the Senator from Oklahoma implies the entering into new agreements by the President of the United States with the defaulting nations. What assurance, if we made another agreement with them, have we that they would keep it so long as they have repudiated the most sacred obligation which they could possibly have incurred by the execution of agreements with the United States to repay the loans made to them—loans reduced with extraordinary generosity by the United States? We have no assur-

ance whatever that they would keep any other agreements they might make with us.

In this connection I wish to say that the fact that they owe us these debts, which they are not paying, is not congesting the arteries of international trade as suggested by my able colleague [Mr. GORE]. It is not affecting our international trade except insofar as our debtors may be using that fact to boycott, in a sense, commerce with the United States.

For my part, I believe these debts will yet be paid if we continue to maintain the position of self-respect and dignity which has thus far characterized our attitude.

We made compromise settlements, much to the advantage of the debtor nations. They have repudiated these compromises. I would consider it a humiliation to go to them as supplicants for a partial payment of their debts upon the theory that, in that and in no other way, can this Nation pay a debt which it owes to its own soldiers. Our soldiers gave their lives and their blood to help save these foreign nations from defeat during the World War and we should pay the debt we owe them, regardless of what other nations may do about their indebtedness to us.

Mr. LEWIS. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Illinois?

Mr. McADOO. I yield.

Mr. LEWIS. Will the able Senator from California, formerly an eminent Secretary of the Treasury, give me information with respect to his purpose to address the Senate fully upon the payment of the foreign debts? May I ask that at the same time he will take occasion to discuss both the former presence and the present absence of securities which were heretofore held as security for those debts and which have been transferred from their places?

Mr. McADOO. Mr. President, I may say in answer to my distinguished colleague from Illinois that I hope his question does not imply that any such securities were transferred during my term as Secretary of the Treasury.

In the settlement of the foreign debts by the War Debt Refunding Commission it may be that the securities to which I think the Senator alludes—though he has not given any desecription of them—were released in the general settlement which was made with one of our debtors, whether by authority of Congress or otherwise I do not know.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Minnesota?

Mr. McADOO. I yield.

Mr. SHIPSTEAD. As a result of, and according to, the debt-settlement agreements there should have been deposited in the Treasury certain bonds of various denominations of the respective debtor countries. According to agreement those countries bound themselves to refund them with new issues which could be sold to the general public, whenever they were requested by the Secretary of the Treasury of the United States so to do. In view of the question of the Senator from Illinois [Mr. LEWIS], which the Senator from California answered, does the Senator mean to imply that those securities, which were in the Treasury when he left the Treasury, have been removed and new issues have not been substituted according to agreement?

Mr. McADOO. I will say to the able Senator from Minnesota that my remarks carry no such implication.

I can only repeat what I said in answer to the question of the distinguished Senator from Illinois [Mr. LEWIS], that as I recall the facts, without having recently examined them, the Treasury held collateral security for the payment of a certain portion of the debt of one of the great powers to this country. When the debt settlement was effected with that power under the Harding administration, those securities were surrendered, and the general obligations of that government were taken in lieu thereof. I do not know whether or not there was express authority for that particular phase of the settlement; but I am looking into it, and when I am ready to speak on the subject of foreign debts I shall be glad to disclose the facts which I may discover.

Mr. SHIPSTEAD. Mr. President, will the Senator yield again?

Mr. McADOO. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Assuming that new securities were deposited in the Treasury in lieu of the former ones, does not the Senator think it would be well, if we could get no other settlement, that the Treasury ask the debtor governments to give us, in exchange for what we have, new securities in such denominations as could be sold on the various money markets of the world?

Mr. McADOO. I agree with the Senator from Minnesota that that should be done, and should have been done long since; but I understand that no demand has ever been made upon any one of our debtors for the issuance to the Treasury of bonds or securities in such denominations and of such character as we are entitled to demand under the debt-settlement agreements.

On the question of munitions and supplies as proposed in the Gore amendment, if we should enter into any such agreement with any of the powers, and we subsequently became involved in war, I think the contracting power would find itself in the position of a belligerent in short order if it attempted to supply arms and munitions under such an agreement. It would be wholly incompatible with neutrality, because it would be helping us to prosecute the war, even though it were done in pursuance of an agreement of that character. My distinguished colleague from Arkansas [Mr. ROBINSON] is entirely right in saying that this is too important a matter to be grafted as an amendment on this bill. It should be studied carefully and thoroughly before it is acted upon by the Senate. I sincerely hope that the amendment may be rejected.

Mr. GORE. Mr. President, the dilemma to which I referred, the dilemma which I had in mind, was with reference to our international commerce, international trade. I am firm in the conviction that we shall have to trade our way out of this trouble. I do not think there is any other way out.

In 1929 world trade aggregated $37,000,000,000. In 1932 it had dropped down to $12,000,000,000, and I have recently seen the statement that in 1934 only 1 nation increased its imports materially and only 1 nation increased its exports materially.

These debtor nations can pay the United States only in gold or in goods. They have not the gold. We will not accept their goods. The question of making transfers stands as an insuperable bar. So it is contended—and there is some force in the contention—that the liquidation of these debts by the alternative provided for in section 203 would permit the delivery of goods—of arms and munitions—direct to the Government, and would not call for foreign exchange. The payments could be made without encountering the obstruction which now arrests trade between this country and the debtor countries.

The Senator from California [Mr. McADOO] says he believes the debtors will pay these debts. I admire his optimism, but I do not share it. I have no doubt the Senator from California believes in the fairies—I do not. I have no doubt he believes in Santa Claus. There is as much justification for the one faith as for the other. It seems to me no reasonable man can conclude, in the light of recent experience, that the debts will ever be paid in full. They were not even mentioned in the recent British budget, although that budget showed a surplus instead of a deficit.

The Senator from California asks, and asks with a considerable air of triumph, if this plan should be adopted and executed, what assurance we would have that the debtor nations would make payment under the new arrangement with any better faith or punctuality than they have made payments under the existing arrangement. I do not say they would make payment with any better faith or any greater scruple than they do now. I do not know that they would. But even if we had no better assurance upon that

point, we would at least have more cash if this plan were carried out. We would have $1,700,000,000 more in available cash. That amount is not to be despised even in these days of multibillions. We could at least wait for the balance with quite as much complacence after having realized $1,700,000,000.

Senators may continue to appeal to prejudice and to cultivate prejudice by insisting that the debtor nations ought to discharge their duty. Of course they ought. The debtor nations ought to pay their debts. Of course they ought. If the refusal and the failure to pay injured them alone, I should say let them wrestle with the consequences. The trouble is the present situation injures us, and we are courting the injury rather than providing a rational way out of this distressing situation.

I agree that when these debts were first contracted, when the Senator from California [Mr. McADOO] was Secretary of the Treasury, I thought then, and I think now, that we ought to have accepted the securities of those countries identical in form and terms and denominations with the securities which they were issuing and floating at that time, so that these securities would have passed into trade, would have been absorbed by speculators and by investors, and would have been issued in such form that they could not be distinguished from other bonds and other securities issued at the time. Had that been done, we should not today have been in this dilemma, and should not have been obliged to draw an overdraft upon the credulity of the Senator from California.

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the agreement entered into with France for the settlement of her war debt to the United States, wherein it is shown that on the request of the United States that Government, like other governments, agreed to issue in exchange for the securities we now hold certificates that should be sold to the general public and on the money markets of the world.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

AGREEMENT FOR THE FUNDING OF THE INDEBTEDNESS OF FRANCE TO THE UNITED STATES

Agreement made the 29th day of April 1926, at the city of Washington, District of Columbia, between the French Republic, hereinafter called France, party of the first part, and the United States of America, hereinafter called the United States, party of the second part

Whereas, France is indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of $3,340,516,043.72, together with interest accrued and unpaid thereon; and

Whereas, France desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the United States, and the United States is prepared to accept bonds from France upon the terms hereinafter set forth;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Amount of indebtedness: The amount of indebtedness to be funded, after allowing for certain cash payments made or to be made by France is $4,025,000,000, which has been computed as follows:

Principal of obligations held for cash advanced under Liberty bond acts	$2,933,405,070.15	
Accrued and unpaid interest at 4¼ percent to Dec. 15, 1922	445,066,027.49	
		$3,378,471,097.64
Principal of obligations given for surplus war supplies purchased on credit	407,341,145.01	
Interest at 4¼ percent from the last interest-payment date prior to Dec. 15, 1922, to Dec. 15, 1922	6,324,940.79	
		413,666,085.80
Total indebtedness as of Dec. 15, 1922		3,792,137,183.44
Accrued and unpaid interest at 3 percent per annum on this amount from Dec. 15, 1922, to June 15, 1925		284,410,288.75
Total indebtedness as of June 15, 1925		4,076,547,472.19
Credits:		
Payments received on account of interest between Dec. 15, 1922, and June 15, 1925	$50,917,643.13	
Payments on account of principal since Dec. 15, 1922	230,171.44	
Interest on principal payments at 3 percent per annum from date of payment to June 15, 1925	12,970.73	
		$51,160,785.30
Net indebtedness as of June 15, 1925		4,025,386,686.89
To be paid in cash upon execution of agreement		386,686.89
Total indebtedness to be funded into bonds		4,025,000,000.00

2. Payment: In order to provide for the payment of the indebtedness thus to be funded, France will issue to the United States at par, bonds of France in the aggregate principal amount of $4,025,000,000, dated June 15, 1925, and maturing serially on the several dates and in the amounts fixed in the following schedule:

June 15:	
1926	$30,000,000.00
1927	30,000,000.00
1928	32,500,000.00
1929	32,500,000.00
1930	35,000,000.00
1931	1,350,000.00
1932	11,363,500.00
1933	21,477,135.00
1934	36,691,906.35
1935	42,058,825.41
1936	52,479,413.67
1937	63,004,207.80
1938	68,634,249.88
1939	74,320,592.38
1940	80,063,798.30
1941	51,728,872.58
1942	57,763,450.02
1943	58,918,719.03
1944	60,097,093.41
1945	61,299,035.28
1946	62,525,015.98
1947	63,775,516.30
1948	65,051,026.63
1949	66,352,047.16
1950	67,679,088.10
1951	55,040,837.33
1952	56,416,858.27
1953	57,827,279.71
1954	59,272,961.71
1955	60,754,785.76
1956	62,273,655.40
1957	63,830,496.79
1958	65,426,259.21
1959	55,474,298.82
1960	57,138,527.79
1961	58,852,683.62
1962	60,618,264.13
1963	62,436,812.05
1964	64,309,916.42
1965	66,239,213.91
1966	58,764,122.05
1967	60,820,866.32
1968	62,949,596.64
1969	65,152,832.52
1970	67,433,181.66
1971	69,793,343.02
1972	72,236,110.02
1973	74,764,373.88
1974	77,381,126.96
1975	80,089,466.40
1976	82,892,597.73
1977	85,793,838.65
1978	88,796,623.00
1979	91,904,504.81
1980	95,121,162.48
1981	98,450,403.16
1982	101,896,167.27
1983	105,462,533.13
1984	109,153,721.79
1985	112,974,102.05
1986	116,928,195.62
1987	113,694,786.64
Total	4,025,000,000.00

Provided, however, That France, at its option, upon not less than 90 days' advance notice to the United States, may postpone so much of any payment on account of principal and/or interest falling due in any one year as hereinabove provided after June 15, 1926, and prior to June 16, 1932, as shall be in excess of $20,000,000

in any one year, to any subsequent June 15 or December 15 not more than 3 years distant from its due date, and upon like notice France, at its option, may postpone any payment on account of principal falling due as hereinafter provided after June 15, 1932, to any subsequent June 15 or December 15 not more than 3 years distant from its due date; but any such postponement shall be only on condition that in case France shall at any time exercise this option as to any payment of principal and/or interest, the payment falling due in the third succeeding year cannot be postponed at all unless and until the payment of principal and/or interest due 3 years, 2 years, and 1 year previous thereto shall actually have been made. All such postponed payments shall bear interest at the rate of 4¼ percent per annum, payable semiannually.

3. Form of bond: All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America or order, and shall be signed for France by its Ambassador at Washington or by its other duly authorized representative. The bonds shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A", and shall be issued in 62 pieces, with maturities and in denominations as hereinabove set forth, and shall bear no interest until June 15, 1930, and thereafter shall bear interest at the rate of 1 percent per annum from June 15, 1930, to June 15, 1940; at the rate of 2 percent per annum from June 15, 1940, to June 15, 1950; at the rate of 2½ percent per annum from June 15, 1950, to June 15, 1958; at the rate of 3 percent per annum from June 15, 1958, to June 15, 1965; and at the rate of 3½ percent per annum after June 15, 1965, all payable semiannually on June 15 and December 15 of each year.

4. Method of payment: All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of France, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

All payments, whether in cash or in obligations of the United States, to be made by France on account of the principal of or interest on any bonds issued or to be issued hereunder and held by the United States shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

5. Exemption from taxation: The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of France or any political or local taxing authority within France, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in France, or (c) a corporation not organized under the laws of France.

6. Payments before maturity: France, at its option, on June 15 or December 15 of any year, upon not less than 90 days' advance notice to the United States, may make advance payments in amounts of $1,000 or multiples thereof, on account of the principal of any bond issued or to be issued hereunder and held by the United States. Any such advance payments shall be applied to the principal of such bonds as may be indicated by France at the time of the payment.

7. Exchange for marketable obligations: France will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal and/or in fully registered form, and otherwise on the same terms and conditions, as to dates of issue and maturity, rate or rates of interest, if any, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. France will deliver definitive engraved bonds to the United States in accordance herewith within 6 months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in France, will first offer them to France for purchase at par and accrued interest, if any, and France shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption at par and accrued interest, if any, of a corresponding principal amount of bonds issued hereunder and held by the United States. France agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in France, or elsewhere, and that if requested by the Secretary of the Treasury of the United States, it will use its good offices to secure the listing of the bonds on such stock exchanges as the Secretary of the Treasury of the United States may specify.

8. Cancelation and surrender of obligations: Upon the execution of this agreement, the delivery to the United States of the principal amount of bonds of France to be issued hereunder, together with satisfactory evidence of authority for the execution of this agreement by the representative of France and for the execution of the bonds to be issued hereunder, the United States will cancel and surrender to France at the Treasury of the United States in Washington, the obligations of France held by the United States.

9. Notices: Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States, shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the Embassy of France at Washington or at the Office of the Ministry of Finance at Paris; and any notice, request, or election from or by France shall be sufficient if delivered to the American Embassy at Paris or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States in its discretion may waive any notice required hereunder, but any of such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

10. Compliance with legal requirements: France represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of France and in conformity therewith.

11. Counterparts: This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof France has caused this agreement to be executed on its behalf by Hon. Henry Bérenger, its Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, subject, however, to ratification in France, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury as Chairman of the World War Foreign Debt Commission, with the approval of the President, subject, however, to the approval of Congress, pursuant to the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, and as further amended by the act of Congress approved January 21, 1925, all on the day and year first above written.

THE FRENCH REPUBLIC,
By HENRY BÉRENGER,
THE UNITED STATES OF AMERICA,
For the World War Foreign Debt Commission:
By ANDREW W. MELLON,
Secretary of the Treasury and Chairman of the Commission.

Approved:
CALVIN COOLIDGE,
President.

EXHIBIT A

(Form of bond)

THE REPUBLIC OF FRANCE

$———— No. ————

The Republic of France, hereinafter called France, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on June 15, 19—, the sum of $————, and to pay interest upon said principal sum after June 15, 1930, at the rate of 1 percent per annum from June 15, 1930, to June 15, 1940, at the rate of 2 percent per annum from June 15, 1940, to June 15, 1950, at the rate of 2½ percent per annum from June 15, 1950, to June 15, 1958, at the rate of 3 percent per annum from June 15, 1958, to June 15, 1965, and at the rate of 3½ percent per annum after June 15, 1965, all payable semiannually on the 15th day of December and June in each year. This bond is payable as to both principal and interest in gold coin of the United States of America of the present standard of value, or, at the option of France, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable as to both principal and interest without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of France or any political or local taxing authority within France, whenever, so long as, and to the extent that, beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in France, or (c) a corporation not organized under the laws of France. This bond is payable as to both principal and interest at the Treasury of the United States in Washington, D. C., or at the option of the Secretary of the Treasury of the United States at the Federal Reserve Bank of New York.

This bond is issued pursuant to the provisions of paragraph 2 of an agreement dated April 29, 1926, between France and the United States, to which agreement this bond is subject and to which reference is hereby made.

In witness whereof, France has caused this bond to be executed in its behalf by its Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, as of June 15, 1925.

THE FRENCH REPUBLIC:
By
Ambassador Extraordinary and Plenipotentiary.

EXHIBIT 94

Statement of amounts payable to the United States on account of the proposed refunding bond to be issued by France

Fiscal year	Principal	Annual interest		Annual principal payments	Total annual payments
		Percent	Payments		
1926	$4,025,000,000.00	------	----------	$30,000,000.00	$30,000,000.00
1927	3,995,000,000.00	------	----------	30,000,000.00	30,000,000.00
1928	3,965,000,000.00	------	----------	32,500,000.00	32,500,000.00
1929	3,932,500,000.00	------	----------	32,500,000.00	32,500,000.00
1930	3,900,000,000.00	------	----------	35,000,000.00	35,000,000.00
1931	3,865,000,000.00	1	$38,650,000.00	1,350,000.00	40,000,000.00
1932	3,863,650,000.00	1	38,636,500.00	11,363,500.00	50,000,000.00
1933	3,852,286,500.00	1	38,522,865.00	21,477,135.00	60,000,000.00
1934	3,830,809,365.00	1	38,308,093.65	36,691,906.35	75,000,000.00
1935	3,794,117,458.65	1	37,941,174.59	42,058,825.41	80,000,000.00
1936	3,752,058,633.24	1	37,520,586.33	52,479,413.67	90,000,000.00
1937	3,699,579,219.57	1	36,995,792.20	63,004,207.80	100,000,000.00
1938	3,636,575,011.77	1	36,365,750.12	68,634,249.88	105,000,000.00
1939	3,567,940,761.89	1	35,679,407.62	74,320,592.38	110,000,000.00
1940	3,493,620,169.51	1	34,936,201.70	80,063,798.30	115,000,000.00
1941	3,413,556,371.21	2	68,271,127.42	51,728,872.58	120,000,000.00
1942	3,361,827,498.63	2	67,236,549.98	57,763,450.02	125,000,000.00
1943	3,304,064,048.61	2	66,081,280.97	58,918,719.03	125,000,000.00
1944	3,245,145,329.58	2	64,902,906.59	60,097,093.41	125,000,000.00
1945	3,185,048,236.17	2	63,700,964.72	61,299,035.28	125,000,000.00
1946	3,123,749,200.89	2	62,474,984.02	62,525,015.98	125,000,000.00
1947	3,061,224,184.91	2	61,224,483.70	63,775,516.30	125,000,000.00
1948	2,997,448,668.61	2	59,948,973.37	65,051,026.63	125,000,000.00
1949	2,932,397,641.98	2	58,647,952.84	66,352,047.16	125,000,000.00
1950	2,866,045,594.82	2	57,320,911.90	67,679,088.10	125,000,000.00
1951	2,798,366,506.72	2½	69,959,162.67	55,040,837.33	125,000,000.00
1952	2,743,325,669.39	2½	68,583,141.73	56,416,858.27	125,000,000.00
1953	2,686,908,811.12	2½	67,172,720.29	57,827,279.71	125,000,000.00
1954	2,629,081,531.41	2½	65,727,038.29	59,272,961.71	125,000,000.00
1955	2,569,808,569.70	2½	64,245,214.24	60,754,785.76	125,000,000.00
1956	2,509,053,783.94	2½	62,726,344.60	62,273,655.40	125,000,000.00
1957	2,446,780,128.54	2½	61,169,503.21	63,830,496.79	125,000,000.00
1958	2,382,949,631.75	2½	59,573,740.79	65,426,259.21	125,000,000.00
1959	2,317,523,372.54	3	69,525,701.18	55,474,298.82	125,000,000.00
1960	2,262,049,073.72	3	67,861,472.21	57,138,527.79	125,000,000.00
1961	2,204,910,545.93	3	66,147,316.38	58,852,683.62	125,000,000.00
1962	2,146,057,862.31	3	64,381,735.87	60,618,264.13	125,000,000.00
1963	2,085,439,598.18	3	62,563,187.95	62,436,812.05	125,000,000.00
1964	2,023,002,786.13	3	60,690,083.58	64,309,916.42	125,000,000.00
1965	1,958,692,869.71	3	58,760,786.09	66,239,213.91	125,000,000.00
1966	1,892,453,655.80	3½	66,235,877.95	58,764,122.05	125,000,000.00
1967	1,833,689,533.75	3½	64,179,133.68	60,820,866.32	125,000,000.00
1968	1,772,868,667.43	3½	62,050,403.36	62,949,596.64	125,000,000.00
1969	1,709,919,070.79	3½	59,847,167.48	65,152,832.52	125,000,000.00
1970	1,644,766,238.27	3½	57,566,818.34	67,433,181.66	125,000,000.00
1971	1,577,333,056.61	3½	55,206,656.98	69,793,343.02	125,000,000.00
1972	1,507,539,713.59	3½	52,763,889.98	72,236,110.02	125,000,000.00
1973	1,435,303,603.57	3½	50,235,626.12	74,764,373.88	125,000,000.00
1974	1,360,539,229.69	3½	47,618,873.04	77,381,126.96	125,000,000.00
1975	1,283,158,102.73	3½	44,910,533.60	80,089,466.40	125,000,000.00
1976	1,203,068,636.33	3½	42,107,402.27	82,892,597.73	125,000,000.00
1977	1,120,176,038.60	3½	39,206,161.35	85,793,838.65	125,000,000.00
1978	1,034,382,199.95	3½	36,203,377.00	88,796,623.00	125,000,000.00
1979	945,585,576.95	3½	33,095,495.19	91,904,504.81	125,000,000.00
1980	853,681,072.14	3½	29,878,837.52	95,121,162.48	125,000,000.00
1981	758,559,909.66	3½	26,549,596.84	98,450,403.16	125,000,000.00
1982	660,109,506.50	3½	23,103,832.73	101,896,167.27	125,000,000.00
1983	558,213,339.23	3½	19,537,466.87	105,462,533.13	125,000,000.00
1984	452,750,806.10	3½	15,846,278.21	109,153,721.79	125,000,000.00
1985	343,597,084.31	3½	12,025,897.95	112,974,102.05	125,000,000.00
1986	230,622,982.26	3½	8,071,804.38	116,928,195.62	125,000,000.00
1987	113,694,786.64	3½	3,979,317.53	113,694,786.64	117,674,104.17
Total	----------	------	2,822,674,104.17	4,025,000,000.00	6,847,674,104.17

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] to the amendment offered by the Senator from Missouri [Mr. CLARK], as amended, in the nature of a substitute for the amendment reported by the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is upon the amendment offered by the Senator from Missouri [Mr. CLARK], as amended, in the nature of a substitute for the amendment reported by the committee.

Mr. TRAMMELL. Mr. President, I desire to offer an amendment to that amendment. I send it to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. In the amendment of Mr. CLARK, as amended, on page 3, line 10, it is proposed to strike out the period and insert a comma and the following:

(4) That the holder of an adjusted-service certificate may, upon his request, in lieu of obtaining the cash payment of his certificate as herein provided, allow said certificate to be continued for such period as he may desire; and in such event the holder of the certificate shall be paid interest in quarterly, semiannual, or annual payments at the rate of 3 percent per annum on the balance due on the face value of the certificate, said interest to be payable on and from July 1, 1935.

Mr. TRAMMELL. Mr. President, very briefly, this amendment provides that in the event a veteran prefers to continue his certificate he may do so, and draw interest at the rate of 3 percent per annum thereon. That is the substance of it.

A great many veterans have said they did not care to have the cash on their certificates, and doubtless there are some of whom that is true. In that event, if they wish to keep the certificate alive, we can pay them 3 percent interest on it. In this way we might obviate the necessity for raising at least a few hundred million dollars.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida [Mr. TRAMMELL] to the amendment offered by the Senator from Missouri [Mr. CLARK], as amended, in the nature of a substitute for the amendment reported by the committee.

The amendment to the amendment was rejected.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives insisting upon its disagreement to all Senate amendments, except Senate amendments nos. 8, 58, and 60 to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes; insisting upon its amendment to Senate amendment no. 29 to the bill, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. RUSSELL. I move that the Senate insist upon its amendments still in disagreement, disagree to the House amendment to Senate amendment no. 29, agree to the further conference requested by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. Will the Senator from Georgia inform the Chair whether the Senators whose names are handed to the Chair are in sympathy with the attitude of the Senate?

Mr. RUSSELL. The names handed to the Chair represent the members of the conference committee heretofore appointed on the conference which already has been held on the bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. SMITH, Mr. KEYES, and Mr. NYE conferees on the part of the Senate at the further conference.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

Mr. WALSH. Mr. President, before the vote is taken on the pending amendment, I desire to state that I intend to support the measure reported by the Finance Committee of the Senate, and, therefore, I shall vote against the pending amendment. My reasons for thus voting are the same as those so ably stated by the senior Senator from Mississippi [Mr. HARRISON]. I am convinced that the only opportunity for a soldiers' bonus being paid this year is through the adoption of the Harrison bill.

Mr. STEIWER. Mr. President, I assume, from appearances, that a vote shortly will be had upon the pending substitute offered by the Senator from Missouri [Mr. CLARK] for the amendment proposed by the Finance Committee.

Senators will remember that the compensation certificates were created by the act of 1924. That enactment was made

before a great many of us had been privileged to come into this body. It authorized the issuance of the certificates; it recognized an obligation upon the part of the United States to the veterans of the war under a formula which was provided in the act. The certificates were issued; the veterans accepted those certificates; and for a time it was thought that the question of adjusted compensation was adequately disposed of.

As the years have passed, it has developed that a great body of the veterans are not satisfied with the certificates which mature January 1, 1945, and everybody knows that in the country at large and in Congress there has been an issue that has recurred time and again. I think the Senate has voted five times on some variation of the provisions of the so-called "Patman bill." Finally it has come to be thought that this issue ought to be settled; that a disposition ought to be made of the question; for otherwise it will recur in every session of the Congress and will constantly be before the American people for solution. I am one of those who believe that the issue ought to be settled and ought to be settled now. I rise at this time to make one or two short observations with respect to the two propositions which are immediately before the Senate.

Mr. President, I was one of those who had not attained a seat in this body when the enactment was made which authorized these certificates. I was one of those who at that time stood upon the outside, and observed what the Congress was doing. I am one who now believes that the certificates ought to be paid without awaiting maturity in 1945.

There was no reason, except the reason of convenience in Government finance, why the certificates ever should have been issued in the first place. If the obligation, which I did not help create or recognize, the obligation which the Congress recognized by a two-thirds vote in both the bodies of the Congress, was a just and proper obligation against our Government, it might very well have been paid in cash at that time. Governmental obligations to the railroads were paid in cash.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. STEIWER. In just a minute. Our obligations to the war contractors were paid in cash. Our obligations to all having claims against our Government, either legal or moral, were paid in cash, save only this obligation, recognized in the World War Adjusted Compensation Act.

I yield to the Senator from Mississippi.

Mr. HARRISON. It was the statement the Senator made that it would have been better to have paid the bonus in 1924, when the act was passed, that prompted me to rise, because the impression is abroad in the country as the Senator realizes, and it is abroad because of an educational campaign that has been conducted in every nook and corner, that these certificates are now due.

Under the bill recommended by the Finance Committee, if the amount of the cash payment that was agreed upon in 1924, on the basis of a dollar a day for service at home and $1.25 a day for foreign service, aggregating about $400, on the average to the soldiers, were taken and compound interest figured from January 1, 1925, at 4 percent——

Mr. STEIWER. Why at 4 percent?

Mr. HARRISON. Under the bill recommended by the Finance Committee the soldiers would receive more money than they would have received if they had obtained the payment of the bonus at that time.

Mr. STEIWER. Why should the interest be calculated at 4 percent?

Mr. HARRISON. Because I am trying to go the most reasonable length possible.

Mr. STEIWER. If income-tax payers of this country overpaid their income taxes, there was a period of many years when the money was refunded to them with 6-percent interest. Why always discriminate against the veterans in the matter of calculating interest rates?

Mr. HARRISON. The representatives of the ex-service men's organizations, during the consideration of the bill in 1922, requested only 4½ percent, and in 1924 the bill carried 4 percent. There never was a request for 6 percent, and I ask the Senator now whether he thinks that we ought to pay 6-percent interest, compounded annually?

Mr. STEIWER. No; I merely asked the question in order to make the distinction between the two classes of creditors.

Mr. HARRISON. That shows how ridiculous the Senator's position is.

Mr. STEIWER. I think it is not ridiculous to urge that 5 percent ought to be adopted as the interest rate.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. STEIWER. I yield.

Mr. CLARK. Does the Senator from Oregon or the Senator from Mississippi, or does anyone else know why the going rate of interest should not be applied to this question? As the Senator from Oregon has well said, on tax delinquencies the Government has charged 6 percent. From many individuals in the United States and many corporations who failed to pay the full amount of their income taxes as finally determined, the Government exacted a rate of 6 percent. In the case of tax refunds, where the Government had overcharged a taxpayer, whether an individual or a corporation, the Government recognized the rate of 6 percent as the going rate of interest, and paid that rate of interest. Why should the distinction be made between payments to others and payments to the veterans in the matter of the going rate of interest as established by the Government itself?

Mr. STEIWER. Mr. President, let me elaborate that a little further. When the Government has loaned money on the adjusted-compensation certificates, under the original provision of the act it charged the veteran 4½ percent, but under the philosophy of the Senator from Mississippi he would compound this interest in favor of the veteran at 4 percent.

Mr. HARRISON. Mr. President, may I say to the Senator that I was one of those who voted to override the President's veto when the act was passed. I was one of those who stood here and fought and voted for an optional cash bonus proposition, and the amount was $400. That is what we stood for. If the Senator will take 6 percent, his own figure, and compound it for the time since 1925, when the certificates were issued, he will find that the veterans would not, even so, get as much as they would receive under the Finance Committee's recommendation. Why take the Senator's figure of 6 percent under those circumstances?

Mr. STEIWER. Mr. President, let us analyze that figure in the light of what I believe should be substantial justice and equity as between the Government and the soldier.

Let me say again, I was not in the Congress when the obligation was created. I think the question before the Senate now is not whether the act should have been passed, nor is it whether the obligation should have been admitted. The obligation is here, and we are dealing with a condition and not a theory. Assuming that the obligation is a just and proper obligation from the Government to the veteran, the real questions we should ask are: In what amount should it be paid, and at what time should it be paid?

The statement made by the Senator from Mississippi is entirely correct, if we let this credit stand just as it is and just as it was calculated in the first place. The American Legion, however, takes a position in which I concur, namely, that the $60 bonus paid to the veterans at the time of discharge should never have been subtracted from the adjusted-compensation credit. We know how that bonus came to be paid. We know that when the veteran went into the Army his clothing was taken away from him.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. CLARK. With all due respect to the Senator from Oregon, with whom I agree on many things, I do think he uses a misnomer when he speaks of the $60 given to the soldier when he was discharged from the Army as a "bonus." It was not a bonus at all. It was more or less of a clothing allowance. As I happened to know from my own experience, and I dare say the Senator from Oregon knows from his, not referring to my own personal case, but to the men with whom I was associated in the Army, the

$60 was an amount barely sufficient to enable a man to buy a very cheap suit of civilian clothes to replace those which had been taken from him when he went into the Army, and to subsist him for just 2 or 3 days, until he was returned to civilian life.

Mr. STEIWER. The Senator from Missouri is right, as he usually is, and I am glad to stand corrected. I ought not to have called the $60 allowance a "bonus", though it had been so designated and referred to in very many quarters for a long time.

Mr. CLARK. It should be designated a clothing allowance and a subsistence allowance for 2 days.

Mr. STEIWER. I agree with the Senator thoroughly. And it ought not to have been subtracted from the adjusted-compensation credit. If we restore that $60 to the credit and then figure the compounded interest rate at 5 percent, not at 6 percent, we will find that the veteran at this time is entitled to receive practically as much as the face of his certificate. The Vinson bill provides payment of the face of the certificate. The Finance Committee amendment provides much less.

Mr. HARRISON. Mr. President, will the Senator yield to me for the purpose of asking him a question?

Mr. STEIWER. I yield.

Mr. HARRISON. Speaking of this $60, of course the first time that was heard of was quite recently, and it emanated from the very ingenious and very smart mind of our friend from Texas, Mr. PATMAN, to whom I pay respect and tribute. But in 1924, when we were busily engaged here in trying to work out the adjusted-service-certificate question and obtain the views of the representatives of the ex-service organizations, the $60 was never proposed, was never heard of in the whole discussion, and the adjusted-service certificates were based on no such consideration at all.

Mr. STEIWER. Mr. President, I think that has but little to do with it.

Mr. HARRISON. It has $60 to do with it.

Mr. STEIWER. Yes; it does. It has $60 to do with it in terms of inequity for the veterans. But I think otherwise it has but little to do with our consideration of this question at this time.

It would appear to me that a mistake was made at that time with respect to this $60, and now is our opportunity to correct it if we want to deal with this matter equitably.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Oregon yield to the Senator from Missouri?

Mr. STEIWER. I will yield in a moment, Mr. President. I desire to develop a little further the thought I am trying to present to the Senate at this moment. The committee amendment, I know, is a well-intended effort upon the part of those who were responsible for bringing it to the Senate floor, but that amendment does not pay to the veteran the amount which the country thinks the veteran is entitled to receive, nor does it provide the veteran the amount which he thinks he is entitled to receive. It does not provide compensation adequately adjusted.

I am told in the case of a certificate for $1,000 where the veteran had borrowed $500, so that he thinks he is entitled now to receive a balance of $500, less the interest upon the $500 loan, that he would not get that amount under the committee proposal, but he would get something like $180 in payment. That is to say, he would have obtained his loan of $500, which is the maximum permitted under the law passed 4 years ago, and in addition to that loan he would now receive, under the committee amendment, something like $180, which he would be obliged to accept in full settlement of the admitted obligation.

I am unable to conclude that such a result constitutes a fair settlement, nor do I believe that the veterans of America will accept it, nor will it settle this question nor end this controversy. It leaves it wide open, and I feel we shall have it back here before 12 months in order finally to settle the question.

If it is the desire of the Congress now to deal equitably and fairly with the veteran on this question, and end the matter so we shall hear no more of payment of bonus, it will be necessary for us to do something other than to adopt the proposal brought up on the Senate floor by the Senate Finance Committee. Probably at no time in his life has the veteran needed his compensation as badly as he needs it now.

This brings me, Mr. President, to the conclusion which I desire to urge, namely that the safe, adequate, and just solution of this matter—indeed I might say the only generous solution—offering to the veteran a little more, it is true, than it was calculated in the formula, but nevertheless a just and generous provision which actually will settle this question, is for the Senate to agree to the proposal made here by the Senator from Missouri [Mr. CLARK] and adopt the so-called "Vinson bill" as a substitute for the committee amendment.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. HARRISON. Does the Senator think that the Senate would override a veto of the President on that proposition?

Mr. STEIWER. I hope so, Mr. President, but if the Senate did not override the veto it could always pass the committee's amendment. No one could oppose that very seriously.

Mr. HARRISON. I understand that. But the ex-service men say this should be done quickly, and that many ex-service men need relief. The Senator knows the condition in the Senate, and he knows that the President is going to veto the so-called "Vinson bill" and the so-called "Patman bill" if either bill shall be passed by the Congress.

Mr. STEIWER. Mr. President, with $4,800,000,000 relief funds subject to use, with Congress in session, and the matter entirely in our hands, let us not be too concerned about the distress which will come to the veteran in the next 3 or 4 or 6 weeks while we are dealing with this problem.

The fact of the matter is that the veterans, most of them, were discharged in the year 1919. They have waited now for 16 years for the settlement of this claim. They have waited for 16 years, Mr. President, and a few weeks longer is not going to hurt them seriously.

I desire to suggest to the Senator from Mississippi [Mr. HARRISON] that if he wants to do full justice to the veterans of the World War, let us vote the provision which we think is fair and which we can defend, and which does not take from the veteran that which he understands is his, and which has been officially recognized as his. Then, if there is a veto, and if we are not able to enact the bill, notwithstanding the veto of the President, we can always come back to the proposal which has been presented here by the Senate Finance Committee, and I take it we could pass it very promptly, and from what has been said it would not confront a veto. There is no great difficulty involved. Does the Senator think there is any great difficulty involved in that situation?

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; but I am asking the Senator from Mississippi a question, and I yield first for an answer.

Mr. HARRISON. The Senator is a very practical Senator. He would prefer, then, as I understand, to go back to Oregon to the ex-service men with nothing, by voting for the Vinson bill, rather than to vote for the bill recommended by the Finance Committee, which would receive the President's approval and which would put the matter behind him.

Mr. STEIWER. I would prefer to vote for what I regard as just treatment for my comrades, the veterans of the World War.

Mr. HARRISON. Even though it could get nowhere for practical purposes?

Mr. STEIWER. And if I should find that it got nowhere I could then bring myself, though very reluctantly, to support the committee amendment. We can do it all in this session of Congress. None of us is going to be obliged to go

home to face his constituents with this thing on our conscience. We will have it all settled. There is not any trouble about that. So let us attempt now to settle it right.

Mr. HARRISON. Let me say to the Senator that this proposition is before the Senate now. No one can tell whether it will be before the Senate again or not. Now is the time for us to act upon it. I have no fault to find with the Senator's position, nor with the position of any other Senator.

Mr. STEIWER. I do not find fault with the position of the Senator from Mississippi, except I think that the sound thing for courageous men to do is to stand for things which they think are right.

Mr. HARRISON. And get nothing.

Mr. STEIWER. No; to stand for that which they think is right, and then to determine their future course by the conditions which may develop. I hope the Vinson bill will be accepted. I hope that upon this vote the motion of the Senator from Missouri [Mr. CLARK] will be agreed to.

I yield the floor.

Mr. BORAH. Mr. President, the Senator from Mississippi stated with great positiveness that the President would veto both the Patman bill and the Vinson bill. Is the Senator from Mississippi in a position to state with the same positiveness that the President will sign the bill as reported by the Finance Committee?

Mr. HARRISON. Of that I have not the slightest doubt in the world. Otherwise, I never should have offered this amendment in the Finance Committee.

Mr. BORAH. In other words, the Senator is just as positive of the one as he is of the other?

Mr. HARRISON. Yes.

Mr. CONNALLY. Mr. President, I offer an amendment to the committee bill, the so-called "Harrison amendment", which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 15, after line 6, it is proposed to insert a new subsection, as follows:

(j) In making any settlement under this act, the charge on account of interest on any loan shall not be at a rate in excess of 2 percent per annum, compounded annually after September 30, 1931.

Mr. HARRISON. Mr. President, as I understand, what the Senator from Texas proposes is that after September 30, 1931, the interest on any loan granted by the Government to any ex-service man shall not be more than 2 percent. That will cost some $90,000,000; but I shall not oppose the amendment.

Mr. CONNALLY. Mr. President, I thank the Senator from Mississippi for indicating his approval of the amendment; but I desire to submit a few remarks to the Senate, in order to place clearly before the Senate just what the amendment proposes to do.

Under the committee bill, which is the bill of the Senator from Mississippi [Mr. HARRISON], the computation of the amount of cash or bonds which will be paid to the veterans is based upon taking as of November 11, 1918, the date of the armistice, the basic credit in each case, either $1 a day for domestic service or $1.25 a day for foreign service. Upon those basic amounts the veteran is allowed interest at the rate of 4 percent, compounded annually up to the time he is paid the cash or the bonds. Under the bill of the Senator from Mississippi, no deduction whatever is made as to interest upon loans which the veterans may have paid. In other words, the entire interest which has accrued will be deducted from the amount which may be found to be due under the terms of the bill. In the so-called "Patman bill", which is the House bill, no interest was charged from October 1, 1931; under the Vinson bill no interest was charged from the 1st of October 1931, and all interest theretofore paid to the banks or others is refunded to the veteran, so that he has no interest charge whatever.

My amendment takes the date fixed in the Patman bill as of October 1, 1931, and reduces the amount of interest which will be charged the veteran to not exceeding 2 percent. In other words, the veteran will have been drawing on his compensation 4 percent, if he borrowed in the meantime, but he will only be paying the Government 2 percent.

The amendment takes away any just complaint that the veteran may make that he has had his adjusted-compensation certificate eaten up by interest, because he has had his money in the meantime, and upon it he will have paid only 2 percent in interest, while all during the time that he was paying 2 percent the Government will have been paying him 4 percent on the same money. One justification for that is that under the Harrison bill a premium is given to the soldier who keeps his certificate until 1945, because at that time a thousand-dollar certificate will be worth $1,125, instead of $1,000.

If it is just to offer the veteran who does not need the money, who does not have to borrow the money, who can retain his certificate until 1945, an added benefit under the Harrison bill, then why should not the one who was in need and who had to borrow be given the advantage of receiving the Government loan at a lower rate of interest than he otherwise would have to pay?

Mr. President, if the Harrison bill shall be adopted by the Senate, we have reasonable assurance that it will receive the Presidential approval and become a law. There is no Senator upon this floor who is more anxious than is the Senator from Texas that this vexatious question shall be settled by the Congress; but I am not in a position here to delude the soldier by making merely a gesture at him. I want to stand for legislation that will bring some concrete result to the soldier.

Since 1924 the Congress has been passing legislation with reference to the veterans' adjusted compensation which did not become law and could not become law. I shall not say that some of those gestures were made for any other reason than the reasons of sincerity and interest.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. I yield.

Mr. CLARK. If the same argument had been applied by Senators and Representatives at the time of the passage of the original adjusted-compensation act, namely, that a Presidential veto would defeat the legislation, there would never have been any adjusted-compensation legislation in the first place, would there?

Mr. CONNALLY. I do not know about that.

Mr. CLARK. Well, it was passed over the President's veto, was it not?

Mr. CONNALLY. One adjusted-compensation measure was passed over the veto; that is all.

Mr. CLARK. That is the one to which I am now referring.

Mr. CONNALLY. I will say to the Senator from Missouri that it is true that the act of 1924 was passed over the President's veto, but that does not mean that this bill would be passed over the President's veto.

Mr. CLARK. Mr. President, will the Senator yield for just a moment further?

Mr. CONNALLY. I yield.

Mr. CLARK. What I was suggesting was that, on the theory of the Senator from Texas, the Senators and Representatives should not have voted for the original adjusted-compensation act on the ground that they were deluding the soldiers and misleading them as to what they might have because the President had announced his intention at that time, as I recall, to veto the bill. So if the same rule which the Senator is now trying to invoke had been applied at that time, we never would have had an adjusted-compensation act in the first place.

Mr. CONNALLY. The Senator from Missouri may rationalize on that subject all he pleases, but, for my part, I prefer to support a measure which has some hope of success rather than to support on this floor a measure which we all know will not become a law. If the Senator from Missouri would like to go back to the veterans in Missouri and say to them, "Veteran, read my speech in the RECORD; look at what a noble effort I made to get your bonus certificate cashed; look at the roll call and see how I stood there in the first-line trenches and fought your battle", and then have the soldier ask him, "Well, Mr. Senator"——

Mr. CLARK. Mr. President——

Mr. CONNALLY. I will yield in just a moment. "Mr. Senator, I read your speech; it is a marvelous speech; it throbs and thrills with affection for the soldier; but, Mr. Senator, where is my money?" "Oh, well, I am sorry, Veteran; I was not President, and the President vetoed the bill, and we could not pass it over his veto." I am wondering if that veteran in Missouri might not propound to the Senator from Missouri the query, "Well, Mr. Senator, you had a chance to vote for a bill that the President would approve?" "Well, but I could not do that."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I say, in all fairness, I think the Senator from Texas is concerning himself unnecessarily as to the relationship between the Senator from Missouri and the veterans in the State of Missouri. Personally, I feel that I would be in much better case, so far as the veterans of Missouri are concerned—and I do not differentiate as between the veterans and any other citizens, for that matter—to go back and say to them that I voted for a complete payment, which would settle this matter, rather than for a bill which would not settle anything, whether signed by the President or not.

I will state further to the Senator from Texas that there is still a provision in the Constitution of the United States by which two-thirds of the Members of each House may pass a bill over the veto of the President.

Mr. CONNALLY. The Senator from Missouri the other day ridiculed the Senator from Texas for mentioning the Constitution in this Chamber. Now he brings it up as his refuge.

Mr. CLARK. I ridiculed the Senator from Texas for dragging out the Constitution at the particular time after ignoring it at other times, not that I myself, then or at any other time, ever had any disregard for the Constitution of the United States.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me reply to the Senator from Missouri; then I will yield.

I am not concerned with the relations of the Senator from Missouri to his veteran constituents; I hope they are all for him; but I believe they would have better grounds for being for him, whether they are or not, if he would stand up here and fight for them in a cause that has some hope of triumph, rather than to lead a forlorn fight for a measure that he knows cannot ever become a law. In which case would he be the better friend of the veteran?

Mr. CLARK. Will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I object very much to the Senator putting words in my mouth and thoughts in my mind.

Mr. CONNALLY. Nobody ever has to do that, for there are plenty there without any assistance. [Laughter.]

Mr. CLARK. The Senator was insisting that this measure may never become a law, and I just suggested to the Senator a few moments ago that precisely the same argument which the Senator now makes was advanced against the original adjusted-compensation bill; and Senators stood on the floor and proclaimed against it on the ground that the President of the United States had the right to veto the measure. It so happened that the Congress of the United States was not able to see eye to eye with the President on that occasion. The Senator from Texas may have his own opinion as to what the view of the Congress would be in the event of a veto of this measure, but he certainly has no right to impute to me any such opinion.

Mr. CONNALLY. I want to absolve myself from any apparent charge that I sought to put thoughts in the mind of the Senator from Missouri. When the Senator from Texas speaks on the floor he tries to express his own views.

Mr. CLARK. But the Senator said that I knew the bill could not possibly become a law, and I know no such thing.

Mr. CONNALLY. I never said that; I never assert——

Mr. CLARK. I will leave that to the RECORD.

Mr. CONNALLY. I never make any assertion as to what the Senator from Missouri knows or what he does not know. That is a mystery into which I never inject myself. All that the Senator from Texas means to say is that, according to his view, the Vinson bill cannot become a law at this session of Congress; and the Senator from Texas means to say that the Harrison bill can become a law if the Senate and the House shall pass it, as I hope they will. The Senator from Texas is now offering an amendment reducing the interest rate on the loans to veterans to 2 percent so that with one hand the bill will take from the soldier 2 percent and with the other hand will give to the soldier 4 percent on the same money. How can there be any just complaint that that is not doing substantial justice?

Let me say, Mr. President, that under the Harrison bill no soldier is required to accept its terms. If he prefers to keep his adjusted-compensation certificate now outstanding until 1945, he may do so. He has an option under the bill as reported by the committee. He has the option, first, to take cash. What cash? The $400 or $500 that would have been due in November 1918. With what? With 4 percent interest compounded from that date.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. CONNALLY. I will yield in just a moment. The veteran has that option. If he does not want cash, he has the option of taking Government bonds, which are selling above par. Those bonds, when he receives them, may be cashed; they may be put in his strong box; they may be kept until maturity, and he may receive the interest on them; and if he does not want to exercise any of those options, as about 250,000 veterans have not exercised them in the past by borrowing, he may keep his certificate intact until 1945. I now yield to the Senator from Oregon.

Mr. STEIWER. The Senator from Texas just made the statement that, under the provisions of the amendment reported by the committee, the veteran may keep his certificate until 1945. I believe that to be correct. I am not quarreling with the Senator as to his position. I believe, too, there are about 500,000 World War veterans who have not borrowed on their certificates. I assume a great many of those 500,000 might retain their certificates until 1945.

I ask the Senator from Texas what the relative position of those 500,000 veterans would be in comparison with the veteran who has borrowed, and who needs the money and is obliged to accept settlement at this time? Is it true, in other words, that the veterans not in need, the 500,000 who have not borrowed, would keep their certificates and finally would receive $1,125, whereas the veteran who is in need would receive, in addition to the $500 which he has already borrowed, about $180? Is that true?

Mr. CONNALLY. It is true in part and it is not true in part. If the amendment of the Senator from Texas should be adopted he would receive, in addition to the $180 which the Senator from Oregon mentions, whatever sum is necessary to rebate his interest at 2 percent instead of 3½ or 4 percent or whatever he paid.

Mr. STEIWER. The Senator from Texas is defending his amendment and not the pending committee amendment?

Mr. CONNALLY. The Senator from Texas is offering an amendment to the committee amendment. That amendment is a preferential amendment, and under the rule of the Senate will be voted upon before the vote comes on the Clark amendment.

Mr. STEIWER. What justification is there for giving a premium to the man who is not in need and in putting a penalty on the man who is in need?

Mr. CONNALLY. If the Senator from Oregon had shown any interest in the earlier remarks of the Senator from Texas, he would have seen that the Senator from Texas pointed out the fact that by reason of reducing the interest to 2 percent he was endeavoring to make up any apparent discrimination and pay the man in need, the man who had borrowed, on somewhat the same basis as the man who retains his certificate until 1945.

Mr. STEIWER. The Senator's proposal would not put them on a parity basis, would it? It would merely remove part of the discrimination.

Mr. CONNALLY. I think it would remove practically all of it. The veteran who keeps his certificate until 1945 does not get a dollar until 1945. The man who has already borrowed 50 percent has had the use of that money in addition to whatever money he will now receive. If we compute interest on that money until 1945 it will be seen that he will be in just as good a position as the man who gets $1,115 then and who has had no money in the meantime, and perhaps he will be in a better position.

Mr. STEIWER. Except that the man who is paid now loses his life insurance, whereas the man who is not in need retains his life insurance.

Mr. CONNALLY. The Senator is now concerned with preserving life insurance for the veterans. Of course every man who keeps his certificate has protection for his family in the way of life insurance until 1945; but the Senator from Oregon wants to take that away from every veteran because he proposes to pay them all off now, so the soldier who might die next year without any insurance policy would leave nothing, perhaps, to his wife and children.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I yield for a question.

Mr. LONG. All we get for the soldier under the Harrison bill is $175.

Mr. CONNALLY. Oh, no; he would get more than that.

Mr. LONG. Well, $180. He has borrowed the remainder.

Mr. CONNALLY. All of them have not.

Mr. LONG. Nearly all of them have. It is a very simple proposition, Mr. President——

Mr. CONNALLY. I thought the Senator was going to ask me a question.

Mr. LONG. No; I want to keep anybody else from asking the Senator a question. I want to vote. [Laughter in the galleries.]

The PRESIDING OFFICER. Occupants of the galleries are guests of the Senate and must observe the rule of the Senate which prohibits any demonstration of approval or disapproval in the galleries.

Mr. CONNALLY. The Senator from Louisiana is very anxious now for a vote and wants to stop the Senator from Texas. The Senator from Louisiana has probably occupied as much of the time of the Senate as has any other Senator. I hope he will please be patient and let some of us humble Members, some of us who are not always spotted by the occupants of the galleries and whose antics are not always watched with interest and curiosity by the occupants of the galleries, have a word to say now and then. I hope he will let some of us humble Senators talk just a little.

Mr. LONG. The Senator from Texas has my permission to talk.

Mr. CONNALLY. I thank the Senator for his permission. It is very gratifying to have the permission of the Senator from Louisiana. Although I am very small fish, it is pleasing to know the "Kingfish" is going to let me speak. [Laughter.]

Mr. President, reverting for a moment to the inquiry of the Senator from Missouri [Mr. CLARK], I want to do no injustice to him. I want it understood that I was not interpreting his attitude. The Senator from Texas was endeavoring to interpret his own attitude to the Senate. The Senator from Texas had hardly begun his remarks before the Senator from Missouri sought to inject himself into the speech of the Senator from Texas.

When I go back to my State and to my constituents, I do not want to have to say to the soldier: "Oh, yes, Mr. Veteran, I am for you; I am strong for you. I voted in Washington for a bill which I knew could not pass, it is true, but you read my speech and you will see how strong I am for the soldier, and how, as the election comes nearer and closer, I get stronger and stronger for him. I had an opportunity, it is true, to vote for a bill which had some chance of passing. I had an opportunity to vote for a bill which the President would have approved. I had an opportunity to vote for a bill which would have opened the doors of the Treasury and would have enabled you to receive your money. But I am a man who will not surrender a principle. No, Mr. Veteran, I will not surrender a principle. I am going to vote for principle. I am going to vote that you shall have every dollar that we can get for you, though I know when I am voting that you are not going to get a red cent."

Who is the best friend of the soldier, the Senator who votes for a bill that gives the veteran an opportunity to exercise his choice of keeping his certificate, or of obtaining cash, or of securing bonds, when he knows he is going to get one of the three, or the Senator who votes here with a gesture, one who simply holds out before the veteran who needs the cash an alluring speech, and an alluring vote, with no substantial result to come from it at all?

Mr. President, that is why I have offered the amendment to provide that the veteran shall not be charged interest on his loans at more than 2 percent annually and that while we are charging him only 2 percent we shall pay him 4 percent on the same money. I hope the Senate will adopt the pending amendment which I have offered as an amendment to the Harrison bill.

Mr. SMITH. Mr. President, I objected awhile ago to any unanimous-consent agreement to limit debate on Monday. It is very apparent that there will not be an opportunity to discuss the bonus question as it should be discussed. Therefore I am going to take a few minutes now to state my attitude.

We did not pass the adjusted-compensation bill on account of the insistence of the soldier. We passed it voluntarily. The most solemn vote in all my experience as a United States Senator was cast the day we passed the draft bill, when, by the power of law, we drafted and dragged into the maelstrom of war the very flower of the youth of our country.

Any actuary could have sat down and calculated what was the average value of those young lives in dollars and cents. We did not do it. We drafted them as youth with no more regard for their human value and relation that if we had been drafting an equal number of cattle. It turned out that we needed 2,000,000 human units to use in the war which we had then declared. We drafted them without their volition or their consent, and we sent them as units. Their individuality was gone. We simply put them in the trenches, on board the ships, and wherever we needed human beings to meet the shock and horror of war; and we determined their value to us as units. What was it? About a dollar a day—enough to buy chewing gum and a few cigarettes—while they were to perform the horrible duty of stemming the tide of German ingenuity in the construction of death-dealing instruments.

I said we needed about 2,000,000 of those human units, whose value we disregarded. Then we needed about 26,000,000,000 gold units. Did we draft them? No; we entered into a bond with them that at the end of 45 years every gold unit would come back to its owner, with interest. We promised that they would bear an interest rate even beyond that which theretofore had been earned by such units. We entered into a bond with them by which we solemnly pledged that they would not be injured or their fecundity impaired. Yet here we are haggling over the question of a bonus to the human units, while we have been paying a billion dollars a year bonus to the gold units! We paid 4-percent interest on about $25,000,000,000. We have not haggled over that for 1 minute; and yet when we come to the simple question of paying to the human beings who won the war an adjusted compensation to equalize to some extent that which they received with that which those who did not go into the war received, every known subterfuge has been employed to forestall the payment of a debt of obligation which we ourselves in justice assumed.

There are two things involved in this matter. Let no man be deceived about it for 1 minute. It is not alone a question of adjusting the compensation; it is not that; it is the fear

that the payment of this amount of money may inflate the currency, and therefore jeopardize the financial power which certain individuals have, nationally and internationally.

What has been the cry every time the bonus question has come up? "Why, the payment of such an amount of money would not only upset the whole circulating medium, but would endanger the credit of the Government!" God save the mark! We have just recently voted $5,000,000,000, for what purpose? For the purpose, wherever there is a necessity of bolstering up recovery while at the same time we have been absolutely refusing to meet a debt of obligation.

Mr. President, when the railroads were in distress, and the banks were in distress, we voted $2,000,000,000, and established a central bank known as the Reconstruction Finance Corporation, and went to their aid. Then when the question arose as to unemployment, as to the necessity for bolstering up our industrial life, we voted $5,000,000,000. We gave employment to those who needed it, and to thousands who did not need it. We poured out money in this relief business, which reeks of scandal; and yet when it comes to the question of compensating those who stood in the trenches, and whose lives were forfeit, we haggle by every manner of subterfuge over the question of whether or not we can chisel them down to a point where the Government will pay just as little as possible, when the Government of the United States today stands the creditor nation of the world by virtue of the sacrifice which these boys made!

I desire now to recur to a question which I am ashamed has arisen in this body. We are sent here for the purpose of legislating, not for the purpose of dodging a veto. Our States did not send us here for the purpose of ascertaining whether or not a bill would be vetoed. They sent us here for the purpose of doing our duty, and letting the veto power assume its own responsibility.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. SMITH. I yield.

Mr. LONG. The Senator is about the oldest Senator in point of service on this side of the aisle; and for that reason I desire to ask him to state his views about this talk in reference to a veto every time we have a bill before us. When I first came here, I was told that that kind of a threat never was made on the floor of the Senate.

Mr. SMITH. Mr. President, I said a moment ago, and I repeat, that I am ashamed that I am put by a Senator on this floor in the attitude of choosing between doing my duty and meeting a veto. The responsibility to do my duty is on me. The responsibility of a veto is on the Chief Executive. If he has good and sufficient reason to veto the bill, I have good and sufficient reason to vote the opposite way; and, so help me God, I will do it.

There is not a man on this floor worth the hide that covers him who will cringe and truckle before any veto. I desire to have it definitely understood that I respect the responsibility and the awful position in these trying times of the Chief Executive; but I also respect my responsibility as a legislator, and I would rather risk the judgment of those of us who have to legislate than to risk the judgment of one who does not have to legislate.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Mississippi?

Mr. SMITH. I yield.

Mr. HARRISON. The Senator will recall that when we were legislating on this subject in 1924, there were certain advocates of the cash optional plan.

Mr. SMITH. Yes.

Mr. HARRISON. I quote from the Senator at that time. This was on April 22, 1924:

> I say that I am not even going to stand here and advocate a cash bonus, because since these telegrams have come from the leaders of the Legion saying that they want the bill just as it is, without dotting an "i" or crossing a "t", verbatim et literatim et spellatim, I am going to let them have it just as they want it.

Mr. SMITH. Yes, sir; and I am going to let the soldiers have it now just as they want it, and the majority of them now want the Patman bill. A handful of those who deceived me then cannot deceive me now. I know who needs this money. Let me for just a moment call attention to this matter:

Suppose a majority of the soldiers were to say that they did not want the money. Do not the Senator and I both realize that if we were to pay the bonus now, as the Patman bill calls for, it would put into circulation money which all of us know must be put into circulation, or the recovery about which we talk will be indefinitely deferred?

All other Members of the Senate know, as I know, that a ship cannot float without water. The old financial ship is on the bottom; and the reason why it is not floated is simply because those who have money are afraid to put it into circulation, and the Government is afraid to antagonize them, and therefore it is selling bonds. We have piled up a bond issue of enormous proportions. Talk about not running the printing press! I am no more in favor of running the printing press than are others who take that view because they do not wish to inflate the currency; but what are we doing today? We ought not to run the printing press and inflate. What are we doing when we are printing bonds but running the printing press, with this difference: We are creating a great leisure class in this country to whom we are selling the taxing power of America. The men who hold these bonds clip the coupons, and you and I and the soldiers go out and make the wherewithal to meet the coupons.

Let me use an illustration. One in high place used an illustration in talking to me about the Boulder Dam. He said: "Suppose this dam were Government property and a self-liquidating proposition, and I were to borrow $500,000,000 and give bonds as collateral security at 3-percent interest, the bonds to run for 35 years. When the dam was completed, the sale of the water rights, irrigation rights, and power rights would begin to amortize the cost of it, and at the end of 35 years I would have paid $940,000,000. But suppose, in lieu of borrowing the money, Treasury notes are issued to the amount of $500,000,000. The dam is built, the amortization sets in through the sale of the power rights and water rights, and at the end of the 35 years the dam will be the property of the United States, and as the amortization money comes in, the debt will be canceled to the amount of $500,000,000, the project costing practically not a penny, the credit of the United States being used to provide the funds for the erection of that which for all time will be a perpetual source of income."

As a matter of course, every time we want to perform any function of the Government, we must sell a bond. I state here today that, so far as I am concerned, so long as I am a Member of the Senate I will never vote for another bond issue for industrial purposes. I do not believe it is just and right to the American people to create a leisure class, such as the one we now have, numbering thousands, while we do not inflate the currency or increase the circulating medium one penny. We are simply increasing bank credit, and leaving the people subject to the whims of those who own these securities, just as we were at their mercy when we were plunged into the abyss of this terrible depression.

Coming back to the soldiers' bonus, I challenge any Senator on this floor to say why, if we were to issue currency sufficient to meet the bonus, it would not have the effect of distributing the money throughout the length and breadth of the land, and increasing the prices of commodities, and making living more tolerable in this country than it now is. Not only would we pay the soldiers, but we would distribute a circulating medium, which today seems to be practically impossible. We have tried it by all the methods of the N. R. A., and the P. W. A., and the different alphabetical bureaus, and the net result has been to paralyze the public with fear because they do not know at what time all these activities may cease or become permanent. If they become permanent, then the private individual is out; if they cease, then who is to restore confidence?

Mr. President, there are but two things that confront us today. One is to take such measures as will restore the confidence of the farmers and business men in their own ability to carry on and make this country prosperous, and we ought to address ourselves to restoring that confidence by furnishing them individually the wherewithal to carry on. Banks are not lending. The money itself is locked up. There is no chance of getting the wherewithal to carry on, and if anyone is afraid of inflation and is afraid of the printing press, the Patman bill restricts the amount to the specific sum promised the soldier.

It will do two things. First, it will settle a debt of honor. If the public at large needs $5,000,000,000 to help them to carry on, do not Senators suppose that the amount owing the soldiers would be an aid to that process?

Mr. President, it is with a feeling of personal humiliation that I sit here in the United States Senate and see Senators quibble about the question of settling the bonus while we do not bat an eye at passing a measure appropriating $5,000,000,000, the expenditure of which is to be unrestricted, without earmarking, to be used at the discretion of the administration.

Talk about the soldier saying, "The wonderful speech you made." The only soldier in whom I am interested particularly is the soldier who is now speaking to the Senate, and when I look in the mirror to comb my hair I am going to look at a man or know the reason why. There is no man or set of men, no administration, or anyone in power that will ever influence me in casting a vote or performing my duty as a United States Senator. I think we should frown upon a threat to the effect that if we pass a certain bill it will receive a veto. Who is going to subordinate his intellectual processes to anybody else and become an intellectual prostitute?

I am sorry the question of a veto was brought in here. I am just as loyal as any man on this floor, more so, perhaps, than most, to the Democratic party and to Democratic doctrine, and it is just as foreign to democracy as the poles are far apart to have an attempt at domination by any man over the wills of other men.

I state here and now that I hope the Senator from Mississippi is absolutely mistaken in what he has said. We are supposed to gather in this Chamber, and in our offices, and study the problems which confront the American people, and to solve them as we determine they need solving, and not ask any men or set of men, not charged with the duty of legislation, what we shall do.

I had intended not to say anything on the question of the bonus, but to content myself with voting; but when I see the Senate voting billions, not knowing what the money is to be used for, three billion last year, five billion this year, and then, when we come to the question of settling an obligation which we assumed, note the resort to all manner of subterfuges and all varieties of indirection, I cannot sit silent.

Let us meet the issue fairly and squarely. Let us do two things, pay the soldiers and increase the circulating medium; give the soldiers the bargaining power, for every man knows that when the soldiers get the money it will be spent.

In this connection I have heard some Senators say, "If we pay the bonus, the soldiers will go out and be buying all manner of stuff. They will buy automobiles."

What has anyone to do with the way in which I spend the money which he owes me? It would not influence my vote one particle if I knew they would take the money paid them and burn it up. If I owe them, it is my duty to pay them.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. SHIPSTEAD. They want the money so they can buy something, do they not?

Mr. SMITH. As a matter of course; but the Senator knows, as I know, that the objection to the payment of the bonus is the most unreasonable thing from the standpoint of common sense that ever was urged before this body. The reason why there is opposition to it is that certain powers do not want an inflation of the currency. The Senator knows that, and I know it. What is the use beating about the bush? It scares them to death to think that $2,000,000,000 of fresh money will be put into circulation.

Mr. SHIPSTEAD. These people do not object to inflation of credit, however.

Mr. SMITH. Oh, no; because when we inflate credit we pay the men from whom we buy the credit, and that is what the sale of Government bonds means.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LONG. As a matter of fact, the bigger the credit base the greater the tendency to diminish the money base. In other words, they have always kept us piling up bonds, because the more bonds, the more money we need, and therefore the few who have the ready cash in their hands can always buy at "distress" prices.

Mr. SMITH. Mr. President, the merest tyro who will study even superficially the system under which we operate knows that it is by and for the banking interests of this country, who say, "Hypothecate your bonds and get that much credit, and then sell that credit."

The minute we came to the question of issuing currency to pay the soldiers, then it became impossible to pay them. Take all these bills and read them. Every one of them inches around to the bond idea, with a partial payment, and then the soldier can accept a bond, upon which the Government is to pay somebody 3 percent.

As I said in the beginning of my speech, we paid the bankers of this country a billion dollars a year bonus on the gold units they let us use during the war, and now there are those who are not willing to pay $2,000,000,000 to the human units who won the war.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that since the depression came the national debt has increased from about $15,000,000,000 to the point where it is now approximately $30,000,000,000? Is it not a fact that this year we shall issue bonds to the extent of several billion dollars? Is it not also a fact that for next year we have already obligated the Government to issue bonds to the extent of $5,000,000,000 or $6,000,000,000? Is it not a further fact that because of this increased issue of bonds the depression has turned out to be a bankers' jubilee?

Mr. SMITH. Why, yes; as a matter of course. We have turned over to the bankers of America the income of the people—to pay for what? To pay for securities for which they themselves were responsible. The money we borrow becomes an obligation of the Government, and the bond we issue is an obligation of the Government. Here we are, as the Senator from Oklahoma indicates, absolutely converting this depression into a bankers' jubilee. They can fill their safes and strong boxes with bonds of the United States and not be forced to lend a dollar commercially.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LONG. I wonder if the Senator from South Carolina noticed a short time ago that a member of the Rockefeller family and a member of the Morgan family, from the two respective banking-house firms, set up a separate organization to buy in distressed property, and that the statement was made that they were getting it for about 10 cents on the dollar during these distressed times.

Mr. SMITH. Mr. President, the whole system, the whole condition, is made manifest right here today by the fact that we will not even go to the extent of paying in money an obligation which we assumed, but will haggle back and forth in order to try to gerrymander the Senate into the position of issuing bonds from which someone may clip coupons. I intend, if possible, to find out who owns the bonds and where they are. We know the aggregate of the interest we have to pay. Here we are right now with two propositions before us providing for the issuance of more bonds for the purpose of meeting an obligation, while the circulating medium throughout the country is so inadequate that business is prostrate.

Mr. President, I have before me clippings from various newspapers which indicate what business is looking for and is waiting for. Just the other day the price of silver started to go up, and every commodity in this country followed pari passu. Soon thereafter silver started to go down, and every commodity in the country went down pari passu. Yet we play with the destiny of the American people in failing to issue sufficient currency to guarantee exchange under the law of supply and demand.

I have before me, but I shall not take the time to read them, newspaper clippings showing how trade responded to the hope of an adequate medium of exchange to increase the bargaining power of the masses. As soon as the advance in silver stopped, the market stopped. When silver started down, the market started down.

I plead with my colleagues, now that we have the opportunity not only of discharging an obligation of debt but also of meeting, in part, the requirement of an expanded currency, the benefits of which will go into every nook and corner of this land, that we take advantage of this opportunity and discharge this debt without its costing anyone a single penny. Of course, these notes, when issued, will be guaranteed by the Government, but they will bear no interest. Every bond which goes out guaranteed by the Government bears interest. The notes can be used in such small denominations as to reflect themselves into an encouraged and expanded trade. The bonds will find their way into the banker's strongbox and become a burden on every taxpayer. We must this day choose whether we are willing to burden the people still more with a bond issue, the sale of which will increase the debt and taxes of the people, or whether we will issue Treasury certificates which will expand the currency, renew the hope of the people, and discharge the obligation of debt.

Mr. President, I did not feel like expressing myself on this question this afternoon; but after the statement was made by the Senator from Mississippi that if certain bills were passed they would meet a veto, I determined then to make a statement.

I sincerely hope that hereafter no expression such as that will be made. If Senators will stop and think for a moment they will agree that such a statement does not have the right flavor, anyhow. This is a country of freemen. I hope it is a country of honest, courageous thinkers. Honest confession is good for the soul. If I were inclined to vote for one bill and I knew that another bill had been threatened with a veto, I believe I should vote for the other bill. It is not a very praiseworthy position for United States Senators to take that they should be deterred from doing their duty on the plea that they might get something by being subservient, and get nothing if they are honest men. I should rather go to the soldiers and say, "Boys, I did my duty; and if you are worth the hide on you, you will stand for what you think is right, whether you ever get a penny or not."

I am not making this speech to get votes. God made me a man before South Carolina made me a Senator; and I am going to be a man, or try to be one, or at least make an assault with intent to be one. I hope that never again, especially in a Democratic Senate, will there go out the word, during the pendency of a bill, that it is threatened with a veto. Thank God, we also have the veto power! When two-thirds of the Senate say, "In our judgment, so and so is right", we can exercise a veto. We can veto a veto; and we can keep on with this kind of thing until the people will veto all the vetoers.

Mr. President, I said I was in favor of the Patman bill. I am in favor of the Patman bill because it is the one which is straightforward, honest, and which is without any subterfuge. I know that lawyers are a necessary evil; but, God bless your soul, whenever they get hold of an instrument and put into it "whereas" and "whereas", and "the party of the first part and the party of the second part have hereby agreed, and henceforth shall continue to agree, and whereas, and whereas, the party of the first part and the party of the second part", they wind up at the point where the party of the third part, namely, the poor devil who is having the contract drawn, does not get a thing. That is all there is to it. They just do not know how to go straight to the point, because it is profitable not to go to it.

Mr. ASHURST. Mr. President, I ask for a vote.

Mr. SMITH. Mr. President, I know the Senator from Arizona does not like to hear these forceful words against the attitude which he has assumed; but I am fond of him. I deplore his lack of judgment, but I admire him in spite thereof.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. ASHURST. The Senator for once in his life is mistaken. There has been no Senator on the floor here during my period of service to whom I have listened with greater attention, or whose speeches I have read more diligently, than those of the scholar-farmer, the senior Senator from South Carolina. The Senator for once misspoke himself. When I said "Let us vote", I was anxious that we should reach a conclusion on this question today. The Senator had paused; and knowing how uninterruptedly his stream of eloquence flows, I thought if there was a pause, he must have finished. That is all.

Mr. SMITH. Mr. President, the Senator from Arizona has now demonstrated his good judgment by saying that he always listens to what I have to say. I am sorry he does not always profit by his judgment.

Mr. President, I am through. I hope the soldiers' bonus bill will be passed as it came from the House.

Mr. CLARK. Mr. President, will the Senator yield before he sits down?

Mr. SMITH. I yield.

Mr. CLARK. Is the Senator in favor of full payment of the bonus?

Mr. SMITH. I am.

Mr. CLARK. Then the Senator is against a partial payment of the bonus, if he is in favor of the full payment of the bonus.

Mr. SMITH. I think the Patman bill comes nearer meeting my idea of settling this question than either the Vinson bill or the Harrison bill.

Mr. CLARK. Mr. President, I am not at present inquiring as to the Senator's choice between the Patman bill and either the Vinson bill or the Harrison bill. I asked the Senator if he was in favor of full payment of the soldiers' bonus.

Mr. SMITH. Yes; I am.

Mr. CLARK. The Senator said he was. Then I drew what I think to be the logical conclusion—and if I am not correct in my conclusion, the Senator will correct me—that he is against a partial payment and in favor of a full payment.

Mr. SMITH. Yes.

Mr. CLARK. Then, on the question which is to be presented between the Vinson and the Harrison bill, am I justified in assuming that the Senator is for the Vinson bill as against the Harrison bill?

Mr. SMITH. If I were restricted to the two, I should prefer the Vinson bill, since the Thomas amendment has been adopted.

Mr. CLARK. The Senator is aware of the fact that after the determination of the question as between the Vinson bill and the Harrison bill, the question then will be as between the Patman bill, on the one hand, and the Harrison bill, on the other hand.

Mr. CAPPER. Mr. President, I am in favor of immediate cash payment of the adjusted certificates to veterans of the World War. I want to see these certificates paid in full, and at the earliest possible date. I believe this is a just debt. For those reasons I intend to support the measure as it came to the Senate from the House of Representatives. I am in favor of the so-called "Patman bill."

It is not my intention to enter into a prolonged discussion of the various measures from which we are to choose. I cannot support the measure brought before us by the Finance Committee, the so-called "Harrison measure." To my mind, it does not provide immediate cash payment in full at all. It proposes to scale down, and scale down drastically, the amounts the veterans would receive.

It is only necessary to point out two examples to show what the Harrison measure does to the veterans. The holder of a

$1,000 certificate, if he takes immediate cash payment under this measure, would receive, instead of the $1,000, only $768, either in cash or in bonds. That is not my idea of cash payment of the adjusted certificate for $1,000.

Take the case of the veteran holding a $1,000 certificate on which he has borrowed the limit, or $500. That means he still has an equity in the certificate of $500. Under the so-called "Harrison plan", now before the Senate, he would receive, not $500, but $180. That is not my idea of cash payment of the bonus—to cut the payment down from $500 to $180.

So I cannot support the Harrison plan. To me that would be a breach of faith with the veterans of the World War, when such action is called cash payment.

I could support the so-called "Vinson plan." It provides cash payment in full of the adjusted-service certificates, but it does not provide in the bill itself any appropriation or means of making the payment. To that extent it falls short of providing immediate payment. It might even be possible, if the Vinson bill were enacted, to have the bonus fight made all over again in both branches of Congress.

So I intend to support and vote for the Patman measure, in preference to either of the other plans. The difference in provisions of the Patman and Vinson bills in regard to forgiving interest on loans made on the certificates is not as important as assurance that payment will be made in cash, and will be made immediately.

The Patman measure as it came to us from the House will pay $2,000,000,000 to some three and one-half million veterans. This payment can be made without a bond issue or any increase in taxes. I am not afraid of inflationary developments from these payments. The Secretary of the Treasury may, if he deems it advisable, retire Federal Reserve notes as United States notes are paid the veterans. Not that I am advocating this procedure, but that power is given the Secretary, as I read the bill.

The Government has ample gold reserves to take care of these payments. The money will be distributed in every community in the United States. It will be a Nation-wide distribution of purchasing power, placed where it is needed, and where it will be used.

And last, but not least, the veterans are entitled to immediate cash payment of the bonus in full. I hope the Patman bill is enacted by the Senate. It is my first choice, under the present legislative situation. The Harrison proposal, frankly, can get my support only as a last resort.

I, for one, am prepared to vote without further argument.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bankhead	Dickinson	Lonergan	Schall
Barkley	Dieterich	Long	Schwellenbach
Bilbo	Donahey	McAdoo	Sheppard
Black	Duffy	McCarran	Shipstead
Bone	Fletcher	McGill	Smith
Borah	Frazier	McKellar	Steiwer
Brown	Gerry	McNary	Thomas, Okla.
Bulkley	Gibson	Metcalf	Thomas, Utah
Bulow	Glass	Minton	Townsend
Burke	Gore	Moore	Trammell
Byrd	Hale	Murphy	Truman
Byrnes	Harrison	Murray	Tydings
Capper	Hastings	Neely	Vandenberg
Caraway	Hatch	Norris	Van Nuys
Carey	Hayden	Nye	Wagner
Clark	Johnson	Overton	Walsh
Connally	Keyes	Pittman	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present. The question is on the adoption of the amendment of the Senator from Texas [Mr. CONNALLY] to the committee amendment.

Mr. HARRISON. I have no objection to the amendment.

The amendment to the amendment was agreed to.

Mr. HARRISON. Mr. President, there is some difference of opinion as to whether we should proceed tonight to the end, or whether we should make an effort to reach a unanimous-consent agreement to vote on Monday at a certain time and to fix a reasonable limitation on debate on further amendments and probably dispose of the whole question Monday. I am, of course, willing to do whatever the Senate desires. If it is desired to proceed further tonight, I am willing to do so. I hope we may enter into some reasonable agreement to vote on Monday, limiting debate on other amendments after the pending amendment shall have been disposed of. I am not particular as to the time limit to be fixed. I am only anxious that we shall, if possible, conclude the whole matter on Monday.

Mr. McNARY. Mr. President, I suggest to the Senator from Mississippi that we take a vote on the pending amendment, which is the proposal to substitute the Vinson bill for the Patman bill, and then recess until Monday.

Mr. HARRISON. I may say to the Senator that that would not be agreeable.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. LONG. What is the reason why the Senator does not want to vote now? We are all ready now to vote, and the Senate is here. We are ready to vote on the Vinson substitute; so, when everybody has been called in here to vote, why stop a vote?

Mr. HARRISON. I ask unanimous consent that we proceed to vote on this and other amendments that may be offered, and to a final vote on the bill tonight.

Mr. CLARK. I object to that. I will say to the Senator from Mississippi and the Senator from Louisiana that there are numerous Senators who are entitled to vote on this question who have left under the impression that no vote would be taken today on the final passage of the measure. They are Senators who have been in constant attendance here throughout the session, but who, for various reasons, have engagements out of town necessitating their leaving this afternoon.

I do not know whether the Senator from Louisiana has a special session of the Louisiana Legislature, or an arms conference, or what the consideration may be which makes it necessary for him to have a vote tonight, but I suggest that this is a question of sufficient importance to justify the statement that it should be voted upon by as large an attendance of the Senate as can possibly be obtained.

So far as I am concerned, I shall be glad to have a vote this afternoon on the substitute which I have offered for the committee amendment. The Senator from Mississippi [Mr. HARRISON] has indicated that he is not willing to have that done unless the bill is to be pushed through to final passage tonight. In justice to the Senators who have left who are entitled to vote on this measure, and who have been in constant attendance at the sessions of the Senate during the present session of the Congress, I think no rush movement should be attempted.

Mr. HARRISON. Mr. President, I submit another unanimous-consent request—that when the Senate concludes its session today it take a recess until 12 o'clock noon on Monday, and that not later than 1 o'clock on Monday the vote shall be taken upon the pending amendment, and that after that amendment shall have been disposed of no Senator shall speak longer than 20 minutes on any amendment or on the bill.

Mr. LONG. No, Mr. President; we will not agree to that.

SEVERAL SENATORS. What is the matter?

Mr. LONG. I will state what is the matter. We do not care to adjourn until Monday morning so that the President can work on the Members overnight. That is all this proposal means. Let us vote on this amendment now. Then we will talk about a unanimous-consent agreement.

Mr. HARRISON. The Senator from Louisiana must appreciate the fact that at the beginning of the session he was a strong advocate of the Vinson bill, as well as some others.

Mr. LONG. Yes; but it is not the Vinson bill now. It is the Vinson-Thomas-Long-Clark bill now. It is no longer the Vinson bill.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. The Senator from Mississippi has the floor. Does the Senator yield; and, if so, to whom?

Mr. HARRISON. I make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. I object.

Mr. ASHURST (and other Senators). Vote!

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield the floor?

Mr. HARRISON. I yield the floor.

Mr. CLARK. I desire to detain the Senate for not more than a moment. I simply wish to point out that, whatever the parliamentary situation may be, there are three separate propositions before the Senate:

One is the House bill, the so-called "Patman bill", which is primarily an inflation bill, and secondarily a bill for the payment of the bonus, providing for the payment of the bonus in printing-press money.

As a substitute for that, the Committee on Finance has offered a substitute commonly denominated the "Harrison bill", providing for paying the so-called "cash surrender value" of the certificates, but, instead of paying it in cash, it provides for paying it in bonds or money; but the inference, I think, according to the suggestion of the Senator from Mississippi himself, is that the cash surrender value is to be paid in bonds.

The third proposition is the so-called "Vinson bill." Unlike the Senator from Louisiana, I am not anxious to attach my name in conjunction with that of the author of the bill, which originated in the House of Representatives. I call it the "Vinson bill", although I offered it in the Senate as an amendment. The so-called "Vinson bill" provides for the full cash payment of the bonus certificates.

Any of those plans involves a readjustment of the basis of the Adjusted Service Certificate Act as passed in 1924. The difference of adjustment between the Vinson bill and the Patman bill is not important.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Kentucky.

Mr. BARKLEY. In reading the bill which has been offered by the Senator from Missouri as a substitute, I find no provision for raising the money with which to pay the bonus, or for issuing bonds with which to obtain the money with which to pay it, or for printing money with which to pay it. What is the Senator's understanding as to how the money is to be raised?

Mr. CLARK. I may say to the Senator from Kentucky that that provision was deliberately left out of the bill. It was the intention of the sponsors of immediate cash payment of the bonus that no other controversial question should be involved in this one. It was felt that the essential matter was the acknowledgment on the part of the United States of the debt and the appropriation of the money, just as was done in the case of the work-relief joint resolution which was passed a few weeks ago.

I may say to the Senator from Kentucky that, so far as I am personally concerned, I am in favor of the plan of financing the bonus suggested by the Secretary of the Treasury, which is to apply to the inheritance-tax structure of the United States the plan presently employed as to the income-tax structure; but I have not undertaken, and the Representative from Kentucky who originally introduced the bill in the House has not undertaken, to incorporate that plan in the bill.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CLARK. I shall be glad to yield to the Senator in just a moment, as soon as I answer the question of the Senator from Kentucky. It was the theory of the proponents of the cash payment of the bonus who followed the Vinson plan that Congress should be left absolutely free as to the method of raising the money and paying the bonus, without any attempt to inject another different and highly controversial question into the matter.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. CLARK. I yield.

Mr. BARKLEY. Of course, the bill which is offered as a substitute leaves Congress perfectly free, because it has nothing in it about how the money is to be raised, or in any way providing for raising the money. Is it assumed that under existing authority, without any specific reference to the matter in this bill, the Secretary of the Treasury will issue bonds, sell them to the public, and thus raise the money with which to pay the certificates?

Mr. CLARK. Mr. President, it is assumed that the money will be raised just as the money will be raised which is appropriated in the $4,800,000,000 joint resolution of which the Senator from Kentucky was so eloquent a champion on this floor.

Mr. BARKLEY. By which, I suppose, the Senator means I did not open my mouth. [Laughter.]

Mr. CLARK. It was appropriated in the terms of the joint resolution, which created an obligation of the Government, and made an appropriation to deal with it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CLARK. I shall be glad now to yield to the Senator from Louisiana.

Mr. LONG. I am at a loss to understand why the Senator does not let us vote on the amendment. We are ready to vote on it.

Mr. CLARK. I shall be very glad to let the Senate vote on the amendment. I have consumed very little time. I happen to be the proponent of the amendment. The Senator from Louisiana talked for an hour and a half today, and injected himself into the speeches of several other Senators. I have claimed the right to address the Senate for not to exceed 5 minutes. I shall not delay the vote.

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. CLARK. Mr. President, I should like to conclude by saying that there are three propositions before the Senate. One is for a partial payment, which will not settle the issue, which will not prevent the same issue from being before the Senate and the Congress at the next session of the Congress. Another is the Patman bill, which is primarily an inflation bill, and employs the bonus only as a means and an excuse for issuing printing-press money. A third is the Vinson bill, which is a straight, outright proposal for the payment of the bonus in full in cash.

Mr. President, on this vote the issue will be not between the Patman bill, between the advocates of inflation and incidental payment of the bonus and the other advocates of payment of the bonus in full, but the issue on the vote which is about to be taken will be between the advocates of payment in full and the advocates of payment in part.

Mr. ROBINSON. Mr. President, impressed by the statement made by the Senator from Missouri that certain Senators are absent who desire to vote, and that there can be no conclusion of the whole matter today, I shall move that the Senate take a recess until 12 o'clock noon Monday.

Mr. SCHALL. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. ROBINSON. I yield.

Mr. SCHALL. I desire to have the clerk read a short statement.

The VICE PRESIDENT. Does the Senator from Arkansas yield for that purpose?

Mr. ROBINSON. Will not the Senator be content to have it printed in the RECORD?

Mr. SCHALL. It is very short.

Mr. ROBINSON. I cannot yield for a speech.

Mr. McNARY. Mr. President——

Mr. ROBINSON. I do not yield for a speech.

Mr. LONG. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON. I yield.

Mr. LONG. I merely wish to say to the Senator that, as I understand, he wants an adjournment, and we are not going to interfere with the filibuster.

Mr. ROBINSON. There is no filibuster, and I am not going to move an adjournment.

Mr. McNARY. Mr. President, I may say to the Senator from Arkansas that I think the Senator from Minnesota [Mr. SCHALL] would be content to have the statement to which he has referred published in the RECORD, and he makes that request.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter submitted by Mr. SCHALL is as follows:

ADMINISTRATION DUST

Mr. SCHALL. Mr. President, I ask leave to insert in the RECORD an editorial on dust. The dust with which this article deals is not the false-propaganda dust this administration throws around to keep the public blinded to the truth, but the real soil, easily loosened by lack of seeding and cultivation, that is being blown away from the fields of the Southwest where the President and his "brain trust" bribed the farmer to let the fertile land lie idle, that want and starvation might help the chaos and further the grandiose ambitions of this administration. The same thing happened in the Northwest last year. Next year it will be somewhere else unless the American people wake up and protest this sinful and godless plan of crop and food destruction that this administration has imported. "Whoso boasteth himself of a false gift is like clouds and wind without rain."

We have been taught, as a people, that to waste food or money or material was a sin, that a patch on our clothing was honorable; "waste not, want not", has been a national precept. But we have been led away by false gods from the things taught and practiced for generations. This administration has gone right along with the forces of destruction in nature. Their plowing under of cotton is a blood brother to the bollweevil; killing hogs matches hog cholera; the reduction of corn and wheat aids and abets the corn borer and the chinch bug and the grasshopper. All destructive forces of evil seem to aline themselves with this administration.

When he ran for office in 1932, the President assured the farmers he had a remedy for their problem of low prices and surplus farm crops. Now, 2 years after taking office, not only has he done away with the surplus but is already buying wheat, corn, rye, meat, and so forth, from foreign countries while he pays the farmer not to plant and keeps the worker on the dole.

Administration spokesmen say dust flies because the farmer does not plow deep enough, but the farmer cannot understand why his plowing under the new deal brings dust storms when it did not before the days of "planned chaos" fell upon him. And how does it come that dust falls instead of rain in the rainy season in Arizona, Nevada, and California?

The new deal introduced new ideas of how to run our country—novel and foreign ideas—that this is a government of men and not of laws, that the way to get rich is to burn and destroy, that the way to help the worker is to raise prices on everything he buys, the way to help the farmer is to pay him not to farm and buy our food from foreign countries, the way to take care of the worker is to abolish his working hours and put him on the dole, the way to encourage production is to threaten business and confiscate profits through taxation and regimentation, the way to help America first is to join the World Court to entangle us in foreign affairs and help the foreign countries by giving them our markets through reciprocal-trade treaties made in secret without benefit of representation except by foreign interests, and the way to help the soldier is to cut him off his compensation and put him out of the hospitals and deny him his rightful bonus.

However, these novel ideas seem not to have met with favor above, for rain falls as dust and the earth is laid waste. A voice seems to speak from on high that we are following false prophets who have forsaken the teachings of Christ on which our country was founded and God's scourge is a warning to shake ourselves free from such leadership and save the Republic.

When the arrogance of the administration and its godlings has set at naught and upset the delicate balance of supply and demand, and undertaken to promulgate laws to regulate crops and seasons and decrease flocks and herds in defiance of the laws of the Creator, God reaches out and takes a hand. He looses the whirlwinds of His wrath upon the poor denuded acres, long years safely bound by their grasses and crops against the heaviest winds, but stripped of their protective root carpet by the devils of destruction of the new deal. They sought to limit a percentage of acreage. In punishment, behold! The dust storms are blowing millions of acres of fertile soil away and piling it up on other millions to destroy their sprouting crops. A grim example to this sneering, godless, communistic group, and if they do not profit by it, worse will follow. God is not mocked. He does not read the fawning press nor the administration releases, nor is He moved by the constant bray of the radio pundits. Whom the Lord loveth, He chasteneth. There must be hope for us yet, since He still thinks there are some in this country sane enough to perceive the lesson of this chastening calamity, this violent devastating catastrophe, and to throw the plot of the foreign money changers out of the temple of our liberties.

Says the Lord in Deuteronomy:

And I shall send grass in thy fields for thy cattle, that thou mayest eat and be full.

Take heed to yourselves, that your heart be not deceived, and yet turn aside, and serve other gods, and worship them;

And then the Lord's wrath be kindled against you, and He shut up the heaven, that there be no rain, and that the land yield not her fruit; and lest ye perish quickly from off the good land which the Lord giveth you.

The editorial referred to is as follows:

[From the Washington Spectator and Mirror, Washington, D. C., May 1935]

DUST IN THE NEW DEAL

By Blair Coan

The new deal did not take Providence into consideration when it decided to destroy his blessings by ravaging the green fields of the Middle West. We were told the new deal was a "practical" thing, not dependent on the Ruler of the Universe or the elements. That everything would be accomplished by "scientific" processes. Nature was to be controlled by this band of dullards masquerading as wise men. So we stopped, looked, and listened.

This quackery seemed to appeal to the masses who were bored by the ordinary processes of evolution. Tired of the ordinary delay in all things. Why wait 7 years for a fruit tree to produce its burden? Mr. Roosevelt and his "brain trust", according to the high-powered press agents of the "new deal", could accomplish this fruition in less than 7 minutes. All things were just as simple (and we mean simple). The public was taken by new-deal yarns and for 2 years has been swallowing the bait without batting an eye. Perhaps it still believes these fairy tales, but there are a few sophisticated people who are beginning to understand that Providence has taken a hand in this destruction of plenty while many are in want.

The Middle West is being laid waste by dust storms. As soon as they began, new-deal press agents got on the job. From coast to coast they broadcast the story that because the people of the plains States had plowed up the buffalo grass, once native there, the wind was able to pick up the loose earth and blow it about, destroying whole counties of fertile land. This was a good story and the new deal is still sticking to it.

An inquiring person might ask this unique outfit of demigod politicians a very embarrassing question: "Why is it that it is more than 30 years since this buffalo grass was plowed up, and that the wind has always blown as hard as it is doing now, and yet these devastating dust storms never occurred before?" Perhaps they have an answer for the question, but we are sure it would not be the truth.

The simple truth is that the buffalo grass did hold the earth together and protect it from these winds which blow almost daily, but as the farmers plowed it up they planted crops of wheat and corn. The country being dry, much of the farming was done by what is called the "dry farming" process. That is plowing deeply and turning up the soil down deep where the moisture has settled from the winter snows. Also crops grown on these lands develop long roots, which reach down to the moisture soil below, and these

crops with these roots have been holding the soil in its original place for more than 30 years.

But Mr. Roosevelt and the "new dealers" had their own plan. They paid the farmers not to plant these crops and not to plow deeply and bring up the moisture-laden soil which for 30 years had successfully resisted the efforts of the winds to blow it away. Thus the soil dried out, and the usual parching summer sun reduced it to a fine powder. Then came the wind, and it blew and it blew, and there were no long roots of growing crops to hold it in place, and there was no moisture brought up to the surface by deep plowing; and the powdered soil began rising in the winds, and the winds kept blowing, as they always do, and the farmers who thought they were getting something by taking money out of the United States Treasury that they did not work for found that in return they had lost their farms for a few paltry dollars.

And this is why the Midwest is having dust storms and why farmers are losing their farms through an act not of Providence but of the new deal. And the new deal can rant and rave and declare they did not do it, but every farmer who has lost anything through dust storms has but one person to thank, and he is sitting in a big white house in Washington thinking how he can make the fish bite in the bright blue British waters off the coast of Nassau.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Col. Charles Ransom Reynolds, Medical Corps, to be Surgeon General, with the rank of major general, for a period of 4 years from date of acceptance, with rank from June 1, 1935, vice Maj. Gen. Robert U. Patterson, Surgeon General, whose term of office expires May 31, 1935; also the nominations of several other general officers in the Regular Army.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk read the nomination of Henry B. Foster to be postmaster at Haleyville, Ala.

Mr. McKELLAR. Mr. President, that nomination has been reported adversely. I ask that it be rejected.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was rejected.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar, with the exception of that of Henry B. Foster, which has just been rejected, be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered, and the nominations are confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. Mr. President, I move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 30 minutes p. m.) the Senate took a recess until Monday, May 6, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 3 (legislative day of May 1), 1935

DIPLOMATIC AND FOREIGN SERVICE

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Alvin Mansfield Owsley, of Texas, now Envoy Extraordinary and Minister Plenipotentiary to Rumania, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Irish Free State.

Leland Harrison, of Illinois, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Rumania.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

The following-named officer for appointment, by transfer, in the Regular Army of the United States:

TO QUARTERMASTER CORPS

Capt. Hubert Wiley Keith, Infantry (detailed in Quartermaster Corps), with rank from November 2, 1928.

PROMOTIONS IN THE REGULAR ARMY

The following-named officers for promotion in the Regular Army of the United States:

TO BE COLONELS

Lt. Col. Lesley James McNair, Field Artillery, from May 1, 1935.

Lt. Col. Charles Russell Alley, Chemical Warfare Service, from May 1, 1935.

Lt. Col. James Garfield McIlroy, Infantry, from May 1, 1935.

Lt. Col. Lucian Barclay Moody, Ordnance Department, from May 1, 1935.

Lt. Col. Paul Delmont Bunker, Coast Artillery Corps, from May 1, 1935.

Lt. Col. George R. Allin, Field Artillery, from May 1, 1935.

Lt. Col. William Bryden, Field Artillery, from May 1, 1935.

TO BE LIEUTENANT COLONELS

Maj. Henry Newbold Sumner, Adjutant General's Department, from May 1, 1935.

Maj. Edward Roth, Jr., Adjutant General's Department, from May 1, 1935.

Maj. George Winship Easterday, Coast Artillery Corps, from May 1, 1935.

Maj. Austin Garfield Frick, Coast Artillery Corps, from May 1, 1935.

Maj. Sydney Smith Winslow, Coast Artillery Corps, from May 1, 1935.

Maj. Wilmot Alfred Danielson, Quartermaster Corps, from May 1, 1935.

Maj. Boltos Elder Brewer, Infantry, from May 1, 1935.

Maj. Edgar Bergman Colladay, Coast Artillery Corps, from May 1, 1935.

TO BE MAJORS

Capt. Jacob Albert Blankenship, Cavalry, from April 30, 1935.

Capt. Charles Henry McNair, Infantry, from April 30, 1935.

Capt. Orville Jackson, Quartermaster Corps, from May 1, 1935.

Capt. LeRoy Henry Palmer, Quartermaster Corps, from May 1, 1935.

Capt. Walter Clarence Hamilton, Ordnance Department, from May 1, 1935.

Capt. Robert Grant Mangum, Field Artillery, from May 1, 1935.

Capt. Robert Lee Hostetler, Infantry, from May 1, 1935.

Capt. Harrison William Flickinger, Air Corps, from May 1, 1935.

Capt. Mark Albert Dawson, Field Artillery, from May 1, 1935.

Capt. Elmer Gwyn Thomas, Quartermaster Corps, from May 1, 1935.

Capt. Roscoe Arthur Dean Stanis, Infantry, from May 1, 1935.

Capt. William Frederick Gent, Infantry, from May 1, 1935.

TO BE CAPTAINS

First Lt. Richard Bryan Wheeler, Infantry, from April 25, 1935.

First Lt. Thomas Roswell Aaron, Infantry, from April 30, 1935.

First Lt. David Albert Newcomer, Corps of Engineers, from April 30, 1935.

First Lt. Alfred Maximilian Gruenther, Field Artillery, from May 1, 1935.

First Lt. Herbert Bernard Loper, Corps of Engineers, from May 1, 1935.

First Lt. Williston Birkhimer Palmer, Field Artillery, from May 1, 1935.

First Lt. Robert Gibbins Gard, Field Artillery, from May 1, 1935.

First Lt. Herbert Maury Jones, Field Artillery, from May 1, 1935.

First Lt. Orville Wells Martin, Field Artillery, from May 1, 1935.

First Lt. Forrest Eugene Cookson, Infantry, from May 1, 1935.

First Lt. Alexander Sharp Bennet, Field Artillery, from May 1, 1935.

First Lt. George Sheldon Price, Field Artillery, from May 1, 1935.

First Lt. Wyburn Dwight Brown, Field Artillery, from May 1, 1935.

First Lt. Robert Miller Montague, Field Artillery, from May 1, 1935.

First Lt. Charles Pollard Jones, Field Artillery, from May 1, 1935.

First Lt. Anthony Clement McAuliffe, Field Artillery, from May 1, 1935.

First Lt. Lester Francis Rhodes, Corps of Engineers, from May 1, 1935.

First Lt. Albert Rhett Stuart Barden, Field Artillery, from May 1, 1935.

TO BE FIRST LIEUTENANTS

Second Lt. William Ball, Air Corps, from April 25, 1935.

Second Lt. Carl Rose Storrie, Air Corps, from April 30, 1935.

Second Lt. Merrill Davis Burnside, Air Corps, from April 30, 1935.

Second Lt. Hollingsworth Franklin Gregory, Air Corps, from May 1, 1935.

Second Lt. Eugene Harold Beebe, Air Corps, from May 1, 1935.

Second Lt. Harold Winfield Grant, Air Corps, from May 1, 1935.

Second Lt. Kenneth Alfred Rogers, Air Corps, from May 1, 1935.

Second Lt. Reuben Columbus Hood, Jr., Air Corps, from May 1, 1935.

Second Lt. Leslie Oscar Peterson, Air Corps, from May 1, 1935.

Second Lt. Irving Remsburg Selby, Air Corps, from May 1, 1935.

Second Lt. Floyd Bernard Wood, Air Corps, from May 1, 1935.

Second Lt. Theodore Mathew Bolen, Air Corps, from May 1, 1935.

Second Lt. Norman Delbert Sillin, Air Corps, from May 1, 1935.

Second Lt. Flint Garrison, Jr., Air Corps, from May 1, 1935.

Second Lt. James Leroy Jackson, Air Corps, from May 1, 1935.

Second Lt. Chester Price Gilger, Air Corps, from May 1, 1935, subject to examination required by law.

Second Lt. Hugh Arthur Parker, Air Corps, from May 1, 1935.

Second Lt. Thomas David Ferguson, Air Corps, from May 1, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 3 (legislative day of May 1), 1935

POSTMASTERS

COLORADO

Darius Allen, Colorado Springs.

MISSOURI

Adam B. Jenkins, Advance.
William H. Ward, Bonne Terre.
Floy E. Buxton, Carl Junction.
Roy M. Burchett, Elsberry.
Melissa M. Wilson, Hartville.
William G. Warner, Lamar.
Fred B. Pollock, Lilbourn.
William T. McMahan, Marshfield.
Clyde E. Walker, Mountain View.
Robert Stemmons, Mount Vernon.
Mae B. Whitfield, Oronogo.
Tom B. Northcutt, Seligman.
William E. Murphy, Sumner.

OHIO

Earl C. Windle, Sebring.

REJECTION

Executive nomination rejected by the Senate May 3 (legislative day of May 1), 1935

POSTMASTER

ALABAMA

Henry B. Foster, Haleyville.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 3, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, today we rejoice in health, happiness, and in the pride of life; Thou art mindful of us when we forget Thee, and careful of us when we are careless of ourselves. Accept our thanksgiving and praise and hear our humble appeal that just motives and earnest solicitude may thoroughly direct the Congress. With conviction and understanding may we be men with a message, men with a purpose, and men with a spirit to meet the challenge of our urgent duty. May we resolutely bear witness of our fidelity and justify our high calling. Hold us to the firm realization that while God is God it is always right to do right. Gracious Lord, bless our country and grant that its broad and extensive horizon may soon redden with a glowing hope and promise. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. DUFFY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to have printed in the RECORD a speech delivered by Mr. Frank E. Gannett, publisher of the Rochester Times Union and the Democrat and Chronicle. This address is on the banking situation and I think would be helpful to the discussion of the bill now pending before the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us who made this speech?

Mr. DUFFY of New York. Mr. Frank E. Gannett, publisher of the Gannett Newspapers, a resident of Rochester, N. Y. He is the publisher of the Rochester Democrat and Chronicle and the Times Union. This is on the banking bill, and I think would be helpful to the consideration of the bill now before the House.

Mr. MICHENER. Mr. Speaker, reserving the right to object, is this the Vanderlip speech?

Mr. DUFFY of New York. No.

Mr. MICHENER. Would the gentleman include the Vanderlip speech also?

Mr. DUFFY of New York. I asked permission to insert that speech and it was not granted.

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I suggest to the gentleman that he include certain excerpts of the Vanderlip speech, especially where he said that the farmers of America knew more about currency than the bankers?

Mr. WOODRUM. Mr. Speaker, reserving the right to object, I certainly do not like to object to requests that my colleagues make, and I shall not object. I do not think the Members ought to put speeches of other people in the RECORD in their extension of remarks. I do not care what any Member of Congress says in his own speech. He may make a speech criticizing the administration, he may make a speech criticizing me or anyone else and put it in the RECORD, but do not put the addresses of other people in the RECORD. Those things have no right to be in there under extension of remarks. I wish my amiable colleague, the gentleman from New York, would be magnanimous and set a precedent by withdrawing his request.

Mr. MANSFIELD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. MANSFIELD. I am going to ask permission to extend my remarks and to include therein a speech delivered by the Secretary of War and another speech by the Chief of Engineers of the Army. Would the gentleman have objection?

Mr. WOODRUM. Government officials are different. This is a practice that has grown up just recently and it is not proper. We used to have a rule that we would not include these various addresses and newspaper articles in the CONGRESSIONAL RECORD. Where will this all end?

Mr. DUFFY of New York. Mr. Speaker, I only made this request because I thought it would be helpful in the discussion of the banking bill now before the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. HOFFMAN. Mr. Speaker, in view of the reluctance to object on the other side, I will do the dirty work and object.

Mr. DUFFY of New York. Mr. Speaker, I withdraw my request.

PERMISSION TO ADDRESS THE HOUSE

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CHAPMAN. Mr. Speaker, I wish to invite the attention of the Members of the House to the standard forms for bridge bills which have been worked out over a period of years by the Committee on Interstate and Foreign Commerce, which has jurisdiction of all bills authorizing the construction of bridges over navigable streams, State lines, and international boundaries. These forms are the result of much study and labor, in addition to long experience in handling bridge legislation.

A large number of these bills is referred to the committee each year. For example, in the last Congress the Subcommittee on Bridges considered 176 bills, 104 of which were reported by the full committee to the House, 90 of which passed the House and 86 of which passed both Houses.

Recently a number of Members have failed to follow the standard forms, probably because they were not available to the Members in printed form. That has caused a good deal of confusion and delay. It has been found necessary by the committee to correct many bills and sometimes to have them rewritten and reintroduced.

These bridge bills are of great importance to the Members sponsoring them, and of great interest to their respective constituencies. It will be a source of convenience to the Members of the House, will obviate the necessity of frequent delays, and expedite the passage of bridge legislation, if the Members in introducing bridge bills will adhere to the following approved and standard forms:

FORMS FOR BRIDGE BILLS

NO. 1

(Form for publicly owned free highway bridge, intrastate)

A bill granting the consent of Congress to the _____

_____

(Insert the name of the State, county, city, or highway department)

to construct, maintain, and operate a free highway bridge across the _____ River at or near _____.

Be it enacted, etc., That the consent of Congress is hereby granted to the _____

_____

(Insert the name of the State, county, city, or highway department)

to construct, maintain, and operate a free highway bridge and approaches thereto across the _____ River, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 2

(Form for publicly owned free highway bridge, interstate)

A bill authorizing the _____

_____

(Insert the name of the State, county, city, or highway department)

to construct, maintain, and operate a free highway bridge across the _____ River at or near _____.

Be it enacted, etc., That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the _____

_____

(Insert the name of the State, county, city, or highway department)

be and is hereby authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the _____ River, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. There is hereby conferred upon the _____

_____

(Insert the name of the State, county, city, or highway department)

all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 3

(Form for publicly owned toll bridge, intrastate)

A bill granting the consent of Congress to the _____

_____,

(Insert the name of the State, county, city, or highway department)

to construct, maintain, and operate a toll bridge across the _____ River at or near _____.

Be it enacted, etc., That the consent of Congress is hereby granted to the _____

_____

(Insert the name of the State, county, city, or highway department)

to construct, maintain, and operate a bridge and approaches thereto across the _____ River, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed _____ years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the

expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 4

(Form for publicly owned toll bridge, interstate)

A bill authorizing the _____

_____

(Insert the name of the State, county, city, or highway department)

to construct, maintain, and operate a toll bridge across the _____ River at or near _____.

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the _____

_____

(Insert the name of the State, county, city, or highway department) be and is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the _____ River, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon _____

_____

(Insert the name of the State, county, city, or highway department) all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said _____

_____

(Insert the name of the State, county, city, or highway department) is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed _____ years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 5

(Form for privately owned toll bridge, intrastate)

A bill authorizing _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), to construct, maintain, and operate a bridge across the _____ River at or near _____.

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), be and is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the _____ River, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. After the completion of such bridge, as determined by the Secretary of War, either the State of _____, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of such State governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of _____ years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include goodwill, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 percent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

SEC. 3. If such bridge shall at any time be taken over or acquired by the State of _____, or by any municipality or other political subdivision or public agency thereof, under the provisions of section 2 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed _____ years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 4. The _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), shall, within 90 days after the completion of such bridge, file with the Secretary of War and with the highway department of the State of _____, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and at the request of the highway department of the State of _____ shall, at any time within 3 years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 2 of this act, subject only to review in a court of equity for fraud or gross mistake.

SEC. 5. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 6

(Form for privately owned toll bridge, interstate)

A bill authorizing _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), to construct, maintain, and operate a bridge across the _____ River at or near _____.

Be it enacted, etc., That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), be and is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the _____ River, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the condition and limitations contained in this act.

SEC. 2. There is hereby conferred upon _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other propety is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of

toll so fixed shall be the legal rates until changed by the Secretary of War under authority contained in the act of March 23, 1906.

SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of _____, the State of _____, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of _____ years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 percent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

SEC. 5. If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed _____ years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 6. The _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of _____ and _____ a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within 3 years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 7

(Form for privately owned toll bridge, International)

A bill authorizing _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), to construct, maintain, and operate a bridge across the _____ River at or near _____.

Be it enacted, etc., That in order to facilitate international commerce, improve the Postal Service, and provide for military and other purposes, _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), be and is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the _____ River, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in _____.

SEC. 2. There is hereby conferred upon _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of _____ needed for the location, construction, operation, and maintenance of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of _____, upon making just compensation therefor to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), is hereby authorized to fix the charge tolls for transit over such bridge in accordance with any laws of _____ applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act, is hereby granted to _____, its successors and assigns (or his or their heirs, legal representatives, and assigns), and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 8

(Form for railroad bridge)

A bill granting the consent of Congress to the _____ to construct, maintain, and operate a railroad bridge across the _____ River at or near _____

Be it enacted, etc., That the consent of Congress is hereby granted to the _____, its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto across the _____ River, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to _____, its successors and assigns, and any party to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise is hereby authorized to exercise the same as fully as though conferred herein directly upon such party.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 9

(Form for railroad bridge, international)

A bill granting the consent of Congress to the _____ to construct, maintain, and operate a railroad bridge across the _____ River at or near _____.

Be it enacted, etc., That the consent of Congress is hereby granted to the _____, its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto across the _____ River, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near _____, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the approval of the proper authorites in _____.

SEC. 2. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to _____, its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

NO. 10

(Form to extend the time for constructing a bridge)

A bill to extend the times for commencing and completing the construction of a bridge across the _____ River at or near _____.

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the _____ River, at or near _____, authorized to be built by _____, by the act of Congress approved _____, are hereby extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by the Secretary of War last night and

also to include an address delivered by the Chief of Engineers yesterday before the National Rivers and Harbors Congress.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

IMPORTANCE OF WATER RESOURCES AND PROGRESS OF WATERWAY DEVELOPMENT

Mr. MANSFIELD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. George H. Dern, Secretary of War, at the annual banquet of the National Rivers and Harbors Congress, Mayflower Hotel, Washington, D. C., May 2, 1935:

I have come to discuss our most vital national resource—water. I have come to speak to a body of nonpartisan patriots, determined that our water resources shall be of maximum benefit to our country and contribute to the fullest extent to the well-being of its citizens.

I have come as the sixty-ninth head in lineal succession of one of the three original great Government departments, and the one to which major waterway improvements have always been intrusted, to pledge the utmost in enlightened and energetic prosecution of waterway affairs.

I have come to repeat publicly my pledge to the President that as my Department has been first in war, so it is ready to be first in peace—the spearhead of his drive to eliminate unemployment through the improvement of those water resources which govern all life, and which, of necessity, must be the focal point around which other forms of improvement must be grouped. We have the plans for the work and the engineers to execute it.

I have come as Secretary of War and as an individual, to express my faith in waterway improvements, not merely as a means for relieving unemployment and for reviving the heavy industries, but as a sound addition to our capital equipment, to strengthen our economic structure and to promote social development.

From the earliest ages, waterways have had a critical influence on the development of civilization and the spread of culture. Economic expansion has followed them. From the time, in 1607, when the *God-speed,* the *Susan Constant,* and the *Discovery* sailed up the James River with the dauntless and intrepid band of settlers who founded our country; from the time a few years later when the *Mayflower,* with its cargo of inspired pioneers first spread its sails in Massachusetts Bay, our civilization has followed our waterways. Even in the conquest of the western plains and mountains, prairie schooners set out only when navigation could be pushed no further inland. And our streams carried our prospectors into the heart of Alaska.

Only with a highly developed and efficient transportation system can a powerful and reliable economic structure be erected and maintained. Our waterways are arteries of such a system. Through our ports come rubber, tin, textiles, spices, machinery, and inventions of other lands which go to make a fuller and better life, and out of them go those products, such as cotton, wheat, cattle, oil, and manufactured articles, on the production of which whole sections of our country depend.

The great rivers with which we are blessed reach inland with their commerce. I sometimes wonder whether our great cities, with their present manifold activities, realize that the waterways have made them what they are, and recognize the important part in the continued growth of those cities which improved waterways have played. The truth of this statement with respect to the great eastern seaboard cities, and in regard to the large cities on the Gulf and on the Pacific coast, is perhaps apparent, but how much credit do the waterways receive for the development and continued prosperity of such inland cities as Pittsburgh, Chicago, St. Louis, Cincinnati, St. Paul, Duluth, Detroit, Memphis, Sacramento, and many others?

Costly forms of transportation in the interior have placed that region at a disadvantage with the coast, and the scope of its economic effort has been curtailed. The farmer pays for the transportation of his products, and he has been paying for this interior disadvantage by the sweat of his brow. The manufacturer has been forced to the seaboard by high freight rates, thus retarding industrial development in the midst of our greatest agricultural area.

I like to think of the great Mississippi not as a dividing line between the East and the West, but as a broad artery of trade connecting the Great Lakes and the Gulf, with arms in the Ohio and Tennessee reaching to the Alleghenies, and in the Missouri and Arkansas tapping the fertile western plains and the slopes of the Rockies—a real bond and link between East and West, North and South, rather than a barrier.

Within a few miles of the Capitol are communities which are almost wholly dependent on waterways for their transportation, and for an outlet to their markets. To deprive our country of its water transportation would paralyze trade and would wholly change our commercial structure. To fail to forge ahead in their improvement or to keep pace with modern requirements would be a breach of public trust.

Our Federal Government is alone empowered to make a comprehensive development of our waterways. It recognizes its responsibilities to the people. Let not selfish interests seek to undermine the edifice which has been erected in our waterway transportation system, as worms boring within the timbers of a ship eventually destroy it.

Our streams are important not alone as carriers of commerce. Even the most hardened of us must drink water occasionally. The general excellence of our water supplies has made for a healthy country, and made possible the concentration of population we now have. Our sanitary engineers are world leaders in their field, and the water works of this country, of which there are good examples here, are unsurpassed.

Water is a dynamic resource. Our coal and oil may become exhausted—already this is predicted—but the waters will flow forever. Water power turned the grist mills which ground our fathers' wheat and corn. Water power developed the factories of New England, the textile industry of the South. Hydroelectric development now permits a diversification of the benefits of stream flow far from the stream itself, and in some places is the sole reliance of a considerable population for light, heat, and power. Our resources in hydro power are unexcelled and only partly developed. Our use of these resources is abreast or ahead of world progress.

In the Far West are regions where the soil is richer, deeper, and more productive than almost anywhere else in the United States, but where nature has been niggardly in providing the life-giving water to make things grow. Where there is no water there is no life. Such spots are a challenge to man's ingenuity in conducting water from afar. He has responded magnificently, and great valleys that were once deserts are now a countryside of smiling fields and orchards, with progressive American communities that form an important market for the products of Eastern manufacturing centers. Irrigation is a sound national policy, and is generally practiced where the people do not know the meaning of the words "marginal" or "submaginal" as applied to land. The development of larger areas may logically be expected, to meet the demands of an expanding or shifting population.

Nature, not always kind in furnishing water, sometimes provides it in too great abundance. In these localities, the fertility of the soil is such that venturesome man invades the regions despite the risk, and hence engineering works of the first magnitude have been required, to save for the Nation those farm lands so necessary for our growing population, and those commercial centers so essential as a market for raw materials and manufactured products.

And when there is the use of lakes and streams for recreational purposes. We are just beginning to learn that those who live the strenuous life must play a little now and then. To furnish the people recreational facilities is a public responsibility and function. By the same token, stream pollution likewise becomes a public problem; and it is one that we ought to face right away.

If proof is necessary, I have said enough to convince even a skeptic that water controls our civilization. What is to be the future of our waterways? In considering this, it should be profitable to review briefly some notable achievements of the past. No doubt, the Chief of Engineers and others who will address you will give details of the work of the War Department which will be of intense interest to you. What I wish to do is merely to call attention, in broad outline, to some major accomplishments.

When your organization was formed in 1901, at the dawn of this century, works for the improvement of our rivers and harbors had progressed from the first few modest undertakings designed to provide for the small carriers in use during the early history of the Republic, to more ambitious and extensive projects in keeping with the requirements of modern shipping and the technical progress which had been made since the days of George Washington and his Potowmack and James Canals. The work had been done progressively and as any prudent individual would conduct his own affairs—according to reasonably prospective needs and the condition of his finances. Where life and health were involved, especially, consideration was given to worthy projects.

As ambitious as some of these projects were for their time, they seem small when viewed in retrospect.

Up to 1900, the War Department had expended some $313,000,000 on waterway improvements, and the total appropriations available for expenditure by the Department during that year did not reach $19,000,000, a sum less than now available to a single Engineer district. With the improvement in our transportation system, some of the earlier projects were outmoded, whilst others were fast becoming more important, and the needs of navigation insistently demanded their enlargement.

Let us glance for a moment at the record of the last 35 years on this, your thirtieth meeting and your thirty-fifth birthday. Since your association was formed, the Panama Canal was begun and completed as an American undertaking—a truly magnificent achievement that stirs the pride of every American. Taken up where others had failed, the work was pushed brilliantly to completion, and has become a model of engineering organization and achievement which the whole world acclaims. The work on the Atlantic Harbors has been less spectacular because it is under water, but it is no less important. These great harbors and entrance channels have been deepened from about 25 feet to from 35 to 40 feet. The important interior link of waterways along the Atlantic coast is now nearing completion, and is of outstanding significance.

The South has developed rapidly, and with the oil fields in the Southwest has added greatly to Gulf commerce, necessitating far-reaching improvements in Gulf ports and connecting waterways. The improvement of the Texas ports, and the vast commerce using them, has come largely since your Congress first met.

The Pacific ports have shared in the general improvement. The Columbia, improved by monumental breakwaters and other works, is substantially a development of the last 35 years. Los Angeles has attained the prominent place it holds as a port and city during this period. San Francisco, with its magnificent inland harbor, has profited by interior channel improvements.

The deepened connecting channels and the harbor improvements on the Great Lakes, together with technical industrial progress, have made possible the development of the greatest interior water commerce in the world, the major part of which has come since the turn of the century. This development points directly to the projected Great Lakes-St. Lawrence seaway, by means of which ocean commerce may be brought to the heart of the American continent and enormous hydroelectric power resources developed for man's use. How much longer this great, permanent natural resource will be left lying idle I do not know, but I do know that sometime the sister republics of Canada and the United States will develop it as a joint undertaking for their mutual benefit.

The interior rivers have not been neglected, but are now receiving preferential treatment. From a few disconnected stretches where improvements had been begun, the vast Mississippi with its tributaries has been changed during the life of your organization into an integrated system, which will soon permit the operation of boats of uniform draft from the Alleghenies and the Lakes to the Gulf, and even to Kansas City and beyond—the most extensive system of river navigation in the world. The final stages of this improvement are at hand. The upper Mississippi from St. Paul to St. Louis is being transformed by the construction of more than a score of dams into a chain of beautiful lakes, connected by locks and canals, to permit safe and dependable navigation from St. Paul to the Gulf, to say nothing of the recreational value of these bodies of water. The Missouri River is being regulated from its mouth to Sioux City, and the Fort Peck Dam is being constructed to provide ample water for navigation throughout the season. Barge operation between St. Louis and Kansas City will be inaugurated early next month. I am hopeful of securing an allotment of funds sufficient to push the upper Mississippi and the Missouri River projects to early completion.

Works for the control of floods on the lower Mississippi, and on the Sacramento, which were begun in a modest way, largely through local initiative and enterprise, have now been taken over by the Federal Government to a large extent, and have been increased enormously during the period we are considering. Works for the development of power, and the improvement of water supplies, have been undertaken and completed throughout the entire country. Irrigation has made great strides under the efficient direction of the Bureau of Reclamation in the Department of the Interior.

These are significant accomplishments, not abstract theories. The improvements have had, are having, and will have, a far-reaching influence on our cultural, economic, and social life.

I call them to your attention to refresh your memory and to impress you with the increased tempo with which the work has been prosecuted during recent years. It has cost large sums of money, but the expenditures have been commensurate with the importance of the work, the increasing wealth of the country, and, very recently, with the social and economic requirements of the emergency.

Over $2,000,000,000 have now been spent or allotted to vital improvements undertaken by the War Department. Compare this figure with that of 1900. Since that time about 85 percent of the work has been done. Prior to the new relief appropriation of $4,800,000,000, the present administration has allotted about $515,000,000 to this work. This is nearly twice as much as was made available for similar work during the whole century preceding the birth of your organization. Certainly the waterway new deal has been a square deal.

Let us look at the present situation. You are doubtless familiar with the scope and extent of the projects under way; the rapidity with which they were undertaken; the vigor with which work at Fort Peck, Bonneville, the Mississippi, the Missouri, the Muskingum, along the coast, on the Lakes, and elsewhere, is being prosecuted.

Hundreds of millions were allotted, and the work was put under way with astonishing promptness and is being pushed to completion with gratifying speed. Hundreds of thousands of idle men have been given employment and are now engaged on work of this character. Human requirements have been kept in the foreground. Not only those of the individuals have been given consideration, but the rights of contractors have been fairly protected. The Department was the first Government agency to draw contracts in which wages and proper living conditions of employees were safeguarded.

River and harbor improvements have such a high social value, can furnish prompt and wide-spread employment to so many men, and will so stimulate the durable-goods industries that I am sanguine of receiving generous allotments out of the new public-works appropriation. Both the intrinsic merit of waterways projects and their wide-spread benefits insure this.

In the river and harbor bill just passed by the House of Representatives there are 204 projects, 127 of which are new and 77 of which were included to give permanent status to work already completed or under way with emergency funds. I understand that still other projects are being considered by the Senate committee which is handling this bill.

But even the remarkable progress which has led up to the present situation does not represent the last word in the orderly and comprehensive development of our water resources. Many other projects and plans are ready for consideration and adoption when social, financial, and economic conditions demand, and still others are in preparation. As you know, these improvements are not haphazard developments. All projects have been given the most searching investigation prior to their adoption. I say this not only on my own authority but on that of many of your leaders, past and present, who have given the matter consideration.

The War Department, for years, has been a major planning agency. Its place in our national organization requires that. It has made a longer and more extensive study of organization and planning than has any other agency in the country. All forms of industrial activity will find prototypes of their organization in the Department. Industry recognizes these facts, and students have recorded them in their works.

The Department has planned for the future, and is continuing to do so, to the extent that funds and authority are available. The pioneer planning undertaken by the Department was given a major impetus when authority was given and money made available to conduct a comprehensive survey of the streams of the country, as listed in House Document No. 308, Sixty-ninth Congress. This survey, the first and most comprehensive of its kind ever undertaken, has resulted in the accumulation of data of far-reaching importance, and the formulation of plans for 1,600 definite projects. Not only were navigation, power, flood control and irrigation given consideration in these plans, but where these were patently involved with other water uses, those other uses were studied and provision was made for them. The survey is the foundation on which all of our general waterway plans have been formulated. It is alive. Plans are being kept abreast of the times, and developed to meet changing social and economic conditions and the reasonably prospective needs of the future. A summary or index of the reports of this survey has been mimeographed and is available to you.

The War Department is most fortunate in being able to number among its friends and supporters, an organization such as yours, which is devoted to the rational development of our paramount national asset. In bringing before the Congress, the Administration, and the War Department, worthy projects for inclusion in our national waterways plan, in presenting local views, and most important of all, in assisting in the crystallizations of national opinion, you have rendered a signal service to your homes, your States, and your country. Under its present officers, and with the leadership and Membership of your Congress, I feel confident that even greater accomplishments will be possible in the future.

The work before us involves the solution of problems which are too important to be intrusted to any group except one composed of professional men, who, by training and lifelong experience, are qualified to render the country a high order of service, and who are uninfluenced by sectional or professional jealousies and personal ambitions. The task is too vast and too important to be given to those having only local or theoretical experience, or whose experience is limited to some special phase of waterway development.

The Department recognizes its responsibilities in the matter of waterway development. That stern and accomplished old Roman, Julius Frontinus, fresh from triumphs on the battlefields, when made curator of waters by the Emperor Nerva, in the year 97 A. D., expressed his sense of honor at the appointment by recording in his memoirs that his duties "from olden time, have been exercised only by the most distinguished citizens." As in the mighty Roman Empire, so in this mighty country has the task of handling our waters been intrusted to the most distinguished citizens. Five former Presidents of the United States and the only President of the Confederacy were given the task of improving our waterways. Some of our great soldiers, like Frontinus of old, who won battles for his emperor in Spain and Britain, have been engaged upon our waterway improvements. Lee and Meade, Beauregard and Humphreys, Goethals and Sibert have earned enduring fame as soldiers and as engineers.

There are men among the Army Engineers today with the same high ability, integrity, and zeal, and who, moreover, are inspired by these famous former members of their corps to perform even greater service for the country if the opportunity is given them.

The War Department, with over a century of experience in every type of waterway development, with not only the experience, but with a record of probity and achievement unrivaled by any other engineering organization in the world, will be devoted in the future, as in the past, to planning and executing the works which you have so close at heart.

The Army in this country has never started any of the Nation's wars but has finished them all successfully. Its victories in peace have been no less renowned than in war, and it glories as much in its economic achievements as it does in seeing the serried ranks returning home in triumph from the battlefield.

The Army accepts the challenge of the depression. We are ready to forge ahead on the President's program of ending misery and of providing the country with enduring improvements.

I know we can count on your continued enthusiastic cooperation. Let your accomplishments in the past be but the prelude to still greater service in the future.

DEVELOPMENTS IN WATERWAY IMPROVEMENTS

Mr. MANSFIELD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following ad-

dress of Maj. Gen. E. M. Markham, Chief of Engineers, United States Army, before the National Rivers and Harbors Congress, in Washington, and to the country by Nation-wide radio broadcast over the system of the National Broadcasting Co., May 2, 1935:

Mr. President and gentlemen, it is a great privilege to have the opportunity again to appear before the membership of the National Rivers and Harbors Congress, and to speak briefly of the developments in waterway improvements since your last annual meeting, particularly since the influence of your Congress has been an important one in the comprehensive and intelligent improvement program for utilizing to the best advantage the great natural assets afforded by our national waterways.

Last year, I told you that prior to 1928, the annual appropriation for the maintenance and improvement of our rivers and harbors had averaged from $40,000,000 to $50,000,000, and for flood control, about $10,000,000, and that in the 5 years preceding the National Industrial Recovery Act, approximately $400,000,000 was expended on rivers and harbors, and $158,000,000 on flood control. When I addressed you last year, there had been received as a part of the augmented budget for emergency relief, $250,000,000 for application to rivers and harbors and flood control. That amount has been increased until, at the present time, a total of $356,000,000 has been received for the purposes stated. These funds have practically all been obligated. Of the river and harbor funds made available from the National Industrial Recovery Act, there remains unexpended but $15,000,000 or about 4 percent. These resources have made possible a major contribution to employment relief and a noteworthy advance in the development of our waterways.

The record of the first year of our emergency expenditures, in the preparation of plans and specifications and in speedily placing the work under way, has been continued as a consequence of which, I feel it my duty to speak gratefully again of the enthusiastic and loyal efforts of my organization in the purpose that the emergency program should be successful.

As allotments were necessarily influenced by the need for providing employment, a number of projects urgently demanded by navigation have not been included in the emergency works authorized. The funds, however, have permitted the initiation of a number of major projects which will be completed when additional allotments are made. Some of the more important enterprises on which material progress is in evidence, but for which more funds are required for completion, are the Delaware River from Philadelphia to Trenton, the Intracoastal Waterway along the Atlantic coast, the canalization project for the upper Mississippi River, the regulation program for the Missouri River, and the construction of the Fort Peck Reservoir. The Bonneville Dam, the replacement program on the Kanawha River, the completion of the channels in the Great Lakes, the enlargement of the Cape Cod Canal, further work in Tampa, Miami, Boston, Sabine-Neches Waterway, the Louisiana-Texas Intracoastal Waterway, and several of the important Great Lakes ports will likewise require further funds.

This Department has prepared a comprehensive program, which, in addition to the completion of these projects, provides for continuing work on the projects hitherto authorized by Congress, or recommended to Congress, and included in the river and harbor bill recently passed by the House of Representatives and now before the Senate. Preliminary plans and specifications are well advanced for all of these improvements and the Department is prepared to place them under way as rapidly as funds become available. Their completion will insure that with the end of the depression and the inevitable commercial expansion which will follow, our waterways will be prepared to meet the demands of navigation and to play their usual important part in the maintenance of prosperity.

The emergency relief appropriations have also provided funds for certain flood-control projects. These funds have been applied only to projects authorized by Congress, to those combined with other improvements, or where the local interests have contributed in large part to the project. These developments include the authorized flood-control plan for the Mississippi River, that for the Sacramento River, and the comprehensive plan for the Muskingum Conservancy District. On the Muskingum, our Department is acting as the construction agency in providing 14 flood-control reservoirs under a contractual agreement between the Administration of Public Works and the Conservancy District. The district pays approximately one-third of the cost. The Fort Peck and Tygart Dams will be of material value to flood control, although both of these reservoirs are designed primarily to augment low-water flow for navigation purposes.

The comprehensive surveys and investigations undertaken by the Engineer Department have developed a large number of meritorious flood-control projects, many of which are needed to reduce the enormous damages resulting from periodic high water. These flood-control projects provide for relief by the use of reservoirs, levees, stream clearing, and cut-offs. This work is of a type peculiarly adapted to performance by relief labor. It can be placed under way with a minimum of delay, and it is distributed over a large territory. Though it is true that the benefits from some projects are largely local, the collective effect of the work will be Nation-wide owing to its suitability as a relief measure and its wide-spread distribution.

A list of the more meritorious of these projects is ready for consideration by constituted authority as a part of the Emergency Relief program. The data on hand in the Department, which covers virtually the entire country, will enable it to report promptly on plans for additional flood control. The execution of flood-control projects will be of tremendous value to agriculture as well as to large and small communities, and in many cases will remove actual hazards not only to property but to human life. It is reasonably certain that such projects will not involve future maintenance or expenditures by the Government, because their inherent value to local communities are such that they will undoubtedly be more than willing to assume the responsibility for future maintenance of these works.

I wish that I were able at this time to set out for your information the waterway program which may be expected under the recent work-relief appropriation. However, the administration has clearly shown in its allocation of over $355,000,000 to these improvements, its recognition of their merit and of their importance to our national development. Already a tentative program for the coming year has been placed before the proper division of the National Emergency Council, and undoubtedly it is now receiving serious consideration by that agency.

I feel confident that an expanded program will result, and I can assure you that such a program will be prosecuted with the same careful attention to design and supervision, with the same dispatch, and with the same success as the projects already under way or completed.

From time immemorial people of all lands have used their waterways to transport all kinds of commerce. The simple necessities of life are dependent upon low-cost water transportation. In modern times these necessities rely upon up-to-date facilities on our waterways.

In America, our natural water resources are particularly abundant. We are greatly favored by nature, and this is, in itself, a compelling reason for their improvement and development. We must constantly plan for the future, and we must be abreast or ahead of the times in the execution of our plans.

Let me assure you that we have looked far ahead, and that we are ready to execute our plans as fast as there is demand for new and improved facilities, and as the authority and funds for their construction become available. Although this planning is already thorough and far reaching, we realize that eternal vigilance must be exercised to maintain step with changing conditions and in readiness to meet the unforeseen.

Let me say that the War Department has worked with you to plan and accomplish the best results for the country. Our waterborne commerce in 1929 reached a peak of 584,000,000 tons, valued at $24,000,000,000. During the low point of the economic depression the annual tonnage dropped to 342,000,000 tons, valued at $11,000,000,000. In 1933 our records show this tonnage to have increased to 394,000,000 tons, valued at $12,600,000,000. All indications are that 1934 will show a further increase, and that within a few years the peak tonnage of 1929 will be greatly surpassed. We are optimistic. We believe prosperity to be definitely in sight. With its return, we expect to have actual waterway improvements ready to serve prosperity, as plans and organizations were available to fight the depression.

Moreover, we look forward to working in harmony with you as time goes on to secure greater and greater prosperity for the Nation, by reason of its waterway improvements and the ever-increasing commerce and plenty which results from such improvements.

You have accomplished much in the past. With your wider membership and your forceful and energetic leadership I foresee a bright future for you and for the accomplishment of the constructive ends to which you have dedicated yourselves.

I am grateful for the attention which you have accorded my remarks.

GRAND HAVEN LIGHTHOUSE RESERVATION, MICH.

Mr. WARREN. Mr. Speaker, by direction of the Committee on Merchant Marine and Fisheries, I call up the bill (H. R. 4239) authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich., and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to convey to the city of Grand Haven, State of Michigan, for use for street purposes, certain portions of the Grand Haven Lighthouse Reservation, Mich., which are not required to be retained for lighthouse purposes. The Secretary of Commerce shall describe by metes and bounds in the deed of conveyance the exact portions of the reservation transferred. The deed of conveyance shall also contain a provision that should the city of Grand Haven, State of Michigan, cease to use the property for the purpose for which it is conveyed, title thereto shall revert to the United States.

SEC. 2. The United States reserves the rights-of-way over, underground, or across the area to be transferred for any use whatsoever in conducting the Lighthouse Service or other activities of the Government, and, further reserves the right to be furnished by the city of Grand Haven, any and all services, conveniences, and utilities at established rates, such as transportation, gas or electric lighting facilities, water connections and sewer connections, and such other utilities as may be installed in the vicinity of and accessible to the reservation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORN-HOG PROGRAM

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD dealing with the Federal processing tax.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks I wish to confine my time to the corn-hog program, laying special emphasis on the processing tax as it affects the recovery program and builds for future security for the farm and farmers. I find that everyone who makes a study of just what the Agricultural Adjustment Act is doing for the preservation of the farmers and our farms is very enthusiastic about it. The trouble is that 99 out of every 100 who speak on or about the actual application of this act do not know the facts. A small percent of destructive critics can always be found when a new procedure is set up in any field.

Mr. Speaker, we always find the demagogues playing on the sympathy of the unfortunate. This has been especially true during the last session, when the opponents of the administration, or, in reality, the opponents of the farmer, laborer, and little business man, shed crocodile tears in telling of the pigs that were killed.

I am sorry to say that many of these same fellows who shed these crocodile tears because some pigs were killed by the Government to bring about purchasing power are the same fellows that criticize the workings of the Agricultural Adjustment Act. It is this same group of destructive critics who destroyed the banks and credit of the Nation and put us on the rocks in 1929. Now, when they see we are going to come out of the depression and give back to the farmers, laborer, and little business man another hold they again cry.

Therefore, I wish to tell you just how the Agricultural Adjustment Act has worked to the advantage of all concerned since it was put into operation.

I wish to make a few remarks in my time today concerning the character and results of the agricultural-adjustment programs pertaining to livestock and feed grains. In recent weeks we have heard a great deal of loose talk about the effects of these programs. We have heard the Adjustment Administration charged with wanton destruction of food and with extreme disregard of the public interest. We have heard the Adjustment Administration blamed for the current shortage of feed and the temporary over-reduction in hogs, which really was caused by the drought. The recent rise in retail prices of meats has been hailed as extraordinarily exorbitant, and, of course, the administration has come in for a large share of blame. It has been said that the farm-adjustment program not only has robbed the poor and the needy of necessary food, but that it has destroyed the farmers' foreign market for livestock products, and has resulted in flooding the country with imports of both meats and grains.

Now what are the facts? Unlike some commentators who pose as authorities on this subject of agricultural adjustment, I have taken the trouble to find out a little bit about what actually has been going on. I find, as I suspected, that much of what is being said publicly about the livestock- and crop-control programs is not based on fact. As a consequence, there is misunderstanding and ignorance of considerable extent on the part of the public regarding the adjustment activities. It seems appropriate, therefore, to discuss the present livestock and feed-grain situation in full view of the facts and in recognition of the popular misunderstandings.

Thus far in the livestock and feed-grain field there have been adjustments only in corn acreage and in the numbers of hogs, cattle, and sheep. The effort to control corn and hog production under the Agricultural Adjustment Act has followed along two lines: First, removal of surpluses on hand at the outset through emergency purchases of pigs, sows, and market hogs, and of hog products, all for relief distribution; second, the sign-up of over a million farmers to hold corn acreage and hog farrowings thereafter at more moderate levels. The adjustment in cattle and sheep numbers was made through the Government's drought-relief buying program during the summer and fall of 1934.

There are several things about these programs that I wish to emphasize:

First. All of them have been largely based on recommendations of farmers themselves, not foisted on farmers as so often claimed.

Second. The products of the several emergency slaughter activities actually were used, either for edible or inedible purposes and not utterly wasted as so often charged.

Third. The amount of feed available per farm animal and the volume of livestock available for slaughter during the current season is larger, not smaller, than if no adjustment program had been in effect.

Fourth. The sharp reduction in production, part of which occurred as a result of the Agricultural Adjustment programs, has not resulted in a really significant increase in imports of livestock and feed grains.

Fifth. While meat supplies during the current year will be shorter than for some time, they will be ample and should begin to increase following the next harvest of feed grains.

Sixth. There are good and sufficient reasons for undertaking control of livestock and feed-grain production.

When the Agricultural Adjustment Act was passed in May 1933 the corn-hog situation was extremely acute. The average farm price of hogs in the United States was only around $3 per hundredweight, as compared with the farm price of nearly $12 per hundredweight for the same period in 1926 and an average of $7.22 per hundredweight for the 1910–14 period. The United States average farm price for corn in early 1933 was only about 25 cents per bushel, as compared with approximately 70 cents for the same period in 1926 and an average of 64.2 cents per bushel in the 1910–14 period. In my own State of Pennsylvania hogs at the farm in the spring of 1933 were bringing only about $4 per hundredweight. In the North Central States, where the bulk of the commercial supply of corn and hogs is grown, farm prices of hogs averaged considerably less.

At the same time farmers were paying for commodities bought at an average price even higher than they had paid in the pre-war period. Obviously immediate action to raise corn and hog prices was essential. Both corn and hogs had less than one-half of their pre-war purchasing power. In fact, for a part of the time in the winter of 1932–33 corn had scarcely more than one-fifth of its pre-war purchasing power. It was so cheap that farmers in the Corn Belt actually used it for fuel.

This severe disparity between corn-hog prices and the prices farmers pay, as has often been explained, was due primarily to excess production. Restoration of hog production in European countries after the war to a point well above their pre-war output and the sharp increase of trade barriers after 1929 caused such a decline in our exports of pork and lard that a heavier and heavier load was thrown on the domestic market. Our exports of pork and lard dropped from an average of around 2,000,000,000 pounds in the early post-war years to slightly more than 700,000,000 pounds in 1932. Where the American farmer averaged 20 foreign customers for pork in the 1926–29 period, he had only 8 left in 1932; and where he had 40 foreign customers for lard during the same predepression period, there were less than 30 in 1932.

Unhappily, there was no proportionate adjustment in hog production as our export trade fell off. Instead, hog production in the United States continued to increase at about the same rate as the country's population. Lower prices were inevitable. When the supply of a commodity tends to increase in the face of declining demand, the value must fall.

Of course, the level of hog prices would have fallen to some extent during the depression in company with the drop in all prices. But the excess of hog products in the domestic

market resulting from the slump in foreign trade caused hog prices to fall more than the prices of other products.

Mr. Speaker, it has been rather difficult for the American people to comprehend the corn-hog surplus because the excess of hogs, unlike the excesses of some other commodities such as cotton, did not pile up in warehouses. Pork is a relatively perishable product, and has to be kept moving through to consumers as rapidly as possible for whatever it will bring. Even products adaptable to storage are seldom held through a second season. Thus, the surplus in hog production was almost entirely reflected in the disparity between hog prices and the prices of things farmers buy.

Now, as I have said, the hog situation in the late spring and early summer of 1933 warranted immediate action. The number of hogs already farrowed and fattening was large. Moreover, the 1933 spring pig crop was 4 percent larger than the spring crop of the year before, and according to the Government survey on June 1, a substantial increase was expected in the number of sows to farrow in the fall. Yet, demand for hog products, particularly in the foreign markets, had not improved. Storage stocks of pork and lard were abnormally large. It seemed certain that without an emergency adjustment of some sort, hog prices during the winter of 1933–34 would be very low, possibly even lower than during the winter of 1932–33.

On July 18, 1933, these State groups gathered at Des Moines, Iowa, and organized the National Corn-Hog Producers Committee of 25. This national committee was delegated by the conference of producer representatives to advise directly with the Secretary of Agriculture and the Agricultural Adjustment Administration on means of effectuating the necessary adjustment of hog numbers.

The first action of the national committee in the summer of 1933 was to review in conference with Agricultural Adjustment Administration officials the serious economic outlook for hogs. Then, at a public hearing early in August, they outlined a pig- and sow-buying program and urged its immediate adoption by the administration as an emergency adjustment measure. I repeat, it was the representatives of the producers who urged the pig- and sow-buying program.

Mr. Speaker, I quote in part from this committee's recommendation as follows:

> We find very definite and substantial increases in the production of hogs, both as to number and tonnage, taking place while at the same time a substantial decrease in normal outlets, both in the export and domestic markets, obtain. If such a condition is to be met, it must necessarily call for what ordinarily might be termed "drastic measures."
>
> To meet this situation, we recommend the removal from the domestic market of 500,000,000 pounds of pork and pork products between now and January 1, 1934, and a total of 2,000,000,000 pounds during the coming marketing year by any one or a combination of the following methods: (a) Encouraging the marketing of 4,000,000 pigs from 25 to 100 pounds average weight between August 15 an October 1; and (b) inducing the immediate marketing of 1,000,000 sows about 275 pounds in weight, soon to farrow, by offering a premium of $4 per head plus the removal of the usual dockage.
>
> It is proposed to dispose of the resulting meat and meat products from the best of these animals by the sale on a moderate basis to relief agencies under definite agreements that their normal purchases of meat will be reduced. The balance of the lower grades of meat resulting from this type of marketing should be condemned, tanked, and such salvage realized therefrom as would be possible without serious inconvenience or injury to the usual demand for this type of product.

That completes the quotation from a part of the recommendation for an emergency pig and sow marketing program made to the Secretary of Agriculture by the corn-hog committee of 25.

The buying of pigs and sows at market premiums began as scheduled on August 23, 1933, and continued for a little more than 5 weeks thereafter. I call your attention to the fact that this emergency program, commonly known as the little-pig program, terminated in the fall of 1933 and has not been in effect since that time, as many people seem to believe. The purchases were made by authorized meat packers in 80 processing points over the country, and finally totaled 6,200,000 pigs and about 220,000 sows due to farrow. The sale of sows lagged beyond the original objective of 1,000,000 head, but the sale of pigs was increased to nearly 50 percent over the original objective on account of drought conditions in the Dakotas and nearby territory.

The heavy pigs—that is, those weighing between 80 and 100 pounds—together with the sows, were converted into dry salt pork for distribution to needy families. Altogether, about 100,000,000 pounds of pork were produced. It was distributed by the Federal Emergency Relief Administration throughout the United States and in several insular possessions.

The light pigs were unsuitable for economical processing into meat on account of their smallness, and therefore were converted into grease and fertilizer tankage. A little over 5,000 tons of tankage and 10,000 tons of grease were produced and stored. These products were sold to highest bidders late in the fall of 1933 for a little more than $600,000.

When a shortage of storage space developed during the buying program some of the tank residue remaining after the rendering of grease from the pig carcasses had to be disposed of immediately instead of being manufactured into fertilizer tankage and stored. Depending upon their own situations, the processors, under contract, used various methods of disposal. In some cases the tank residue was given free to farmers. In other cases it was hauled away and dumped in places where such dumping was permissible, or otherwise disposed of.

Mr. Speaker, it was this dumping of a part of the low-value tank residue which gave rise to many fantastic and wholly false stories. Critics of the adjustment program, overlooking the real purpose of the emergency slaughter, played upon the sympathy of people for young animals, quite forgetting that the pigs were destined to die sooner or later from a thrust of the butcher's knife. These critics accused the administration of wholesale destruction of food, disregarding the fact that a large part of the slaughter produced dry salt pork for needy families, while the rest was largely utilized for inedible purposes. They ignored the fact that pork supplies following the emergency slaughter would be entirely ample for the usual needs, while prices to farmers would be stronger. It was stated that live pigs and sows with unborn pigs in them were mercilessly tossed into rivers or incinerators. Actually, every pig and sow was required to be processed either for edible or inedible uses, according to specifications of the Government. The processing operations were subject to both antemortem and postmortem inspection by inspectors of the United States Department of Agriculture. From the standpoint of public interest, there is quite a difference between the actual nature of the emergency program and the groundless allegations of wanton destruction made by the critics.

The pig- and sow-buying program obviously was a makeshift device, but it fulfilled its purpose by maintaining hog prices a year ago this winter at a substantially higher level than otherwise would have been the case. Its net benefit to the hog market considerably exceeded its net cost of around $30,000,000. In addition to providing meat for poor families the emergency program served as timely drought relief for farmers in the Dakotas and adjoining territory who were forced to sell their hogs on account of feed shortage. It also permitted for the country as a whole the savings of sixty to seventy million bushels of corn that otherwise would have been fed. These savings eventually helped materially in relieving the general drought situation in the summer and fall of 1934.

During the latter part of 1933 and the fore part of 1934 the little-pig program was supplemented by additional purchases for relief distribution of about 1,400,000 market hogs, and of approximately 92,000,000 pounds of hog products, the equivalent of about 600,000 market hogs. These supplemental operations, by reducing the volume of hog products available through regular trade channels, tended further to support hog prices during weeks when marketings were heavy. They were conducted principally during January and February 1934 and were discontinued in May. The supple-

mental purchase operations, like the little-pig program, continued to influence hog prices to some extent until the late summer of 1934.

The first really fundamental plan for raising corn and hog prices under the Agricultural Adjustment Act, however, was the 1934 corn-hog adjustment contract brought out late in the fall of 1933. This program provided control of the number of producing units; that is, the acreage in corn and the number of sows farrowing, whereas the buying program only made emergency adjustment of excessive hogs and hog products already in existence.

As was the case in the little-pig program, the 1934 adjustment contract was largely based on the recommendations of producer representatives. It was decided to call for reductions by the individual contract signer of not less than 20 percent of the average corn acreage for the preceding 2 years, 1932–33, and of 25 percent in the number of hogs produced for market from litters farrowed during the same period. Reductions in both corn and hogs were asked under a single contract in recognition of the close relationship between the production of the two commodities and because serious business administrative difficulties would have been involved in handling separate contracts for corn and hogs.

The extent of the producers' participation in the 1934 contract sign-up was extensive. In the Middle West, where the bulk of the corn and hogs are grown, more than 80 percent of the annual average production was brought under contract. For the country as a whole the control was extended to about 60 percent of the corn production and between 70 and 75 percent of the hog production. The grand total of the contracts represented about 1,155,000 farms scattered over the 48 States. As a matter of fact, the corn-hog program is the largest of all control programs under the Agricultural Adjustment Act. It covers more territory and involves the largest number of farmers.

Mr. Speaker, participation of farmers in the 1934 corn-hog program was entirely voluntary. If a farmer did not want to come in, he did not have to. He could simply forfeit the benefit payments for which he was eligible and elect to run his business on any production level that he might choose. Corn-hog farmers have that same alternative under the new program for 1935 now being put into effect. But this year, as last year, the large majority of corn-hog producers here recognized the wisdom of controlled production and again have signed up about a million contracts.

A noteworthy feature of the corn-hog program is the organization of county control associations, through which farmers themselves carry out the program details. A farmer becomes a member of the association by signing the corn-hog contract, and he has a vote in election of community committeemen who compose the association's board of directors. There are approximately 2,185 county corn-hog control associations throughout the United States today. It is estimated that there are about 20,000 community committees and about 75,000 community committeemen. These committeemen receive some compensation for services rendered, but the total amount of expenses has been moderate. The budget for committee work and equipment within each county is determined by the board of directors for its own control association.

The group consciousness being developed among farmers in these control associations may well be worth much more in the long run than all current finanical results in dollars and cents. In spite of the fact that it is one of the largest branches of all agriculture, the corn-hog industry has until this year always lacked in unity of interest.

Now, what has been the result of the 1934 corn-hog program? The proof of the pudding, they say, is in the eating. First, let us take a look at the effects of production; then we may check on changes in prices and total income.

Hog numbers were very sharply reduced in 1934. The surpluses were completely eliminated. The number of hogs on farms dropped from a little over 57,000,000 head to about 37,000,000 head during the year; that is, by a little over 20,000,000 head. The fact is we had something of an overreduction in hogs. The expected slaughter of hogs for 1935, most of which will be derived from 1934 litters, is not expected to exceed 30,000,000 head as compared with the normal inspected slaughter volume of around 47,500,000 head.

Not all of this decrease, however, was due to the corn-hog program. The temporary overreduction can be attributed to the drought. The aggregate hog adjustment represented by the 1934 contract was approximately 13,000,000 head; the remaining seven-million-odd head in the total hog reduction occurring during 1934 was largely due to the feed shortage occasioned by the drought in some sections in 1933, and by the general drought in 1934.

It is often charged that if the corn-hog program had not been in effect our production of pork and lard this year would have been larger than it is. Well, as Secretary Wallace has pointed out several times, it simply is not so. I know it is hard to believe, but we actually have more feed for animals and more meat for humans as a result of the 1934 adjustment programs than we would have had under uncontrolled conditions, for certain reasons:

First. The little-pig program helped make an adjustment in advance of the drought which resulted in from sixty to seventy million bushels of corn being carried forward to the 1934 feeding season. If the pigs had been fed out, they would have gone to market as finished hogs in the winter of 1933–34, they would have demoralized the hog-price situation, and they would not have augmented in any way the present supply of pork. The products resulting from the slaughter of the pigs as finished hogs would have been consumed long before this time.

Second. A supplement to the little-pig program in this advance adjustment was the Government's corn-loan program which resulted in the selling of 270,000,000 bushels of corn, thus encouraging more conservative feeding in the winter of 1933–34 and increasing the supply available for summer and fall of 1934 when it was greatly needed.

Third. The adjustment in 1934 farrowings under the contract helped effectuate a further material reduction in hog numbers in advance of the drought. Again the result was more available feed during the 1934–35 feeding season than otherwise would have been the case.

Meanwhile, during the summer of 1934, all of the various adjustment contracts were liberalized by the administration to permit the production of emergency feed crops. This resulted in the planting of emergency crops or the utilization of crops already planted for soil-building or erosion-preventing purposes on approximately thirty-six and one-half million contracted acres in the cotton-, wheat-, corn-, and tobacco-producing regions. This emergency production more than offset the amount of corn that might have been raised on the land taken out of corn by the adjustment program.

If the entire 13,000,000 acres set aside under the 1934 corn-hog contract had been in corn under last year's conditions, they would have produced less than 200,000,000 bushels. The average yield of corn in the United States in 1934 was 15.8 bushels per acre as compared with a normal average of about 26 bushels per acre. The drop in acre yield was particularly sharp in the western Corn Belt where many of the contracted acres were located. The total area planted to corn in the United States in 1934—that is, about 92½ million acres—produced under the severe drought conditions about 1,380,000,000 bushels. Had normal weather prevailed this adjusted planted acreage would have produced about 2,250,000,000 bushels of corn; that is, nearly 1,000,000,000 additional bushels. This volume would have been entirely ample for reserve storage and for 1934–35 requirements in view of the adjustment being asked simultaneously in hog farrowings.

This is not to suggest that the experience in 1934 has proved acreage control is ineffectual. A substantial change in acreage is a minor factor in the change of total production during a drought year, but, in event of normal weather, acreage control very effectively prevents surplus production, and would have done so under usual conditions during the past year.

Mr. Speaker, if there had not been advance adjustments in farrowings, we would have had a surplus situation in hogs similar to the one that developed in the cattle industry.

Another emergency-buying program would have been necessary. Thousands of farmers could not have maintained as many breeding animals as they now have on hand. Much valuable feed would have been virtually wasted producing pigs that could not possibly be fed out on account of feed shortage. Even with the advance adjustment in farrowings under the 1934 program, the liquidation of pigs last summer was rather severe in certain localities.

In the case of cattle, as you will recall, drought-relief buying did become absolutely necessary. At the time the drought struck, cattle numbers were the largest in many years. Moreover, they were in poor condition; good pasture was scarce and feed supplies were low on account of the short crop the season before. There was a particularly large accumulation of cows and heifers on farms and ranches. Market receipts of cattle for slaughter also were increasing. Naturally cattle prices were very low. Even before drought conditions developed, representatives of the cattle producers were considering plans for effecting an adjustment in numbers.

When drought conditions grew so serious as to demand immediate action, Congress enacted the Jones-Connally amendment to the Agricultural Adjustment Act, under which the sum of $150,000,000 became available for cattle purchases. Some money also was made available for emergency purchases from the Emergency Appropriation Act.

Actual buying operations were begun early in June 1934 and were continued until along in early 1935. Initial purchases were largely confined to areas in Minnesota, North Dakota, South Dakota, and Wisconsin. With the rapid spread of the drought, however, and with the designation of additional drought areas, purchase operations were gradually extended until they were under way in 24 States of the West and Middle West. At the close of the buying on February 1, 1935, the Government had bought 8,296,398 head at a total cost of $111,778,192. The average price paid per animal was about $13.48.

Between 80 and 85 percent of the animals bought—that is, about 6,811,813 head—were fit for food, and the meat from them was canned for relief distribution. Approximately 1,476,500 head, however, were in such bad shape as a result of feed and water shortage that they were condemned as unfit for shipment and were destroyed on the farms. Accredited agents in the field appraised the animals offered for sale, and field representatives of the Federal Surplus Relief Corporation accepted delivery and made shipments of the cattle for slaughter under State projects and Federal contracts. State directors in charge of cattle purchases were instructed to give priority to the areas in most distressed conditions, but not to extend purchases from individual producers beyond the number absolutely necessary. In recognition of the necessity for maintaining breeding stock in important breeding areas, much effort was made to keep liquidation at the lowest possible level consistent with the short feed situation.

The cattle-buying program, like the little-pig program, came in for a good deal of unfounded criticism. It was said that the carcasses of thousands of animals were unnecessarily wasted. As I have pointed out, only those animals too emaciated for shipment and slaughter were destroyed. The bulk of the purchases were converted into canned beef, all of which is being distributed through relief agencies. Thus the cattle slaughtered were utilized in noncommercial channels and were kept out of the glutted markets. As a result, prices for commercial cattle during the summer and fall months were much higher than they otherwise would have been. Excepting for the Government's purchase program, the relatively large volume of cattle moving from the drought-stricken areas undoubtedly would have driven prices below the point at which these prices could offset freight and other marketing costs.

I have said that sheep numbers also were adjusted under the Government's 1934 drought-relief program. The buying of sheep got under way early in September. As in the case of cattle, these purchases were confined to emergency drought counties. About 2,000,000 animals were bought for the account of the Government, and of these about 60 percent had to be condemned as unfit for use.

A consequence of wide general interest, resulting from the material change in supplies of livestock as a result of the drought and adjustment programs, has been the advance in livestock and meat prices. Likewise corn prices have increased materially since early 1934.

The average farm price of hogs during the first 3 months of this year was about $7.35 per hundredweight, or more than double the price received during the first 3 months of last year. To put it another way, hog prices during the first quarter of this year averaged within 80 percent of the fair exchange value based on pre-war price relationships, whereas they averaged but slightly more than 40 percent of this value before adjustment in supplies got under way.

Lamb prices have not advanced as much as hog prices, because sheep numbers, even with the drought liquidation, still are above the 1929 level and also above the average of the past 10 years. During the first quarter of 1935 lambs at the farm sold for an average of about $6.50 per hundredweight as compared with an average of about $6.28 per hundredweight for the same period a year ago.

Mr. Speaker, cattle prices, on the other hand, have increased materially. They clearly show the effects of adjustment. The average price for beef cattle at the farm during the first quarter of 1935 was $5.85 per hundredweight as compared with an average of $3.60 per hundredweight during the same quarter in 1934, an advance of 60 percent.

I doubt if the average person realizes the marked improvement that has taken place in livestock prices since a year ago. My own State of Pennsylvania does not produce a large number of hogs, but nevertheless, it has been benefiting substantially from the rise. The average farm price of hogs in Pennsylvania during the first 3 months of this year was $7.85 per hundredweight, or nearly 70 percent higher than last year. This price rise is of particular significance to hog farmers in the eastern part of the country where herds were not as severely affected by the drought as herds in the Western States.

Of course, meat prices during recent months have advanced to some extent as a consequence of smaller livestock supplies, but they are not abnormally out of line by comparison with prices of other things. From 1929 to 1933 meat prices declined about 65 percent, while the average price of all foods was declining about 35 percent, and the average price of nonagricultural products was declining only about 16 percent. During the first 3 months of 1935 livestock prices were about 75 percent higher than for the year 1933, but were 32 percent lower than in 1929. At the same time prices of nonagricultural products during the first 3 months of 1935 were within 16 percent of their 1929 level, and the wages of industrial workers were within about 20 percent of 1929.

The real criterion of the value of the adjustment program to farmers, however, is its influence on total income. Farmers need not only a higher price but a larger total return. As I have already pointed out, the purchasing power of corn and hogs was extremely low at the beginning of 1933, lower than that of almost all other farm commodities.

I find upon investigation that the farm income from hogs in the United States during 1934 was about $144,000,000 larger, or about 28 percent greater, than in 1933, and approximately $214,000,000 larger, or about 50 percent greater, than in 1932. It is estimated by the Department of Agriculture that farmers last year received a total of $493,925,000 from the sale of hogs, and a total of $159,154,000 in corn-hog payments, making a grand total of $653,079,000 for the year.

Prices of things farmers buy also have shown some advance during the past 2 years, but not to the same extent as hog prices and income. The 1934 index of prices paid by farmers was 123 percent of the prewar—1910–14—level, as compared with an index of 109 for 1933 and 107 for 1932. If we make an allowance for this rise in the prices of things farmers buy, we still find a substantial net increase in 1934 hog income.

The increase in livestock income resulting from the adjustment of production is in accordance with past experience.

The income from corn and hogs under the adjustment program comes to the farmers in two parts: First, in direct return from the sale of the commodity at the open market price, and, second, in the benefit payments derived from processing taxes on corn and hogs. The larger part of the tax collections are derived from hogs, since hogs consume nearly one-half of the annual corn crop. Only a small part of the remaining portion of the corn crop enters into industrial trade channels where it can be reached by the processing levy.

At the close of 1934 the Bureau of Internal Revenue reported a total receipt of $175,616,013.35 in processing and related taxes collected on hogs and $8,182,113.63 in processing and related taxes collected on corn. These collections, however, did not represent all of the money due as of the period beginning with the date the corn and hog taxes became effective—November 5, 1933—and closing December 31, 1934. Assessment of the processors for any given month are not made until the month following, and in some cases payments may be extended under the law for as long as 180 days.

The emergency purchases of hogs and hog products for relief distribution, and the 1934 and 1935 corn and hog adjustment payments will require a continuation of the corn-hog processing taxes through three marketing years ending November 4, 1936. The current rates are $2.25 per hundredweight on hogs and 5 cents per bushel on corn. It is expected that the collections during the first 2 years will be required to meet the cost of the emergency purchases and to supply funds for payments under the 1934 contract.

Benefits under the 1934 program, part of which were paid in 1934 and part of which are now being paid this year, will amount in total to about $314,000,000. Most of this amount has now been sent out to the farmers. The disbursement total on April 27 was nearly $280,000,000. Benefits under the 1935 program, now being put into effect, probably will amount to around $165,000,000.

The benefit payments made to cooperating producers are not gifts from the Federal Government; they are not awarded to farmers for not having grown hogs and corn, and they are not damage payments for losses in any past period. They are intended as simply the cooperating producers' share of the larger total farm income that is possible through sound control of production. Without the processing-tax benefit payment principle the men who did the most adjusting of production would see all the benefits go to the men who had an unchanged or, perhaps, a larger volume for sale.

Under the Agricultural Adjustment Act a fair share of the increase in price and income resulting from adjustment is saved for the cooperating farmer by means of a processing tax and is distributed to him in the form of benefit payments. At the same time the noncooperating farmer gets some advantage from the market rise in the open-market price. For example, many farmers in my own State did not elect to participate in the corn-hog program but they have been materially benefited by the doubling of hog prices during the past year.

Mr. Speaker, a lot of wild stories have been circulated about benefit payments. The statement is frequently made that many persons are receiving corn-hog checks who never produced hogs or corn. This charge is false. Under the agricultural-adjustment program no person can receive a benefit payment check without first signing a contract to adjust his production, and, excepting in the case of new producers, he is not eligible to sign a contract unless he has a production record for the historical base period.

In scattered cases, payments were made under the 1934 program to contract signers who, for one reason or another, partially or completely retired from hog production during the year. These individuals, nevertheless, had an acceptable hog-production record for the base period. In the present year's contract, however, such scattered cases will be eliminated. Contracting producers will not be considered bona fide corn-hog farmers and therefore are not eligible for benefit payments unless they produce in 1935 an established minimum percentage of their average base production.

Mr. Speaker, a final misunderstanding I want to deal with here is that concerning imports of agricultural products into this country. During the past winter there has been some pick-up in our farm imports, particularly of feed grains. This has led to all sorts of wild stories about the country being deluged with foreign products as a result of the agricultural-adjustment program. Again I find that most of these statements are not based on fact.

The great reduction of agricultural output in this country last year as a result of the drought naturally created something of a vacuum into which imports might flow, but the total imports of feed grains to date are still very small in relation to production and consumption of these grains and in relation to the losses caused by the drought. Imports of all grains during the 8-month period ending with February this year were about six-tenths of 1 percent of this country's average production of grains and less than 2 percent of the loss to grain crops directly attributable to the drought. According to the Bureau of Agricultural Economics the total imports of all competitive agricultural products, including grains, during this 8-month period, were 25 percent less than the average imports for the same period during the 10 years—1924 to 1934.

Imports of oats, barley, and rye—crops which were not affected by the adjustment program—were relatively greater than imports of wheat and corn. Imports of meats during recent months have shown no increase over the average imports of recent years. We must keep our proportions straight on this matter of imports. A shipload of 250,000 bushels of corn sounds big, but actually it is less than one one-hundred thousandth of the normal corn crop of the United States. One good middle western county raises more corn in a normal year than has been imported into this country during the past winter.

Mr. Speaker, even though the United States is temporarily on an import basis in the case of grains because of the drought, it is still on an export basis for its major agricultural products. During 1934 approximately $650,000,000 worth of cotton, tobacco, meat products, grains and preparations, and fruits were exported as compared with importations of $125,000,000 worth of these products, including imports of $24,000,000 worth of bananas.

When we really look at the facts we find that the corn-hog industry and the other livestock and feed-grain industries have been materially benefited by the governmental activities. But to see this it certainly is necessary to look beyond all of the misstatements and tales of alarm. We are short on livestock and feed supplies now on account of the drought, but with the return of anything like normal weather we can soon get back to a more satisfactory level of production. Under the corn-hog program the farmers this year will plant an acreage sufficient, with anything like normal weather, to produce an adequate supply of corn for all purposes, including enough for reserve storage. In addition, they have unlimited use of their land not used for corn production.

The really big job for livestock producers now is to prevent the usual post-drought upswing from going beyond desirable limits. In the case of hogs, a sharp increase in production is likely to get under way by next spring unless control is continued in some form. Likewise, if feed production this year is approximately normal, and unless there is some organized attempt to head it off, a new upswing in cattle production also may be expected to get under way by 1936 or 1937.

If feed grain and livestock production should react to current high prices and the drought aftermath by increasing sharply, we would be off on another of the painful production cycles; first, the upswing until prices hit bottom, then the distressed liquidation until prices recover again. These cycles have been major hazards to the livestock industry for many years. Over an extended period the cycle does

keep a working relationship between supply and demand, but it is a cruel and wasteful method.

In the light of results from programs thus far, it would seem wisdom on the part of livestock and feed-grain producers to continue production control in some form under the Agricultural Adjustment Act. And it would seem wisdom on the part of the Congress to elaborate and strengthen the act wherever necessary in order that it may better serve this purpose.

PARLIAMENTARY INQUIRY

Mr. BLANTON. Mr. Speaker, may I propound a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. BLANTON. The Speaker of the House of Representatives is the Chairman of the House Office Building Commission in charge of the House Office Building and which controls these office buildings.

I would like to ask the Speaker if there are any means that a Member has, under the regulations prescribed by the Commission governing these buildings, to prevent a Washington newspaper from installing a snooper at his office to interrogate and harass every person that goes in or comes out of a Member's office in that Government building?

The SPEAKER. The Commission is composed of 3 Members and the Speaker is only 1 of the 3. I would be pleased if the gentleman would take the matter up with the Commission as a whole. We will be very pleased to give the gentleman a hearing and discuss the matter with him.

Mr. BLANTON. The Washington Herald has had a snooper at my office in the House Office Building and people who come there to see me on important official business, which as a Member of Congress I am elected to look after, are stopped, insulted, and interrogated as soon as they come into the hall out of my office as to what occurred between us, and what they went there to see me about. And this lying newspaper every morning has a false statement about some purported interview that never occurred, when every word of it is an infamous lie. I am getting tired of it.

I intend to protect my friends and constituents who come to my office on important business, against this unwarranted and meddlesome interference and harrassment, and I intend to protect myself against the continued libels Hearst's Herald and Times, and the Washington Post continue to maliciously publish about me.

I can protect myself in the courts against these continued libels, and I intend to do it by filing suits just as soon as this Congress adjourns, and we can get public business out of the way, and I can finish all of my official duties here.

But I will not file these suits in Washington. I will file them in another jurisdiction, where the Herald, Times, and Post are circulated, and where under proper venue I can force them to respond and answer, because these papers have deliberately and wrongfully poisoned the minds of Washington people against me, until it would be an easy matter for them to get some juror here to hang the jury for them. But where I shall file them, there will be a fair trial and a verdict of an unbiased jury.

Hearst's papers told one lie in his publications on our good colleague from New York, and in the courts he made Hearst pay $5,000 for telling that lie. If a jury were to make Hearst and Eugene Meyer pay me $5,000 for every lie the Herald, Times, and Post have told on me, neither of them would have any money left, for these papers have told lies on me ever since I have been here. I want you colleagues to remember that everything you see in the Herald or Times or Post about me is a lie. They just will not tell the truth. Every purported interview you see in any of these three papers I want you to mark as a lie before you read it. I do not let them come to my office and do not let them interview me, and if they publish an interview, saying I am going to do this or that, you can put it down as an infamous, dirty lie. [Applause.]

TAKE THE PROFITS OUT OF WAR

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein an address which I made to the National Parent-Teachers Congress at Miami, Fla., on war profits.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert an address by myself at Miami, Fla., April 29, 1935:

Parents and teachers, you should be deeply interested in protecting the investment you have and are making in the youth of the Nation.

CHILDREN REPRESENT GREATEST INVESTMENT

A baby boy is born in a home. The parents guard his life with their own. They nurse him through all the childhood ailments at great sacrifice to themselves. They shield him from danger. They keep the long vigils over his sickbed. They guide his footsteps as he learns to walk. They give of themselves freely. They make in him their greatest investment.

Then he starts to school. The teacher also begins to make an investment in him. Patiently, painstakingly she trains him for citizenship. She trains him to take his place in society. He is promoted from time to time. Many teachers contribute to his education. He is preparing to be a professional man. He spends many hours in library and laboratory.

His parents all the time continue to sacrifice that he might have every opportunity. Finally he graduates from college. Teachers and parents have in him their greatest investment. He represents their contribution to the world.

From another home has come a beautiful girl representing likewise the years of love, patience, and sacrifice of parents and teachers. The two young people love each other and plan to marry.

Then suddenly the peaceful life of the Nation is shattered by the thunder of cannons; and on the battlefield the young man is sacrificed to Moloch, the god of war.

Thus, the greatest contribution it is possible for parents and teachers to make is destroyed in the twinkling of an eye. The hopes, the dreams, the prayers of a lifetime are blasted in a day.

Therefore, parents and teachers, you have a decided incentive to protect the investments that you are now making in our children against loss by war.

PRISONER FEEDS GUARD

It was 2 o'clock in the morning. The rain was running off my steel helmet in sheets. I had my rifle under my armpit to keep it dry. I was on guard around a German stockade. We had 437 German prisoners.

The armistice had been signed about a week, but we were required to guard our prisoners just the same.

I was cold, I was tired, I was homesick and hungry. I saw a light over in the German stockade, inside of the barracks which they used for a kitchen, and I knew that Frank, the German Pollack cook was doing his cooking for the next day. I threw a gravel over against the barracks and soon a flood of light shot out from the door as Frank poked out his square German head. I said to him in the best German that I could command, which wasn't very good, "Frank, given mer das brote und das kaffee."

Frank said, "Yah."

Pretty soon he returned with a canteen cup full of steaming hot coffee and a piece of German coffee cake. The coffee had cream and sugar in it, two delicacies we did not often have, but he had taken some from the amount allotted to him for cooking, and put it in my coffee.

The lightning flashed as he handed the coffee and coffee cake through the fence, and I saw his face, and there was no cynical grin of hatred there, but, rather, a smile of friendliness, and if he saw my face I know he saw friendliness there.

Frank did not hate me. He loved me. I did not hate him. I loved him, and yet if I had met him on the battlefield at that hour of the night 1 week before, I would have killed him or he would have killed me.

That is what war means. It means bringing men together, who otherwise would love each other, to kill each other.

War never proves which is wrong. It only proves which is strong.

If it is a question of medicine, ask a doctor. If it is a question of law, ask a lawyer. Then, if it is a question of war, ask the warrior. The ex-service men oppose war because they know the futility of it, but that does not mean that we would not serve our country again if our services were needed. We would.

It simply means that we are speaking now, while our country is at peace, protesting against conditions that lead to war and attempting to remove every war incentive.

PEACE PLANS THAT DO NOT GO FAR ENOUGH

Allow me to name some of the means of securing peace that have been relied upon in the past, and then suggest that these do not go far enough.

First, there are treaties, pacts, and agreements between nations. These are good as friendly gestures and are to be encouraged, but war will never be abolished by proclamation.

Then, again, there is the plan of educating for peace. This is a good idea and is to be continued by all means, but it is too slow. It takes generations before advancement can be made by the slow process of education. In the meantime we might have another world war that would annihilate civilization.

Further, there is the plan of disarmament. This, too, should be encouraged; but if one nation should get too far out in front on a disarmament program, that nation's weakness might invite attack. There is no use to deceive ourselves—the world has not yet come to the philosophy of peace on earth for the sake of brotherly love.

WEAKNESS INVITES ATTACK

When the Boston police struck, were the thugs of that city so honorable that they refused to plunder just because the people were unprotected? No; they plundered all the more. Algiers was unable to protect her boundaries, and Mussolini marched in. Manchuria's helplessness was too great a temptation for Japan to resist, so Japan marched in. Therefore, we cannot depend upon disarmament.

I do believe, however, that we can greatly promote peace if we are willing to pay the price; and the price of peace is to give up some of the profits that result from war and the preparation of war.

FOUR-POINT PLAN

I therefore wish to propose some definite steps which if taken would greatly further the cause of world peace.

First. The United States should control the preparation for war by requiring munition makers to operate under a Federal license system.

Second. The United States should make permanent its present nonintervention policy that refuses to send a military arm of the Government into a foreign country to protect private investments.

Third. The United States should equalize, as far as possible, the burdens of war by a universal draft law that will conscript money and materials as well as men.

Fourth. The United States should enact tax laws that will recover for the Government 100 percent of all war profits.

FIRST STEP, CONTROL MUNITION MAKERS BY LICENSE SYSTEM

I wish to take these up in order. First, is Government control of the preparations for war, and in order to effect this, it is necessary to place the manufacturers of munitions under a licensing system that will give the Government complete control of their policies and activities.

EMBARGO ON ARMS

By this means the Government could make effective an embargo on arms. The United States is not in a consistent position when we tell the rest of the world that we are a peace-loving nation at the same time that we are furnishing cannons, hand grenades, and machine guns for warring nations.

If I walk down the street and see two little boys quarreling, and give one of them a club and the other a pair of knucks, and stand back and watch them destroy each other, I can say to the crowd that gathers around that I am a peace-loving man until I am black in the face, but if they know that I furnished the instruments of destruction they know that I am a liar and a hypocrite.

But you say that the United States as a nation does not furnish munitions. We only allow the private manufacturers to furnish them. That is true, but the people of other nations do not distinguish between the Du Pont Manufacturing Co. of America and the American Government. They do not distinguish between the United Steel Corporation and the United States. To them, if it is made in America, it means America.

The United States narrowly evaded a break with Mexico in 1924 because some of the revolutionists captured in Nicaragua were using guns made in the United States.

When relations were so strained between the National Chinese Government and Russia that it seemed war was inevitable, the United States diplomats were anxious to avert war if possible, so they offered to serve as peacemakers between Russia and China. But to their surprise Russia refused their services. In the same paper in which I read of Russia's refusal to have Americans serve as peacemakers I read where three more war planes were shipped from the United States to China. These were part of an order of 15 planes of the combat type, the total order amounting to $500,000 in gold to be paid in New York City.

For years the manufacturers of munitions in the United States have furnished engines of death to warring nations all over the globe, and yet we have proclaimed to the world that we are a peace-loving nation. Our words whisper peace and our actions thunder war.

What was the final straw that broke the camel's back and plunged America into the last war? It was the sinking of the *Lusitania*, was it not? Mrs. William Jennings Bryan, wife of the Secretary of State, wrote in her diary that they were dining out on the evening that the news came of the sinking of the *Lusitania*.

"Mr. Bryan was very much disturbed at the news. He said on the way home, speaking of the *Lusitania:* 'I wonder if she had munitions on board?' 'If she did,' he said, 'that puts a different phase on the whole matter. I will have Lansing investigate that.'

"The next day Mr. Lansing examined the clearance papers and reported that the *Lusitania* did have munitions on board."

The manufacturers were so eager for the profits on one more cargo of death that they endangered the lives of citizens who took passage on that passenger ship and plunged America into the World War.

This unbridled campaign for profits at the cost of American lives and world peace can be controlled by the Government through a licensing system.

COMPETITIVE ARMAMENT CAMPAIGNS

Then, again, the Government can prevent competitive armament campaigns which are carried on by the makers of munitions. These manufacturers employ the highest powered salesmen in the world. They sell one nation a battleship. Then they go to the nation's neighbor and through propaganda they play up in the papers and periodicals the fact that this nation has bought a battleship, and as a result of that propaganda they sell that nation's neighbor two battleships. They return to the first nation and attempt to sell that nation three battleships. The result is a vicious competitive spiral that makes war between nations and profits for the manufacturers of death.

This pernicious practice of promoting war can be controlled through a licensing system that should be in effect now, today, as a means of preventing war.

CONTROL WAR PROPAGANDA

The manufacturers of munitions have the incentive of profits that leads to campaigns of propaganda in order to bring about war. Do you remember before America entered the last war the floods of propaganda that were poured out in this country, telling us of the atrocities of the Germans?

I remember reading how the Germans were cutting off the hands of little Belgian and French children, and in my imagination I could see children holding up thousands of pitiful little stubs, begging for redress. Then I went to France. I crossed France from north to south, but I did not see one child in Belgium or France that had its hands cut off, nor did I talk to a single soldier who had seen one child maimed in this manner.

Of course, I did not talk to all of the soldiers, but it seems that if the propaganda had been even partially true that somebody would have seen some of these children. No doubt there were atrocities on both sides, for war itself is an atrocity. But such propaganda is hatched up in the minds of the makers of death, and is intended to inflame the passions of people and result in war, for profits cannot flow in the munitions business unless blood flows on the battlefield.

MUNITION MAKERS ARM OUR ENEMIES

Furthermore, by the Government controlling the manufacture of munitions, we could prevent American manufacturers from arming our potential enemies. The munition maker is not a patriot of any nation. He is an internationalist. Patriotism to him is only a sentiment on which he can play to engender war and increase his profits.

It has been brought out before the Senate investigation committee that the munition makers peddle their wares in every nation on the globe.

Today at this hour in the laboratories scientists are pouring over death-dealing devices and new war inventions. What for? For the exclusive benefit of America? To protect America from a foreign enemy? To destroy the foes of America? No; they will no sooner be perfected than they are peddled to every nation on the face of the earth by the highest-powered salesmanship known, and yet the Du Ponts said before the investigation committee that if it had not been for the Du Ponts America would today be a German colony.

They sell America steel plates for her battleships. What for? To protect them from torpedoes they have already sold to our potential enemies. They sell America gas masks for our soldiers. What for? To protect our soldiers against gas bombs they have already sold to our potential enemies. They sell America antiaircraft guns. What for? To bring down war planes they have already sold to our potential enemies.

In the World War a contingent of English troops was trying to take a certain objective. There was one gun that was particularly deadly. It mowed down the Tommies. Many fell trying to capture it. Finally, after a great loss, the gallant Tommies captured it. They thought it a fitting tribute to take it back to England and mount it in a public park as a memorial to those who fell while capturing it. There in Bedford, England, it stands today in one of the parks. On one side of its deadly barrel are engraved the names of the men who fell while capturing it, and on the other side engraved in the steel is the name of the makers—a British company.

It takes a lot of patriotism out of a soldier to be shot by a gun that is manufactured in his own country.

When the Allies tried to capture the Dardanelles they were fired upon by guns manufactured in England and financed by a French bank.

The Senate investigating committee has exposed the deeds of the international munitions ring. It has flung open the closet door of this Bluebeard of war.

They are not patriots; they are internationalists.

All they know of patriotism is that it is a fine sentiment on which they can play to generate the war spirit and increase their profits.

Therefore our Government should, at the earliest possible hour, set up a licensing system under which they require the manufacturers of munitions to operate in order that our Government might control their policies and activities.

SECOND STEP, NONINTERVENTION POLICY

The second step that will go a long way toward preventing war is a foreign policy that will refuse to send a military arm of the Government to protect private investments in foreign countries. When a person invests in a foreign country that is a commercial venture. It is a business gamble. If he makes a profit, he takes

it all, and if he has a loss, he should stand that, because when he invested, he knew that it was a chance, and he took that chance because of the profit incentive.

In other words, it is a cold-blooded business venture and the only motive is profit.

When a man invests in a business proposition within the Nation, he does not expect the Government to guarantee him against loss. Why, then, should foreign investments be given this protection?

Of course, if an American citizen in a foreign nation is discriminated against merely because he is a citizen of the United States, then it becomes an affair of the National Government; but as long as a citizen of this Nation is accorded the same treatment that citizens of other nations are in a foreign country, there is no just cause for complaint, and certainly not for intervention.

INTERVENTION IN NICARAGUA

How many of you know why the marines were sent to Nicaragua? We were given several different answers. First, we were told that they were sent down there to protect Americans, but then we found out that not one American life was ever endangered. Then we were told they were sent down there to protect American property, and at first we thought they meant Government property, but then we found out that the United States did not have any property in Nicaragua except a canal-zone right which never was questioned.

And finally we were told they were sent down there to hold a just election. Somebody said we could use them for that purpose in some of the elections held in this country, so we laughed that off.

There was cause for occupying Nicaragua but not for intervention. The customs services at Nicaragua were not satisfactory to other nations; so rather than have other nations occupy the port, we sent the marines there to guarantee satisfactory customs service. Had our forces only occupied Nicaragua it would have been justified, but we intervened.

Why? I will tell you the facts and let you answer for yourself.

Capitalists in the United States had loans and investments in Nicaragua to the amount of over $18,000,000. If the Nicaraguan Government were overturned by revolution, those loans and investments would be no good; but if that Government were held in power at the point of American bayonets, the loans and titles to oil properties and gold mines would be protected.

Thus all of the people of the United States were asked to support a military movement to protect the investments of a very small group who had invested in Nicaragua for the purpose of making a profit. It cost the Government of the United States over $6,000,000 to protect the $18,000,000 of private investment. It cost the lives of 150 American soldiers and approximately 450 Nicaraguans. The life of one good American boy should be held to be of more value than the total investments in Nicaragua.

If we want peace, we should follow a foreign policy that holds blood to be more precious than gold, and peace more precious than profit.

Why, the coconut growers of South America would make more money if the monkeys did not carry off their coconuts. Why not send the marines down there to herd the monkeys away from their coconut groves? It would be the same principle, and much more humane.

We lost not only the lives of 150 Americans and 450 Nicaraguans but the good will of many of the Latin Americans, for at the same time that President Coolidge was in Habana speaking before the World Peace Conference, telling the world that we are a great peace-loving Nation, at that same time the newsboys on the streets were shouting, "Forty Nicaraguans killed in American air raid!"

Again our actions thunder war and our words whisper peace.

But we may take heart, because the United States has launched a nonintervention policy, and the last marine has been called out of Nicaragua.

NO INTERVENTION IN CUBA

Then, again, there was the Cuban situation. Only a few months ago there was a revolution in Cuba. Now, for years United States investors in the sugar business have taken millions of dollars' profit from Cuba. According to the papers and magazines, about 90 percent of Cuba is owned by United States capitalists. We have been called Cuba's big brother, but it looks more as if we are the "sugar daddy."

Now, it is entirely legitimate, perhaps commendable, for people to invest in foreign enterprises. It is entirely all right for citizens of the United States to invest their money in the sugar business in Cuba, and if they make a profit, so far as I am concerned, they are welcome to it; but if they have a loss, they can have that, too. I do not wish to be cut in on the loss and left out on the profit.

In the last disturbance in Cuba, you remember there was great agitation in this country for the Government to "Send a battleship to Cuba", "Send the marines to Cuba", "Put down the revolution in Cuba", but our Government has launched a new foreign policy. Our President has shattered precedent, has taken a new step in world diplomacy and statecraft. He came courageously out with a proclamation stating that there would be no intervention in Cuba. There was no intervention in Cuba, and she settled her own domestic trouble.

I, therefore, urge that we make permanent as a means of promoting peace this nonintervention policy launched by President Roosevelt.

THIRD STEP, UNIVERSAL DRAFT

The third step that will go a long way toward promoting peace is a universal draft of money and materials as well as men. This has the unqualified support of the American Legion. Such a universal mobilization of the financial and material resources of the Nation as well as the man power would make us more effective in war. In my opinion, if our Nation is plunged into war, every man back of us and every dime of resources should be at the disposal of the Government for the successful prosecution of that war. But there are those who say, "That is a fine theory but it cannot be put into practice."

Indeed, it can be put into practice. A few manufacturers and financeers with a fine brand of salesmanship have been able to sell that idea, that it cannot be put into practice, to enough of our lawmakers to block such legislation.

CONSCRIPTION OF FINANCIAL RESOURCES

In the first place, conscription of the financial resources of the Nation can be accomplished by the establishment of a Government bank to finance the war. The duty of this bank would be to purchase Government bonds with Government credit, thus saving billions to the Government in interest.

In the last war the Government commanded men to face death, but begged for enough money to pay for the food they ate before they died.

Can you comprehend the inequality, the injustice of a nation commanding men to face death, and then on bended knees begging for money? Isn't it so? Did we not do it? Didn't they get the prettiest girls they could find and have them go out in front of the curtains in theaters and make 4-minute speeches begging people to buy Liberty bonds and Victory bonds, and offering them the great inducement of 4-percent interest?

Yet one of the cardinal principles of our Government is that we are to hold human rights above property rights. Yet in the last war, and in all previous wars, we reversed that. A man's property was more sacred than another man's life.

During the Civil War Abraham Lincoln went to New York to see the bankers to get more money in order that he might carry on the war to save the Union. He saw that the bankers were holding out for better terms. Finally he stood up, his eyes flashing fire. He said, "I can conscript a widow's only son. I can take him from between the plow handles and put him in the battle's front where his life won't be good for 6 minutes, but I cannot lay hands on enough money to pay for the food he eats."

It was true in the Civil War. It was true in the World War, and unless we act now during peace, it will be true in the next war.

By means of a bank of the United States a money levy could be made upon the wealth of the Nation and thus the financial resources drafted to serve as well as the man power.

BLANKET DRAFT OF ALL CIVILIANS

As a second means of compelling a universal service in case of war, there should be a conscription law providing for a blanket conscription of all civilians as well as conscription for military service. This would mean that every civilian would go right on with his regular activities until called upon for special service by his Government. It would mean that he would simply hold himself in readiness and then when his Government called, that it would be necessary for him to act or suffer military court martial just as it is in the case of men who are conscripted as combat troops.

In the last war men were notified to hold themselves in readiness for service. Why could not that be done in respect to the leaders and managers of industry? It would not be necessary to require them to wear military uniforms, but the Government could fix their pay the same as that for military service.

In order to make this blanket draft effective, there should be a war board established now in peace time, representing the military, the civilian, and the industrial needs of the Nation in case of war. This board should have a complete plan for industrial mobilization, for price fixing, for determining priorities as to labor as well as materials.

It is true the War Department has certain plans already made and documented, but those plans represent the military alone. The board should be set up now with a representative from industry and one representing the civilian needs as well as the military.

Through this board the Government could simply require the manager of a factory to cooperate with the Government in furnishing needed supplies. The pay of the manager and the workers would be the same as that of officers and enlisted men.

The Senate investigating committee brought out the fact that in the last war, at one of the most crucial times of the war, the Du Pont Manufacturing Co. bickered with the Government for 3 months over the profits that they were to receive for manufacturing powder. The Government requested them to build the Old Hickory Powder Plant and manufacture powder, and for 3 months they refused the demands of their Government because the profits were not sufficient to satisfy them. What would happen if the soldier in line of battle refused to obey commands because his pay was not enough? He would be court-martialed and shot, and yet the Du Ponts who were so patriotic that they kept us from being a German colony, refused to manufacture powder because their profits were not enough.

With a blanket draft covering every person in the United States a situation like this could not arise.

FOURTH STEP, PROFITS TAXES

Now the fourth and final step that would promote peace by removing the profits from war is the passage of tax laws that would take 100 percent of all war profits. War should be a burden to everyone. Then everyone will oppose war.

WAR PROFITS

In the feverish days of the war, Americans bent every energy to win that war. Our statesmen could not and did not count dollars

and cents when lives were at stake. They proceeded on the assumption that the men with whom they dealt were honest. What I say here is not meant as a criticism of the Government but it is merely a statement of facts that should not be true of the next war. Could you imagine that while our mothers and fathers skimped and saved and gave and gave—that while the soldiers were not questioning but were going forward to their duty—could you believe at this time that there were people in America so low and so debased as to be turning this war to profit? Not only that, but actually filching millions from the Government. Suave, fat-handed, slick-haired men, who would sit at their sumptuous meals and remark about the dreadful war and what sacrifices the American people were making to win it.

In round numbers the war cost the United States $29,000,000,000. Nobody knows how much a billion dollars is, it is so much, but that is what economists say the war cost our Government. Do you know how much of that went to the pay of soldiers, the men who faced death? Five percent. Most of the rest went to war profiteers.

Do you know what it cost the average soldier in dollars and cents to go to war? Figure it out for yourself. If a boy had stayed out of service he could have earned $7 a day for unskilled labor. That was the lowest. Anybody could get $7 a day. But the soldier received 75 cents a day. You thought we got a dollar. We did, but we had to pay $6 to $8 a month back into the Government on our life insurance. The privates paid back into the Government something like $408,000,000 out of their slim pay of $30 a month, to pay the death claims of their dead buddies. But the difference between what a boy received who was in the service and one who was not, at the lowest estimate over a period of 16 months is $2,800. That is what it cost a boy to be patriotic. But you say, you cannot pay for patriotism. No, you cannot; but there is no reason to penalize it. It is bad enough for the soldier to suffer the physical dangers of war without requiring him to bear the economic loss as well. While we were serving for 75 cents a day and a chance to die, there were 22,000 millionaires made in the United States. Du Pont Manufacturing Co. made 100 percent profit during each of the 4 years of the war. The steel companies made from 27 to 65 percent during each year of the war.

TRUCKS AND AUTOMOBILES

At Puniers, France, I saw 2 miles of Liberty trucks, Cadillac, Dodge, and Ford touring cars backed one up against the other. They were junked. Most of these were in good condition; some were almost new. I wanted to buy one and ship it home, because I knew I'd need a car when I got back home. The captain said, "You can have one; that is, if you will just take it. But you cannot ship it home." The corporals and the sergeants sold some of them to some of the French for $5 each. Others were just taken, others smashed up. The Government had purchased these automobiles from factories, and paid those factories handsome profits, for the factories were not out one cent for advertising or salesmanship. Not only that, but the manufacturers were so greedy for profits that they were able to keep these from coming back to America to lower the market price here. They were junked and salvaged and the taxpayers paid for them, and the profiteer smiled and rubbed his hands and remarked about the noble sacrifice of the American people.

AIRPLANE PROFITS

What about our war record in airplanes? America set out to "win the war in the air." We were going to relieve our allies of any air fighting. We were going to take care of that little matter for them. The program called for 25,000 airplanes; 20,000 were to be on the front by January 1918, and General Pershing attested to the record that not one single American-made fighting plane ever reached the front.

What was the result? Our American buddies had to fly planes secured from the Allies. Of course, these were the older, out-of-date, less efficient ones. The result was that in these "flaming coffins" the losses among the American airmen were three times as great in proportion as they were among the Allies, not because our boys were not good pilots, but because when they took off in one of these ships, death rode in the cockpit with them.

But what about the bill for these planes that never did arrive? Did the bill come? Oh, yes it was on time—$1,051,511,988 strong. One company, for 3,660 airplane motors, received a profit not including cost, but naked profit, of $3,934,500. Another company, for 6,500 motors, received a cold profit of $15,000,000.

A Government audit of the Standard Aircraft Corporation and the Standard Aero Co. showed that these two concerns were overpaid $6,500,000. The affairs of the company were immediately put into liquidation. The Government had a fat chance of ever getting that back. And, to add insult to injury, these two companies were owned by the great Japanese house of Mitsui & Co. And Mitsui & Co. were paymasters of the Mikado of Japan, and at one time were paymasters of the great international spy system of the German Government. Oh, for the eloquence of a top sergeant to express my feelings.

PROFITEERING IN RAINCOATS

Then, again, think of those manufacturers who made raincoats of "mosquito netting" and sold them to the Government for the best India rubber. I am confident that the death of some of the boys in my own company was caused by the rain soaking through those raincoats and chilling their backs and shoulders while they drilled to protect those profiteers who betrayed them.

I was in the Sandstorm Division, the Thirty-fourth. We trained at Camp Cody, N. Mex., then stopped at Camp Dix, N. J., for final training before we went over. The rainy season hit us there. It rained every day and we drilled every day. I came in many nights soaked through to the skin across the shoulders because of those flimsy raincoats. We drilled rain or shine. The soldier can't select his weather.

Then the "flu" hit us. The boys died like flies. We stacked them up in the morgue like cordwood. I was on the firing squad. Every morning we marched down to the station to fire a salute over a flag-wrapped body. Then we loaded it on to a train and shipped it back to some station where a little woman in black was waiting to receive it.

Then one day I sat by the bunk of one of my buddies, a lad from Colorado, and heard that death rattle in his throat, caused by the "flu" which he had caught while drilling in the rain with one of these flimsy raincoats. The next day they took him to the hospital and a few days later to the morgue. As I stood with the firing squad and we fired the salute over his flag-wrapped body, I thought of some fat-handed, slick-haired, well-groomed millionaire, sitting behind his mahogany desk, figuring his profits, calculating his bloodstained gold; and I vowed then, if the chance ever came, I would make my war on the profiteer. This is my chance.

SPEAKING FOR THOSE WHO CANNOT SPEAK

My friends, I am speaking for those who cannot talk. Tonight when the sun went down 15 more of my buddies went "west" out of our hospitals. That is the average. They have been dying a slow and tortuous death for 17 years. I'm speaking for the men in our TB hospitals. The living dead. Gassed lungs, the white plague, then wait for the end. I'm speaking for the orphan children whose daddies fell when it might have been me. Some of them never saw their daddies. I'm speaking for the shell-shocked boys whose bodies came back but their minds did not. I'm speaking for the soft-cheeked babies and the millions of school children, who will be sacrificed in the next war. I'm speaking for the gold-star mothers, who paid the greatest price of all. Year before last the Government gave 3,000 of them a trip to France to see the last resting places of their sons.

Do you see the mother as she stands by the grave where they tell her her son sleeps? Stands? What mother would stand? She gets down on the earth as close to him as she can. I'm speaking for her. For is not 6 feet of earth and a white cross rather poor compensation to a mother for her years of training and hopes and prayers?

Then I'm speaking for those lips that are silent in death.

"A million wooden crosses are calling out to you,
We died that war may be no more,
What are you going to do?
A thousand sightless heroes have caught a vision new,
The vision of a world at peace,
'What are you going to do?'

A thousand little laddies who never saw their dad
Will be the next cannon food
When next the world goes mad.
Our wooden crosses they are dumb, but the message you can bring,
Tell the world, the careless world,
War is a cursed thing."

—*Selected.*

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Speaker, during the past few weeks there has grown up in the minds of some of us Democrats some question as to the exact present popularity of our great President, Franklin D. Roosevelt. As we have listened to criticisms of various and sundry types emanating many times from this side of the House, we have begun to wonder just how popular our President is with the great masses of the people of this country today.

Today our doubts have been dispelled, because we read in one of the great Washington newspapers this morning the following headline:

The United States Chamber assaults new deal.

This news to the farmers back in the West, the Northwest, and the Southwest, to the 11,000,000 unemployed men in this great country of ours, and to the 20,000,000 who are on the relief rolls is the best news that could possibly be received by them.

This very news itself, that the United States Chamber of Commerce, a predatory organization of assassins of prosperity for the farmers, of parasites and plunderbunds upon the wage earnings of the laborers and parasites who swoop down like buzzards with their talons and claws sharpened for the small business men of this country, is enough to cause a rekindling of all of the wavering faith and loyalty

that our people may have had in this great leader, Franklin D. Roosevelt, the man who talked so freely about the forgotten masses in the 1932 historic campaign.

The fact that these gentlemen have definitely arrayed themselves against the new deal and are now demanding the repeal of the N. R. A. and other Government bureaus is the best evidence, to my mind, that certain features of the N. R. A. must be maintained and perpetuated. I am pleased to say that the American Federation of Labor wants a continuance of the good clauses of N. R. A., such as the abolition of child labor, the outlawing of "yellow dog" contracts, and the right of collective bargaining under section 7 (a).

The fact is that the United States Chamber of Commerce, formerly headed by Julius Barnes, has opposed every farm-relief bill beginning back with the McNary-Haugen bill and then drifting to the domestic-allotment bill, and now they are opposing the A. A. A. and the processing tax. This is the best proof that can be presented to me that this Government and this administration is on the right track and that some of these new-deal ventures, so-called, ought to be continued and given a further try-out for at least another year or so.

I want every farmer in this country, I want every wage-worker, I want every independent business man and small producer to know that this unholy group of business, the United States Chamber of Commerce vultures, is against the new-deal and Franklin D. Roosevelt. [Applause.]

The newspaper article is as follows:

[From the Washington Post, May 3, 1935]

CHAMBER ASSAULTS NEW DEAL AS ROPER AND ALLIES DISSENT; N. R. A. UP IN COURT AND SENATE—23 ON ADVISORY GROUP UPHOLD SOCIAL BILL, N. R. A. EXTENSION—REFORM MEASURES HIT BY CHAMBER—"NO REASON TO FOLLOW WILL OF PRESIDENT," DECLARES SIBLEY

Three hours after the Chamber of Commerce of the United States had adopted resolutions harshly criticizing most of the new deal recovery measures, a group of business men called at the White House yesterday afternoon and told President Roosevelt they favored N. R. A. extension and the administration's social-security legislation. Both measures had been condemned in the chamber resolution.

The group consisted of 23 members of the business advisory council of the Department of Commerce. Most of them were members of the chamber of commerce. Included was Henry I. Harriman, retiring president of the chamber, who presided at the convention meeting at which new-deal measures were condemned.

"NO POLITICS," SAYS KENDALL

Following his conference with President Roosevelt, H. P. Kendall, chairman of the advisory council, declared that "there is no politics back of this report."

"We are here to uphold the President's hand in the fight against the depression," he said. "Certain of our members are members of the chamber of commerce, but we are not spokesmen for the chamber or any other organization."

Secretary Roper, who accompanied the delegation, said the committee had endorsed in a general way the social-security program. He also said that most of the members of the committee were members of the chamber of commerce and added that "they were delighted to tell the President they were for his program."

A social-security report presented to the President by the council members will be sent to Secretary Perkins and is expected to be made public today. The report on N. R. A. asked for a 2-year extension and recommended provisions in the administration bill.

The stand of the chamber of commerce against administration measures was characterized by Harper Sibley, its newly elected president, as "an honest difference of opinion." Declaring that the business emergency has passed, he said it is "time to review the emergency measures."

"There is no reason why we should follow the will of the President", he added.

Far from "following the will of the President", the resolutions either condemned entirely or severely criticized the present National Industrial Recovery Act, social-security legislation, securities control legislation, proposed amendments to the Banking Act, the Wagner labor-disputes bill, the utilities-holding company bill, amendments to the Agricultural Adjustment Act, and Government interference in business.

Reserved for future action were resolutions on the cotton-textile problem, on emergency relief activities, and on Government loans, in addition to other resolutions not so closely related to the administration program.

The chamber of commerce pronouncements, coming just as preliminaries of the next Presidential campaign are getting under way, are expected to constitute something of a guide for political opponents of the administration.

At the same time, a high administration spokesman said yesterday that "business men never really were for the administration at any time." He added that he expected them to be against the administration next year and that Democratic votes would "come from the plain people." He predicted an overwhelming Roosevelt victory.

NOT REACTIONARY, SAYS SIBLEY

Sibley described the resolutions as "very forward looking" and declared he did not feel they were reactionary. He said the chamber of commerce had "simply expressed to the administration in a polite way its differences of opinion."

The new chamber president, who was a schoolmate of President Roosevelt at Groton and who was in Harvard at the same time as the President, said he expected to take the resolutions to the White House sometime next week and that he hoped there would be free discussion between representatives of the Government and of the chamber.

"When there are honest differences of opinion there must be free expression", he said. "The administration is for the whole people. So is the chamber of commerce. I hope that through open discussion we can arrive at a solution."

He said the resolutions did not represent so much opposition to new-deal laws as a feeling that too much had been attempted by the Government in too short a time.

"We question the Government's haste", he said, "and also its methods—to some extent."

WILL "CAMPAIGN"

Describing the business situation, he said:

"It looks to me as if the business patient is very healthy. He seems to have a lot of pep. They say that a convalescent is sometimes vociferous."

Sibley said the chamber of commerce expected to "campaign" for its views.

At the session yesterday morning some discussion was created by the fact that President Roosevelt had sent no message to the convention. Last year he sent a message asking cooperation and condemning business men "who cry 'wolf!'" Two years ago he attended the dinner which closed the convention.

INVITED TO DINNER

At the White House it was said that President Roosevelt had not been asked to send a message. It was said he had been invited to attend the dinner Wednesday night, but that he had declined because of the pressure of business and because he did not wish to add to statements he made in a radio speech last Sunday night.

These statements were confirmed by both Sibley and Henry I. Harriman, retiring president of the chamber, both of whom were White House callers last week.

PAY-ROLL TAX HIT

It declared the proposed pay-roll tax would impose a heavy burden upon industry and should not be considered until recovery is assured.

"Finally", it said, "we question the propriety as well as the constitutionality of any effort by the Federal Government designed to take jurisdiction over the subject matter of this proposed legislation."

The N. R. A. resolution asked that the present law be allowed to expire and that substitute legislation be enacted for definitely limited time. The new legislation, it said, should provide for voluntary codes, with no provision for imposing or amending codes by executive action. It declared also that the new legislation should permit agreements between competitors, which upon receiving governmental approval, would be free from the penalties of the antitrust laws.

CHARGES INVESTMENT HINDERED

"The collective-bargaining provisions of the present law have definitely disproved their worth", the resolution said. "Further, we are of the opinion that efforts to enforce obedience to codes by extrajudicial methods, such as the Blue Eagle, withholding or withdrawal of Government contracts, and appeals to public prejudice, are contrary to our national traditions."

In the resolution on durable goods, the convention declared that existing laws prevent investment of large sums necessary to restore these industries.

"Securities legislation'", the resolution said, "should be of such a character that sound finance may proceed confidently. The Government should retire from all activities that compete with private industry."

Opposing the banking amendments, the delegates adopted a resolution declaring:

"The measure provides for such concentration of power over reserve and commercial banking as would mean the establishment of a central-bank mechanism that, under political control and influence, would necessarily destroy the present plan."

OPPOSE 30-HOUR WEEK

The resolution endorsed the Federal Reserve System as it now exists.

The chamber declared itself "definitely opposed" both to 30-hour-week legislation and to the Wagner labor-disputes bill.

In taking a stand on the holding-company bill, the delegates opposed what they termed "Federal regulation of operating companies" and declared, "Holding companies have had a substantial part in the development of our electric and gas utilities and have undoubtedly conferred upon large areas benefits which they otherwise would have lacked."

In reference to the Agricultural Adjustment Act, the convention asked that Government aid given the producer be limited to the crop which is domestically consumed.

"We oppose", the resolution said, "any further governmental authority over the freedom of action of producers, processors, or distributors of basic agricultural products as provided in proposed amendments."

LABOR RELATIONS

Prominently before Congress in the field of labor relations are two measures, the one designed to establish a uniform 30-hour work week throughout business and industry and the other undertaking to deal with labor relations in all industry and all fields of commerce and to create a permanent National Labor Relations Board.

To each of these proposals the chamber is definitely opposed. Statutory regulation and reduction of hours of work not only would prevent that flexible adjustment of hours so essential to the proper conduct of business operations under constantly varying conditions but it will inevitably result in marked increases in prices, in turn producing decreased consumption, decreased production, and consequent unemployment. Economic recovery must come from an increased, not from a reduced, production.

Proposals such as those embodied in the labor-relations bill would operate to disrupt rather than to promote proper relations between employer and employee, and likewise retard the normal processes toward recovery. Any attempt to bar any form of honestly organized labor group from the provisions of collective bargaining, or to bar minorities from the privilege of conferring with their employers upon terms of work, is un-American, indefensible, and unsupported by any considerations of the public interest. Employees, untrammeled or uncoerced by any person, should have the right to organize in such way as they desire for the purpose of collective bargaining; or, if they so prefer, they should have preserved to them the right to bargain individually.

UTILITY BILL OF 1935

To the regulation of public utilities, the chamber has long been committed. It has advocated that State commissions should be given ample power, with necessary financial support and adequate personnel, to enable them to discharge their public duties efficiently with respect to electric and gas utilities. Where operating areas extend across State lines and involve interstate transmission, the chamber has urged that State agencies should take concurrent action with such participation by the Federal Power Commission as interstate problems require. The chamber has recognized the necessity for reasonable and adequate regulation for all aspects of utility enterprises that affect the public interest, both as regards consumers and investors.

The utility bill of 1935, as introduced in Congress, not only would seek to superimpose Federal regulation upon State regulation of operating utilities but would undertake to destroy utility-holding companies, which have had a substantial part in the development of our electric and gas utilities and which have undoubtedly conferred upon large areas benefits which they otherwise would have lacked. The growth of American utility enterprises has in some cases been accompanied by abuses. It is in the public interest that all such abuses should be prevented. As many abuses to which public attention has been called have related to securities, the Federal Securities Act would seem to afford assurance for the future.

Other abuses should be definitely identified in legislation and such provisions for regulation should be made as the public interest requires. The destruction of enterprises not only will mean violation of fundamental principles but inevitable losses to millions of innocent investors. Even threat of destruction brings disadvantage to many communities through postponement of services they need for their development and causes national loss through withholding from those industries most affected by unemployment orders for construction and equipment that would afford a large aggregate of work.

All attempt to superimpose Federal regulation of operating companies upon State regulation should be abandoned. The effects can only be detrimental to the interests of the communities which are served and to the exercise of State authority over utilities which in every true sense are essentially local.

CHAMBER'S FIGHT ON NEW DEAL AMAZES ITS LONDON DIRECTOR

Francis E. Powell, head of the United States Chamber of Commerce in London, last night said the Old World is amazed at the stubborn fight being made by business here against the new deal.

Powell, tall and silver-haired, once was chairman of the Anglo-American Oil Co. He was astonished, he said, at the frosty reception that greeted his attempt yesterday to bring peace between American merchants and the White House.

Hundreds of delegates of the United States Chamber of Commerce Convention sat in grim silence as Powell proposed that a group be notified to call on Mr. Roosevelt and pledge cooperation. Henry I. Harriman, retiring president, ruled Powell out of order.

"I was shocked at their attitude", he told the United Press in an exclusive interview. "It couldn't have happened anywhere else in the world. I have listened for days to the criticism of the Government's policies.

"Some admitted perhaps the recovery work had done some good—shall we say they grudgingly admitted it?

"The delegates have heard what great strides we in England are making out of the depression. They have been told that it was due to our tariffs, to heavier taxes—to balancing the budget.

"Well, that much is true. What they haven't been told is the British business men cooperated with their Government. They paid higher taxes; yes. They subjected themselves to many things to expedite recovery."

Immaculate in black coat, striped trousers, white shirt, black tie, and winged collar, Powell shook his head as he watched delegates stream from the convention floor after definitely rejecting any plan by the Government to provide for the aged indigent.

"But", he asked, "how can they do these things? Perhaps we are not ready in this country yet for unemployment insurance. Perhaps it should be given more study. But we are, and always have been, ready for any legislation which removes the awful fear of want and poverty in the minds of those of us who are growing old."

Powell left his home in Cincinnati many years ago and described himself as a "citizen of the world." He left his interviewer with one forecast, emphatically stated:

"American business will have to cooperate with this administration in the new era about us or—get something worse."

AGRICULTURAL ADJUSTMENT ACT

Measures restricting the production of exportable farm products which can be grown in other sections of the world inevitably react to the disadvantage of the country imposing such restrictions, by encouraging their growth in other countries.

We recommend that any governmental financial aid given to the producer be limited to that portion of the crop which is domestically consumed. This policy would insure him a price that would compensate for his labor and preserve a parity with those things he has to buy. We believe exported agricultural products should be sold at world prices, to preserve our foreign markets and stimulate our general trade.

We oppose any further extension of governmental authority over the freedom of action of producers, processors, or distributors of basic agricultural products, as provided in the proposed amendments to the Agricultural Adjustment Act, H. R. 7713 and S. 1807, and in the commodity exchange bill, H. R. 6772 and S. 1334. We insist that in these bills the Government shall not, by law or by subsidy, control or attempt to increase the control over any producer, possessor or distributor by license, quota, or otherwise, in the lawful and independent operation of his own enterprise; and we further insist that the Government shall not, by law, or otherwise, give preferential treatment to any group; nor shall the Government empower or sanction the imposition by one group of an industry of its will on another group in that industry, as contemplated in the bills referred to above.

SELF-REGULATION OF INDUSTRY

Business has long maintained trade associations as a means of carrying on important functions in the interest of business and the public. The efficiency of management has been furthered, the extension of markets promoted, the stabilization of employment fostered, the establishment of fair competition advanced, and the rights of industry upheld through the proper operation of truly representative trade associations.

The benefits which have accrued from such cooperative work have been due, in part, to the flexibility, the voluntary character, and the freedom from special forms of governmental control of trade associations. Such conditions should be continued.

The establishment of agencies under governmental control to carry on activities recognized as proper functions of trade associations, or the assumption of such activities by governmental agencies, will limit the field and functions of trade associations, retard the self-organization and self-government of industry and the furtherance of mutual cooperative action for the benefit of industry and the public.

Mr. TRUAX. Mr. Speaker, when these farmers, wage workers, independent business men, and producers realize fully that big business is definitely and unalterably opposed to certain recovery measures sponsored by the Roosevelt Administration and enacted into law by the Seventy-third and Seventy-fourth Congresses, they have only to understand how their particular group is affected or will be affected by the legislation which the United States Chamber of Commerce so roundly condemns.

The chamber of commerce, through their mouthpiece, Mr. Harper Sibley, declares there is "an honest difference of opinion", declaring that the business emergency has passed. He said it is "time to review the emergency measures."

How about it, Mr. Farmer? Has the great emergency and the need to restore farm commodity prices to a profitable level passed? The answer is "no." Price levels today are much better than they were before this administration came into power. All farmers need today is a good crop to sell at present price levels. He needs a continuance of legislation that will maintain not for 1 year but for the years to come selling levels already established during this administration. Has the emergency period for unemployed work-

men and the millions of others on Government relief rolls passed? No, they still need the protecting hand and arm of a humane government that will continue to provide food, clothing, and shelter for those casualties of the Hoover depression and panic. Until men are actually reemployed, small business reestablished, it is absolutely necessary that they be assisted by the President and the Congress instead of consigning themselves to the tender mercies of the captains of finance and buccaneers of big business.

Mr. Sibley says, "There is no reason why we should follow the will of the President." Certainly not one of the common people ever believed for a moment that these brigands would follow the will of any President unless that President happened to be subservient to their own will and a piece of putty in their hands. Their interpretation of the will of the President is to express themselves as being opposed to social-security legislation. This will be comforting news to those 7,500,000 aged unfortunates who have passed the age of 65 and 1,000,000 of whom are dependent upon relatives or charity for support. That will be interesting news to the millions of supporters of the Townsend plan. That position, no doubt, will appeal (like hell) to the reasoning of the thousands of the Fraternal Order of Eagles, who in Ohio pioneered for and supported manfully old-age-pension legislation. These chamber of commerce fellows are not only opposed to the methods to be used in humanely dealing with the aged but if the truth be known they are opposed to the principle as well. What care they about the unfortunate aged so long as big business profits, crushes, and monopolizes, and they continue to clip the coupons.

Naturally they are opposed to the Rayburn-Wheeler bill which contemplates the abolition of predatory holding companies. Naturally on an issue of such prime importance to the millions of hard-working consumers of electric energy, light, and power supplied by the Morgans, the Dohertys, and others of their ilk, we expect to find the chamber of commerce on the side of the millionaire holders of plutocratic wealth. We would be disappointed had they assumed any other attitude. We expect also to find them lined up with the rich opponents of the Wagner labor-disputes bill. This bill, if enacted into law, would be something for those millions of toilers who actually create wealth and ultimately pay all the taxes. This bill would give labor the same right to an honest, fair hearing before their duly selected supreme courts as is now given to the big industrialists and big business men under certain practices of N. R. A. and its repeal of the Sherman antitrust laws.

Always found in the ranks of those rich and powerful enemies of American agriculture, we would again be disappointed should they have shown an inclination to support the A. A. A. and its consequent processing taxes. Regardless of whether you believe the A. A. A. to be wise and sound you must admit that its provisions, coupled with the drought of the past year, have resulted in much higher prices to the farmer. This is a fact and not an idle utterance. The only regret that I can express in this connection is the failure to make ample provision by Government to prevent city consumers from being robbed through the monopoly and machinations of the food trusts and chain outfits, such as the gambling grain dealers of the Chicago Board of Trade, the racketeering of the Chicago meat packers, and the lootings of the Wall Street owners of the grocery chain stores. The prevailing levels of basic agricultural commodities must be maintained and the purchasing power of American consumers elevated to that same level, then prosperity will in very truth be with us all.

Let the boasted and widely heralded opposition of the United States Chamber of Commerce to the recovery features of President Roosevelt and his new deal serve notice on the 80,000,000 people who are either without jobs, without incomes, without property, or without wealth, that it is they in reality whom the chamber is fighting. The aims, ambitions, and hopes of this nefarious organization are wholly selfish and greedy, so govern yourselves accordingly. Whenever they are against Roosevelt, then you be for him. Rededicate your loyalty to that matchless leader who is your best hope and best opportunity to strike off forever the serfdom and economic slavery of capitalistic big business. [Applause.]

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H. R. 6718) entitled "An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes", that are in disagreement, disagrees to the amendment of the House to the amendment of the Senate numbered 29, agrees to the further conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. SMITH, Mr. KEYES, and Mr. NYE to be the conferees on the part of the Senate.

SOCIAL SECURITY AND PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and incorporate therein several letters from the President of the United States, President Green, of the American Federation of Labor, and Secretary Ickes, in regard to the industrial and social security of Puerto Rico.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I wish to appeal to the Members of Congress once again in behalf of Puerto Rico, which is an organized Territory of the United States, considered as an integral part of this Nation by reason of the citizenship its people enjoy.

I especially make this appeal in view of the introduction in Congress of bills affecting the economic and social security of the country as a whole, and, in particular, do I wish to emphasize that the definition of the United States in all these bills should include Puerto Rico. It has been held by the United States Supreme Court that Puerto Rico is a complete, organized Territory. There also must be taken into consideration the organic act of March 2, 1917, known as the "Jones Act", in which appears this provision:

> The statutory laws of the United States not locally inapplicable shall have the same force and effect in Puerto Rico as in the United States.

A social and economic measure of so great an importance as H. R. 7260, a bill to provide for the general welfare by establishing old-age benefits, and by enabling the States to make more adequate provision for aged persons, should be extended to Puerto Rico, as was originally done in a previous bill of this nature, H. R. 4120, and in similar bills introduced by Senator WAGNER and Congressmen MEAD and LEWIS, in which the definition of "State" included Alaska, Hawaii, Puerto Rico, and the District of Columbia. And in this regard I should like to insert in the RECORD as part of my remarks correspondence explaining the thoughts of the President and others concerning the extension of such legislation to Puerto Rico, as follows:

APRIL 10, 1935.

His Excellency the PRESIDENT OF THE UNITED STATES,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: I feel it my duty to call to your attention a matter of great importance to the masses of Puerto Rican workers. My appeal at this time is in connection with the social-security legislation recommended by you, which the House already has begun to consider.

I refer to the provisions of House bill No. 7260, reported by Chairman DOUGHTON, which contains a definition of the United States, embracing Alaska, Hawaii, and the District of Columbia, but it does not include Puerto Rico. Chairman DOUGHTON's original bill and similar bills introduced by Senator WAGNER and Congressmen MEAD and LEWIS do include Puerto Rico.

Now, I feel, Mr. President, that it is not wise to exclude the people of the island from participating in the obligations, responsibilities, and benefits of so far-reaching a national measure of a social and economic character, not only from the standpoint of fairness but also to instill the principles of progress, humanity, and social education.

I request, Mr. President, and I trust that your recognized sense of fairness and justice will lead Your Excellency to find the best

way of recommending the incorporation of Puerto Rico in the definition of the United States into this humanitarian measure.

Very respectfully and sincerely yours,

SANTIAGO IGLESIAS.

APRIL 10, 1935.

Mr. WILLIAM GREEN,
President American Federation of Labor, Washington, D. C.

DEAR SIR AND BROTHER: I have to appeal to you at this moment with reference to House bill No. 7260, introduced by Chairman DOUGHTON, which deals with the social security legislation. This bill, as reported out of the committee by Chairman DOUGHTON, does not include the Territory of Puerto Rico in its definition of the United States, although its provisions are extended to Alaska, Hawaii, and the District of Columbia.

A previous bill H. R. 4120, of this character, also introduced by Chairman DOUGHTON, at which hearings you testified, and similar bills introduced by Senator WAGNER and Congressman MEAD, all included Puerto Rico in this way: "As used in this title, the term 'State' shall include Alaska, Hawaii, Puerto Rico, and the District of Columbia."

Certainly Puerto Rico, an organized Territory, whose people are citizens of the United States, is an integral part of the United States, and in all fairness and justice the people of Puerto Rico should be permitted to participate in the benefits as well as in the obligations and responsibilities of so far-reaching a social program.

In this connection may I prevail to the extent of asking you to write to the chairman of the committee who is in charge of the above-stated bill and the labor Members of the House who will consider and vote for the foregoing measure, requesting them to favor the inclusion of Puerto Rico in this legislation?

I assure you that the working people of the island and I should be very much obliged to you and the American Federation of Labor, as ever in the past, for granting the above request.

With renewed assurances of my high esteem and with kind personal regard, I am,

Fraternally yours,

SANTIAGO IGLESIAS.

THE WHITE HOUSE,
Washington, April 25, 1935.

Hon. SANTIAGO IGLESIAS,
Resident Commissioner from Puerto Rico,
House Office Building.

MY DEAR MR. IGLESIAS: I have your letter of April 10, in which you call my attention to the omission of Puerto Rico from the provisions of H. R. 7260, although Alaska, Hawaii, and the District of Columbia are included.

I very much regret this omission. However, you will be interested to know that as soon as the original draft of the bill was prepared, the Division of Territories and Island Possessions of the Department of the Interior took up this matter with solicitors of the Department, and is submitting an amendment which, if adopted, will rectify this situation insofar as Puerto Rico is concerned.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

WASHINGTON, D. C., *April 13, 1935.*

Hon. SANTIAGO IGLESIAS,
House of Representatives, Washington, D. C.

DEAR SIR AND BROTHER: As a reply to your letter dated April 10, I am enclosing a copy of a communication which I sent to Chairman DOUGHTON, of the House Ways and Means Committee, and copy of a letter which I addressed to Hon. WILLIAM P. CONNERY, Jr., Chairman of the House Committee on Labor.

In addition, I am asking our legislative representatives to call upon our friends in Congress to join in the movement to secure the inclusion of Puerto Rico within the provisions of the social-security legislation to which you have called my attention.

Very sincerely yours,

WILLIAM GREEN,
President American Federation of Labor.

WASHINGTON, D. C., *April 13, 1935.*

Hon. ROBERT L. DOUGHTON,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I wish very much that the provisions of the social-security legislation recommended by the Ways and Means Committee would be extended to the people of Puerto Rico.

H. R. 4120 as originally introduced provided that, "As used in this title the term 'State' shall include Alaska, Hawaii, Puerto Rico, and the District of Columbia." I understand that the social-security measure as recommended by your committee does not include the Territory of Puerto Rico in its definition of the United States, notwithstanding that its provisions are extended to Alaska, Hawaii, and the District of Columbia.

There does not seem to be any good reason why the people of Puerto Rico should be excluded from the benefits of the social-justice provisions of this legislation herein referred to. May I ask, in the name of labor and of the organization of labor in Puerto Rico, that you favor the inclusion of Puerto Rico in the provisions of the social-security legislation recommended for enactment by the House Ways and Means Committee.

Very sincerely yours,

WILLIAM GREEN,
President American Federation of Labor.

WASHINGTON, D. C., *April 13, 1935.*

Hon. WILLIAM P. CONNERY, Jr.,
Chairman Committee on Labor,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I enclose a copy of a letter which I addressed to Hon. ROBERT L. DOUGHTON, Chairman of the House Ways and Means Committee, which is self-explanatory.

I just cannot understand why Puerto Rico should be excluded from the benefits of the social-security legislation recommended by the House Ways and Means Committee. If the people of Alaska, Hawaii, and the District of Columbia are to be beneficiaries of this legislation, what good reason could be offered the people of Puerto Rico and their friends in the United States as to why the Territory of Puerto Rico is excluded from the benefits and provisions of this legislation and its provisions?

I ask you and the friends of labor of the House of Representatives to unite in making a vigorous fight for the inclusion of Puerto Rico in the benefits and provisions of the social security legislation now pending in Congress.

Thanking you in advance, I beg to remain,

Very sincerely yours,

WILLIAM GREEN,
President American Federation of Labor.

[Radiogram received Apr. 23, 1935]

No. 159. SAN JUAN, *April 23.*

GRUENING,
Division of Territories and Island Possessions:

Please transmit following message to Gov. Blanton Winship: Wagner social-security bill already passed the House pending action of Senate. Puerto Rico not included in benefits of bill. Health department has insular funds to match appropriations for maternity and public-health work. Urgent that bill be amended in Senate to include Puerto Rico. United States Public Health Service now contributes $25,000 toward support of public-health units in 12 municipalities. If Puerto Rico is not included in this bill, this money will not be available after June 30, 1935.

HORTON, *Acting Governor.*

THE SECRETARY OF THE INTERIOR,
Washington, April 24, 1935.

Hon. MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs,
United States Senate.

MY DEAR SENATOR TYDINGS: Enclosed is a draft of a proposed amendment to H. R. 7260, the social-security bill.

The amendment relates to titles I, IV, V, and VI, dealing with grants for old-age assistance, aid to dependent children, maternal and child welfare, and public health work. The bill in its present form provides for grants for these purposes to the States, the District of Columbia, Alaska, and Hawaii, but not to the insular possessions. The proposed amendment would extend the definition of the term "State", where used in these titles, to include Puerto Rico and the Virgin Islands.

The need for aid of this sort in those possessions is at least as great as in the States and Territories. It is demonstrable by figures that in the case of Puerto Rico the actual need per capita is very much greater than in any State of the Union. Puerto Rico has suffered particularly from legislation designed to benefit the American people as a whole, to the cost of which Puerto Rico has contributed, but the benefits of which were not applicable to its citizens. There seems to be no just reason for discriminating against these possessions. Indeed, because of their lack of representation in Congress, it seems to me that we should be particularly solicitous that they do not suffer economically through their lesser political status.

In the original economic-security bill, H. R. 4120, Puerto Rico was included among the "States" entitled to grants under the titles corresponding to titles I, IV, and V. In the present bill, H. R. 7260, Puerto Rico has been excluded and the amounts authorized to be appropriated have been somewhat reduced. The proposed amendment would restore the amounts authorized to be appropriated in those titles in the original bill, in order to make some provision for the needs of the island possessions.

I am advised by Mr. A. J. Altmyer, Second Assistant Secretary of Labor, on behalf of Miss Perkins, the Chairman of the President's Committee on Economic Security, that "the Committee on Economic Security has never given specific consideration to the question of whether the security legislation should cover the Territories and possessions of the United States", and that he believes, therefore, that I am free to make such recommendations on this subject as I deem proper.

In view of the urgent need for aid of this sort, so essential to social security in these possessions, I strongly recommend that this amendment be given favorable consideration.

I have transmitted to Senator HARRISON, as Chairman of the Committee on Finance, a similar letter advising him of the facts and recommending that this amendment be adopted. For your convenience, I am enclosing a copy of my letter to Senator HARRISON.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

Amendments intended to be proposed by Mr. TYDINGS (by request) to House bill no. 7260, the social-security bill:

On page 2, line 5, to strike out "$49,750,000" and insert in lieu thereof "$50,000,000."

On page 19, line 23, to strike out "$24,750,000" and insert in lieu thereof "$25,000,000."

On page 25, line 6, to strike out "$3,800,000" and insert in lieu thereof "$4,000,000."

On page 30, line 13, strike out "$2,850,000" and insert in lieu thereof "$3,000,000."

On page 59, line 13, after "Columbia", insert a semicolon and the following: "and when used in titles I, IV, V (except section 531) and VI, the term 'State' includes, in addition, Puerto Rico and the Virigin Islands."

Mr. IGLESIAS. Mr. Speaker, the importance to the continental United States for having the social-security bill extended to Puerto Rico may readily be seen through the channels of our commercial intercourse.

The per capita purchases of Puerto Rico from the United States are higher than the combined per capita purchases of all Central and South American countries plus Mexico. In 1931 Puerto Rico ranked ninth in the world in value purchases from the United States and sixth in the world in total volume of trade with this Nation. The latest statistics just issued places Puerto Rico as the best customer of the United States in all Spanish-speaking countries. It ranks eighth in the world in total purchases from the United States.

Two-thirds of the profits derived from the 1,600,000 Puerto Rico consumers flow back and remain in the hands of continental business men. This, coupled with the great difference in prices of commodities between the island and the mainland, is a back-breaking burden, indeed, to the people of Puerto Rico. This difference is a consequence of the rise in the prices of commodities in the United States, a result of the operation of the major recovery acts. It represents an indirect taxation which we have estimated to approximate $18,000,000 a year, exclusive of the usual revenues to the mainland.

I have been requested by representatives of the Puerto Rican Legislature to submit to the Congress and to the administrative authorities in Washington for their attention and consideration that when the legislation for the rehabilitation and social-security program become effective it be extended to Puerto Rico.

We feel and believe that Puerto Rico has the right to respectfully demand that its people be included in any social-security or rehabilitation plan contemplated for the several States of the Union.

The majority of people of Puerto Rico, as represented by the legislature, have the greatest confidence in the manifest fairness of the President and the Congress. The legislature and the people in general are extremely anxious to do their part in the prosecution of these projects, which are of so far-reaching a social and economic consequence, in order to assure the highest integration and coordination between the legislative and administrative authorities of the insular government and those of the Federal Government.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., April 22, 1935.

Hon. SANTIAGO IGLESIAS,
Delegate from Puerto Rico,
House Office Building, Washington, D. C.

DEAR DELEGATE IGLESIAS: Enclosed you will find copy of a letter I have received from Mr. ROBERT L. DOUGHTON, Chairman of the Ways and Means Committee of the House of Representatives, in answer to mine calling attention to the omission of Puerto Rico from the social security bill.

Mr. DOUGHTON's answer is self-explanatory.

Very truly yours,

WM. GREEN,
President American Federation of Labor.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 19, 1935.

Mr. WILLIAM GREEN,
President American Federation of Labor,
Washington, D. C.

DEAR MR. GREEN: Your letter of recent date was duly received, and I note what you say regarding the omission of Puerto Rico from the provisions of H. R. 7260, the social-security bill.

It is true that the original bill included Puerto Rico in some of the titles and was excluded in others, among which was the title dealing with unemployment insurance.

During the consideration of the bill in executive session the change was made so that the definition and treatment of Puerto Rico would be the same as under our revenue laws, inasmuch as the bill contains provisions providing for income and excise taxes. This was done because Puerto Rico has its own tax law and does not pay any taxes into the Treasury of the United States.

The committee felt that this change should be made in view of the fact that many of the benefits provided in the bill were dependent in a great measure upon the tax features. It was felt that questions involved in this matter might be ironed out later.

I regret my delay in acknowledging receipt of your letter. Such delay has been due to the fact that my time has been almost completely taken up for the past few days in connection with the consideration of the bill in the House.

Yours very truly,

R. L. DOUGHTON, *Chairman.*

I want to quote from the address of the President some of the thoughts that are applicable to Puerto Rico as well as to the mainland, as follows:

We find our population suffering from old inequalities, little changed by past sporadic remedies. In spite of our efforts and in spite of our talk, we have not weeded out the overprivileged and we have not effectively lifted up the underprivileged. Both of these manifestations of injustice have retarded happiness. No wise man has any intention of destroying what is known as the "profit motive"; because by the profit motive we mean the right by work to earn a decent livelihood for ourselves and for our families.

* * * * * * *

In defining immediate factors which enter into our quest, I have spoken to the Congress and the people of three great divisions:

1. The security of livelihood through the better use of the national resources of the land in which we live.
2. The security against the major hazards and vicissitudes of life.
3. The security of decent homes.

* * * * * * *

Closely related to the broad problem of livelihood is that of security against the major hazards of life. Here also a comprehensive survey of what has been attempted or accomplished in many nations and in many States proves to me that the time has come for action by the National Government. I shall send to you, in a few days, definite recommendations based on these studies. These recommendations will cover the broad subjects of unemployment insurance and old-age insurance, of benefits for children, for mothers, for the handicapped, for maternity care, and for other aspects of dependency and illness where a beginning can now be made.

HOUSE OF REPRESENTATIVES OF PUERTO RICO,
San Juan, P. R., April 22, 1935.

Hon. SANTIAGO IGLESIAS,
Resident Commissioner of Puerto Rico,
House Office Building, Washington, D. C.

DEAR SIR: The Legislature of Puerto Rico in its last session approved the concurrent resolution entitled:

"To petition the President of the United States of America, Franklin D. Roosevelt, through the Resident Commissioner of Puerto Rico, Hon. SANTIAGO IGLESIAS, to exert his good offices so that the Federal Government establish and maintain a national park in the municipality of Guanica in commemoration of the landing of the American troops for the first time in Puerto Rico, the year 1898, and for other purposes."

In accordance with the disposition of same I have the honor to send you herewith copy enrolled and signed of the above-mentioned concurrent resolution for the Honorable President of the United States, Franklin D. Roosevelt, and additional copy for Your Honor.

Respectfully,

ANTONIO ARROYO,
Secretary House of Representatives.

GOVERNMENT OF PUERTO RICO,
BUREAU OF TRANSLATIONS,
San Juan, Puerto Rico, April 8, 1935.

George W. Roberts, chief of the bureau of translations of the Legislature of Puerto Rico, hereby certifies to the Governor of Puerto Rico, and Luis A. Deliz, assistant chief of the said bureau, certifies to the president of the Senate and to the speaker of the House of Representatives of Puerto Rico, that each of them has duly compared the English and Spanish texts of a certain act (H. C. R. 9, reconsidered) of the third session of the Thirteenth Legislature of Puerto Rico, entitled "Concurrent resolution petitioning the President of the United States of America, the Honorable Franklin D. Roosevelt, through the Resident Commissioner of Puerto Rico in Washington, the Honorable SANTIAGO IGLESIAS, to use his good offices to the end that the Federal Government may establish and favor a national park in the municipality of Guanica to commemorate the arrival of the American troops in Puerto Rico for the first time, in the year 1898, and for other purposes", and finds that the same are full, true, and correct versions of each other.

GEO. W. ROBERTS,
Chief, Bureau of Translations.

Concurrent resolution petitioning the President of the United States of America, the Honorable Franklin D. Roosevelt, through the Resident Commissioner of Puerto Rico in Washington, the Honorable Santiago Iglesias, to use his good offices to the end that the Federal Government may establish and favor a national park in the municipality of Guanica to commemorate the arrival of the American troops in Puerto Rico for the first time, in the year 1898, and for other purposes

Whereas the American troops landed for the first time at the port of Guanica on July 25, 1898, that date marking the most fundamental transformation in the political, economic, and social development of the island of Puerto Rico;

Whereas with the invasion of the American forces, Puerto Rico passed from the Spanish monarchy to enjoy a new era of progress under the Stars and Stripes;

Whereas it is logical, natural, and human to consecrate that spot as an historical relic so that future generations may meet there to recall such a glorious epoch;

Whereas the people of Puerto Rico, because of the acute crisis through which it is passing, has no resources for undertaking such an extensive work;

Whereas under the rehabilitation plan put in force by the highest magistrate of the American Nation, work could thus be given to hundreds of workmen, paid with funds appropriated for the Puerto Rico Emergency Relief Administration: Now, therefore be it

Resolved by the House of Representatives of Puerto Rico (the Senate of Puerto Rico concurring):

First. To petition the President of the United States, the Honorable Franklin D. Roosevelt, as he is hereby petitioned, through the Resident Commissioner in Washington, to use his good offices to the end that the Federal Emergency Administration established in Puerto Rico proceed immediately to prepare the necessary land in the town of Guanica and to establish thereon a national park and raise a monument in commemoration of the landing of the American troops in Puerto Rico for the first time.

Second. That copies of this resolution be sent to the Resident Commissioner of Puerto Rico in the United States of America.

RAFAEL ALONSO TORRES,
Speaker House of Representatives.
R. MARTÍNEZ NADAL,
President of the Senate.

A REPUBLICAN REPLY TO ROOSEVELT

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a speech by my colleague the gentleman from New York [Mr. FISH] over the radio on last Wednesday night.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McLEOD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. HAMILTON FISH, Jr., of New York, at Buffalo, N. Y., May 1, 1935:

Of all the speeches or statements ever made or issued from the White House by a President of the United States, regardless of party affiliations, that made over the radio Sunday night by President Roosevelt is the most misleading and is the all-time high-water mark of sheer propaganda in the new-deal administration famous for its intense, variegated, and extensive propaganda. For 2 years the American people have been dominated by propaganda, largely emanating from hundreds of paid publicity agents on the Government pay roll—in other words, paid out of the Treasury of the United States—to prepare and get out propaganda in defense of the new-deal policies every hour of the day and night in the press and over the radio. The people back home have been literally swamped and overwhelmed by this inspired partisan ballyhoo, to the effect that Roosevelt and recovery were synonymous.

The Lord only knows that every American is anxious for recovery and the reemployment of 11,000,000 loyal and industrious wage earners who are now walking the streets looking for jobs. The people elected President Roosevelt because they wanted a change in the midst of the depression, and you cannot blame them for that. Furthermore, they wanted President Roosevelt to succeed and hoped that the new-deal policies would restore confidence and put American men and women back to work. For the first 3 or 4 months the present administration gave every appearance and assurance of success. Ninety percent of the American people looked upon the President as a Moses almost divinely sent to lead us out of the economic wilderness. Then, all of a sudden the President began to repudiate, one after the other, the main planks of his party platform; a reduction of 25 percent of the running expenditures of the Government; sound money to be preserved at all hazards; to stop borrowing and deficits; reduction in the number of commissions; and, finally, a balanced Budget.

Within 6 months he brought to Washington a lot of radicals, Socialists, and near-Communists who had never been affiliated with the Democratic Party before, and placed them in key positions in the Government service. He then inaugurated a series of unsound, radical, and socialistic measures that have all but destroyed business confidence, increased unemployment, impoverished the people, devoured our resources, and impaired the national credit.

For the first 2 years the people hoped against hope that these alien new-deal policies of regimentation, collectivism, and State socialism would succeed and put people back to work. That is the big issue, and if these imported foreign forms of socialism had restored confidence and jobs, even at the cost of $15,000,000,000, no Republican could afford to criticize or condemn them.

The only thing that counts in war is success in battle, from the moment a soldier puts on a uniform and takes up his rifle. So, the test of the new-deal measures is their success in employing labor upon American standards of wages and living. The deplorable facts are beginning to trickle through the mass barrage of propaganda to the people back home that there are a million and a half more unemployed than a year ago, according to the nonpartisan figures of the American Federation of Labor, and that instead of Roosevelt being synonymous with recovery, the new-deal measures have broken down and are tragic failures, retarding recovery, prolonging the depression, and bringing distress and devastating debts upon the people and the country.

The time has come to tell the truth and let the chips fall where they may. I do not offer any apology for presenting the facts to the people back home and differing from the President on numerous points and statements. There are some stanch upholders of the new deal—I purposely do not say the old Jeffersonian Democratic Party that believed in free speech and free institutions—who seem to think that it is a form of treason to tell the truth and that the American people back home are not entitled to the facts. It is not only the right, but the duty of the Republican Party to expose the failure of these unsound, unworkable, and socialistic new-deal policies and experiments, and, in spite of the honeyed words, fireside chats, and mass propaganda to show without fear or favor that the only way to restore business confidence in America is by applying sound American principles and stop experimenting at the expense of the people and increasing unemployment.

I would not go on the radio this evening, except that when the President speaks he is listened to by many millions of people, and it would be an act of cowardice and stupidity if some Republican in Congress did not challenge some of his definite assertions and comment on them. The radio audience may go weeks or months without hearing the other side, and public opinion may be formed on statements left unchallenged.

Let us begin at the beginning of the President's message, when he stated: "The administration and the Congress are not proceeding in any haphazard fashion in this task of government." Why, that is one of the main objections to the new deal and to Congress, which has surrendered its legislative powers and control over the purse strings, betrayed representative government and left itself no more constitutional power than Gandhi has clothing. Both the administration and the Congress have become a madhouse, attempting one radical experiment on top of another, on the basis of expediency and not experience, without any general plan for actual recovery but a multitude for piling debt upon debt and borrowing billions, more billions, and still more billions without any thought of extinguishing the debt and the inevitable day of reckoning, of ruinous inflation, chaos, bankruptcy, and repudiation.

The President further stated: "The objective of the Nation has changed in the last 3 years. Before that time individual self-interest and group selfishness were paramount in public thinking. The general good was at a discount." That assertion should take first prize at a commencement-day exercise in a kindergarten. Yes, Mr. President, it is just great and we are all for it, but what about the swarms of Democratic national committeemen who descended on Washington like bees after honey until even rebuked from the White House? What about the crowded hotels filled with deserving Democrats, lobbyists, selfish interest, and special privilege, all looking for bigger and better hand-outs from the people's money? There is an orgy of "squandermania" prevalent in Washington and not protected by civil-service regulations, which national Chairman James Aloysius Farley and the pure new-deal administration has wiped out.

We are in the midst of a government of subsidy, by subsidy and for special groups and selfish interests beyond anything that has ever existed in the history of the Republic. Shades of Calvin Coolidge and Thomas Jefferson!

I quote the President again: "For the first time in 5 years relief rolls have declined instead of increased during the winter months." In this connection the President conveniently omits figures. The official relief estimates of the F. E. R. A. in January were 20,670,000—an all-time high—February 20,523,000, March 20,440,000, a slight decrease due probably to the seasonal pick-ups in the Southern States. The President forgot to state that a year ago there were only 13,539,000 on relief, and two million on the C. W. A. projects, a tremendous increase in 1 year.

Then the President says that: "Many million more people have private work today than 1 year ago today." The figures of the American Federation of Labor, a nonpartisan organization, as stated before, deny and refute this assertion of the President. In fact, after the colossal expenditure of over $10,000,000,000 to try to create jobs there are over a million more unemployed on private work than a year ago.

The President repeated his request for the extension of the N. R. A. without suggesting limitations. This once holy and sacred institution above reproach is being condemned by Demo-

crats, such as Senators Glass, Byrd, Tydings, and King, Governor Talmadge, of Georgia—practically the adopted State of the President—former Secretary of State Bainbridge Colby and I could also refer to HUEY LONG, but he has a habit of speaking for himself. All of these prominent Democrats have joined the swelling chorus in repudiating the N. R. A. as a failure and demanding that it be wiped out or be drastically modified, keeping the minimum-wages and maximum-hours and child-labor provisions. It is not necessary for a Republican to point out that the N. R. A. has hampered and harassed industry and all but strangled the small business man. The Blue Eagle has become a Soviet vulture, backed by force and coercion, spies, enforcement agents, and jail sentences.

In referring to the public-utility holding-company legislation, the President said: "I consider this legislation a positive recovery measure." There is apparently a difference of opinion between the point of view of the President and the insurance companies who own millions of these securities, as do innumerable American investors, who are fearful that they will be wiped out. The President goes on to say "even more significantly, it has given the country as a whole an uneasy apprehension of overconcentrated economic power." Paraphrasing that statement, I can appropriately say that "the country as a whole is uneasy because of the growing and overconcentrated powers of the Chief Executive."

The President asks for the immediate passage of the centralized banking bill, which is another step toward state socialism and in defiance of every Jeffersonian principle. It places additional power in the hands of the Federal Reserve Board, the Secretary of the Treasury, and the President, to control currency, credit, and the banks, and makes the Federal Reserve System subject to political control. Lenin said that the first step to communism is the nationalization of banks, credit, and currency, and the new banking bill has some of these aspects and earmarks. Professor Kemmerer, of Princeton, said: "I have been trying to find what the financial policy of the Democratic Party is for the last years, and have been unable to do so", and then added, "It is like trying to nail a custard pie to the wall. It just does not stick."

The President concluded his radio speech by saying that he "felt so unmistakably the atmosphere of recovery", and goes on to add: "It is the recovery of confidence in our democratic processes and institutions." Where is this confidence in recovery? What is needed is confidence, more confidence, and still more confidence—yet there is none. There is no single word of encouragement to business, to employers of labor, or to American investors. The President continues to harp on reform and trample on private business.

The restoration of business enterprise is essential to the reemployment of American wage earners and is being held back by lack of confidence and Government control. But the President refuses to give any figures on the mounting national debt or to face the problem of new taxes or balancing the Budget.

Where is the confidence referred to in the democratic institutions? The President is apparently obsessed with the idea of power. No longer emergency or temporary but permanent, autocratic, and dictatorial. The Congress has turned over to him the making of tariff schedules, power to regulate money, control of the purse strings and appropriations, and now control of banks, credit, and the wealth of the country, including the people's money—not Democratic money, not partisan money, but that of the American people.

Our separate powers of government have been scrapped for a beneficent dictator in the White House, without the consent or approval of the people.

The President said that it was necessary to go outside of Washington to get a picture of what is going on. He has to go to sea on a palatial yacht so as to understand what the people are doing and thinking. He said that Washington is the worst place to get a view of the country as a whole, in spite of the fact that the whole country is being run from Washington. Yet the President must go fishing or to the fine little Republican town of Hyde Park, in my congressional district, which long ago made up its mind that the new deal was a failure and means nothing but high cost of living, debts, deficits, taxation, borrowing, and an unbalanced Budget, confidence destroyed, and American labor unemployed.

Americans as a whole are feeling a lot better, a lot more cheerful than for many years, so the President says. Such a statement would be humorous, if it were not actually so terribly tragic and pathetic, out of the mouth of the President. Ask the 20,000,000 Americans on relief and the 11,000,000 unemployed. Ask the recent employees in the textile mills of New England and the South, who have been forced by the free-trade policies of Secretary of State Hull, for the benefit of Japanese labor paid 20 cents a day, to join the army of unemployed. Ask the share-croppers, tenant farmers, and those formerly employed in picking, ginning, transporting, and shipping cotton to our lost foreign markets. Ask the skilled labor formerly employed in the construction industry and in durable goods. Ask the American housewives, who are struggling to balance their budgets against the increase in the cost of living on foodstuffs and necessities of life, due to destruction of crops, birth control of pigs, and the new-deal program of scarcity.

Where, oh where, Mr. President, is this spirit of cheerfulness, when fear and uncertainty pervades the land under the new-deal experiments that have increased unemployment and lowered the standard of wages and of living for the American people?

BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman and members of the Committee, I do not expect to be able to say anything new at this late hour on the bill. As has been frequently said, title I deals with deposit insurance.

From 1921 to 1933 there were 15,000 bank failures in the United States, and with these failures various disastrous consequences came to the depositors of the country.

By reason of that fact there was an insistent demand throughout the country for some kind of legislation to protect the bank deposits. The condition had become such that in March 1933 there was a bank holiday. All the banks were closed, and in a short time some were able to open, others opened with restrictions, and by means of the addition of private capital, with the aid of the Reconstruction Finance Corporation they were able to open up and resume bank operations. Others fell by the wayside, and have been or are being liquidated.

As a result of the demand of that time the banking legislation of 1933 was enacted creating a bank-insurance policy in this country. We provided a permanent policy—provided for the creation of a corporation with stock which should be subscribed from three different sources. The United States itself was to take $150,000,000, the Federal Reserve banks were to take an amount equal to one-half of their surplus as of January 1, 1933, which in round numbers amounted to $140,000,000, and the insured banks were to take the balance of the stock, which if all were insured would amount to $175,000,000 or $200,000,000. That provided a corporation with a capital stock in the neighborhood of one-half billion dollars.

Now, this bill provides for a continuance of the capital set-up as it is; none of the insured banks have subscribed for any of the stock.

This act provides that the capital shall remain $150,000,000 by the United States, $140,000,000 by the Federal Reserve banks, and so this is the capital stock of the corporation provided for in this act.

This act changes the general policy from a stock subscription to an assessment plan. During the last 70 years, according to the hearings we had, the losses amounted, on account of commercial-bank failures in this country, to about one-third of 1 percent of the total deposits, and it is significant to know that half or two-thirds of the entire loss during the period of 70 years occurred in the 4 years preceding June 1934.

This act fixes the assessment at one-eighth of 1 percent of the total deposit liability of the insured banks.

It is estimated that that will bring in a fund of approximately $50,000,000 annually.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. GOLDSBOROUGH. Will the gentleman inform the committee what the assessment was when the bill was first submitted to the committee?

Mr. WILLIAMS. When it was first submitted to the committee this bill provided for an assessment of one-twelfth of 1 percent, with the power and authority to reduce that assessment. Now, the committee considered that matter very carefully and reached the conclusion that one-eighth of 1 percent was a reasonable requirement; not only reason-

able but necessary. It must not be forgotten that under the present law, if it went into effect and was not changed, the insured banks would have to subscribe to the stock of this corporation to the extent of one-half of 1 percent, and then be liable, in addition to that, to whatever assessment was necessary. Some of the banks of the country have objected to this assessment of one-eighth of 1 percent. The committee has felt that that, to say the least, is a reasonable assessment and a necessary one. Not only that, but you all know, as a matter of common knowledge, and it is a matter of evidence in our hearings, that the banks of this country, under the direction of the Federal Reserve order and the Insurance Deposit Corporation also, have reduced the interest that they paid on time deposits. Not only that, but they are absolutely failing to pay any interest at all under these orders on demand deposits. By reason of that action the banks of this country last year saved at least two or three hundred thousand dollars at the expense of the depositors.

Mr. STEAGALL. Will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. STEAGALL. The gentleman is making a splendid statement. However, the hearings disclose that the saving to the banks, through the operation of the provisions of law denying them the right, or permitting them to pay interest on demand deposits, amounts to more than $500,000,000. That is the repeated testimony before the committee.

Mr. WILLIAMS. I thank the gentleman. In view of that fact, it comes with very poor grace from the banks of this country to object to an assessment of one-eighth of 1 percent annually not only to take care of the current expenses and losses during normal times but it is hoped and expected to build up a reserve sufficient to take care of losses under abnormal conditions, during depressions and times of stress and strain.

As you all know, the insurance under title I is limited to $5,000. It has been stated, and I want to state it again, that that will insure about 98 percent of the depositors. It will insure 44 percent of the entire deposits in the insured banks. I want to add this to that statement: According to the last report of the Federal Insurance Deposit Corporation—I do not think it is a matter of record, but according to its report, an insurance of $5,000 on deposits will insure 80 percent of the deposits in over 9,500 banks of the country and will insure 75 percent of the deposits in over 12,000 banks. So it is seen that this provision will not only insure practically all depositors but it will also insure a large percentage of deposits in a great number of banks throughout the country.

There is another vital thing in connection with title I which I did not intend to discuss at all, but since it seems that there is a move on foot to try to amend this act, requiring membership in the Federal Reserve System as a condition precedent for membership in the Insurance Corporation, I want to say a few things about that. It has been a strange thing to me that just as soon as we have insurance of bank deposits the question arises that in order to secure the benefits of that a bank must be a member of the Federal Reserve System. We have had the Federal Reserve System in existence for over 20 years. During that entire time less than 1,000—I believe 960 banks in this country have seen fit to come into the System. There are approximately 9,000 banks outside of it. I am not opposed to a bank coming into the System. It may be helpful in the long run. It may help to control the monetary system and credit policy of this country to have them all members of one system; but I will tell you what I do object to: I am absolutely opposed to using the Federal Deposit Insurance Corporation as a club over the heads of the nonmember banks of this country; to beat them into the Federal Reserve System against their will and over what they consider to be their best interests. That is not right, but yet it has been linked up with the insurance proposition ever since the question has been before the Congress. Now, if it is indispensable, if it is necessary, if it is important that all the banks of this country become members of the Federal Reserve System, then let us join the issue on that and that alone. Let it stand upon its own merits. If that is necessary and indispensable, let us fight it out; but let us not join it in with a measure here which seeks to give insurance to all banks alike.

Under the present law, you understand, all nonmember banks must come into the Federal Reserve System on or before July 1, 1937, or get out of the Insurance Corporation. Every time that measure has been submitted to Congress during the last sessions, the House has voted almost unanimously to permit nonmember banks to join the Insurance Corporation without being members of the Federal Reserve System. The provision has been put in over at the other end of the Capitol and in conference. I am not criticizing them for that, but it is a fact that that is true.

Now, our friends talk about some of these small nonmember banks being unstable and unsound. It may be freely admitted that during the last decade and a half many small banks were organized in communities where resources were not sufficient to justify the organization of a bank, and some of them, by reason of bad management, were not able to prosper.

Mr. ASHBROOK. Will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. ASHBROOK. Have not those banks been all squeezed out by this time?

Mr. WILLIAMS. Yes. I was just coming to that. There is no question about that. Sometimes the insinuation has been made that some of the smaller banks have not been safe and sound. As suggested by the gentleman, during the last 10 years all those unnecessary and needless banks—and it may be freely admitted that there were such—and those that came under bad management, have passed entirely out of the picture, and they are out of it now. But in behalf of the smaller banks of this country, coming as I do from a rural community, a district of small towns, let me say that there are thousands of small banks throughout this Nation that are just as sound and safe, within the limits of their commitments and within the scope of their activities, as the largest banks in the big cities. [Applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. COLDEN. Like the gentleman, I, too, have had some experience in farming communities. Is it not a fact that the knowledge the banker in a small community has of his client insures greater safety for that small bank than is found in the average city bank which deals largely in stocks or bonds, and investments of that type?

Mr. WILLIAMS. There is no question but what the gentleman from California is right. Some of the safest banks in the country are the smaller banks. Mere bigness does not make a safe bank; and, for that matter, the most disastrous and devastating consequences that have come to this Nation have been by reason of the failure of the big banks rather than small banks. It comes with poor grace from the spokesman of the big banks of this country to talk about the failure of the small banks. There are other reasons why small banks fail. I will now discuss them.

There were two prime factors or conditions that figured in the failure of many small banks that otherwise should and would have weathered the storm. The big banks were not subjected to either of these blighting and devastating conditions or causes. One condition was brought upon the small banks by the deliberate and willful action of the big banks in violating every confidence and betraying every trust. The other factor was largely political and the small banks could not command the necessary influence. The big banks were able to extricate themselves from the difficulty by their unconscionable imposition upon the smaller banks and by political pull and power.

Let us now look at banking conditions from 1921 to 1933 and see why there was, perhaps, a larger percentage of failures among small banks. The large institutions during that period were not so much concerned about how many farm mortgages were foreclosed; how many home owners lost their homes or how many small banks failed. During

that time the big banks were engaging in international transactions and were obsessed with the idea that prosperity was unbounded, that the accumulation of excess profits in the hands of a few men was unlimited; that wealth and ease could be attained by speculation. During that same period the banks in the smaller communities were bearing the burdens and subjected to the strains placed upon them because of depressed prices of farm products, and the plight of many small industries. They were not able to make themselves heard. These things were not heeded by the big concerns. But in 1931 when they awoke to find themselves in danger, when they found out that their backs were to the wall, when they realized that they had been living in a fool's paradise, it was then that they threw up their hands and shouted that the Government must save them in order to preserve the financial structure of the Government. They were the crew that scuttled the ship and then deserted it. When the storm clouds were darkest and thickest and the danger greatest, they were the ones who scurried to shelter. It was then that they came to the administration and Congress with the plea that a Government agency must be established to save them. As a result, the Reconstruction Finance Corporation was created. The Treasury of the United States was opened to them. Not to help the small banks or the people but to save the big banks. Even when loans were made to smaller banks, the funds were used to pay off their obligations to the larger ones and not to help the community. If the Government had not come to their relief there may have been a larger ratio of failures among the big banks. The small banks could not bring the political pressure to bear and could not get the aid when they were needy and languishing. In the face of that record, it now ill becomes the spokesmen of big banks to cast aspersions upon the smaller ones.

There is one other thing that should be said. During the wild orgy of investment and speculation, the smaller banks were looking to their correspondent banks for advice and counsel in making investments, just as has always been true. The larger concerns by reason of their wider experience and because of their closer contact with the financial and industrial leaders of the Nation and those in charge of governmental policies were in a position to know the real value of securities better than the country banker. During those days the big bankers betrayed every trust and confidence and unloaded upon the smaller ones all the depreciated bonds and worthless paper that was possible. Under those conditions, is it any wonder that we had a large number of failures among the small banks?

They ask about the number of failures; they ask if there have not been more failures in nonmember banks than among member banks of the Federal Reserve System. Naturally so, because there are 10 times as many nonmember banks. During the 20 years the Federal Reserve System has been in existence, as I stated a while ago, less than 1,000 banks have come into the System. At this point, Mr. Chairman, I wish to insert in the RECORD as a part of my remarks, a list showing the number of State-insured banks of this country by States and showing the number of those banks that are in the Federal Reserve System and the number that are nonmember banks. Three States in this Nation have not a single reserve bank within their borders. I am now talking, of course, about State-insured banks, not national banks; not a single reserve bank is to be found within the confines of three of the States of this Union.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. COLDEN. Will the gentleman explain briefly the cause for the reluctance of the small bank to become a member of the Federal Reserve System?

Mr. WILLIAMS. There are a number of reasons for that reluctance, in my opinion. In the first place, it requires an investment in the stock of the Federal Reserve System. In the second place they were seriously handicapped and hampered by the exchange rates they are able to charge and which is a material source of income to the small banks. In the third place they were afraid of being continually harassed by continual examinations by a board located here in Washington. In my judgment, these are the three contributing causes for the small banks of this country not coming into the Federal Reserve System in greater numbers.

I started to give a short account of the systems that exist now and I said there are 3 States that do not have a single Reserve bank in them. There are 2 other States that have but 1 Federal Reserve bank each; there is 1 State that has 2; 2 States that have only 3; 6 that have only 4; while Illinois heads the list of States having the most nonmember banks with its 507; and my own State of Missouri comes second with 498. I will insert this list in the RECORD in connection with my remarks so you can see for yourselves, if you want to take the time to look at it, how few member banks there are in your individual States. For this reason I say that they should not be required to come into the Federal Reserve System in order to enjoy the benefits of this deposit-insurance fund.

Table showing the number of insured State banks that are members and nonmembers of the Federal Reserve

Name of State	Number of State banks members of Federal Reserve	Number of State banks not members of Federal Reserve
Alabama	18	120
Arizona	4	3
Arkansas	7	155
California	16	108
Colorado	5	58
Connecticut	6	49
Delaware	4	24
Florida	4	92
Georgia	25	177
Idaho	10	25
Illinois	64	507
Indiana	6	362
Iowa	25	427
Kansas	14	225
Kentucky	10	284
Louisiana	4	113
Maine	6	20
Maryland	7	114
Massachusetts	34	40
Michigan	79	262
Minnesota	17	423
Mississippi	3	174
Missouri	51	498
Montana	20	52
Nebraska	9	232
Nevada	0	3
New Hampshire	1	4
New Jersey	52	102
New Mexico	3	14
New York	117	193
North Carolina	10	183
North Dakota	0	125
Ohio	71	356
Oklahoma	1	176
Oregon	6	43
Pennsylvania	73	296
Rhode Island	2	2
South Carolina	4	74
South Dakota	23	125
Tennessee	4	239
Texas	54	307
Utah	19	26
Vermont	0	33
Virginia	24	163
Washington	27	93
West Virginia	18	72
Wisconsin	13	483
Wyoming	8	26

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. CARPENTER. Can the gentleman give me any assurance, at least so far as he is concerned, that should the Senate write into this bill a provision requiring nonmember banks to come into the System by 1937, that the conferees on the part of the House will make a determined fight to eliminate such provision from the bill?

Mr. WILLIAMS. I can give the gentleman no assurance on that, because I am not one of the conferees and will not be; but I can tell him that, so far as I am concerned, and so far as my attitude in the past has been, I will join him along with the rest of the Members of this House, if we can get a majority, in holding out against any provision which requires admission into the Federal Reserve System in order to secure the benefits of deposit insurance. [Applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAMS. I yield.

Mr. COLDEN. I would like the gentleman's opinion as to the depositor's viewpoint. Would the depositor be more secure if his bank were a member of the Federal Reserve System?

Mr. WILLIAMS. I do not think so. I do not see any reason why he should be. There is this one fundamental principle involved; and before this debate closes I would like for some Member, the advocate of a unified banking system, some Member who has insisted upon forcing these nonmember banks into the Federal Reserve System, to show some reason why a bank that is sound, a bank that has back of it a history of approved and successful banking operations, a bank whose capital is sufficient with reference to its liabilities, a bank that is rendering a splendid service to the community in which it is located, a bank that has bright prospects for future earnings—to show some sound reason why such a bank should not be admitted to the Deposit Insurance Corporation independent of whether or not it is a member of the Federal Reserve System. This question never has been answered to my satisfaction.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. GIFFORD. I am in perfect accord with the gentleman's argument, but I would like to ask him again if the monetary authority set up in title II would not be vastly damaged, practically wrecked so far as cooperation in certain States is concerned, if the Federal Reserve Board has no authority over them in carrying out this monetary plan, if the gentleman's theory prevailed?

Mr. WILLIAMS. Oh, I think not at all, because of the great army of these nonmember banks, small banks located in the small communities of this country which, the gentleman knows, do not exercise any influence or control over the monetary system or the credit policy of this Nation at all.

The fact that they are simply not members of the Federal Reserve System will make no difference at all so far as that principle is concerned.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. The gentleman knows that not one bank in the United States closed by reason of having reserves in the Federal Reserve banks?

Mr. WILLIAMS. Yes.

Mr. BROWN of Michigan. Because they received 100 cents on the dollar.

Mr. WILLIAMS. That is right.

Mr. BROWN of Michigan. A great many banks were closed because they were nonmembers of the Federal Reserve System and did not have their reserves in Federal Reserve banks, but had them in city correspondent banks in the larger cities.

Mr. WILLIAMS. That is true. Right in that connection, when they talk about the number of banks that failed, I have no available figures, but I will tell you what I do have—and I want the Members to take note of this. When the banks closed and it became necessary to build up their capital structure in order to enable the banks of this country to open and to become members of the Insurance Corporation, what happened? It took a billion and a half dollars in private capital and R. F. C. funds to revive those banks and put them in shape so that they could open and carry on their business activities and become members of the Deposit Insurance Corporation.

Mr. Chairman, what is the fact about the matter? How much money did it take to build up the capital structure of those banks that were members of the Federal Reserve System? It is known that all national banks are members. They must be members. It took $465,000,000 from the Reconstruction Finance Corporation to build up the national-bank structure of this country, and in addition to that it took $238,000,000, to say nothing about the capital that was subscribed by private industry, to build up the member banks, which numbered only 960. It took $703,000,000 of the funds of the Reconstruction Finance Corporation to put them on their feet in order to get them going and make them members of the Insurance Deposit Corporation, referring to the member banks of our banking system, while, on the other hand, for 7,800 nonmember banks it took only $265,000,000, which was about one-third. In other words, with one-third the capital we revived more banks outside the System than we did in the System. To my mind, that is one of the strongest arguments that mere membership in the Federal Reserve System does not make a bank sound and keep it sound.

Mr. COLDEN. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from California.

Mr. COLDEN. In the farming towns probably the most secure assets of the banks are real-estate securities, mortgages, and deeds of trust. May I ask if the gentleman is satisfied with the provisions of this bill, which permit the use of real-estate securities for Federal Reserve collateral?

Mr. WILLIAMS. I am satisfied with that feature, and I will be glad to discuss that very question briefly.

Under this bill, subject to rules and regulations of the Board, banks may make real-estate loans to the extent of 60 percent of the appraised value thereof, and each bank may make an aggregate of such loans to an amount equal to the capital and surplus, or 60 percent of the time deposits of such bank, whichever is greater. This is one of the most valuable provisions. There are thousands of small banks whose time deposits are almost if not quite as large as their demand deposits. If these banks are to continue in operation, they must loan on real-estate securities. The banks in turn, in case of need, must be able to secure loans on these real-estate mortgages as security, and that is provided for in this bill. It may be an ideal situation to have commercial and investment banking separated, but as a practical proposition that is impossible in rural communities where both activities are necessary to maintain the banks. These real-estate loans should be amortized over a long period of time, upon reasonable terms and the lowest rate of interest possible. When that is done real-estate loans will be the best and soundest, and the provisions of this bill will help remove the log jam in the current of real-estate securities.

Mr. MARTIN of Colorado. The gentleman has made a most astonishing statement in regard to the relative soundness of the member and nonmember banks of the Federal Reserve System. I am wondering what caused that condition.

Mr. WILLIAMS. Well, I do not know the cause. However, if I have the time, I will be glad to explain some things in connection with that matter.

Mr. MARTIN of Colorado. Could the gentleman put the information in the RECORD in an extension of his remarks?

Mr. WILLIAMS. I will.

Mr. DARDEN. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Virginia.

Mr. DARDEN. The gentleman referred a few minutes ago to preferred stock which the Reconstruction Finance Corporation had acquired in various banks. Is it not true that a great deal of this stock was not needed, but was taken at the request of the Reconstruction Finance Corporation?

Mr. WILLIAMS. I think perhaps some of it was not needed.

Mr. DARDEN. I know of several banks that had no need for it.

Mr. WILLIAMS. I think the gentleman is correct. Some of this stock was taken where it was not necessary, but the overwhelming amount, in my judgment, was used to build up a weakened bank structure in this country, and this applies, as I say, to member banks as well as nonmember banks.

Mr. DARDEN. Is it not a fact that a great deal of this money has subsequently gone into Government bonds?

Mr. WILLIAMS. In the case of those banks that took it, no doubt that is true.

Mr. DONDERO. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman inform the House by way of comparison the amount of money involved be-

tween the nonmember banks that only required the $265,000,000 and the member banks that required $760,000,000?

Mr. WILLIAMS. Does the gentleman have reference to deposits?

Mr. DONDERO. In size and amount of business.

Mr. WILLIAMS. Of course, most of them were smaller banks, but the number that served communities throughout the country were infinitely more. I do not mean, of course, to infer that membership in the Federal Reserve System is an element of weakness. I am not opposed, I say again, to any bank entering the System if it wants to come in, and it is entirely desirable in my opinion.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. WILLIAMS. Mr. Chairman, I started to say a while ago there are those who believe that there is still a useful place in the community for an independent unit bank whether it is a member of the Federal Reserve System or not. A bank whose officers, directors, and stockholders live nearby. They are men who own their homes and pay taxes. Men who know the community and are interested in its growth and development. Those who know the needs and the financial responsibility of the bank's patrons. Those who are familiar with home and farm values. Those who are posted on industrial and business conditions there. Those who know the moral risks and who are acquainted with the indigent and the shiftless as well as the active and the thrifty. The men who contribute to the schools, the churches, and to charity. Those who belong to the lodges and the civic organizations. Those who are in the vanguard fighting the battle for every material improvement and advancement and for every cause that means better education, higher moral standards, civic betterment, a truer fellowship, and a better life. It is unthinkable to replace such an organization that is the very foundation and the back log of community life with a mere mechanism man, the clerk of a branch bank, the chief of which may be hundreds of miles away, and that knows nothing and cares less about the community. Still, that is the condition to which we are coming if we drive out of the community these small banks by compelling them to go into the Federal Reserve System. [Applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield at that point?

Mr. WILLIAMS. Yes.

Mr. COLDEN. The gentleman has described very accurately a situation that already exists in California under our chain-banking system.

Mr. WILLIAMS. Yes; I am pleased to have that contribution from the gentleman.

I had hoped briefly to discuss title II. If the Congress is ever going to recognize its duty to coin money and regulate its value, there must be established some central board somewhere that has control of the expansion and contraction of currency and credit in this Nation. You cannot delegate this authority to a divided commission. The Federal Reserve banks of this country, the individual banks, cannot do it. They ought not to do it. I am one of those who believe that when it comes to the question of a monetary policy and credit administration, this authority must be vested in a Governmental, central agency somewhere. [Applause.] I do not care what you call it, a Federal reserve board, a monetary authority, or a monetary commission, the power must be placed somewhere, and title II of this bill increases the powers of the Federal Reserve Board and places upon it the duty, so far a monetary policy and a credit administration can do it, to stabilize industry and prevent fluctuations in the general level of production, trade, prices, and employment. This is the goal.

I know there are those in this body who think there are too many powers delegated to the Federal Reserve Board under this act. There are those who think that there are not enough powers granted. All this controversy, Mr. Chairman, revolves around the question of the board, the commission, or the committee that has these powers.

If we could all agree upon the constitution of this Board, how it should be appointed, what powers it should have, and, above all, what is its objective or what is its goal, we would have the question solved; but right there is where we do not agree. Some of the very men who express the fear that there is too much power placed in this Board would place the same power in a private, chartered corporation like the Bank of England.

This authority, in my judgment, has got to be vested in one central body and that body, so far as I am concerned, should be a body representing the Government and the interests of the entire people of this country rather than to be controlled and influenced by any group of private bankers or business men. [Applause.]

There is no use of my arguing with any man who does not believe in placing the monetary policy and the credit administration of this Nation in the hands of a central body. There is where it must be, according to my judgment.

There is one peculiar thing about the money question, and that is, the absolute, positive, but widely divergent views that exist. You may take men who are economists and financiers. You may take the professors in our great colleges, the men who have lectured to their classes, the men who have made speeches throughout the country, the men who have written books, the men who have given their lifetime to a sincere and honest study of the money question, and they will arrive at exactly opposite poles. You may take the men who are in the business world, men who have managed banks, men who have been in charge of our big financial institutions, able business men, and their views about the money question are just as wide apart as the views that some of us entertain or, perhaps, the views of the soapbox orator, who expounds his philosophy and his views from the street corner. This is a strange thing.

There are those who believe that the powers granted here do not go far enough. There are those who believe they should place the power in the hands of this Board to engage in open-market operations in the purchase and sale of gold. There are those who believe it should have the power to issue currency direct. There are those who believe it should have the right to devalue the gold dollar and determine the amount of grains in the gold dollar. On the other hand, there are those who believe that the power granted here is too great.

The main powers that are granted here under title II to the Federal Reserve Board are the right to establish and proclaim and, if you please, enforce an open-market policy and in the second place to determine the rates of interest that shall be charged by the Federal Reserve banks and, finally, the reserves that shall be maintained by the member banks.

These are the levers of control provided in this bill to expand and contract currency and credit in the Nation.

Now, I need not discuss the manner in which they will operate. Everyone knows that if there is a stringency in the money market and if there is a demand from industry and commerce for more currency and credit, it will be the policy of the Board to buy bonds and other eligible securities and put money out on the market, making it available, and at the same time making the rate of interest as reasonable as possible and lower the reserves in the banks so that credit and currency may be made available to the legitimate demands of industry, commerce, and agriculture throughout the country. On the other hand, if there is a tendency to speculate, if the Nation is going out on a wild orgy of spending, if inflation becomes rampant, it shall be the policy of this Board to draw in the money, to sell bonds and securities, and bring the money in, raise the discount rate, make it more difficult to get money and, if necessary, impound it in the banks by raising the reserve requirements.

By these three levers it is hoped and expected that the Federal Reserve Board shall so regulate and control the

expansion and contraction of currency and credit throughout the Nation as to accommodate agriculture, commerce, and industry.

That is as it should be. I think the confusion that arises is due to the fact that we fail to recognize the distinction between a monetary system and a general Nation-wide credit policy on the one hand and banking functions on the other. That is where we fail to draw the distinction. The one is a governmental function and is Nation-wide in its scope, one that should be placed in a body responsive to the Government and to the will of the people, exercising its powers and performing its duties in the formulation and enforcement of a monetary policy in the interest of all the people. The other is more or less local and should be left to the initiative of the individual and to private capital.

I do not believe in a board here in Washington going to the various banks of the country and absolutely dictating the policy with reference to loans to be carried out there. But, on the other hand, I do believe in the establishment of a Nation-wide credit policy and a central agency to have control over the monetary system, which is a governmental function.

It is one thing to set up a monetary authority with power imposed upon it and the duty of carrying out certain policies in the interest of the people of the country. It is another thing to attend to the details of bank deposits and fix the solvency of the borrowers and the liquidity and soundness of loans.

One is a Government function and the other is purely a banking matter. For that reason, in my opinion, you cannot give too much power to the governmental body that controls—not the details of the banking institution down in your community or mine, but that does establish a policy that will enable the people of this country, business, agriculture, commerce, and industry to obtain loans upon reasonable rates and make available to them currency and credit by which they can carry on legitimate operations. That must be a governmental policy.

When this legislation is passed, as I believe it will be, we will have a system which will provide, as far as monetary policy can provide, for expansion and contraction of the currency of the country.

Now, there is another question here about which there is great diversity of opinion, and that is what should be the goal, what should be the objective. I realize that there are those on the committee, as well a number of Members in the House, who are firmly convinced, and really believe, that the commodity-price level is the ultimate goal toward which we should strive. There is a difference of opinion about that. Governor Eccles, speaking as a representative of the Federal Reserve Board, does not think that that is the ultimate goal.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Yes.

Mr. ARNOLD. The gentleman was leading up to the very question that has been bothering me in this bill and I want to hear the gentleman's discussion as to the elasticity of the Board in controlling the expansion and contraction of the currency. That naturally involves the amendment that will be offered by the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. WILLIAMS. In view of the extension of time granted me, I shall read some of the expressions of Governor Eccles, the head of the Federal Reserve System, and the man at least at present at the head of this Board that will be given the power and charged with the responsibility of trying to so manipulate the monetary system and the credit policy of this country as to bring relief to us. On that question it was my privilege, as well as the privilege of a lot of other members of the committee, to ask him various questions. On pages 215 and 216 of the hearings, this language will be found. Speaking of general-commodity price level, Mr. Eccles said:

> If stable prices at some given index figure would leave an army of unemployed, it does not seem to me that this is the objective that would satisfy this country.

In response to a question whether he favored fixing a certain commodity price level as the goal, Mr. Eccles said:

> I would prefer that it be not made the central objective of the banking bill.
> Do you think it is practicable to do that?
> I don't think it is.

Further, on pages 235 and 236, Governor Eccles said:

> I don't think there should be a mandatory provision to reach a certain price level. It may be of interest in that connection to consider the preamble of the recent law creating the Bank of Canada. It is short, and might be considered as a basis for our own.

I do not quote that provision, but it is enough for me to say at this time that the provision that is placed in the newly established banking system of Canada is almost word for word the provision which we placed in this bill. That is, as I gave you the substance of it a moment ago, that the price level is not the only thing to be considered, but general business stability, so far as the monetary policy can do it, and to prevent fluctuations, not only in the price level, but in production, in wages, in trade, and above all, in my opinion, in employment.

Mr. ARNOLD. As I understand it, and I want to see whether I am correct or not, the elasticity that is vested in the Board in the bill now before us, reported by the committee, is as great as the elasticity that would be if the mandatory provision of the Goldsborough amendment were adopted.

Mr. WILLIAMS. Much greater, in my judgment.

Mr. ARNOLD. In other words, this Board can control inflation and expansion?

Mr. WILLIAMS. Yes.

Mr. ARNOLD. To a greater extent under the proposed bill as reported by the committee than under the Goldsborough amendment. Is that right?

Mr. WILLIAMS. I do not know that I would put it in exactly that way, but the objective to be attained, the ultimate goal, the purpose of it is not confined simply to a price level, not confined to a commodity price level. That is not the only consideration.

Mr. ARNOLD. But they could use that commodity price level if they wanted to under the bill as now reported?

Mr. WILLIAMS. Yes; that is one of the things. To continue, in order that you may get Mr. Eccles' idea:

> I think there should be a goal, but the goal should not be a fixed price level. I don't believe that a fixed price level is a guide that we should have. We might have a stable price level on the basis of some index and yet have a great deal of unemployment.

He says on page 237:

> This is an interesting chart here that Dr. Goldenweiser gives me. It shows that the price level in England was very stable from 1931 to 1934, but the amount of their unemployment fluctuated considerably.

In other words, employment does not necessarily follow the price level, and, according to the experience of England—and that experience reflected in the recent Canadian system which has been established—they do not recognize that the price level is the only goal to be obtained. Further, Mr. Eccles says:

> I don't say that prices are not part of the consideration. I think that every effort should be made to maintain stable prices, but stable prices should not be the sole and paramount objective so that the Board would be directed to maintain stable prices and not to consider total production and employment at all.

In other words, the price level, of course, is one element in it, but let me suggest this to you. If we raise the commodity price level 20 percent, as the proponents of that theory say should be done——

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. WILLIAMS. If the price level should be raised, as I started to say, 20 percent, as the proponents of this measure say it should be and must be, and if by reason of that commodity price level we thereby raise the cost of living to the consumers of the Nation, unless there went with that price elevation an increased purchasing power on the part of the consuming public and unless there went with it general increased employment of the people of the country, then I say, so far as we are concerned, our economic condition would be worse than it is now rather than improved.

For that reason the commodity price level is not the only goal. It is not the only thing to be considered in arriving at the objective. The objective sought in this bill is that there shall be stable business conditions; that there shall be a general economic equilibrium; that the general level, not only of commodity prices, but of wages, production, and employment shall be maintained. When that is done we shall have a general economic balance, under which we will go forward to brighter and better conditions than we have enjoyed during the last decade. [Applause.]

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I would like to ask the gentleman a question that I believe very pertinent to this feature of his very able argument. It relates to section 204, the paragraph making it the duty of the Federal Reserve Board to exercise its powers in certain ways, which was very severely criticized by the ranking minority member of the committee, as one of the most dangerous, if not the most dangerous power conferred in the bill. I wish the gentleman would just read that section to the committee very briefly and comment on it. The gentleman has made a very able argument.

Mr. WILLIAMS. Will the gentleman just tell me what it is? My time is very limited.

Mr. MARTIN of Colorado. It is paragraph (o) on page 51:

> It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

Mr. WILLIAMS. Well, that is the very thing I have been talking about.

Mr. MARTIN of Colorado. Exactly. This paragraph has been criticized by the minority as perhaps the most dangerous paragraph in the whole bill.

Mr. WILLIAMS. But that is the very objective of this legislation. It may be of interest to know that there never has been written into the law any kind of an objective. There never has been a single word written into the Federal Reserve Act requiring the Board to even try to attain any kind of goal or any kind of objective. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. HOLLISTER. I will be glad to yield the gentleman from Missouri 5 additional minutes if he desires to pursue that question further.

Mr. WILLIAMS. No, thank you.

Mr. HOLLISTER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Chairman, the closing days of the last Congress saw the enactment into law of the so-called "McLeod-Steagall compromise amendment" for the relief of depositors of receivership banks. It will be recalled that this legislation permitted the Reconstruction Finance Corporation, in making loans on or purchasing the assets of closed banks, to make their appraisals of such assets "in anticipation of an orderly liquidation over a period of years, rather than on the basis of forced selling values in a period of business depression." Since the passage of this measure much has been done by the Government to alleviate the hardships and distress occasioned by the sudden freezing of billions of dollars belonging to more than 10,000,000 representative American citizens.

The liberalizing of the Government's closed-bank policy has done much to conquer the forces of the depression. Wherever the funds tied up in a closed bank have been restored to the depositors there has been a corresponding advance toward recovery.

The truth of this statement has been particularly apparent in my own city of Detroit. Since the enactment of the compromise pay-off measure the Reconstruction Finance Corporation has made possible a full pay-off to all small depositors of the two large closed banks in Detroit. The immeasurable benefits which have accrued from placing the funds of depositors in circulation again have played a most important part in enabling Detroit to take the lead in our drive for recovery.

We have heard much about the splendid assistance rendered by the Government to depositors of closed banks. The really effective and helpful aid has been greatly stressed by certain officials of the Government, while at the same time glossing over the dark side of the picture. I grant that much has already been done. I have only the highest praise for the splendid assistance rendered by the R. F. C. in making funds available to the stricken depositors of receivership banks.

However, this is no time to rest upon half-won laurels. Having gone so far in the extension of the thawing process which has allowed frozen deposits to again flow into the channels of trade and commerce, it would be a great pity if we failed to take the final step that would provide the maximum possible returns in actual, concrete recovery benefits.

By this I refer to the apparent and evident unwillingness on the part of the administration to abandon the antiquated system of liquidating closed banks which has been handed down to us as a relic of the old days when banks were closed chiefly as the result of embezzlements, robberies, or unsound assets.

While I am perfectly aware that some of the closed banks now in liquidation failed for one or more of these very same reasons, on the whole an entirely different situation prevails today. The majority of the banks now closed went into receiverships because of the world-wide depression. They closed because values toppled and fell below normal almost overnight. When the business man could no longer pay on his notes, when the farmer could no longer pay off his mortgage, when the home owner could not pay on his home, and when securities reached zero levels the banks were unable to continue.

We have seen literally thousands of banks close in the past several years for the plain and simple reason that their assets, while sound, could not be immediately converted into cash on depression markets to meet the demands of those who needed their money.

While the receivership method of liquidating closed banks may have been all right years ago, it is wholly inadequate to meet the needs of the present day. Owing to the necessity of hasty liquidating, in order to expedite pay-offs, bank receivers are unable to wait and take full advantage of the constantly increasing upward trend in price levels which is steadily enhancing the value of many closed bank assets.

This rapid-fire liquidation policy means disposing of assets on depression markets for amounts far below their normal and real values. This dissipation of the depositors' money must be stopped, and the only way in which it can be stopped is by abolition of the entire existing set-up for winding up the affairs of closed banks.

We already have the necessary governmental machinery to take over and perform in the most economical and satisfactory way the liquidation of the thousands of closed banks whose assets are steadily fading away and disappearing under present receiverships.

The Reconstruction Finance Corporation has already extended vitally essential aid and assistance to the depositors of more than 7,000 banks. This important and most valuable agency of the Government is best equipped to take over

the problem of conserving and properly disposing of the assets of the country's closed banks. To do so would merely be the logical extension and fulfillment of a Government program which has already proved most successful.

Liquidation of bank assets by the R. F. C. would make it possible for such assets to be held long enough to take full advantage of the rising price levels. My bill, H. R. 2847, is designed to take advantage of the superior liquidating capacity of the R. F. C. Under its provisions the R. F. C. would purchase the valuable assets of closed banks outright. Assets which have become valueless would, of course, be excluded. Funds would be made immediately available to depositors. The assets would become the property of the R. F. C. and would be liquidated slowly and carefully over a period of 10 years.

The thousands of scattered receiverships would in this way be permanently abolished. Their place would be taken by the R. F. C., which would act as a single, coordinated liquidating agency to serve the interests of the depositors and of all the people in the most efficient and economical manner possible.

It has been estimated that the total amount due depositors of both National and State banks now in receiverships is about two and a half billion dollars. If present receivership methods are persisted in, it is more than a mere probability that depositors will lose more than two billion of the two and a half billion dollars still due them.

There are two sources of loss under present liquidation methods which would be eliminated by my bill. First, we have the loss entailed by dumping good, but slow, assets on subnormal depression markets. Second, we have the question of excessive liquidation expenses, including salaries, fees, and so forth.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. BROWN of Michigan. Is it not a fact that in the one large Detroit institution that has progressed most under the Comptroller's receiver, they have organized and the Federal court has now approved a set-up of a depositor's liquidating corporation, which will prevent losses to depositors, of which the gentleman is now speaking?

Mr. McLEOD. That is correct. That same institution has already paid off the small depositors in full, 100 percent.

Mr. BROWN of Michigan. Of course, the gentleman knows, being familiar with the situation in the city of Detroit, that it is proposed to establish a liquidating depositors' corporation for the First National.

Mr. McLEOD. That is correct.

I do not mean to say, of course, that all receiverships are handled and managed at excessive cost to the depositors.

I do insist, however, that receivers are not in a position to wait and hold assets until the constantly increasing price levels make possible the full and complete recovery of asset values. The facts also show that many instances do exist where exorbitant fees and expenses are paid from the funds of depositors. Whether it comes from the assets or interest derived from the assets makes no difference—the money paid as liquidating expenses is lost to the depositors and comes from their funds.

While it has been shown that some receiverships have been conducted at a cost of but 2 or 3 percent, or less, the following examples show that all depositors are not so fortunate:

Olney National Bank, Hartford, Mich.:	
Liquidation expenses	$14,507.46
Dividends paid	93,451.74
Modoc County Bank, Modoc County, Calif.:	
Liquidation expenses	33,600.00
Dividends paid	137,000.00
Peoples National Bank, Pitcairn, Pa.:	
Liquidation expenses	26,908.38
Dividends paid	175,612.98
First National Bank, Trafford, Pa.:	
Liquidation expenses	19,053.13
Dividends paid	108,187.62

One of the worst instances which has come to my attention is that of a group of closed State banks in Illinois. In a survey made by the Chicago American of the closed-bank situation in Cook County, Ill., it was shown that a group of 12 institutions, known as the "Bain Banks", closed on June 9, 1931, with deposits totaling $13,000,000.

Since this group of banks closed, $461,973.35 has been paid for pay rolls and miscellaneous liquidating expenses, $176,000 for attorneys' fees, and the receiver has been paid $108,421.81, making a total liquidating expense of $746,395.16.

However, during this same period, there has been paid just $201,942.70 to depositors, an overall average of only 1½ cents on the dollar. In other words, it has cost exactly $746,395.16 to pay the depositors $201,942.70.

Mr. BROWN of Michigan. Will the gentleman yield again?

Mr. McLEOD. I yield.

Mr. BROWN of Michigan. Those were not national banks?

Mr. McLEOD. Those were not national banks.

Naturally, such conditions are not conducive to a spirit of confidence, either among the depositors of closed banks or among the public at large. The unrest, the disquietude, and the lack of confidence engendered by the banking situation has been keeping money out of the normal channels of private enterprise and is retarding and hampering our efforts to attain complete recovery.

Furthermore, this lack of confidence has been diverting funds from private to Government channels. It has actually forced the Government to go into business and extend relief activities to provide the employment of facilities private business has been unable to provide, due to lack of funds, lack of confidence, and lack of initiative born of a well-founded belief in the stability of our present financial structure.

This statement does not lack confirmation. As an illustration, I will mention that in December 1929 postal-savings accounts totaled $164,276,392. Today, after the banking crash and vanished confidence, the American people are intrusting nearly a billion and a quarter dollars to the care of Government-protected postal-savings accounts. This, too, in spite of the fact that nearly all banks are now insured by the Federal Deposit Insurance Corporation.

In spite of these hindrances, enough progress has been made to show that much would be gained by liquidating closed-bank assets more slowly. We have witnessed a most encouraging upward trend in the value of many securities. We already have more than a reasonable basis for assurance that the slow and good, but frozen assets of receivership banks have already appreciated considerably in value and will continue to do so on the steadily rising markets that arrive hand in hand with the various stages and phases of economic recovery.

As an example of how values have recovered already since the worst days of the depression, I will cite the following gains made in the values of several representative securities: A glance at the stock-market quotations will show that since the depression reached its lowest point during the first quarter of 1933 American Telephone & Telegraph has risen from 87¾ to 112⅞; Bethlehem Steel common from 10⅛ to 26; Bethlehem Steel preferred from 25¼ to 64; Chrysler Motors from 7¾ to 37⅜; Eastman Kodak from 50⅛ to 140½; General Motors common from 10 to 30⅝; and General Motors preferred from 65½ to 116⅛.

Mr. SISSON. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. SISSON. I did not just get the gentleman's point, but the gentleman said something a few moments ago about the cost of receiverships. Does the gentleman still stand upon all the newspaper statements that have been issued during the past 3 or 4 months with respect to the conduct of the Comptroller of the Currency with respect to the expenses of receiverships, fees of receivers, and fees of attorneys for receivers?

Mr. McLEOD. To which phase of the controversy does the gentleman refer?

Mr. SISSON. I refer to all the controversy which the gentleman started through the newspapers.

Mr. McLEOD. The gentleman is not aware that he started a controversy through the newspapers, and that is why he asked to what phase of the controversy the gentleman from New York referred.

Mr. SISSON. My recollection is not good enough to recall all of the statements that the gentleman gave to the Hearst newspapers, but, of course, the gentleman is familiar with them himself. I refer to the various criticisms which the gentleman made of the Comptroller of the Currency, Mr. O'Connor, with respect to the expenses of receiverships in the city of Detroit, Mich., and the fees of attorneys for receivers, and the gentleman's statements that he was not able to obtain information from the Comptroller as to the fees of receivers and the fees of attorneys. I asked if the gentleman still stands upon all those statements that he formerly made to the newspapers.

Mr. McLEOD. I stand on the statement that the gentleman just stated, that it was impossible to ascertain figures of the cost of receiverships, which was based on a question propounded by a member of the committee, my colleague from Michigan [Mr. BROWN], on the assertion that a certain bank in Michigan, the Guardian National Bank of Commerce, was to cost in attorneys' fees something like a quarter of a million dollars. That is to what the gentleman refers.

Mr. SISSON. The gentleman knows, or should know, before he made the statement, that under the law the Comptroller publishes a statement of the fees and expenses of each receivership in the banks liquidated under his direction and the fees of the attorneys for the receivers.

Mr. McLEOD. Will the gentleman answer the question, then, why it was that no Member of Congress was able to obtain the information of which he has just spoken?

Mr. SISSON. I deny that is a fact, that no Member of Congress was able to obtain it. Perhaps he was not able to obtain it immediately, but the gentleman from Michigan, as I am reliably informed, never made any request upon the Comptroller for a statement of the expenses or fees of any receivership for the liquidation of any bank.

Mr. McLEOD. If the gentleman is attempting to defend Mr. O'Connor because of a resolution I filed with the Committee on Banking and Currency asking that the expenses of receiverships be made known to this body, then that is another question.

Mr. SISSON. I will ask the gentleman now another question, inasmuch as he does not care to answer the particular question I addressed to him.

Mr. McLEOD. The gentleman has not stated a question.

Mr. SISSON. Would the gentleman care to appear—voluntarily, of course, for he could not be asked to appear otherwise—before the Committee on Banking and Currency and substantiate the charges he has made against the Comptroller of the Currency?

Mr. McLEOD. I am aware of the fact that the Comptroller of the Currency wrote to one or two Members of Congress, and perhaps the gentleman from New York is one of them, asking that I come before the committee and answer certain questions that have not been communicated to me.

Mr. SISSON. Does the gentleman want to appear before the committee and substantiate his charges?

Mr. McLEOD. My charges?

Mr. SISSON. Yes; the charges the gentleman made in the Hearst newspapers.

Mr. McLEOD. The gentleman is mistaken in saying "the Hearst newspapers."

Mr. SISSON. I read them in the Hearst newspapers myself.

Mr. McLEOD. The gentleman is mistaken in his facts.

Mr. SISSON. I do not very often read the Hearst newspapers, but I read the particular Hearst papers that contained this matter.

Mr. McLEOD. If the gentleman desires to state a definite question, I shall be happy to answer it.

Mr. SISSON. I am asking the gentleman if he still stands on all the things he claimed were facts that he sent to the newspapers, whether Hearst or other newspapers, about Comptroller O'Connor and the expenses of receiverships and the fees of attorneys for receivers in the city of Detroit, Mich.

Mr. McLEOD. Yes; that is a fact.

Mr. SISSON. Then, will not the gentleman now express his willingness to appear before the Committee on Banking and Currency and substantiate those charges?

Mr. McLEOD. If the chairman of the committee were to ask me to come before the committee, I would be happy to do so. I wanted to come before the committee in support of my resolution.

Mr. SISSON. The gentleman has answered; his answer is "yes."

Mr. McLEOD. This controversy referred to by the gentleman was started by Mr. O'Connor because of his personal objections to making public the information requested in my highly privileged resolution of inquiry.

Mr. SISSON. The gentleman's answer, then, is "yes"; that he would like to appear before the committee and substantiate or attempt to substantiate his charges.

Mr. McLEOD. I do not retract any statement I have made during the so-called "controversy" to which the gentleman refers. Does that satisfy the gentleman?

Mr. SISSON. I am asking the gentleman if he is willing to appear before the committee and substantiate his charges; yes or no?

Mr. McLEOD. Merely for the purpose of gratifying the vindictiveness of Mr. O'Connor as evidenced by you as his spokesman, I would say "no." It would be unnecessary to appear before the committee, as the Chairman and members of the Banking and Currency Committee are present and my statements are being substantiated right here and now on the floor of the House.

Mr. SISSON. I am not his spokesman.

Mr. McLEOD. The gentleman acts as though he were.

Mr. SISSON. I am acting merely in the matter of fairness in representing an administrative official of this Government in this Congress.

Mr. McLEOD. The gentleman is attempting to act as a defender of Mr. O'Connor. Let me ask the gentleman himself a question.

Mr. SISSON. It is a question of the gentleman having made charges. If there is any basis for the charges, the gentleman should be willing to appear before the committee and substantiate them.

Mr. McLEOD. Does the gentleman refute any of the charges I made?

Mr. SISSON. That has no bearing on the issue. The law answers the gentleman's question, the law answers the gentleman's charges which have gone out through the newspapers of the country.

Mr. McLEOD. Does the gentleman deny that any of the charges I made were correct?

Mr. SISSON. I deny that each and every one of them is correct.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. WOLCOTT. If I understood the gentleman's resolution correctly, it merely asked the Comptroller of the Currency to give specific information as to the attorneys who represented the national banks and other information with respect to receiverships.

The gentleman stated that, so far as he was concerned, it had been rumored in his city and in other places in Michigan that certain attorneys had received upward of a quarter of a million dollars for fees and the gentleman wanted to clarify that situation by having an investigation made to determine whether any particular individual attorney had been paid such exorbitant fees in representing receivers. Is that correct?

Mr. McLEOD. That is correct.

Mr. WOLCOTT. In substantiation of that and what has gone on, I make the statement that the gentleman is perfectly correct, not only in his desire for that information but in stating that the information was necessary, because those rumors came to me; and, as a member of the Committee on

Banking and Currency, I asked the Comptroller of the Currency for that very information, and the Comptroller of the Currency on three different occasions told the public that he was furnishing it to my colleague from Michigan and myself, members of the Banking and Currency Committee, and that they could do with it as they saw fit. At the very time the Comptroller of the Currency was making public the statement that he was furnishing us that information, he wrote me a letter telling me he would furnish the information provided I would keep it confidential.

So there was a great deal of justification for the gentleman's resolution to air this whole situation; and I think the fact the gentleman did file the resolution has had a very healthy reaction on the whole situation, because it developed that in these letters which he made public at the same time he addressed the letters to us, that one lawyer for 11 months' services had received an average of $9 an hour for each legal hour spent in the discharge of his duties. One hundred and fifty thousand dollars, I think, was the total. He had asked for $165,000 but the Comptroller cut it down to $150,000. The other attorney had received $75,000 and had not put in a bill for over a year, so it could not be determined what the amount was; but based upon $150,000 for 11 months' work, for this work of this attorney certainly there was some basis for the rumor that he was to get a quarter of a million dollars, or $250,000. I want to commend the gentleman from Michigan [Mr. McLEOD] for starting this thing and getting the facts with respect to receivers and attorneys' fees out in the open for the benefit of the people of Michigan and particularly the people of Detroit.

Mr. McLEOD. I thank the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. BROWN of Michigan. I want to correct one statement made by my colleague from Michigan [Mr. WOLCOTT] to the effect that one attorney received $150,000. As a matter of fact, this attorney had in his employ, as the gentleman readily will admit, 11 lawyers; and the fee covered the services of 12 attorneys.

Mr. WOLCOTT. For 10 months.

Mr. BROWN of Michigan. And to be perfectly fair it should be said these 11 attorneys also were occupied presumably about half of their time on the affairs of the First National Bank. Part of their time should be chargeable to that institution.

I do not want to take sides in this controversy, and I have reserved my opinion in reference to the Comptroller's allowance of these fees; but I do not want the House to suppose that the resolution introduced by the gentleman from Michigan [Mr. McLEOD], brought this matter to light, because, as substantiated by the hearings on the bill before us, this matter was brought to the attention of the Comptroller of the Currency by myself, and as a result of that inquiry, and before the resolution of the gentleman from Michigan [Mr. McLEOD] was presented, the Comptroller had agreed to make public the amounts paid to attorneys and receivers in the city of Detroit. I do not, at the present time, have sufficient judgment to determine, in my own mind, whether the amount of those fees was too great or not. That is a matter for every Member of the House to determine for himself. I do want to say, however, I am reliably informed that the amount of attorney fees in the case of the Bank of United States in New York, which was just a little larger than the Guardian Bank of Detroit, amounted to over $1,000,000. The fees for the attorneys in the City of Detroit, who worked for the receiver of the Guardian Bank, amounted to $150,000 for a period of about 10 months.

Mr. McLEOD. The gentleman is referring to the attorney fees in the case of the First National Bank of $150,000?

Mr. BROWN of Michigan. The Guardian Bank.

Mr. McLEOD. That was for 10 months only. Is the gentleman aware of that fact?

Mr. BROWN of Michigan. I understand, but it was for the Guardian Bank.

Mr. McLEOD. It was a bank in Detroit.

Mr. BROWN of Michigan. Yes; and I understand it was for 10 months' work.

Mr. McLEOD. The gentleman may be more easily satisfied than I was with the promise of the Comptroller. I introduced a resolution of disclosure to attempt to force the information that the gentleman was unable to get, and he knows it. The gentleman from Michigan admitted he was unable to get this information. So there is a diversity of opinion of two members of the committee itself. Both members apparently wanted the information. One was promised the information and eventually after the third request he was told he could have it if he kept it confidential. Does that answer the question of the gentleman from New York?

Mr. SISSON. No; it does not.

Mr. WOLCOTT. Will the gentleman yield?

Mr. McLEOD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. May I say that what my colleague, the gentleman from Michigan [Mr. BROWN], said with respect to the other attorneys is perfectly correct, and that is why I preceded my remarks by saying that although this amount was paid to one individual, nevertheless he was paid on the basis of $9 per hour. He had asked for $9.90 for each legal hour for all the men he had working for him. He was paid on the basis of $9 per hour for the lawyers that he had working for him. I thought I made myself clear that the $150,000 resulted in the lawyers getting paid on the basis of $9 per hour for their work. I think that is pretty good for even high-class lawyers.

Mr. SISSON. Will the gentleman yield?

Mr. McLEOD. I yield to the gentleman for a question, not for a statement or speech.

Mr. SISSON. The gentleman has plenty of time. I merely wanted to reply particularly to the statement made by the gentleman from Michigan [Mr. WOLCOTT]. I am not as familiar with the details as the gentleman is, but I was present at the committee meeting when both the gentlemen from Michigan, Mr. BROWN and Mr. WOLCOTT, asked Mr. O'Connor for this information. There was never any equivocation about it, and, as the gentleman from Michigan [Mr. BROWN] has indicated, there was no hesitation, in giving the information. It was obviously apparent, however, that to break this matter down and give it in detail would require some time. Mr. O'Connor frankly said it was something he was perfectly willing to furnish. So far as the statement made by the gentleman from Michigan [Mr. WOLCOTT], that some lawyer was going to get $9 an hour or $9.90 an hour is concerned, I am sure that the gentleman from Michigan is a good enough lawyer that he has been very frequently able to command at least $9.90 an hour. I am only a garden variety of lawyer myself, but sometimes I have received $100 a day. It depends upon the importance of the work, and the gentleman's statement should include in the amount involved the results accomplished and the fact that several of these firms of attorneys were employed by former Comptrollers under Republican administrations.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Will the gentleman yield?

Mr. McLEOD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. The gentleman is correct. The Comptroller of the Currency told me, in response to questions, that he would be very glad to furnish me the information as a Member of Congress. He first asked us to keep it confidential; then he said if we felt our duty as a Member of Congress demanded it, we could make the information public. I have said that on three occasions the Comptroller of the Currency publicly said we would be at liberty to use this information as we saw fit. After the statement before the committee and after the statement which he had given to the Detroit papers with respect to making it public, I had a letter from him, which I have in my files, and I will bring it over and put in the RECORD if necessary, in which he asked me to keep this in confidence. After he had made these

public statements that he would be glad to have us receive the information and give it to the public, he still asked me to keep it in confidence and still kept us in the position of not being able to advise our constituents or the people interested about the matter without breaking faith with the Comptroller. I want to make my situation very clear so far as Mr. O'Connor is concerned. I admire the gentleman and I think he is doing a splendid job. It might seem inconsistent for me to say that in view of what has gone on, but I have written him to that effect. I have no fight with Mr. O'Connor. I merely want to bring out the fact that the regulations have been such that he perhaps has not been able to give out this information.

If the regulation and the laws are such that he cannot give out the information, then by examination before our committee we should determine it so that in the future there will be no misunderstanding as to why the Comptroller of the Currency does not give out to the public information concerning attorneys' fees on pending receiverships.

Mr. SISSON. Will the gentleman yield?

Mr. McLEOD. I yield to the gentleman from New York.

Mr. SISSON. I agree 100 percent with my colleague the gentleman from Michigan [Mr. WOLCOTT]. He has made a very fair statement about the matter, which goes a long way toward clearing the matter up. I was merely addressing my first question, as I think the RECORD will disclose, to the gentleman from Michigan [Mr. McLEOD] not by reason of the fact he introduced a resolution, if he felt compelled to do that, but as now appears because there was already a request by the gentleman from Michigan [Mr. BROWN] for the information which he had requested and the gentleman from Michigan, before he made any other move in the matter, gave out statement after statement to the newspapers of his charges.

Mr. McLEOD. The gentleman should be willing to prove any kind of statement he would make on the floor of this House. Now what possesses the gentleman at this time to make a statement that there is absolutely no truth in? What is possessing him to do that at this time? Is it Mr. O'Connor?

Mr. SISSON. No; Mr. O'Connor would not possess me to make any statement.

Mr. McLEOD. Can the gentleman answer what it is that made him say that? There was but one statement put out previous to the time I introduced this resolution and that statement was merely an announcement that I intended introducing the resolution on a certain succeeding day.

Mr. SISSON. I do not know when the gentleman introduced the resolution.

Mr. McLEOD. Then how does the gentleman know what he is talking about?

Mr. SISSON. But the resolution was introduced after the information was asked by the gentleman from Michigan [Mr. BROWN], and before the gentleman made any request.

Mr. McLEOD. First, you say you do not know when the resolution was introduced.

Mr. SISSON. And then the gentleman made a statement to the newspapers.

Mr. McLEOD. But the gentleman does not know when the newspaper statements were made.

Mr. SISSON. The gentleman knows that. Why does he not come forth with the information?

Mr. McLEOD. Why does not the gentleman more fully inform himself before he makes such a statement?

Mr. GOLDSBOROUGH. Mr. Chairman, I shall have to ask that the debate proceed in order.

The CHAIRMAN. The gentleman will proceed in order.

Mr. McLEOD. After this discussion concerning the Comptroller, which I had no intention of referring to whatsoever, I must say at this time, since it has been discussed here, that after the information that has been referred to by both the gentleman from Michigan [Mr. BROWN] and the gentleman from Michigan [Mr. WOLCOTT]——

Mr. GOLDSBOROUGH. Mr. Chairman, I ask that the debate proceed in order.

Mr. McLEOD. The gentleman at least wants to be fair.

Mr. GOLDSBOROUGH. I think I am fair.

Mr. McLEOD. I am proceeding in order.

Mr. GOLDSBOROUGH. In my opinion, the gentleman has not been proceeding in order since he started.

The CHAIRMAN. The Chair will state to the gentleman from Maryland that this collateral matter was injected into the gentleman's speech, and the Chair feels the gentleman has reasonable latitude with respect to the information he has referred to.

Mr. McLEOD. It is pitiable that there is a movement afoot to defend the action of a bureaucrat of this administration, who, on the request of the two Members I have referred to, should have furnished the information desired. Perhaps it would have been more in order for a member of the Banking and Currency Committee to have offered the resolution of disclosure requesting this information rather than myself, but I did it, and I have no apologies to make, the result being that the unfavorable report of the committee contained the statement that Mr. O'Connor, in his next report, would supply the information requested. Is not that the fact, I will ask the gentleman from Michigan [Mr. BROWN]?

Mr. BROWN of Michigan. Yes; I do not remember exactly what the committee reported, but I do want the RECORD to show that at the time the matter was first raised, on March 27, I believe, Mr. O'Connor, in answer to my question, did say, "I will give you that information", referring to the attorneys' fees, "and it is then up to you." He meant as to publication.

Mr. McLEOD. And it was then stated in the adverse report of the committee on my resolution that it would be forthcoming in the next report. Is not that the fact?

Mr. BROWN of Michigan. Yes; that is right.

Mr. McLEOD. To proceed, then, Mr. O'Connor happens to be the type that takes offense at the slightest suggestion that the policies of his office are subject to improvement. He has been antagonistic ever since the introduction of my bank depositors' pay-off bill in the last Congress, when fully one-third of the Membership of the House during the last session, by signing the discharge petition on this measure, indicated their dissatisfaction with the system of liquidating closed banks which Mr. O'Connor seeks to perpetuate. Everything I have said is a matter of record and can be found in the CONGRESSIONAL RECORD. Mr. O'Connor's statement was inserted in the RECORD by Senator BYRNES, of South Carolina, at the request of Mr. O'Connor. Senator BYRNES, a Democrat, was unprejudiced and fair enough also to insert my reply to Mr. O'Connor's statement in the CONGRESSIONAL RECORD.

There is no need of further discussion of the matter. It is just one of those things that were offensive to Mr. O'Connor because he was urged to a course of action by my colleagues, Representatives WOLCOTT and BROWN, as well as by myself, which was not in keeping with his reticent attitude regarding the information sought.

I have already consumed more time than I had expected to use and, in conclusion, let me return to the theme of my remarks and stress the fact that the present receivership system was designed to meet the needs and requirements of a bygone age. It was formed to liquidate assets which did not have the prospect of enhancement and appreciation through the recovery of values crushed by a world-wide economic upheaval. It has served its purpose and should make way for a successor modeled to meet the exigencies of the present situation and to meet the different liquidating requirements of today.

The R. F. C. has proved one of the most efficient weapons in our fight for recovery. It can and will, if we will provide the ammunition contained in the bill, to which I referred, do more than any other single agency of the Government in blasting the obstacles which are today impeding and blocking our efforts to win economic rehabilitation.

My conception of this whole picture is that when this vital question is disposed of, finally and conclusively, and when there will no longer be receivership banks undergoing wasteful liquidation in practically every city in the country, then, and not until then, will we see the break in the clouds which will presage complete recovery.

Then, and not until then, can we expect the people to place their savings confidently in the ordinary and customary channels of private enterprise which form the arteries of out national life. The resumption of the employment-creating functions of private business which this would foster and engender would, to my mind, be the real turning point in our struggle for recovery. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 20 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, ladies, and gentlemen of the Committee, to my mind the bill under consideration has much merit. As a member of the Banking Committee, I voted in the committee for many amendments to the original draft. I should like to go along with my committee on the bill presented to the House, but I believe that further changes are needed to effect the results which sponsors of this legislation feel it will accomplish.

I am prepared as a committee member to vote for amendments that I expect will be introduced in an effort to make the banking bill of 1935 a better bill, more far-reaching, and which will do what the country expects of the Congress in its banking legislation.

I had hoped in committee that another title might be added—a title concerning a matter which I am about to discuss, that, to my mind at least, would have made for greater satisfaction with the banking bill of 1935.

There is now before the House Committee on Banking and Currency a measure introduced by me some weeks ago, and which I hope will be presented to this honorable body within the near future. This bill proposes to set up an intermediate credit corporation for business and industry. It has for its purpose the enactment of a law which will provide machinery designed to give immediate credit relief to the small business and commercial enterprises of this country. Big business can take care of itself. Government functions have been developed which provide assistance to various agricultural enterprises and to institutions of a financial character.

The credit plight of America's small business and industrial concerns is well known to every one of us. For years these small concerns, numbering many thousands and which form the real backbone of our commercial system, have been suffering an economic strangulation largely uncalled for in view of the fact that there exist means in this country to provide for them the assistance which will enable them to revive, carry on, and contribute their share to the return of recovery.

During the last session of Congress there was enacted a law giving power to the Federal Reserve System and the Reconstruction Finance Corporation to loan directly to these small concerns. To what extent has this law, which has been in operation for 10 months, given the help for which the small business men and industrialists have been pleading, and the lack of which has been holding them back, forcing them into an unwilling bankruptcy?

The last Congress voted $580,000,000 for this purpose. As of April 27, 1935, the Reconstruction Finance Corporation under the direct loans to industry law has actually disbursed but $14,872,667. The Federal Reserve System as of April 24, 1935, has actually loaned out but $29,055,000. In other words a bare 7 percent, which is no help at all.

When Congress passed this law on the closing days of the last session the act was hailed as one of the most constructive and beneficial pieces of legislation to come out of the Roosevelt administration. You know as well as I the need of the law. You know as well as I the tremendous difficulty of small concerns to secure a loan from banks.

Why have the Reconstruction Finance Corporation and the Federal Reserve System fallen down on their jobs? It is not their fault. They are governed by the attitude of bankers. Requirements imposed upon applicants for loans are so strict, collateral demands are so stringent that would-be borrowers are discouraged from even attempting to secure loans.

The corporation which is proposed under my bill would be governed by the humane attitude which is governing the program and the policy of this administration. Of course, there would be requirements. Every business man wants them, and wants to meet them, but there would be brought to this organization a sympathetic understanding for the needs of business and industry. Consideration would be given to the personal attributes of an applicant and the corporation would be directed with a policy which has long vision.

When one views the enormity of the problem and the seriousness of the situation, it is heart-breaking to realize that Congress in its far-seeing wisdom passed this act, confident that small commercial enterprise in America would be stimulated and revived, and that today there is still unused more than 93 percent of the money which was set aside for this purpose.

How long is this going to continue? How long are we Members of Congress going to receive these piteous appeals from the small business men and industrialists of our communities, begging and imploring for aid so that they themselves will not be wiped out and the few employees to which they have been able to hold on will not be thrown onto the relief rolls?

We are deeply concerned here with the problem of unemployment. We are deeply concerned with the problem of relief. Let met quote from a few of the letters which have come to me from all parts of the country. There is only one point I am going to bring out today and that is the contribution to permanent employment which will be given to this country by the passage of this bill.

From my own city of Hartford, Conn., a concern writes me:

> There are any number of concerns in our section, who could, with a little help from the Government, increase their business and reemploy hundreds of people, and until the time arrives when the Government will come to the assistance of small business, it is useless to talk about recovery.

Again from Hartford I received the following comment on my bill:

> If such a bill was passed, there is no question but that it would become a major factor in creating new jobs and would be conducive to reducing the number of unemployed, and consequently reduce the need for relief.

From Hammond, Ind., a concern, whose application had been turned down by the Reconstruction Finance Corporation, wrote to that department as follows:

> In anticipation of our increasing trade and hopes of augmenting our working capital, we had already added two people to our pay roll. This in the office force. When your letter of rejection came, we found it necessary to lay off one of the office employees in order to conserve our finances, but if this loan was granted, we would not only recall the one person in the office but we would double our present force of men in the factory. We are confronted with these difficulties because of a lack of work capital.

An awning- and tent-manufacturing association in New England wrote me that, as a result of the inability of member concerns to obtain credit assistance—

> Many of our New England awning and tent manufacturers who were unable to borrow from their banks discharged their employees, after the awning season was over, around the Fourth of July, rather than carry them over all the year, as it was possible to do when they could borrow money or business was good. I predict for this industry that if bank or Government money cannot be had by borrowers in this industry that a large number of our manufacturers will discharge more workers than last year, and thus more idleness in this business until the following season opens.

From Detroit, Mich., I received a letter from a petroleum association from which I quote:

> If credit can be arranged for small- and medium-size businesses of the country, it would do more to put men to work and improve business than any action which has been taken so far by the Government.

From a heart-breaking plea for Federal credit assistance which I received from a concern in St. Louis, Mo., I quote the following paragraph:

Ten short years ago we employed about 35 persons with an annual payroll in excess of $75,000. Today we have no regular employees and our stock and equipment is sadly depleted.

A business man in New York writes me:

I feel rather certain that if I were to be called before your committee that I could convince beyond a shadow of a doubt that millions of people are still unemployed at present and will continue to be unemployed as a result of the inability of the smaller merchant to secure financial aid and assistance.

Again from New York City I quote the following letter:

We are among the small enterprises suffering from lack of sufficient capital to do business as we should. We employ about 80 men at present, but if we had more capital we could employ about 40 or 50 more.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. Yes.

Mr. BROWN of Michigan. Of course, the gentleman realizes that the average commercial bank cannot provide long-time working capital for industry, large or small.

Mr. KOPPLEMANN. I do.

Mr. BROWN of Michigan. It must come from some other type of financial agency.

Mr. KOPPLEMANN. The gentleman is correct.

Mr. BROWN of Michigan. I wonder if the gentleman has considered the use of the Reconstruction Finance Corporation in this connection?

Mr. KOPPLEMANN. I am glad to say to the gentleman that the results achieved during the past 10 months, in the practical experience of the Reconstruction Finance Corporation, have proved to me and to the rest of the country that the Reconstruction Finance Corporation has not been successful in handling intermediate loans. The Corporation has failed to fulfill the expectations we anticipated from the passage of this law. There is no hope for business and industry with respect to intermediate loans from the Reconstruction Finance Corporation.

Mr. BROWN of Michigan. Does the gentleman think that the trouble is in the personnel at the head of the Reconstruction Finance Corporation, or does he think that it is due to some limitation in the law?

Mr. KOPPLEMANN. It is in part due to the banking attitude of both the Reconstruction Finance Corporation and the Federal Reserve System, which hampers them in making loans known as intermediate, long-term loans. They are not set up for that purpose, and if they were they could not get away from the attitude of our bankers throughout the country, who have refused to make this type of loan to industry and business.

Mr. BROWN of Michigan. I may say to the gentleman that I agree with him, that there is a need for the kind of credit about which he is talking, and many of the officials of the administration, I know, feel the same way, but the difficulty is to find the organization that is best suited to handle it. It has seemed to me that if we could amend the Reconstruction Finance Corporation law to that end, the gentleman's object could be best attained in that way.

Mr. KOPPLEMANN. So it seemed to all of us in the last session of Congress when we passed this law, setting aside $580,000,000 to these two organizations, the R. F. C. and the Federal Reserve System. But they have proved to everyone that they are not the organizations for that purpose. My bill, even scanned through, will demonstrate, I am certain, to the gentleman and to the Congress, that the set-up requires men who are removed from the bankers' attitude, men who understand credits, who are sympathetic to the needs of business, and whose idea is to bring back recovery through aiding small industrials to go ahead with orders in hand, and employ men to carry out the orders in hand, by giving them adequate credit and working capital.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. Yes.

Mr. CAVICCHIA. It may interest the gentleman to know that a committee in New York had before it some 53 applications for industrial loans 9 or 10 days ago. After the committee got through its work it granted exactly three loans. This was told me by a Member, who was a member of the committee, who says that he will no longer attend the sessions because they get nowhere, and he admitted that many of the loans that were turned down ought to have been granted.

Mr. KOPPLEMANN. I thank the gentleman and I call that statement to the attention of my colleague from Michigan [Mr. BROWN].

Temporary-made work is not going to solve our unemployment problem, nor is the generosity of a benevolent Government toward its distressed and needy going to be the cure-all through measures of relief. Relief is necessary, but it should merely be a gap, not a permanent thing. This bill offers a method toward a durable recovery. If some of the money which was allocated for relief were turned over to the credit assistance of business and industrial concerns, each of which in its small way can add to its pay rolls anywhere from 5 to 100 people in a given community, then we would be on the path to recovery. Take 100 families off these relief projects and put them back into the private industries of our land in a given community and one of the most important jobs of this Congress will have been effected. Repeat that situation in thousands of communities all over the country and you will find that the total expenditure will be infinitesimal and the results more permanent. Do not forget that these are merely loans and that the money will be paid back.

This Government has had enough experience with individuals and organizations receiving loans to have every confidence in the ability and the willingness of the recipient to repay these loans. The American people do not want charity.

My measure is in line with the reconstructive program of this administration. The job that is before us is far more important than the job which we undertook 2 years ago, for today we must cement solidly together the bricks of this new-deal edifice and build a permanent structure as the basis of a revitalized American system. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, it gives me quite a little pleasure to appear before you here this afternoon, but I think I would have been better satisfied if we had had a little larger audience. There are quite a number who do not seem to be here this afternoon, and I am pretty sure that what I may say will not have very much effect and will probably be like pouring water on a duck's back to drown it.

When this banking question is raised I feel it is my duty to say a few words concerning the banking system, because the farmers have suffered untold losses and misery through the banking arrangements under the Federal Reserve System. Being a farmer myself, perhaps I do not have as much knowledge of the present bill as some others. For a long time I thought perhaps I was the only farmer in Congress, but I have found three or four in the last few weeks besides myself. When I was a young man, and for quite a while after, I thought a Congressman was some super individual, created with all the knowledge almost in the universe; but when I found out that previous Congresses had turned over the control of the money and credit of this Nation to a bunch of individual bankers I changed my mind. I do not know what this Congress intends to do about it.

I expect to support this bill now before us, but I say at the outset that it is not exactly to my liking, because I think the Government should take over the Federal Reserve Banking System and control the money and credit of this Nation instead of leaving it in the hands of the present Federal Reserve System.

This bill perhaps goes part way, but you will never have a real money system until you take the money and credits out of the hands of the Wall Street bankers and put it into the Government where it belongs, so that it can be administered for all the people and not for just a few as it has been in the past.

There is no doubt that when President Wilson directed the passage of the Federal Reserve Act, it was done with the intention of benefiting the people. I think the President was honest and sincere; but it has been changed at different times, and it has got into the hands of the big bankers until they control it for their own interests instead of in the interests of the people.

I might say the Federal Reserve banks, as you all know, are owned and controlled by the big bankers of this Nation. The small bankers do not have very much interest in the Federal Reserve System. When the Federal Reserve Board in 1920 broke the farmers, they broke the country bankers of this Nation as well. During the war they inflated the currency. In some instances they issued currency. The country bankers and the big bankers inflated the currency by giving some fellow a check book and loaning him a few thousand dollars. We have been talking about fiat money. We hear a great deal of that when it comes from the big bankers of this Nation. I would like to know what is more fiat than a check book with a credit of $1,000 and only $100 back of it.

Up in my country we paid 10-percent interest up until 1923 when the State legislature passed my bill which reduced it to 8 percent. It was an inducement to the bankers to loan the money when they could get 10-percent interest. Most of it was credit that belonged to the people. So I say the time will come, Mr. Chairman, when a man who runs a bank in this Nation will have to have money instead of credit. Why is it necessary to issue bonds and pay some big bankers interest on the bonds and then print money and hand it over to the bankers and let them loan it to the farmer when the Government itself could print and issue the money direct and save the interest charges on the bonds. If the bonds are good then the currency is good. You are not going to pass legislation of that kind in this session, but it is coming. Perhaps I would not have been down here if it had not been for something like this legislation which the people are demanding. Perhaps they will send more progressive men down here because they are going to have legislation for the benefit of the people.

In 1920, after they inflated the currency to win the war, it was all right, but what did they do in the fall of 1920 when this same Federal Reserve bank took the money out of circulation, pulled it out of the agricultural districts, and purposely broke the farmers of this Nation. Our wheat was worth $2 a bushel and in 6 months it went down to $1 a bushel, and in a few years it went down to 30 or 40 cents a bushel. They not only broke the farmers, but they broke the small bankers of this Nation. What do these Federal Reserve banks and big banks in Wall Street care about the small banks throughout the country? No more than they cared for the farmer in 1920. They did it because they want the chain system. The gentleman from North Dakota [Mr. BURDICK], told you about the chain system that started in Minneapolis and went through the Northwest. That is what they wanted. They are the ones who caused the panic in 1920. They broke the farmer. About 2,000,000 farmers have lost their farms since this thing was pulled off. Millions have lost their homes, many of them are old people. I know old people who had worked all their lives and thought they had laid up something for a rainy day. Today where are they? Thrown out of their homes; no place to go; nothing to look forward to except the poorhouse and the grave.

Now, do you want a system like that? If you do, go on with the old Federal Reserve System which you have got now. You will have a panic every few years. They get people to go ahead and build homes, and then they take them away from them like they have been doing for generations. That is the system we have been working under. People have been doing business on credit. These debts cost perhaps a billion dollars interest a year, and for the benefit of whom? Just a few racketeers down there on Wall Street. Talk about pirates! Those pirates in Wall Street are worse than any pirate who ever roamed the seas. [Applause.]

So I say we have to take the control of money out of the hands of the Shylocks and get it back in the hands of the Government.

Talk about loaning money to industry! The gentleman who just preceded me made a very good speech, but it will not help to loan money to industry or anybody else until you get the farmers on their feet, because you cannot get out of this condition you are in unless you do help agriculture. I voted for the $5,000,000,000 and I will vote for $5,000,000,000 more when people are hungry, but when you spend that, and if you have not gotten the farmers back on their feet, you will be right where you were before.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield; yes.

Mr. CAVICCHIA. Of course, the gentleman knows we all sympathize with the farmers, but will the gentleman give a clear picture of the industrial East, where hundreds of thousands of men are walking the streets, looking for work, and cannot get it and are living on relief. Would it not be well if industry could get loans and let those people go to work, and then your farmers can sell their products at good prices?

Mr. BUCKLER of Minnesota. I say the gentleman made a good speech and agree with him and sympathize with the laboring people, but we should start with the farmer. When you start with the farmer and give him a price for his produce then he will buy what you manufacture. You cannot sell it unless the farmer gets so he can buy.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield.

Mr. MARTIN of Colorado. I am with the gentleman in every word he says, I understand his language; but in my judgment the main trouble with the farmers of this country is that they are not organized. In my district labor is organized, the veterans are organized, the Townsend people are organized, other groups are organized, but the farmers are not organized. Oh, they have two or three organizations, but they do not represent anything, they do not get any cooperation or concerted action whatever. The consequence is that the majority of the farmers of the West for the last 60 years have been voting for the political party that invented and fastened this monetary system on them and which keeps it on them.

Mr. BUCKLER of Minnesota. I think there is a great deal of truth in what the gentleman says. I shall tell you a story which I think will illustrate the gentleman's point and his complaint of lack of organization on the part of the farmers. The story has to do with a couple of farmers, and if ever there were slaves it is the farmer and the farmer's wife; but these two farmers had managed to get away a day for a picnic and they went to a lake for a little recreation. They got a boat and went out on the water. Their names were Mike and Ole. The boat tipped over and Ole fell out and into the water. Ole went down and when he came up, Mike grabbed him by the hair; it was a wig and it came off. Mike threw it into the boat. Ole went down and came up the second time and Mike grabbed him by the arm, that was wooden and it came off. Mike threw it into the boat. Ole went down and came up for the third time. Make then grabbed one of Ole's legs and this was wooden, too, and it came off and Mike threw it into the boat. Ole went down and came up again hollering "help! help!" and Mike said, "How the hell can I help you if you don't stick together?" [Laughter.] So, how can we help the farmer if they do not stick together? [Applause.]

Ever since the days of William Jennings Bryan I have been trying to get the farmers in my country to organize and have been arguing for 16 to 1. Those were fighting days; if you said anything against Bryan, you just got knocked over, that is all. I have been fighting ever since to get the farmers to organize and get some benefits for themselves. I have heard talk about the monetary system since the days of Bryan and I probably heard something about it before, but not very much. [Laughter.] Anyhow, this system has been operating for years. I shall tell you another incident; it is true. I tell it to illustrate the plight of the laboring man and the farmer who have produced the wealth of this Nation but who have been robbed by this system. I was standing on a street corner in Minneapolis—not my city,

I am a farmer, I live out in the country where we get plenty of air, but that is all we do get [laughter]—standing on a street corner. This story could be duplicated in any city in the country. Standing on the street corner in Minneapolis one day I saw a laboring man come along. He had his family with him, his wife and little children, half fed and half clothed. Standing on the same street corner I saw a farmer come along with a little old Ford, an old tin Lizzie, his family half clothed. Standing on the same street corner I saw a limousine, owned by a man who belonged to the class that have been robbing us farmers and the laboring men all these years. A Negro coachman sat by the chauffeur in front. On the back seat was a lady and beside her a little poodle dog. [Laughter.]

This poodle dog was given more care than is given to the families of the laboring people and the farmers of this Nation. The difference in the welfare of these people comes about by reason of the monetary system we have been tolerating all these years. Maybe it would not be so bad to have a poodle dog riding in the back seat except for the fact that you can go out to the graveyard—perhaps you have got them in New York—where the poodle dog is buried, you will see a stone that stands 3 feet high, while over in any city graveyard you can see acres and acres where the laboring people lie beneath the sod with little stones 12 or 14 inches high—acres and acres of them—poor people who have been robbed by this monetary system. And you can go to the country and find lonely graveyards where some of the farmers have buried their families with nothing to mark the grave except a wooden slab.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield.

Mr. MARTIN of Colorado. The gentleman stated that the laboring man is interested in this legislation. He may be involved in it but I question whether he is interested in it. One of the troubles with organized labor is that they are not interested in this kind of legislation. They do not give a snap about any banking system or monetary system; they are chiefly interested in hours, wages, working conditions, and things like that.

Mr. BUCKLER of Minnesota. They have to live, however. I appreciate the force of what the gentleman has said, but there are differences of opinion on the subject. Perhaps they are not interested in the money question but they should be.

Mr. MARTIN of Colorado. I have been a member of organized labor for 45 years, so I am speaking with knowledge of them as well as of the farmer. That is one thing they are not interested in nearly as much as they should be.

Mr. BUCKLER of Minnesota. Of course, that is true.

Mr. DUFFEY of Ohio. Mr. Chairman, will the gentleman yield.

Mr. BUCKLER of Minnesota. I yield.

Mr. DUFFEY of Ohio. How far is Minneapolis from St. Paul?

Mr. BUCKLER of Minnesota. They adjoin; the city limits come together so they are practically one city. I do not know whether St. Paul has a graveyard where they bury poodles or not; they probably take them over to Minneapolis. [Laughter.]

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield.

Mr. THOM. How do the lawyers get along out in Minnesota?

Mr. BUCKLER of Minnesota. Most of them are starved out. They finally have come around. They used to fight us farmers but they have come around now and are quite decent. You know the quickest way to a man's heart is through his stomach or his pocketbook and they both have been empty, so the lawyers are not so bad.

Mr. TRUAX. Will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield to the gentleman from Ohio.

Mr. TRUAX. They are always pretty glad when they can close out the farmers and sell their property.

Mr. BUCKLER of Minnesota. Yes. Of course, you cannot blame them for that. They are broke, too, and if they get a chance to make a few hundred dollars they will close out a farmer and take away his property.

Mr. Chairman, we have a serious situation in this country at the present time. There is no question about that. Since I have been down here I have become rather disgusted. You know, my people sent me down here with the statement: "Go down there and please do something for us quick." When I started down here I thought everybody would be in the same frame of mind as I was, but I found that this was not the case. [Laughter.] I used to draw a little water in the State Senate and was successful in passing a few bills, but the only thing I have been able to draw here is a little hell from the gentleman from Arkansas. [Laughter.] You know, there is an old saying that one would rather be a big toad in a small puddle than a small toad in a big puddle.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. I yield the gentleman 5 additional minutes.

Mr. BUCKLER of Minnesota. Mr. Chairman, the Federal Reserve Board some time back broke the farmers, but there was another class of men that they had not got to yet. So in 1929 they deflated the currency and trimmed up all of these lawyers and business men as well. They broke them, too. At that time they took about $20,000,000,000 out of their pockets and now the money crowd has it all. You may have a little change left, but that is all. It is kind of good to come down here to Congress, where you draw a salary. Sometimes I think we should be ashamed to take it for what little we are doing down here. [Laughter.]

Mr. Chairman, we have to take this country out of the hands of the money changers. I think if you would take a bunch of schoolboys and let them read up a bit they would do better than we are doing down here in Congress. I am going to support this bill, although it does not go as far as I should like it to go. There has been some mention of putting an amendment on this bill to put the small State banks under the act. I ask you to leave the small State banks out for a while until we see how this Board goes. We know what this old Board did to those banks that were under it some time back.

Let us see how this is going to work out. If this Board is going to be no better than the one we had before, perhaps the State banks will not want to come under the System.

Mr. Chairman, this bill could be made a lot better if such amendments were adopted as will be offered, I understand, by the gentleman from Maryland [Mr. GOLDSBOROUGH], and the gentleman from Texas [Mr. CROSS]. Those gentlemen know how to do it. The gentleman from Texas [Mr. CROSS] made the best speech yesterday that I ever heard. He told the Members the truth about this situation. Are you going to listen?

A Member spoke yesterday about Liberty bonds and mentioned the fact in his address that he had to sell his Liberty bonds for $80 on the $100. I told you of two instances where the people have been robbed, and here is another one. The same crowd did that. They bought your Liberty bonds. You had to buy them and then those fellows pulled off a panic and bought your Liberty bonds for $80 on the $100 and made millions and millions of dollars out of the transactions.

That crowd has all the money, so that there is not enough left to quarrel about. There are more debts today than the property would bring if it were sold. There are something like two hundred and fifty or two hundred and seventy-five billion dollars of debts, and there is only about $200,000,000,000 to be realized if the property was sold for what it was worth a few years ago. If you sold it now you would not get half this amount. I have a farm that was worth about $100 an acre and today you could not sell it for $25 an acre. These farmers had farms worth $100 or $125 an acre with a mortgage of $25 or $30 an acre on the farm. This money crowd ran the value down to the amount of the mortgage, then they took the farm. What about the $50 or $75 an acre that the farmer had in it? How about

these farmers' wives who get up at 5 o'clock in the morning and work all day long until 9, 10, or 11 o'clock at night, trying to keep their family half clothed and half fed? Talk about freeing the Negroes back in the Civil War days! Why do not you get busy and free these farmers and their wives? There are enough of us here to do something if we would only work. I say if there is any slavery in the United States today it is the farmers' wives. [Applause.]

I wish I had some of the Members out on my farm. I think about 30 days would cure you. There are about 150 signers on the petition to bring up the Frazier-Lemke bill. That does the same thing for the farmers that you are doing for Wall Street; yet there are only about 150 signers out of a Membership of 435. If I could get you out on my farm, getting up at 5 o'clock and doing all the chores, it would be different. [Applause.]

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BUCKLER of Minnesota. Mr. Chairman, as I started to say, if I had these Members out on my farm or some other farm, the situation would be different. They would get up at 5 o'clock in the morning, go out and feed and tend the horses and milk 8 or 10 cows. Then they would eat a little bit of breakfast, go out to the field, stay until 12, come back and eat a bite, and then go out about 1 o'clock and stay until 6. Then tend the horses, feed the cows, and what not, then get a little bit to eat and go out about 9 o'clock and milk 10 cows and get the milk separated. And then, in addition to all this, you would go out and probably find a new-born calf. [Laughter.] You would put it in a pen, get a pail of milk in one hand and the calf's nose in the other and try to feed it while 5 or 6 other calves were stepping on your toes and sucking your coat. [Laughter.] I believe about 30 days of that kind of life would be sufficient, and you would be signing the petition for the Frazier-Lemke bill.

If that is not enough, you might feed these calves a couple of years, take them to town, get yourself all tired out and wet with sweat handling them, and then sell them and get $10 to $15 per head. Hungry, you then go down to a restaurant with an appetite and see the people sitting there eating porterhouse steak while you have to crawl up on a stool and ask for liver. [Laughter.] That would undoubtedly fix you and you would be up here signing this petition by that time. Why do not you come up here and sign this petition for the Lemke bill and let the farmers have this cheap money instead of turning it over to Wall Street?

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. Yes.

Mr. TRUAX. The gentleman has asked a very vital, pertinent question. Last year we secured 145 signers to the Lemke petition, but we were not given an opportunity to vote on that bill. There are some Members of Congress who do not want you to vote on that bill because it will do as you say—it will do for the farmers what we have already done for the Wall Street bankers and the banking crooks of the country.

Mr. BUCKLER of Minnesota. Yes; I thank the gentleman. That is true and I would like to ask the members of the committee who have this bill to send it out here and let us Members vote on it. The people back home want you to vote on it. If you want to vote against it, all right, but bring it out here and let us have a vote on it. My people are writing me every day about it.

Some people here have said a great deal about the processing tax. The processing tax was not my way of doing it to start with, but we have got the processing tax. My friends over on the other side here are good fellows. I sit over there with them. Of course, I am in a kind of Cherokee Strip and I do not know which side I belong on. I am a Farmer-Laborite myself.

Now, they want to take off the processing tax. I remember 2 years ago when we farmers were selling wheat in my neighborhood for 30 cents a bushel, hogs for 1 cent or one cent and a half, and the railroads would make you pay a little extra money for the freight if you shipped a cow to market, the cow wouldn't even bring enough to pay the freight.

I never heard them then say anything about the poor farmer, when he was giving his stuff away, selling it far below cost. The processing tax is increasing the amount the farmer receives and you people in the East cannot live unless we live and get started and are able to buy your manufactured goods. It was not my way of doing it, but we have got it and let us stick to it now that we have it until we get something better.

However, what this Congress could do is this. This Congress could take off the processing tax and give us a minimum price which should be cost of production plus a small profit for what is consumed in the United States and there are bills here to that effect. This would cure all this hollering about the processing tax. Give us a minimum price, cost of production, and I have no objection to your regulating the acreage, if you want to.

Then there is another bunch of fellows, besides the big bankers, who are keeping the farmers down and they are this chamber-of-commerce and board-of-trade bunch of buzzards that have picked the farmers. [Applause.] They pick him even before he has his grain cut.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. Yes.

Mr. HOLLISTER. I just want to ask the gentleman if the Blue Eagle belongs in the same class of buzzards to which he is referring?

Mr. BUCKLER of Minnesota. I do not know whether it would be hard to tell a Blue Eagle from a buzzard or not. Some people do not like the Blue Eagle. I do not know whether I like him or not. I have not had much acquaintance with him, but I have had some acquaintance with these buzzards I spoke about, because before you can get your grain cut these fellows will sell your crop and they will not only sell your crop but they will sell 10 times what you have raised. A bear can outdo a bull any time when he has the money back of him.

All they sell is wind, and the bull has got to pay for the grain. So I say there is another thing we can do. Why not put these fellows out of business? We farmers have kept these fellows long enough and they are of no use to us. Put them on the soup lines as they have put a lot of farmers on the soup lines.

Now, I have taken up a lot of your time. I could go on here for hours if I attempted to tell you all the farmer's troubles, but I want to thank you for your patience, and I hope you will get busy and do something for the farmers. If you do not do something, you may not come back, because they sent you down here to do something for them. [Laughter and applause.]

I thank you.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. IGOE].

Mr. IGOE. Mr. Chairman, I should like to take the present opportunity of discussing the history, aims, and accomplishments of the Federal Deposit Insurance Corporation which has suggested some of the proposed amendments that we are now considering. I shall be brief and to the point.

It will be recalled that the Federal Deposit Insurance Corporation was created by the Banking Act of 1933, which was signed by President Roosevelt on June 16 of that year. Even those who were not Members of this House at that time will recall that something had to be done to revive the prostrate banking system after its collapse in February of 1933, when it ceased completely to function as a result of the banking holiday proclaimed by President Roosevelt on March 6th. I shall not dwell upon the condition of the country and the state of mind of our people in that dark hour. I think it is sufficient for my present purposes merely to say that catastrophe and ruin were averted by the President's historic reassurance to the country in his now-famous and celebrated fireside broadcast, and by the brilliant and timely conception and introduction of the legislation providing for the Federal insurance of bank deposits.

To my mind the administration and the country have every reason to be proud and thankful that the Federal Deposit Insurance Corporation has been so successful in accomplishing its primary objects of restoring the confidence of the people in banks and of rebuilding the entire banking structure. Here is an agency which has done its job without fanfare or the blowing of trumpets. It has dispelled the fear that gripped the Nation's depositors. It has helped to strengthen and remake a banking system that had crumpled and failed. It has won the respect of bankers in rural communities and business centers as well. In a word, it has done a gigantic task in a superb manner. Its efficacy as an agency of recovery is well attested by the regular reports received in Washington from State directors of the National Emergency Council. These reports represent an unbiased cross-section of public opinion in the States. A summary of those submitted for the month of March reveals that in no State has an unfavorable reaction to the Federal Deposit Insurance Corporation been noticed. Thirty-five State directors report definitely favorable reactions, many of them saying that the corporation is generally considered the most universally beneficial of the recovery measures.

I should like at this point to extend my remarks in the RECORD by reading in the text of the reports to which I have just referred.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The matter referred to is as follows:

SUMMARY OF PUBLIC OPINION CONCERNING FEDERAL DEPOSIT INSURANCE CORPORATION

ALABAMA

Never any criticism of this activity. Stands highest in public opinion of all emergency measures; has restored confidence in banks and resulted in greatly increased deposits.

ARIZONA

Apparently public very favorable to F. D. I. C. This agency has restored confidence in all banks and undoubtedly exerted considerable influence in abolishing hoarding on the part of the people who had previously felt that banks were unsafe and that they should keep their money in cash at home. Every bank in this State except one is a member. Information at hand indicates that the citizens of the district where this bank is located are very dissatisfied and are not depositing their funds in this bank due to the fact that it does not have deposit insurance. Considerable interest expressed by public in the announcement that deposits in building-and-loan associations might be insured. General summary would be that the public is very much interested in continuation of deposit insurance and that it is a very determining factor in restoring and maintaining confidence in the banking institutions.

ARKANSAS

Representative bankers advise that public reaction to F. D. I. C. is 100 percent favorable. Great majority of bankers also favorable, but believe present limit might wisely be reduced to $2,500. Two bankers state they are strongly opposed to plan in principle. None interviewed has ever heard criticism of insured deposits by customers.

CALIFORNIA

Public opinion strongly back of Federal Deposit Insurance Corporation, despite objections of some larger banks to pay premiums.

COLORADO

Public opinion here practically unanimous in favor of F. D. I. C.

CONNECTICUT

Public seems entirely indifferent to present Federal deposit insurance law. Some 12 or 13 banks in Connecticut have not subscribed to plan and their deposits have not been affected. Some depositors inquired of their banks about this insurance when it became effective, but none has mentioned it to the Hartford banks in months. There is no demand here for increasing amount of insurance above five thousand, as 95 percent of all accounts are fully protected under present law. No Connecticut savings banks subscribed to plan because of adverse opinion of State attorney general. I can find no objection by saving-bank depositors. State director personally feels that the present $5,000 limit is sufficient in Connecticut. This State has been particularly fortunate in having very few bank failures.

DELAWARE

Due to the fact that no bank failures occurred in Delaware, the public has shown little interest in F. D. I. C. Contacts made are all favorable.

FLORIDA

Have contacted 20 various business houses. Everyone heartily endorses the F. D. I. C. Believe this sentiment universal in Florida.

GEORGIA

F. D. I. C. was welcomed by great mass of people. Has been important factor in restoring confidence in banks, particularly smaller institutions. Regarded by many as one of most constructive steps in present national administration. Increased savings deposits in many banks believed traceable to insurance plan. While activities not subject to general discussion now, individuals and business, especially smaller business, finding satisfaction in safety provided by its operation.

IDAHO

Deposit insurance remains the cornerstone of public confidence in banks. Bankers admit F. D. I. C. has produced solid public confidence in banks. Public opinion overwhelmingly favorable and confidence in banks remains solid with deposits increasing.

ILLINOIS

Report not received up to April 12, 1935.

INDIANA

Has restored confidence in banks.

IOWA

Public reaction to F. D. I. C. definitely favorable. Small depositor, which includes savings depositor, is very favorable to insurance of deposits. Best evidence of this is literally hundreds of cases reported to us of money taken from Postal Savings, from hoardings, and from larger banks in border States and deposited in Iowa banks after inception of F. D. I. C. There is some disposition to the belief that insurance is so satisfactory to the depositor that he does not seek other investments. It tends to restore confidence in the bank and thereby stabilize banking conditions and satisfies small depositor, who as a rule is the cause of runs on banks. Public is grateful and happy for benefits of F. D. I. C.

KANSAS

Banks now beginning to fully appreciate the value of this activity, with the result that an increasing number are subscribing. It has greatly increased confidence in financial institutions. However, many banks still remain without insurance.

KENTUCKY

Much appreciated by public generally. Resulted in growing increase of deposits in all banks. Smaller banks quite enthusiastic. Some larger institutions feel their independence, objecting to expense of operations. These objections made some months ago, but little protest at present time. Unquestionable demand for retention of act.

LOUISIANA

My opinion public reaction Federal Deposit Insurance Corporation present act should be made permanent. Adds stability and confidence in banks, decentralizes and distributes deposits, and eliminates the chance of run on banks from small depositors. Some bankers indifferent and feel their institutions command confidence without insurance feature. Small banks in country generally favorable to deposit insurance.

MAINE

Public sentiment favorable to F. D. I. C. Maine commercial banks favor this. State savings banks have centrally managed liquidity fund.

MARYLAND

Activities progressing quietly.

MASSACHUSETTS

Report not received up to April 12, 1935.

MICHIGAN

From every source I get only favorable public reaction to Federal Deposit Insurance Corporation. Belief quite general that this agency is reestablishing faith in banks. Increased deposits in Michigan banks best proof of renewed confidence.

MINNESOTA

Agency has done outstanding work, and 95 percent of banks in this State are insured. Public well-informed and very favorable toward this activity. Agency 100 percent efficient and popular with both public and banks. Exceedingly popular and has produced great public confidence in banks.

MISSISSIPPI

Public opinion appears entirely favorable to Federal protection.

MISSOURI

Reaction of public and State banking department to F. D. I. C. is universally favorable. Deposits substantially increased. More than 500 State banks have voluntarily come under F. D. I. C. and only 40 have not. Most of these 40 are small or family banks, and expense is deterring factor. The favorable public reaction is general over entire State and also the four-State area. It is recognized as an essential part of the banking system.

MONTANA

Has greatly restored confidence and receives almost unanimous acclaim.

NEBRASKA

Agency has made a fine record in this State, with a high percentage of deposits now insured.

NEVADA

After experience of last 3 years, when banks were blowing up like firecrackers in Nevada, depositors unequivocally approve deposit-

insurance plan. They are not interested in howl of big banks who may have to carry premiums for some of their weaker brethren. They feel this latter will be an incentive to insist on good banking practices and will insure national supervision and inspection.

NEW HAMPSHIRE

About 1 out of 50 know anything about it. New Hampshire Bankers' Association reports public neither informed nor interested. Reaction nil.

NEW JERSEY

There is little comment concerning this agency, but it is believed that this activity has full public support.

NEW MEXICO

Have heard of no comments, either pro or con, in New Mexico.

NEW YORK

Public reaction to F. D. I. C. not wide-spread but generally favorable. Larger banks in Manhattan protest method of assessments, claiming only insurable amounts of deposits should be taxed. Otherwise not opposed, although unenthusiastic.

NORTH CAROLINA

General public reaction most favorable. Find in contacting number of bankers, who will eventually help mold public opinion, in vast majority think $5,000 coverage sufficient and favor definite premium sufficient to cover, but to be lowered if justified later. Majority favor premium on insured deposits only. Five thousand limit covers 95 percent depositors' banks this State.

NORTH DAKOTA

Public attitude and editorial comment uniformly favorable.

OHIO

Program has been exceptionally beneficial and remains least criticized of all emergency agencies.

OKLAHOMA

Public reaction reveals this is one Government program with which general public will go all the way. No derogatory comment to F. D. I. C. was made in interviews with large number of Oklahoma business men and individual depositors. Editors and newspaper-clipping bureaus report State-wide approval of program as reflected in press. Increased deposits indicative of restored confidence. Group 4 of Oklahoma Bankers' Association in convention at Ardmore yesterday passed resolution recommending titles I and III, Congressional Banking Act of 1935, and commending work of F. D. I. C. Group 5 in Tulsa today expected to pass similar resolution, according to secretary of association. These group meetings represent approximately 450 eastern Oklahoma bankers. State banking commission reports only two failures in State banks since inception of F. D. I. C. Continuance of F. D. I. C. under competent management felt essential to continued faith in banking system.

OREGON

Has produced desirable feeling of security of average citizen in his bank account.

PENNSYLVANIA

Has functioned very successfully and restored confidence. Has greatly strengthened banking system, although many small banks, due to limited capital, criticize the provision compelling them to join the Federal Reserve System by July 1, 1937, in order to maintain their insured status.

RHODE ISLAND

Banking situation here unusually strong; therefore, except for added confidence due to F. D. I. C., difficult to determine public reaction.

SOUTH CAROLINA

Has restored confidence in banks. Comment is frequently expressed that this program is one of most important in "new deal." Public has great faith in this activity.

SOUTH DAKOTA

Comment wholly favorable, with the exception of a very few bankers who are opposed to the principle of this activity.

TENNESSEE

Has restored public confidence in banks.

TEXAS

Well-staffed and functioning effectively.

UTAH

Public unanimously for F. D. I. C., although some bankers and financial interests remain skeptical.

VERMONT

Public reaction to F. D. I. C. quiet but favorable. About half the banks use their participation in their advertising. Bank public apparently take it as an accomplished fact and rely upon it, although not particularly outspoken in their comment.

VIRGINIA

Report not received up to April 12, 1935.

WASHINGTON

Has resulted in vastly improved banking conditions and a general increase in deposits, although need is seen for means to enforce provisions of F. D. I. C.

WEST VIRGINIA

Public reaction to F. D. I. C. quite sympathetic and deposit insurance has stimulated confidence in banking institutions. Deposits have materially increased. Bankers, however, are opposed to proposed amendments to existing law now pending in Congress.

WISCONSIN

Don't hear about it. Deposits on increase. Only through restatement of fact that money is in circulation do we know about its works. Banks favorable.

WYOMING

Banks noncooperative toward this activity.

Mr. IGOE. The first meeting of the directors of the Federal Deposit Insurance Corporation was held on September 11, 1933. At that time Mr. Walter J. Cummings, of Chicago, was chairman; Mr. E. G. Bennett, of Ogden, Utah, an associate of the present Governor of the Federal Reserve, was the Republican appointee; and Mr. J. F. T. O'Connor, Comptroller of the Currency, was the ex-officio member of the Board. The date is important because almost 8,000 banks which were not members of the Federal Reserve System had to be examined before January 1, 1934, in order for them to become entitled to the benefits of deposit insurance. On January 1, 1934, 12,617 banks with 52,750,000 insured accounts were members of the temporary Federal Deposit Insurance Fund. These banks had aggregate deposits of about $36,000,000,000, of which $15,000,000,000 were insurable under the provisions of the law. Of the total 12,617 banks, 6,754 were State banks not members of the Federal Reserve, 802 were State bank members, and 5,061 were national banks. No wonder President Roosevelt could thank Mr. Cummings upon his retirement in the early part of 1934 "for a big job well done."

When the present chairman, Mr. Leo T. Crowley, of Madison, Wis., succeeded Mr. Cummings in February 1934, confidence in banks had been largely restored, but there remained the task of putting those banks which were members of the fund in a condition which would minimize losses to the depositors and to the Corporation. This was necessary in view of the fact that banks could gain membership in the fund upon a mere showing of solvency, a test which events and experience have demonstrated is not sufficient protection either to the depositors or to the fund. Due to the fact that the first examinations of the banks were of necessity hasty and somewhat cursory, owing to the short time between the formation of the Corporation on September 11, 1933, and the time when the insurance of deposits went into effect, namely, January 1, 1934, it was imperative to reexamine many of the banks for the purpose of correcting unsound practices and restoring the impairment of capital which was found to exist in all too many banks. That many of the banks should be in a weakened and deplorable condition is not to be wondered at when it is recalled that from 1921 through 1932 almost 11,000 banks suspended, involving five billions of deposits. This represents an average of over 900 banks with deposits of over $400,000,000 suspending during every year of this period. This record presents a striking contrast to the experience during the first year of Federal deposit insurance. During 1934 only 57 licensed banks, with deposits of about $37,000,000, suspended operations. Of this number, 9 banks, with less than $2,000,000 of deposits, were insured.

My own State, Illinois, furnishes a good example of the improvement which has taken place. During this same period, 1921 through 1932, an average of 63 banks, with deposits of about $38,000,000, suspended. In 1934 only 2 licensed banks suspended, and their deposits totaled only $360,000.

This record bears strong witness to the success of the program of bank rehabilitation made necessary by the debacle of March 1933 and carried out by the Federal Deposit Insurance Corporation and the Reconstruction Finance Corporation during the past 15 months.

Fortunately for the country, Mr. Crowley perceived the impossibility of creating an insurance fund which would be large and strong enough merely to pay out losses. He and his associates pursued the rehabilitation program with a vigor and persistency worthy of emulation by all Government officials. The problem was to place the capital position of the banks upon a basis that bore a reasonable rela-

tion to the amount of their deposits. In other words, the deposit liability of the bank should not be grossly out of proportion to its unimpaired capital. The standard of $1 of unimpaired capital for every $10 of deposits was largely used in determining whether banks were safe risks for their depositors and the Corporation.

In order to establish this ratio it was necessary to get the needed capital either through local contributions or through the Reconstruction Finance Corporation. Up to December 31, 1934, 5,451 banks received additional capital amounting to $851,296,000. Of this number, 1,759 were national banks and 3,692 were State banks. The R. F. C. contributed $440,827,000 to the national banks and $410,469,000 to the State banks. Local contributions to State banks amounted to around $227,000,000, which includes a substantial proportion of deposits which were converted into stock and which may be considered in a certain sense as constituting local contributions. To my mind, these figures are eloquent evidence of the fine accomplishments of the F. D. I. C., the splendid cooperation of the R. F. C., and the practical patriotism of the local communities. It is no exaggeration to say that were it not for the united efforts of the governmental agencies and the sacrificing spirit of the stockholders and depositors the banking system of the United States would probably have collapsed and fallen to pieces. As is always the case, these magnificent results were not obtained without hard work and laborious negotiations. I think it is only fair to give credit to the officials and personnel of the F. D. I. C. for a great deal of the success of this rehabilitation program. It is largely through their efforts that the various State supervising authorities were persuaded to induce the officers and stockholders of the weaker banks to apply to the R. F. C. for needed capital or to raise the necessary funds through local contributions. Had it not been for the zeal and energy which the responsible authorities of the F. D. I. C. exhibited, little would have been done toward correcting the unhealthy condition which many of the banks were in.

The Corporation has done an equally good job in discharging its liabilities to depositors of closed banks. The contrast between the system which prevailed in the old general receiverships and that used by the Corporation is made very tangible and concrete by the fact that claims of depositors in the nine banks which closed during 1934 were paid on the average within 10 days after the Insurance Corporation took control of the banks' affairs. I have no doubt that many of you have personal knowledge and experience of cases where depositors under the old method did not receive all of their money for months and even years after the bank had closed its doors. The nine banks which closed had a total deposit liability of $1,900,000 and the insured liability of the Corporation totaled $950,000. As these banks are still being liquidated, it is impossible to tell what the eventual loss to the Corporation will be, but it is estimated that it will not be very large.

While the F. D. I. C. may not be as well known as some of the other new-deal agencies, you can get some idea of its size and importance and wide-spread influence when you consider the following facts:

On January 1, 1935, 14,212 banks were members of the Temporary Insurance Fund. There are only about 1,060 commercial banks in the whole United States which are not members. The membership is made up of the following classes of banks: 7,702 State nonmember banks, 5,462 national banks, 980 State member banks, and 68 mutual savings banks.

As of October 1, 1934, the last date for which these figures are available, 14,125 banks belonging to the fund had 51,250,000 depositors. Fifty million four hundred thousand depositors were fully insured. Only 800,000 were partly insured. The 14,125 banks had total deposits of over $37,000,000,000, of which $16,500,000,000 were insured. This tremendous financial liability of the Corporation is equal to more than half of the total debt of the United States Government.

For those of you who like percentages, 98.5 percent of all of the depositors were fully insured under the present $5,000 maximum limit. If the present limit were raised, the liability of the Corporation would be increased to almost $30,000,000,000, and such an undertaking would probably destroy the fund and provide additional coverage for only one out of every 100 additional depositors. Nine thousand nine hundred and sixty-eight banks have a ratio of insured to total deposits of 80 percent or over. This means that 69 percent of all of the insured banks are at least 80 percent insured. In this classification are 54 percent of the national banks, 44 percent of the State member banks, and 83 percent of the insured State nonmember banks.

Since June 30, 1934, the deposits of all the insured commercial banks and trust companies increased from $35,800,000,000 to $39,000,000,000, a rise of $3,200,000,000.

These facts and figures demonstrate that the F. D. I. C. plays an important part in the lives of almost half of the entire population of the country. Its influence is, or will be, felt not only in the great metropolitan centers, but also in the outlying and sparsely settled rural sections. It safeguards the deposit of the widow, the farmer, the laborer, the merchant, the manufacturer, and the investor. It has allayed fears of runs in Wall Street and has prevented the tragedies of bank closings in Main Street. If you have the best interests of bank depositors at heart, and I may say this Corporation has made it politically expedient for you to do so, and if you desire to have this Corporation continue to be a stabilizing and steadying influence in our banking system, you must give the Corporation the power it is seeking in the bill now pending. The surest way to defeat deposit insurance and to bring about another paralysis of our banking is to deny to the Corporation its right to examine banks before and after they are admitted to the Fund and to make it a mere disbursing agency without a voice in the supervision of going banks and the liquidation of closed banks. For myself, I intend to carry out the wishes of my constituents by doing everything within my power to increase the safety of their deposits and the soundness and efficiency of the F. D. I. C.

It is my firm conviction that an institution which has been as ably administered as the Federal Deposit Insurance Corporation and which has carried out the legislative intent so well and so faithfully deserves the approbation and encouragement of this body. I, therefore, trust that my fellow members will see fit to adopt the proposals the officials of the Federal Deposit Insurance Corporation have made in this bill as a result of their earnest study and consideration, seasoned as it is by over 15 months of first-hand experience of the operation and effect of the original law. I hope that this measure will receive the enthusiastic support not only of Members on this side of the House but also of our distinguished opponents. Insurance of deposits is neither partisan nor political. It is intimately connected with the economic and financial welfare of almost half of our population. It is truly a new deal for depositors and the country at large. It is for the large and small, the rich and poor, the townspeople and the country folk. It has been the salvation of our banking system. It must not be allowed to fail. [Applause.]

Mr. ARNOLD. Will the gentleman yield?

Mr. IGOE. I yield.

Mr. ARNOLD. Has the gentleman considered the advisability of limiting the deposit insurance to $5,000?

Mr. IGOE. That is where the limit should be placed.

Mr. ARNOLD. The gentleman thinks it should be placed at $5,000, rather than to have it regardless of the amount?

Mr. IGOE. I think it should not be increased beyond $5,000. I think that is the opinion of the people who have given study to this matter.

Mr. PIERCE. What reason can be given for limiting it to $5,000? Why should not the man who has $10,000 reap the benefit?

Mr. IGOE. There are many reasons. One is because the cost of the insurance would be much higher and those persons possessed of $10,000 are not as much in need of protection as those possessing $5,000 or less.

Mr. ARNOLD. Would it not have the effect of causing deposits to be invested in industrial activities rather than be piled up in the banks?

Mr. IGOE. That is true. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

THE OMNIBUS BANKING BILL

Mr. SAUTHOFF. Mr. Chairman, I shall confine my remarks to only two aspects of the pending legislation, one relating to title I and the other to title II.

The first concerns the provision revised in the bill as originally introduced, requiring that State banks must join the Federal Reserve System by July 1, 1937, in order to be entitled to the benefits of deposit insurance. This provision, I am very happy to say, has been stricken by the committee. I sincerely trust that my colleagues will see fit to support the committee's action in this respect.

Wisconsin has traditionally and politically been an advocate of an independent banking system and the friend of the small banker. From the earliest days of its pioneers and settlers down to our times the liberty-loving Germans, Norwegians, Irish, Scotch, and Polish, together with Yankees from New England, led by men like Carl Schurz, Colonel Dodge, W. D. Hoard, Robert Marion La Follette, E. I. Kidd, John J. Blaine, and others, fought for a banking system which served the needs of the community. Had it not been for the jealous manner in which the banking system was guarded and kept free by these pioneers and leaders, the thriving communities which today dot the whole State of Wisconsin might never have come into being.

The small Wisconsin banker has played a major part in the development of the State's great dairy business, its diversified manufacturing enterprises, its wonderful system of schools and roads, its vast natural resources, its famed resorts and recreational sections. In a word, the small-town banker has helped to weave the very fiber and structure of the State's economic, educational, and everyday life. Hence it is that the people of Wisconsin have naturally come to take a genuine pride in the part that the independent banker has taken to advance the State to its present state of importance in our country.

For these and other reasons, I am opposed to the investiture of vast centralized institutions with complete domination and control of the credit needs of the community. Experience has demonstrated that large banks cannot and do not take the place of locally owned banks in smaller communities. The local banker, through his lifetime association with his fellow citizens and neighbors, is better able to appraise the needs and the credit risks of his customers than is a stranger sent in by a large bank to operate one of its branches. The relationship which exists between the local banker and his depositor is one that can never be achieved by outside interests.

While it is true that many of the smaller banks throughout the country and also in Wisconsin experienced great difficulties of one kind or another, nevertheless recent surveys have shown that the losses incurred by the smaller banks upon their loans were considerably less than those resulting from depreciation of their investments. To my mind, this is striking proof of the fact that the local banker is a good judge of the credit risk and needs of the people he serves. It is also an indictment of the large eastern banks and security houses, upon whom can be placed the responsibility of having filled the investment portfolios of many of our banks with securities of doubtful value.

No doubt most of you are familiar with the practice of large banking houses in the offering of securities to their country correspondents in the banking business. The offerings listed class A–1 securities, and other offerings listed class B securities. If the buyer took some class B offerings, he also got some of the choicer class A offerings. These securities were in turn sold by the country banker to his customers, and as a result the investing public absorbed huge blocks of class B securities. Like block-booking in the motion-picture industry, the country banker, and through him the investing public, were sold junk along with good investments. Another unethical trick worked by large banks and investment houses was to make a doubtful loan, because there was a fat commission in it, and then work it off on the public by means of a bond issue, a preferred-stock issue, or both. If the loan was large enough, it could be further diversified by different classes of stocks and bonds. This method of high finance reached its acme of perfection when the Napoleons of finance discovered that instead of floating one such financial set-up they could combine five or six of them, and top it all off with a holding company, which, in its turn, could also issue doubtful securities which could be and were secured by the class B securities of operating companies. What a saturnalia of financial debauchery resulted! The tragedy of it was the disillusionment of the investing public, its loss of confidence in bankers everywhere, its withdrawal of funds through fear, and the collapse of our entire banking system.

There are other reasons why the action of the committee in deleting the provision about compulsory membership in the Federal Reserve System should be supported. I think those of you who represent States which had to pass enabling legislation to permit your own banks to become members of the temporary deposit insurance fund will find that such legislation was passed upon the express understanding that the State banks would not have to go into the Federal Reserve System in order to obtain the insurance. I know that this was so in the case of my own State when, in 1933, the legislature amended our laws to permit the State banks of Wisconsin to qualify for membership in the deposit fund. It therefore seems to me that the question of the integrity and good faith of the Congress is involved. I think you will agree with me when I say that a large majority of the banks throughout the United States have supported the Federal insurance of deposits upon the assumption and understanding that they would not be forced or driven into the Federal Reserve System.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Yes.

Mr. HANCOCK of North Carolina. Does the gentleman take the position that membership in the Federal Reserve System should operate unit banking in the country?

Mr. SAUTHOFF. Not necessarily.

It is perfectly obvious that compulsory membership in the Federal Reserve System is the first step toward a unification of all of the banks in the country. It is equally obvious that once the State banks are corraled into the System they will soon lose their identity as State institutions. This means, of course, that their supervision and regulation would be taken away from the State authorities and vested in Washington. I am satisfied that very few, if any, of the several States are now ready to surrender this sovereign right of regulation to the Federal Government, and I, for one, am unalterably opposed to such a surrender of our rights.

December 31, 1934, there were 623 licensed banks in the State of Wisconsin. Six hundred and seven of these were insured. They were classified as follows: Four hundred and eighty-three were State banks not members of the Federal Reserve System, 106 were national banks, 13 were State bank members of the Federal Reserve System, and 5 were mutual savings banks. The fact that the Federal Reserve System has been in operation for about 22 years and has succeeded in getting only 13 State banks in Wisconsin to become members is positive proof that the people of the State do not want their banks to be forced into the System. I think the same sentiment exists throughout the rest of the country, since only a little over 900 State banks in the entire United States have become members of the Federal Reserve System since its inauguration in 1913.

There can be no doubt but that the Federal Deposit Insurance Corporation has done a good job and will become a permanent part of our financial and banking structure. For that reason I think the committee's action in doing away with the requirement of membership in the Federal Reserve System as a condition precedent to deposit insurance ought to be vigorously sustained. To impose onerous burdens as

conditions precedent to obtaining the benefits of insurance seems to me to be short-sighted and inimical to the best interests and to the future well-being and development of the Federal Deposit Insurance Corporation. There appears to be grave danger that if we were to compel 7,000 or more State banks to join the Federal Reserve System before they could get their deposits insured, there might be such a united resistance to the whole proposition as would result in a virtual nullification of the beneficent purposes of insuring the money of the depositor. That is to say, if you make membership in the fund so burdensome and unattractive as to alienate more than half of the banks in the United States, you may find that the present plan of protecting the depositor would be a curse instead of a blessing.

Since the temporary insurance fund was started in January 1934, there has been a great increase in the deposits of the Wisconsin banks in keeping with the rise shown by banks in other States. I know from my own knowledge that the confidence of the people in the banks has been restored and there is no longer any of the fear that gripped the depositors in the dark days of 1933. Only two small banks which were members of the temporary fund failed in Wisconsin since January 1934. Depositors received their money from the Federal Deposit Insurance Corporation within 10 days after the banks had failed. This in itself is one of the strongest reasons for the enactment of the permanent law for the insurance of deposits since it demonstrates that when banks fail the savings and earnings of the depositors will not be tied up for months or even years as was sometimes the case. I am reliably informed that in the case of one of the Wisconsin banks which closed the Federal Deposit Insurance Corporation will effect a recovery of almost 75 percent. This is a remarkable performance and gives an accurate idea of how well the Corporation is discharging its obligations and accomplishing its purposes.

It must be remembered that the Corporation steps in as a receiver and takes over the assets of the defaulting bank and is subrogated to all claims of the defaulting bank. In this manner the Corporation is able to discharge quickly and without friction or difficulty its obligation as insurer to the public. Such subrogation, to all rights of the depositor is limited however, to the amount of the payment.

The banking system of Wisconsin was in a greatly weakened condition on account of the severe strains put upon it by the collapse of industry and prostration of agriculture. Today the entire banking structure has been so rebuilt and reconstructed that it is in perhaps a better condition than it has ever been. This has been accomplished by the spirit of loyalty and sacrifice of the stockholders of Wisconsin banks who, by their contributions, made possible the aid extended by the Reconstruction Finance Corporation. In this program of rehabilitation the Federal Deposit Insurance Corporation through the wise, the tactful, and withall, the efficient management of its chairman, Mr. Leo Crowley, who has at all times stood ready to aid and counsel and befriend, has been a tremendous help, as it was largely through the efforts of this organization and its chairman that the necessary negotiations were initiated and the requisite plans and reorganizations worked out. It is not too much to say that the teamwork displayed by the stockholders, the R. F. C., and the F. D. I. C. has resulted in making the Wisconsin banks sounder and their deposits safer than they have ever been since the first charter was issued.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Yes.

Mr. HANCOCK of North Carolina. Does not the gentleman believe that if all the banks in the country were in the Federal Reserve System it would be a great protection to the great Deposit Insurance Corporation?

Mr. SAUTHOFF. I do not want to enter into any debate about a unified banking system. I appreciate that there is an argument in favor of it, but I come from a rural race that believes in the independence of the individual and his right to work out and solve his own problems. I personally feel I do not want all the powers of the banks centralized right here in Washington.

Mr. HANCOCK of North Carolina. I fully respect the opinions held by the gentleman, which are contrary to mine, but I am wondering if he has had an opportunity to consider the additional advantages and the real benefits which the Federal Reserve System is now extending to nonmember banks under this bill.

Mr. SAUTHOFF. I, perhaps, am not as well or as thoroughly acquainted with them as the gentlemen of the committee, but I appreciate that a great deal has been done, and it has been a blessing that it has been done.

Mr. HANCOCK of North Carolina. I assume the gentleman also understands that under the proposed section 202, which was submitted to us by the Governor of the Federal Reserve Board, and had his approval, all qualifications for entrance or admission to the Federal Reserve System as of July 1, 1937, were being waived, and that any bank enjoying the benefits of the Federal Deposit Insurance Corporation would be eligible for membership in the Federal Reserve System.

Mr. SAUTHOFF. Which, of course, would mean that their qualifications have already been checked.

Mr. HANCOCK of North Carolina. That is correct.

Mr. SAUTHOFF. All right. I should like next to address myself to title II of the pending bill and more particularly to that provision which vests in the Federal Reserve Board the credit and monetary control.

I am not deluding myself with the vain and futile hope that this title will eliminate depressions, nor do I feel that Government control is perfect, and, that therefore, if we pass this measure, our financial ills will be over. In fact I am exceedingly skeptical of title II. If it were possible to pass titles I and III, without title II, I should be in favor of such a movement. If, however, we must take title II in order to secure titles I and III, then I shall vote for it. But I shall do so with my eyes open and the knowledge that the future is by no means financially secure. In any event, bankers' control has been a failure, and I am prepared to support a policy which deprives them of control in the future. I believe that one of the inherent powers of any Government is the right to control its monetary system.

I am not unmindful of the fact that governments are made up of human beings, and that human beings means the human equations. The human equation is not perfect and must always sooner or later produce mistakes. These mistakes, when made with money and banking, affect millions of lives and result in untold agony and misery. Yet, how is it possible to set up any control without the human equation? We must use somebody and in the face of our experience in the not far distant past, I prefer to trust the Government rather than to place any more reliance on selfish and grasping market manipulators, who passed themselves off on society as bankers and investment brokers.

Far too long have we suffered from the domination and control of Wall Street. We have had enough of the type of control exercised by the big bankers. It is high time the Mitchells, the Wiggins, and the other pirates of finance were driven from the temple. We must release the fingers of the financial giants from the credit pulse of the Nation. There must be no repetition of the damnable practice of the banks loaning depositors money to feed the fires of speculation. We must have men in control of our credit requirements who will not be so blinded by selfish interests that they cannot read the handwriting upon the wall of impending disaster. The flow of credit must be so regulated and supervised that the small business man will be able to get his share. Stringency in the money market must not be manipulated to the advantage of the few and the detriment of the many. Vesting control in the Federal Reserve Board of the credit and monetary forces of the country has been long overdue. The blessings of a free government can never be achieved by the present system of domination by private banking. Private banking has had a fair trial; it has been weighed in the balance and found wanting. Private bankers cannot now complain if by their

conduct they have forfeited all rights to our confidence and our trust.

I well recall back in 1912 when we campaigned—and I was one of them—for the present Federal Reserve System.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. SAUTHOFF. We were quite enthusiastic that depressions had been solved and that financial ills were a thing of the past; that from then on we would never again experience a depression. I have learned since by not only general experience, but my own bitter personal experience that that was not true, and so I am somewhat skeptical about the present cure for future ills in the financial world.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Yes.

Mr. KENNEY. Does the gentleman know why the Democratic platform of 1912 declared against a central bank?

Mr. SAUTHOFF. I do not.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Yes.

Mr. MARTIN of Colorado. Do I understand the gentleman to be criticizing the bill upon the ground that title II does not take control of the monetary system and credit policy away from the bankers and vest it in a Government agency?

Mr. SAUTHOFF. I am only too glad that it is being taken away from the bankers.

Mr. MARTIN of Colorado. I understood the gentleman a moment ago to be criticizing title II of the bill upon the ground that it did not do that.

Mr. SAUTHOFF. Perhaps I did not make myself clear. The thing I wanted to point out was that the old system relied on human control. The present system will rely on human control. Now, if it comes to which humans I must trust, I prefer the Government 100 percent to the bankers who have had it and have failed so miserably in their control.

But I appreciate this fact, and I think the gentlemen of the committee will agree with me that if you are going to attempt to stabilize and regulate you have these so-called "controls" to be exercised by a central banking system. That is the open-market manipulations, the discount rate, and so on. Rather than putting it all in the control of the Government or whatever party is in office, because I have no feeling about it politically, I would be perfectly willing to trust the present President with it; I would rather have it so diversified in its personnel that it could not be all one thing, let us say, all of the majority party, such as it is now all of a certain class of bankers. I would rather have diversification so that there would be a check one on the other.

Mr. MARTIN of Colorado. I know the gentleman has been here like myself attentively throughout the debates. The gentleman has heard this title II very severely criticized by speakers on the minority side on the ground that it did transfer control over the monetary system of the country from a private to a governmental agency. I was rather disturbed by what the gentleman said a few moments ago, which indicated the thought in his mind, that there was not any change whatever made in that control, and on that ground he was not favorable to title II of the bill. I may have misunderstood the gentleman.

Mr. SAUTHOFF. I will tell the gentleman that I will go along on any proposition that will take it out of the hands of those who now and have in the past had control of it. The gentleman and I see alike on that point.

Mr. MARTIN of Colorado. I will say to the gentleman I am one on the majority side of the House who always listens to the gentleman and has a very high regard for his views and judgment.

Mr. SAUTHOFF. I thank the gentleman. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. STEAGALL. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, ladies, and gentlemen of the Committee, I am not appearing before you again merely for the purpose of making a speech. As you well know, I was interrupted so much day before yesterday in my humble effort to discuss the major proposals in title II of this bill that I did not have an opportunity to fully complete my exposition. Again, I want to emphasize that the heart of title II, and the outstanding major objective to be accomplished through this legislation, is the complete centralization of the responsibility and authority for control over the volume of our money in a central body, the Federal Reserve Board, charged with the public interest. Without this legislation it is almost futile to attempt any fundamental changes in our present haphazard, confused, and inequitable economic system. Selfishness in human nature will never be voluntarily eradicated. The weaknesses and frailties of man are here to stay. In supporting this great humanitarian and constructive legislation I do not make the claim that through its operations we will reach the millennium in government. It will probably do as much toward that ultimate end as any law of man could do. True, it is revolutionary, though it is not a new step in the conception of the duty of a central government. I have for more than 2 years contended, privately and publicly, that the policies of the new deal would rise but to fall again unless a governmental agency, through the power of Congress, initiated and operated the monetary policies of the Nation. In the light of changing economic conditions and the attitude of the people in their demands for more effective economic protection and security, nothing that we may do here will have any permanent beneficial effect unless there is control of the "lifeblood" for the public interest. Though we should continue to carry on our financial operations through the banking system, except where it can be done legitimately without resorting to borrowing, I think we should not forget that the power to issue money and regulate its value is the sole prerogative of Congress. I mean it belongs to society. We should therefore never feel an utter dependence upon private banking. Frankness compels me to state that the fault heretofore has not been in the stars or altogether in the perfectly human bankers, but in ourselves, that we are underlings.

To my thinking, this bill marks the most forward step in liberal government ever taken by this country. It is the most important banking and monetary-policy legislation that has been presented to Congress since the Civil War. If the goal placed before the Federal Reserve Board, as provided in the bill, is attainable within the scope of monetary action and credit administration, we may reasonably expect an improved and more righteous economic system in America. No sane person with a semblance of knowledge of these matters would, however, claim that all of our troubles, inequalities, and dislocations can be cured through monetary action. So far as the creation of business activities, with resultant profits, is concerned, money must be kept in useful circulation. Under our system money is created by debts, and only by spending can there be any income. Its effectiveness, of course, is dependent upon the speed with which it moves, as well as the amount involved.

All of us now realize that in a capitalistic economy unemployment will always be with us unless there is from now on a more equitable distribution of the Nation's production wealth. This should be progressive, and its success will depend on other factors coordinated with monetary policies.

I am sure that you will be interested to know that the last report of the Brookings Institute for the year 1929, giving the figures of the distribution of the national income, shows that one-tenth of 1 percent of the families at the top of the list received as much income as 42 percent of the families at the bottom of the list; or, translated differently, the average income per family at the top was equivalent to the average income of 420 families at the bottom. In the same connection it might also be interesting to you to know that the report of the Bureau of Economics of the Department of Commerce shows the startling information that in the same year, 1929, more than 68 percent of the American families had a gross income of less than $1,500.

Some of my good friends on the other side of the Chamber have missed no opportunity during the debate on this bill to criticise the Government's spending program. Unless private business is willing to spend, and it will not unless there is a reasonable opportunity for profit in sight, what else can a Government do under its obligation to protect the people against the ravages of destitution and starvation? Who is there among us who would criticize the Government that provided food for his own children when the cupboard was bare and there was no work to be found? Who is there with a conscience in his soul and a spark of humanity in his heart who would balance a budget at the expense of starving children? With all this criticism, no small portion of which comes from partisan minds, the recent report of the Treasury Department showing that the regular Budget of the Government was balanced for the first time in 5 years, could hardly make for them pleasant reading. To us on this side, however, it was, considering the difficult problem facing the Treasury Department, a pleasant and agreeable surprise and but confirmed our faith in the splendid financial leadership of this administration. It is true that our extraordinary budget shows nothing but a big deficit in dollars and cents, but translated into the saving and rehabilitation of human lives and the production of faith and happiness it would show a permanent surplus and tell another story. It should be highly gratifying to those of us who believe in the purposes of the new deal that, notwithstanding the increase in the national debt from twenty billions at the beginning of the administration to approximately thirty billions today, the present aggregate cost of carrying this increased debt is less than the cost was in carrying the $20,000,000,000 debt which we inherited from the Hoover administration. The sound and effective operations of the Treasury Department, together with the increased faith and confidence on the part of investors in our Government securities, has resulted in a reduction in the interest rate on bonds of more than 1½ percent per annum.

Now, may I conclude by giving you my opinion as to the benefits which are likely to accrue to the American people as a result of the passage of this bill and other financial measures which have been enacted into law during the Roosevelt administration?

The extreme cyclical periods of booms and depressions should be avoided. Though normal fluctuations will inevitably occur from time to time in prices, trade and business, the piratical, gyrating dollar of the past quarter of a century will be outlawed. A premium rather than a discount will be put upon the public interest and the average man's welfare. It should insure a normal flow of money at reasonable rates and thereby eliminate from time to time the fear of inflation or deflation. In using the words "inflation" and "deflation", I mean unjustified expansion or unjustified contraction. Through the honest, common sense, effective administration of this measure the purchasing power of all classes of our people, the high and the low, the rich and the poor, will be safeguarded against the callous and ruthless manipulation of a few greed-blind bankers who have for almost a century had in their hands the control of the levers of our financial and economic system. It should bring to the average man the assurance of security in his home, his livelihood, and his savings. Through this measure, the money world forms a partnership with the real world. It involves a complete divorcement of private banking from national monetary operations, without in any wise depriving the honest, private banker of his right and freedom to lend when, how, to whom, and where he pleases. My candid opinion is that it will strengthen our banking system and increase public confidence in private banking institutions. It recognizes the small country banker's problems and undertakes to place him, so far as Government assistance goes, on a parity with the big banker. Let not the chorus of critics, many of whom will raid the Treasury to protect their own business any time, and the propaganda of the "boys in the know" frighten you from the duty and opportunity for constructive public service which the adoption of this measure offers. Instead of being troubled, my friends, in its consideration, there is cause for rejoicing. It should in time be the deliverance of a great people, and in truth should be called "The Financial Emancipation Proclamation of the Twentieth Century."

Mr. STEAGALL. Mr. Chairman, I yield 20 minutes to the gentleman from Indiana [Mr. FARLEY].

Mr. FARLEY. Mr. Chairman, having been a member of the Committee on Banking and Currency and a member of the Seventy-third Congress which passed the deposit insurance law, I must confess to be very much gratified at the almost universal popularity of the law and the very fine things that have been said regarding it. I want to remind you of this, however, that the guaranty-insurance deposit law did not always have such smooth sailing. In the early sessions of the Seventy-third Congress we had just about the same opposition, from the same sources, almost identically in the same manner that we are now having opposition on title II of the bill. I have a feeling that if this bank law is passed as it has been written, and as it is now under consideration, that in 2 years' time title II will be just as popular as the insurance provision in the law at the present time.

I think we can all agree that insurance of bank deposits came into the Federal law at a time when there was the greatest need for restoration of public confidence in the banking structure of our country. I think, too, we can agree that the general acceptance of the principle has operated to restore and maintain that confidence. We are engaged in an effort to work constructively toward the end that there may never be in our country a repetition of the financial collapse that has accompanied the late persistent depression. We can work toward this end and succeed with the cooperation of all who are immediately concerned with the safety of bank deposits—that is, ultimately with the public who deposit money, and can support their leaders in Congress in passing the administration banking bill.

When a man goes to make a loan from a bank, the bank demands some kind of security. The people who deposit and thus loan their money to the banks have in a real sense demanded that their banks carry insurance on deposits. That is the meaning of the wholesale withdrawal of deposits and hoarding in the 3 years following 1929.

Depressed security, agriculture, commodity, and real-estate values, followed by a sharp reduction in our national income, left many banks with investments which were fundamentally sound but badly frozen. At the same time there was a steadily increasing demand from depositors who were compelled to draw upon their reserves to meet the problems caused by reduced incomes and unemployment. Thus the banks were drained of their normal liquid resources and forced to realize upon their frozen assets at great sacrifices. As this liquidation continued, their remaining assets became more badly frozen, more greatly depressed. But they might have survived had not the specter of lost confidence, followed by fear, and then by panic, driven hordes of depositors to their counters to demand their money not because they needed it, but because of fear of loss. The general economic decline weakened our banks, but it was the consequence of hoarding which closed their doors in many instances. In the interval between the closing of banks in Michigan by the Governor of that State on February 14, 1933, and the closing of every bank in the United States by Presidential proclamation 3 weeks later, the staggering sum of $1,630,000,000 in cash was withdrawn from the Nation's banks.

Nor was this all. In the 12 months prior to December 31, 1932, deposits in banks had dropped by approximately $4,000,000,000 during the very period when the President and Secretary of the Treasury were conducting an intensive campaign against hoarding by speeches and patriotic appeals. But they might as well have attempted to sweep back the tides with a broom. At the same time the people were flocking to the United States Postal Savings System. Why? Because the credit of the United States was pledged to se-

cure these deposits, and the people wanted this protection. At that time the Postal Savings System was the only depository available to the ordinary depositor which was in a sense insured. Between June 30, 1931, and April 30, 1933, deposits in this System increased from $347,000,000 to $1,159,000,000. This increase occurred notwithstanding the existence of a maximum limit of $2,500 on the aggregate amount of the deposits of any one depositor. What the increase would have been had there been no such limit would be difficult to estimate. Could the people have given a clear indication of their desire for some system of insurance for banks generally?

With financial transactions throughout the country at a standstill, the State legislatures and Congress speedily enacted emergency measures to cope with the situation. On June 16, 1933, Congress enacted the Banking Act of 1933, a law which was aimed at permanently preventing a recurrence of these conditions. The outstanding feature of this act was the creation of the Federal Deposit Insurance Corporation, to which the United States Treasury supplied $150,000,000 and the 12 Federal Reserve banks an additional $140,000,000, making up a total initial capital of $290,000,000, which has since been augmented by the collection of an assessment upon banks amounting to almost $40,000,000.

The Federal Deposit Insurance Corporation is charged by Congress with the duty of protecting depositors in insured banks. Every activity of the Corporation is motivated by that objective. This all-important assignment is supplemented by the duty of paying promptly the insured portion of the accounts of depositors in insured banks which for one reason or another close.

The temporary insurance fund has been in operation since January 1, 1934. Fourteen thousand one hundred and thirty-seven banks are now members of this fund. Since the beginning of the fund not a single depositor has lost a penny in a bank which achieved membership. It is well to give this a moment's thought. I do not believe it possible to point to any other period in the history of the United States when for over 16 months not a single dollar of the deposits has been lost amongst so large a group of banks as are represented by the members of the temporary insurance fund.

The Corporation has paid deposits in 12 suspended insured banks. The total deposit liability of these 12 banks at the time they closed was about $3,000,000. Approximately $1,900,000 of this amount represents the insured portion, for which the Corporation was liable. Upon the appointment of a receiver by the responsible supervisory authority the Corporation has immediately undertaken the liquidation of its liability to depositors in these banks. The Corporation began to pay off insured depositors within 10 days of the appointment of a receiver. In one case the Corporation paid off about one-third of the insured deposits, or nearly $50,000 the day following the appointment of a receiver. To my mind this brings home very vividly the tremendous change which has been brought about by the existence of the Federal Deposit Insurance Corporation. It is in striking contrast to the former procedure where the small depositors, who could least afford to do so, were obliged to wait months, even years, before they received any dividends in payment of their hard-earned wages.

It is interesting to note that there are over 9,600 banks in this country today in which deposit insurance, under the present limits, covers 80 percent or more of total deposit liability. Fifty-four percent of all the national banks and 80 percent of all State banks have 80 percent or more of their total deposit liability covered by insurance at the present time. While the extent of the Corporation's liability is not as great in any one of the remaining 4,500 banks, it is, nevertheless, considerable. The reason for pointing out this particular figure is to show you that the Corporation, having a liability to depositors in each of these 9,600 banks, which is at least four-fifths as great as their total deposit liabilities, is vitally concerned with their efficient operation.

In the face of the record since the insurance fund came into effect there should be no occasion to argue its need. However, there are still some who say that it is but a substitute for a sound banking system and that our efforts should be directed toward establishing better management for banks rather than insuring banks against losses. The proponents of this argument usually give the Canadian banking system as an illustration.

The argument for better banks is well taken. We concur fully in what its proponents say, but we feel that better banking can best be achieved with the aid of just such systematic work as is done by the Federal Deposit Insurance Corporation.

In the United States there is a division of authority between the several States and the Federal Government, and consequently, unlike the Dominion of Canada, the character of our banking varies according to the location of the bank and the character of supervision given it. Through the work of the Corporation there can be a better coordination throughout the country to the end that a uniform high standard of banking may be maintained.

Again, our system of banking, while unlike the Canadian system up to the present time, through the medium of the Federal Deposit Insurance Corporation, now presents a striking analogy to that of our neighbors to the north. This has been accomplished without sacrificing unit banking which is so strongly favored in many States. The same fundamental safeguard now exists in both systems—that risks and losses shall not be localized in the individual banks, but shall be spread over the entire banking system. Upon this principle has been founded the vast insurance protection now given our people—insurance against the hazards of fires, earthquakes, floods, and other calamities, and even against death, the inevitable destiny of every one of us.

The Corporation has not only restored general confidence in banking institutions but it has seen to it that the confidence is built on a solid foundation by elevating banking practices to a high level of efficiency. The Federal Deposit Insurance Corporation has done much to rehabilitate the depleted capital structure of its member banks. Through cooperation with the Reconstruction Finance Corporation and the Comptroller of the Currency the banks have been placed in a healthy capital position.

The method is as follows: Analyses have been made comparing the ratio of the net sound capital in the subject banks to the total-deposit liabilities. If the ratio of such capital to deposit liability is 10 percent or better the bank is rated no. 1, since under such conditions there exists an ample cushion not only for the risk of the Corporation but for the interest of the depositors and stockholders as well. Where, on the other hand, the ratio falls below this figure, the banks are classified into three rating groups. It is these three groups of banks which are being concentrated on in the effort to repair their capital condition. They have been urged to obtain either local contribution to capital or to make application for R. F. C. money for capital purposes. It is to the best interest of all concerned that every effort be made to place the capital of banks in such a position that a healthy ratio exists between capital and deposits. It is to the credit of the Corporation that it uses its interests and its position to effect so important a remedy as it has done to the capital structure of the country's banks.

More than 16,000 commercial banks with deposits of nearly $9,000,000,000 are known to have suspended operations during the 70-year period prior to 1934. The losses to depositors in these banks are conservatively estimated at $3,000,000,000. The annual rate of losses incurred by depositors in that period was about one-third of 1 percent of the deposits of the entire commercial banking system. Of the $3,000,000,000 of losses in commercial banks, one billion was the amount which depositors of national banks were obliged to assume, while $2,000,000,000 was the amount assumed by depositors in State and private banks. In other words for every $100

of deposits in the commercial-banking system, about 31 cents per year was lost. For $100 of deposits in the national-banking system, 21 cents per year was lost, as against 39 cents per year for every $100 in the State system.

The bill now under consideration contains some features that are a marked improvement over the insurance provisions of the Banking Act of 1933.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman from Indiana 8 additional minutes.

Mr. FARLEY. In order to minimize the risk of loss in the future and to encourage sound banking, features have been inserted in the pending bill which give to the Corporation the necessary power to improve its insurance risk.

Since time does not permit discussion of all of these features, I shall mention only one—the power of examination.

A report of a bank examination is an instrument by which the management of a bank may learn a great deal. It affords the opportunity for a periodic perspective of the operations of a bank which may not be apparent to those who are working with an individual bank's problems day in and day out. Much has been done by the Corporation already toward unification of the examination report for, partly, the sake of greater ease in analysis, but chiefly to avoid a multiplicity of unwelcome examinations. Much has been done through an improved examination form to afford a closer connection between the Corporation and the insured bank, which doubtless reacts favorably for both; but more might be done with the help of the proposed new legislation. With reports of examinations before it, the Corporation will be in a position to enforce the correction of conditions in banks before losses are sustained, and if those conditions are not corrected the banks would be required to proceed without insurance, but with ample notice to their depositors that insurance has been withdrawn. Under the terms of the bill protection will not be withdrawn as to the depositors until they have had an ample opportunity to know and to act as they choose upon such information.

The Federal Deposit Insurance Corporation should be supported in its request for authority to terminate the membership of any bank in the fund which persists in so conducting itself and its affairs as to be constantly increasing the probability of ultimate suspension with the consequent loss to depositors and this Corporation. The existence of deposit insurance places upon the Corporation and upon Congress a moral obligation for sound management of banks as well as a very definite responsibility to bank depositors. If insured banks engage in practices which are detrimental to the depositors, the Corporation must have the right to withdraw its endorsement of those banks.

The benefits of deposit insurance are not limited to the protection of individual depositors. The entire banking structure of the country is so intimately interwoven that disturbances in any part of it can cause repercussions of far-reaching proportions. The benefits which will accrue because of greater stability in the banking structure are real and tangible. For these reasons I believe that all banks, large and small, should be required to support the insurance system.

And yet the small depositor is he for whom deposit insurance is designed. The small depositor must be assured the absolute protection of his deposit. The hardships which the recent untoward economic conditions have developed have been felt most acutely by that large group of people whose right it is to have absolute protection for those hard-earned dollars which are placed to their credit for the so-called "rainy day." The insurance of such savings, which it is the right of every man to enjoy, is essentially a Government function. Just as the Constitution offers every man the protection of law and order, so should the Government insure in the best-known way the protection of the deposits of the masses.

BANKING ACT OF 1935—SECTION 210. REAL-ESTATE LOANS

Section 210 would amend section 24 of the Federal Reserve Act so that the conditions under which real-estate loans may be made by national banks will be prescribed henceforth by regulations of the Federal Reserve Board, except that (1) the amount of any such loan hereafter made shall not exceed 60 percent of the appraised value of the real estate at the time the loan is made; and (2) the aggregate amount of such loans which any bank may make shall not exceed the capital and surplus of the bank or 60 percent of its time and savings deposits, whichever is the greater.

The purposes of this amendment are to increase the ability of commercial banks to serve their communities, to provide a greater outlet for the banks' funds, and to promote business recovery by opening up the mortgage market and reviving the construction industry.

Few banks are purely commercial, since a large part of the deposits in the banks represents savings. Member banks hold in the aggregate as much as $10,000,000,000 of savings funds. Separation of commercial banking from savings banking in this country at the present time is an academic question, as it could not be accomplished now without disrupting the banking system. So long, moreover, as commercial banks continue to accept and hold a large amount of the people's savings they should use at least a part of these funds in long-time loans and investments.

In using savings funds for long-time investments, there are no outlets that would serve a more useful economic purpose at the present time than real-estate loans. The restoration of building activity to something like a normal level is absolutely essential to further business recovery, and to this end reestablishment of an active mortgage market would greatly contribute. At the present time the banks of the country have a vast amount of funds for which they can find no profitable outlet. Increased activity in real-estate loans would, therefore, be of importance to the banks in helping them to make reasonable earnings and would at the same time enable them to render the proper service to their communities, as well as to contribute to recovery.

Member banks have an enormous volume of excess reserves, and at the same time they are neglecting a broad field of real-estate loans in which there is an opportunity to place their funds. Commercial banks, which are surfeited with funds, are refraining from making real-estate loans in any considerable volume, while building-and-loan associations, which are anxious to make such loans, lack funds for the purpose and are endeavoring to obtain funds from the Government. The Government, on the other hand, is pouring money into the real-estate loan field through various agencies, such as the Home Owners' Loan Corporation, the Reconstruction Finance Corporation, and the lending agencies under the Farm Credit Administration. If commercial banks increased the volume of their loans on real estate, special Government agencies would not be under the same pressure to make these loans, the banks' ability to make a living would improve, and their usefulness to their communities would increase.

There is no logic in prescribing rigid limitations as to the proportion of a bank's funds that can be invested in real-estate loans when the proportion of their funds that can go into bonds and other kinds of long-time uses is not restricted.

The record of real-estate loans during the depression has not been worse than that of many other classes of loans and investments. Real-estate loans, however, have differed from other long-time investments, such as bonds, in that there was no organized market where they could be sold even at a reduced value. As compared with commercial loans, real-estate loans have also suffered from ineligibility as a basis of borrowing at a Federal Reserve bank. In consequence, real-estate loans which might have been good in substance, despite being temporarily uncollectible, have had to be considered entirely frozen because, until the emergency legislation of February 1932, temporary accommodation could not be obtained from the Reserve banks on these loans as security. The elimination by this bill of rigid eligibility requirements would remove from real-estate loans this serious disability.

This committee in all of its work has undertaken to build and not to destroy. When Mr. Roosevelt came into power and came to Washington he very promptly called large groups of business men, bankers, merchants, manufacturers, representatives of farm groups, and labor groups to Washington for a conference and consultation. They assured him just a little over 2 years ago that they would go along with his program and undertake to put this country back into a prosperous condition. The situation that has arisen in the last few days, the recent past, reminds me very much of an experience in my life when I was in a great storm at sea. I remember one night when practically every passenger was on his knees in the cabins or in the aisles of the ship, but in 24 hours the storm had passed. Then they were out on deck laughing and cheering and apparently forgetting the thing they had prayed for. When I look at the situation today and hear some of the criticisms and objections of the future, I cannot but think that they represent about that situation. Having gone almost down to ruin, in the slough of economic despondency, they pledged their support, but now when we are well on the way out of the depression they come into the city with condemnation, yet without a constructive program.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein the report of the committee dealing with section 210.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. STEAGALL. I yield 15 minutes to the gentleman from Masachusetts [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, we have been through long and laborious weeks of hearing witnesses before the Committee on Banking and Currency on the questions involved in this bill. We have heard it said of titles I and III of the bill that they are satisfactory to all, that there is no difference of opinion with reference to them. Titles I and III seem to be acceptable to everybody, not only the Members of the House of Representatives but the public at large. We have heard it said also that with respect to title II the situation is different, that it is controversial, that everything in it is controversial, that there is no unanimity of opinion with regard to it. This attitude, this frame of mind, has interested me as a new Member of this House and of this committee, and I have tried to analyze it. I now challenge the truth of the statement.

As I read title II of the bill its purposes are very simple and very clear: To profit by the lessons we learned in the terrible collapse of the banking structure of the country. The object of the title is to give certain controls over the instrumentalities of credit, to prevent injurious expansion and contraction of the country's credit so that it may be available at all times to the people of this Nation. With this proposition everyone is agreed. Furthermore, everyone is agreed that the only way we can exercise this function of preventing injurious expansion and contraction of credit is by centralizing control over certain instrumentalities. The bill accomplishes just that; it gives to a central body the right to control the rediscount rates, the right to control the reserves of member banks, and the right to conduct what is called "open-market operations" in Government securities. Analyze it further and you will discover that if there is one point of difference it goes only to the extent of the determination of what body shall exercise these controls.

I have before me the report of a committee of the American Bankers' Association. It may surprise you to know that, with the one exception I have mentioned, practically every recommendation contained in that report now is incorporated in the bill. This pretty nearly eliminates the last objection there is to title II of the bill.

Let us for a moment analyze this one remaining difference of opinion as to what body shall exercise these important controls. It comes down to this: As the bill is submitted to you, the Federal Reserve Board is given the power to exercise those functions, to control those levers, which can be operated to expand or contract the country's credit. It calls also, however, for an advisory committee to consist of five representatives of the Federal Reserve banks, chosen by the banks. The recommendation of the committee of the American Bankers' Association is that you substitute for the Federal Reserve Board of eight members, as now constituted, as the agency to exercise these powers a Federal Reserve Board reduced to five members, to which are added four governors of the Federal Reserve banks. I shall make a brief statement in reference to this and then leave it to the Members of this House to determine whether or not there is any real difference.

It has been stated that the bill gives political control over the banks for the reason that the governor of each Federal Reserve bank is to be appointed by the directors of the bank subject to the approval of the Federal Reserve Board; and to support this view the argument has been advanced that this power to approve the appointments of governors gives the Federal Reserve Board control over each bank. If this be true, if this be a fair statement, then I ask you, what is the difference between giving the powers to the Federal Reserve Board in the first instance, as is done by the bill, and giving the powers to the Federal Reserve Board through their control over the selection of the governors of the Federal Reserve banks as has been argued will happen by this process?

Mr. Chairman, it seems hardly necessary to have spent the time that has been spent in this House arguing and debating a proposition about which everybody is in substantial accord. I doubt if even on the other side of the House there are going to be enough votes against this measure or any part of it really to amount to anything; and I trust that the benefits everybody concedes will be brought about through the operation of this bill if enacted into law will not be lost to the American people because some amendments fail of incorporation in the measure before its passage by this House. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. STEAGALL. Mr. Chairman, I yield 13 minutes to the gentleman from Georgia [Mr. CASTELLOW].

Mr. CASTELLOW. Mr. Chairman, our old laws—and law, as I understand, is in reality nothing more or less than established rules for the direction and restraint of human activity—having in their operation proven unsatisfactory, and in many instances disastrous, we, in this and the preceding Congress, have felt constrained to revamp, so to speak, almost our entire system of government. The rather universal trend of our legislation during these two sessions has been to consolidate and vest in our Federal Government, which in a broad sense is a central authority, a supervisory, if not a distinct and absolute control over the activities of the individual.

Regretfully I realize that as civilization advances and population increases less freedom of action and exercise of individuality can be permitted to the citizen. As the cattle formerly roamed with freedom the broad western plains in proud possession of their long horns without doing violence to their fellows, when crowded into narrow spaces proved the necessity of relinquishing one of their erstwhile most cherished natural possessions, even to the extent of being dehorned. So with mankind, no advantage comes to us unalloyed. As our numbers multiply the freedom of individual activity is restricted. Not only is this principle being applied to the individual but it has been extended to the functions of our various governmental units.

Beyond question in the bill now under consideration we find no reversal of this tendency. By it more power over the very heart of all business and commercial activity is vested in a central authority, which in turn comes more directly under the influence of the executive branch of our Government. This will enure to the benefit of the masses so long as the head of that department is both honest and wise and remains fortunate in the selection of those who, under him, must exercise the broadest discretion, coupled with the power to raise or lower, accelerate or retard, the business of this great Nation. Whoever or whatever controls the credit of the country necessarily performs this function. Too long has it been permitted to remain in the not unselfish hands of the captains of private finance. By them have our people been made to suffer, and hence our justified wish to find a more impartial instrumentality of control.

The greatest weakness of the plan adopted by the original Federal Reserve Act was found in the reflected weakness of human nature from which there seems to be no escape, and a disregard of which only invites disaster. Few laws, I apprehend, were ever enacted which theoretically were unsound and yet we are confronted with the embarrassing knowledge that many have proven to be unworkable. In purpose and beneficent theory was there ever a law which scored higher than the National Prohibition Act? If it has failed, as so many of our people seem to feel, that failure is attributable only to the frailties and selfishness of human nature. So it is, as stated before, with practically every law which has failed in usefulness.

That great and noble President, our beloved Woodrow Wilson, inspired by an almost superhuman love and loyalty to mankind believed it possible to successfully conduct a war to end wars. We need no reminder as to the results.

Under the leadership of that same great mind we brought into being the Federal Reserve, supposed to regulate and

control the beat of the heart of our financial structure, the credits of the country. When we view the financial wrecks, and remember the days which seemed as years to some, during the latter part of 1920 and for some time following, we may conclude that it functioned too perfectly. It may be remembered that for some years an unprecedented prosperity had been enjoyed throughout the country, cotton having sold in our local warehouses for more than 40 cents a pound, and other farm products bringing proportionate prices, everything moving as though by magic, and almost universal happiness prevailing throughout the land until that eventful day in 1920, soon after President Harding assumed office, the Federal Reserve Board announced that it would be the policy of Federal Reserve banks to make no further loans to finance the holding of agricultural products. That announcement was immediately followed by one of the most drastic breaks in commodity prices that ever saddened the hearts and reduced to penury such a substantial portion of the Nation's most worthy citizens. Within a few months cotton broke from around 40 cents per pound to something like 10 cents. To the disastrous effect of this pronouncement of policy on the part of the Federal Reserve Board, no commodity was immune, and the farmers of America were dealt a blow from which they have never recovered. The conditions resulting are well depicted in a letter I have recently received from my good friend, and one of the most capable and conscientious officials my native State has ever had the good fortune to boast, Mr. R. E. Gormley, State superintendent of banks for Georgia. Referring to the action of the Federal Reserve Board, heretofore mentioned, his observations were, in part, as follows:

In reading over the report of the House Banking and Currency Committee, I noted the supplemental views of Mr. BROWN of Michigan on pages 26, 27, 28, and 29 in which he makes a rather severe criticism of nonmember banks and presents figures attempting to substantiate his contention that the operation of national and Federal Reserve member banks has been superior to that of nonmember banks. You will note on page 29 that Mr. BROWN of Michigan refers to the fact that in 1921 there were 8,150 national banks with deposits of $12,991,000,000; 1,595 Federal Reserve member State banks with deposits of $7,646,000,000. That there were 20,181 nonmember banks with deposits of $9,529,000,000. Following that he states within the 12-year period following 1921, the total deposits contained in national banks closing amounted to $1,187,000,000 and that in State member banks $680,000,000 and in nonmember banks closing during this period $3,017,000,000. Mr. BROWN's figures are rather misleading in that he does not include in the total deposits of nonmember banks the deposits of approximately 2,000 mutual savings banks which aggregate approximately $6,000,000,000. From a statement which was prepared by the F. D. I. C. at my request dealing with bank suspensions in the period between 1921 and 1935, I obtained the following figures: The total deposits of all national banks in 1921 aggregated $15,136,000,000. In all State banks the total was $23,316,000,000. At the end of 1929 the total deposits of all national banks had increased to $21,586,000,000. The total deposits of all State banks had increased to $36,081,000,000. During this period between 1921 and 1929, it is true the ratio of deposits in national banks closing during that period was only 2.4 percent of the total, while in State banks the ratio of deposits in closed banks was 5.4 percent of the total, a ratio decidedly favorable to the national banks. I make the following analysis of the conditions responsible for this difference.

If you remember, in 1920, immediately after the change in administration, when President Harding went into office, the Federal Reserve Board announced that it would not be the policy of the Federal Reserve banks to make further loans for the purpose of financing the holding of agricultural commodities. As a result of that announcement, the bottom fell out of the price of all farm products. You will remember that cotton dropped from around 38 cents to about 20 cents. Other farm products declined similarly. As a result of that pronouncement of the Federal Reserve Board, a severe blow was dealt to agriculture from which the farmer has never recovered. Since that time the farmer has been in the position of having to sell his products in a market absolutely unprotected by credit of the Federal Reserve banks, while at the same time his supplies purchased were bought in a market which had the protection of the credit resources of the Federal Reserve banks. As a result of the drastic decline in values and the unfair odds which the farmer has had to operate under for the years succeeding 1921, it was only natural that financial conditions should have become more acute or aggravated in the rural sections. The rural sections were served largely by smaller State banks, and it was only natural that the mortality of banks in such rural sections should have been higher than among the larger banks located in industrial centers.

We will now take up the period from 1929 to 1935. In that period this statement prepared by the F. D. I. C. shows that the total deposits of national banks closing during this latter period aggregated $2,646,000,000. The total deposits of State banks closing during a similar period aggregated $3,937,000,000. The ratio of deposits of national banks closing during this latter period compared to their total deposits at the beginning of 1930 is 11.4 percent. The ratio of deposits contained in State banks closing during this latter period is only 10.8 percent of the total amount of deposits at the beginning of 1930. From this latter you will see that the losses in national banks during the latter portion of this period exceeded the percentage of loss in State banks. In other words, when the Federal Reserve Board in 1929 announced it would not be the policy of the Federal Reserve banks to furnish further funds for the purpose of financing speculative transactions on the New York Stock Exchange, the effect on listed securities was the same as the effect of their pronouncement of 1921 of agricultural commodities, and as a result of their latter decree in 1929 values depreciated, not only in the country sections but also in the industrial sections, and as a result it was not only the smaller banks in the agricultural sections which suffered but the larger banks in the financial centers showed a higher percentage of loss than did the State banks.

From the foregoing it would appear that the difficulties with which we have been beset and of which we now complain were precipitated not as a result of a lack of power but as a result of a lack of wisdom and foresight in its application and control. In other words, we might be impressed that the wreck was not the result so much of any inherent defect in the engine but rather due to the lack of foresight, not to mention the possibility of undue influences, upon the part of the train's crew.

While the Federal Reserve Act was yet young, I not only realized the possibilities but predicted the results of which complaint is now being made. Motivated, I hope, by no spirit of pessimism, but endeavoring to proceed in the light of truth, I now inject this word of warning against too much optimism over the result of this or any other legislation. For we are warranted in expecting only that degree of success which we, by our aggregate virtues, merit. As the citizen surrenders more of his individual rights, the more jealously should he regard the exercise of his franchise in the selection of those who shall hereafter exercise the rights and powers so surrendered. It has been my observation that we have suffered not so much by reason of the laws themselves but the manner and spirit exercised in their administration. So, the realization of our hopes and the fruition of our dreams may be permanently established through the improvement of our natures rather than the changing of our laws, for only through the instrumentality of men can laws become effective. [Applause.]

Mr. STEAGALL. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, the Federal Reserve Act was passed in December 1913. It followed the campaign of 1912 when a Democratic President was elected on a platform which declared against a central bank.

I ask unanimous consent, Mr. Chairman, to insert at this point that plank of the Democratic platform of 1912 relating to banking.

The CHAIRMAN. Without objection, the gentleman has that permission.

There was no objection.

The matter referred to follows:

BANKING LEGISLATION

We oppose the so-called "Aldrich bill" or the establishment of a central bank; and we believe the people of the country will be largely freed from panics and consequent unemployment and business depression by such a systematic revision of our banking laws as will render temporary relief in localities where such relief is needed, with protection from control or dominion by what is known as the "money trust."

Banks exist for the accommodation of the public, and not for the control of business. All legislation on the subject of banking and currency should have for its purpose the securing of these accommodations on terms of absolute security to the public and of complete protection from the misuse of the power that wealth gives to those who possess it.

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, national and State, without discrimination as to locality, upon approved securities and subject to call by the Government.

Mr. KENNEY. When after the election the Congress began working on the new banking system two systems rose before them: On the one side the central bank and on the

other side the Federal Reserve Association or System. But the central bank was put out of all consideration because of the plank in the platform declaring against it. Why this plank was made part of the platform is speculative. But, in my opinion, regardless of the declaration of policy with respect to banking in the campaign, it was a great mistake that the Congress did not consider the history and all the facts and circumstances surrounding a central banking system, even though it was committed against it. At least the facts should have been developed to show its merits or demerits. The Federal Reserve System was alone given adequate consideration and was adopted so that it could truly be said, as the plank in the Democratic platform expressed it, "Banks exist for the accommodation of the public and not for the control of business."

The central bank, in my view, Mr. Chairman, operates by natural law, whereas the Federal Reserve System has unnatural features and will continue to have under this bill, with the Government in intended control of the governors of the banking system. In choosing between a central banking system as we find it in England and the Federal Reserve System as it is and as it will be after this—the Banking Act of 1935—is passed, one elects to reject old-fashioned banking for new-fashioned banking.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. HOLLISTER. Mr. Chairman, is the gentleman going to explain what he means by central or old-fashioned banking?

Mr. KENNEY. I shall try to in the limited time I have.

Mr. HOLLISTER. I will yield the gentleman additional time if he desires it.

Mr. KENNEY. During the days we have just gone through I have been a new-fashioned bankee, but as a lawyer I advised all of my clients to be old-fashioned bankees, and no matter what losses I have sustained, those clients who followed my advice have suffered no losses in their investments. Had the banker, one who deals with other people's money, permitted his people's money to go into recognized good banking channels only, I and so many others would not have sustained our losses. They were sustained under the new-fashioned banking. Under old-fashioned banking we would have been safe.

When the Federal Reserve System came into being in 1913, it was felt that Congress had done a service to the country and perhaps it did, but it did not accomplish all that was intended. Otherwise, this legislation would probably not now be before this House. Under the Reserve System approximately 1,000 banks in this country have failed. And so it is we are today met to try to remedy a system which did not prevent the downfall of so many of our banking institutions. Now, what do we propose to do? This bill puts the Government in the banking system. The Government would control a system which went out of control. Whether that is a good thing or not right now is an open question, but personally I feel it is only another artificial device attached to an artificial system and in the final analysis there will exist interference with the natural law of banking.

Mr. Chairman, when the original Federal Reserve Act was passed, consideration should have been given to two very vital questions. One was considered, very much so, and it was whether a member of the Federal Reserve Board should act as such and at the same time be a commercial banker; that is, affiliated with a concern doing a banking business. There was much controversy over that matter, and finally the President of the United States took the decisive stand that a member of the Board must have severed his relations with his bank or banks and in adopting that policy upheld the principles of old-fashioned banking as practiced by the "old lady of Threadneedle Street", the Bank of England.

When the matter came before the President, he asked the question, Would you expect the railroads of this country to control the Interstate Commerce Commission? As Senator GLASS says in his book, there could be but one answer and the question remained unanswered, so that members of the Board were, opposition disappearing, required to give up their relations with their banks.

The other question, as I view it, should have had equal or even greater consideration. As a matter of fact it seems to have had little or no consideration by the committees or by Congress. That was the question of bank balances. Bank balances under the Federal Reserve Act were allowed to go into the hands of the Federal Reserve banks. Now, the Federal Reserve Board was intended to control the credit of the country. How could the Board under the act actually control the credit of the country? Only by having the Federal Reserve banks submit to their control. The Federal Reserve banks had the bank balances. In order to control credit, the Reserve banks would have to respond to the action of the Board. The Board had to get what it wanted from the Reserve banks and their member banks and resistance might be expected in some cases where the banks knew that in responding to the controlling power they would lose a profit.

Mr. Chairman, what do bank balances indicate? They indicate the trade conditions of the country. The knowledge of trade conditions is essential in the control of credit. Knowing the trade conditions the Reserve Board can undertake to bring about the purchase or sale of gold or other medium of exchange or the purchase or sale of Government bonds, but this gold or other medium or Government obligations are lodged with the Federal Reserve banks and the member banks. They have to be bought or sold by the Federal Reserve banks and the member banks.

Now, the Federal Reserve banks have an equal knowledge with the Federal Reserve Board of bank balances and trade conditions. The Federal Reserve banks have intimate relations with the member banks. The member banks carry a deposit with them and they are in daily contact with each other. These member banks want to know the "news." They ask for and very often are given confidential information. If it is known that the Government is going to buy gold or wants to have gold bought, if gold is the medium of exchange, there is a natural tendency on the part of these member banks and some of the Federal Reserve banks to hold out on the Government. In such event it is more difficult to control the credit situation. In days of danger one of the Reserve banks held out against a high discount rate, as it was stated during the debate, and thus prevented the exercise of control. With bank balances centralized and the resultant knowledge of the conditions also centralized, the natural law could function without interference or resistance.

In England the Bank of England holds the balances of the banks. It also keeps the government balance on hand. No interest is paid to the government or any bank adding to its strength. The stockholders of that bank are the merchants of the country, not commercial bankers.

The directing officials are bankers, but they serve no banking interest, in theory at least. This bank does not go in for the excessive profits reaped by the banks of this country in invading almost every field. It sticks to old-fashioned banking. There is no gigantic cream for the directing officials or even for their merchant stockholders. Salaries and dividends are limited. But the old-fashioned banking has resulted in a tremendous surplus which makes it stand out as a greater bulwark than the rock of Gibraltar. The central banking system of England, with centralized bank balances allowing of a proper control of credit, has, I believe, shown its superiority. As evidence of this there has not been a single bank failure in England during the world-wide depression.

Mr. Chairman, until bank balances are centralized or similarly situated in this country, in my opinion, we will not be able fully to control credit, whether the Government enters the situation or not, and I do not see how the Government can improve conditions. There is too much danger of undue pressure from the Government and a compromise or artificial control supplanting the natural law of banking. Old-fashioned banking, which operates under nature's law, requires that the banks of the country give the

right of way to the trade of the country, commerce, industry, and agriculture. The Bank of England does this very thing. In England the bill of exchange stands out as the very best and most desired security. There is an open market for this paper. Consequently, there is competition between the merchant and the banker. We discarded it over here.

We went in for discounts because of the greater profits for the banks; at least, the banks thought there was. A merchant can dispose of his bill of exchange at a rate of something like 3 to 3½ percent. Here, with the bill of exchange out of style under the new-fashioned banking, the banks reap a profit in normal times of almost twice as much by discount. But it has occurred to me sometimes that the banks would be better off with less profit on its discounts and other practices for then the established banks would not have so much competition from new banks that have sprung up like mushrooms over night, cutting in on their business and catering to new-fashioned business which has accounted for the departure of some old banks from its old-fashioned, sound banking principles. It is to the credit of Congress that it has provided for the divorcement of security affiliates from our banks. That is going back to what I mean by old-fashioned banking.

The bill of exchange is prime paper in England. It comes first because it serves the trade of the country. The bill of exchange and government bonds stand up. But the natural law should always prevail and the Government should not encroach upon the facilities intended for business. I wonder whether a great many realize the significance of a bill of exchange. I have not known so long. It was originally intended for the use of merchants. Only merchants could issue a bill of exchange and the reason was that the merchant created new wealth. By means of it trade could often be carried on through credit extended by the merchant seller without the use of any bank.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KENNEY. Mr. Chairman, I might say that this practice obtained in Texas for a great many years and my information is that the constitution of Texas for a long period forbade a bank in that State.

Mr. Chairman, in England the bankers realize that they are bankers—men who handle other people's money. They remain bankers while here many of our bankers develop into capitalists—men who are supposed to handle and use their own money. I have asked the question during debate on the bill why the bill of exchange was discarded in this country. No one seems to dwell upon an answer. But England looks to her trade and the public interest above all and she still retains the bill of exchange.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point a quotation from the System of National Finance, by E. Hilton Young and N. E. Young, a British work.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The quotation referred to is as follows:

A bill of the sort (bill of exchange), with good names upon it and maturing in a reasonably short time such as 3 months, is the safest security in the world and the most convenient, and for that reason it is the cheapest way in the world of raising money.

Mr. KENNEY. It is very interesting that the merchants of England had their exclusive privilege of issuing bills of exchange challenged at an early date. This right and privilege was invaded, but the merchants met the challenge. In an action brought by a merchant stranger, that is, a person not a merchant, the law merchant under which the issuance of the bill of exchange was reserved to merchants was incorporated into the common law in the Court of King's Bench in the year 1613, and I would like, Mr. Chairman, to insert in the RECORD at this point the decision in that case, *Oaste* v. *Taylor* (3 Croke's Jacobus, 306).

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The decision referred to is as follows:

In the Court of Kings Bench, 1613. *Oaste* v. *Taylor* (3 Croke's Jacobus, 306). Assumpsit, by David Oaste, a merchant stranger, against William Taylor, a merchant; for that whereas by the custom of London between merchants trafficking from London into the parts beyond the seas, if any merchant commorant in London, and trafficking beyond seas, direct his bill of exchange bona fide, and without covin, to another merchant commorant beyond the seas, and upon such a merchant's accepting a bill, and subscribing it according to the use of merchants, it hath the force of a promise, to compel him to pay it at the day appointed by the bill; and allegeth in fact, that William Kenton, being a merchant trafficking betwixt London, and Middleburgh beyond the seas, and commorant in London, directed his bill of exchange to the defendant commorant in Middleburgh, and trafficking between London and Middleburgh, requiring him to pay 345 pounds Flemish, at the usance of 4 months, to the plaintiff, being a merchant: and that the defendant accepted thereof, secundum sum mercatorem, and subscribed it, and had not paid it. Whereupon—After verdict, upon non assumpsit pleaded, and found for the plaintiff, it was moved in arrest of judgment, because the defendant is not averred to be a merchant at the time the bill accepted. * * *

The acceptance of a bill of exchange by the law merchant to a promise to pay it; but it must be stated that the drawer was a merchant at the time he accepted it. * * * Marginal note.

Mr. KENNEY. Evidently there was an astute lawyer for the defense, because he let it proceed to judgment. The plaintiff in the case did not plead that the defendant was a merchant at the time he accepted the bill, and the court held that a material allegation had not been pleaded as required by the common law and granted a motion in arrest of judgment. The effect of the decision was that a merchant stranger could not issue or create a bill of exchange which right was given only to merchants—the producers of wealth.

Now, the Bank of England serves well its country's business, industry, and commerce. It does so through the bill of exchange, and exchequer bonds have added strength to its portfolios. But the right of the merchant has been invaded not only here but in England. The British Government accepted the advice of one of its economists who upheld the instrument of the bill of exchange, so much so that he said to the Government, "Why do you not compete with the merchants and issue treasury bills on the same basis that the merchants issue them?" The Government acceded, contrary to the principles of good, old-fashioned banking, I believe, and began to issue treasury bills or Government bills of exchange for the banks to deal in at the expense of the merchants, for the greater the drain upon the bank by the Government the less there was for the accommodation of the merchant.

Our merchants and our business have suffered here, but more so, by diverting our banks' resources from trade to other channels. Back in 1927 and 1928 the banks seemed to prefer to lend for speculative purposes rather than to business and trade.

Our banks loaned inordinate amounts on securities under the new-fashioned banking. Of course, this had to be to some extent at least, at the expense of business. The merchant, like others, began to look for profits from stock-market operations and borrowed from the banks for this purpose, curtailing the supply of credit for his business. Many merchants began to lose interest in their businesses. Business activity was subsiding and unemployment was reaching serious proportions if not curbed. In 1928 there were 4,000,000 unemployed. Business men, many of them, allowed a decline in their particular fields without much resistance and went into the stock market and borrowed from the banks for their operations, diverting money from business to speculation, which finally brought about the collapse.

Oh, the banks overstepped the line and lent on so many things and in so many ways that the survivors of them find themselves, like the Government, in a variety of businesses; and I think some of the bankers will agree after the great headaches they have had and after the experiences they have gone through, that if they had limited their

loans to industry, commerce, and agriculture and sound Government securities and had engaged in fewer speculative loans, they and their banks would be in a much healthier condition.

Is it going to improve the situation to bring in the Government to partake of the control? At most, it seems an artificial, an arbitrary device. It is true that the new control can put a clamp on speculation, perhaps. It can say to the stock brokers that they will have to pay 10 percent call and that sort of thing and, of course, the control may be exercising good judgment or it may not; but in any case such a control does not seem to me to be natural. With the banking system away from the Government and out of the hands of capitalists and under the management of bankers in the true sense of the word, the natural law will prevail.

So I hope that the consideration of our banking problem will not be dismissed upon the passage of this bill.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 5 more minutes.

Mr. KENNEY. Mr. Chairman, I believe the problem requires greater study on the part of this Congress, and not only on the part of the Congress but on the part of commerce, industry, and agriculture. I do not know in detail what went on in the committee room, but I have thumbed the pages of the hearings and from the personnel that appeared I would conclude that there were no special representatives of business who appeared before the committee, and it is not apparent whether business men have ever studied the banking problem sufficiently or have had it done for them by somebody else. To me it is a subject that the business of this country ought to go into and sift thoroughly. Of course, we had representatives of the Government at the hearings and, naturally, we had the bankers there; and, mind you, I am not blaming the bankers. There is, however, a question in my mind as to whether we should not build up a different system, a central banking system, a system that would aid business and at the same time prove of stable benefit. Under our system as it has heretofore existed the country has suffered and many a banker in my State was sick abed, and not only that, I know some of them who actually gave up their lives because of the great collapse. So I hope this study will go on to work out a situation where we can finally apply the rules of natural law in our banking system.

It should not be necessary for the Government to come in and control the situation. We ought to have worked out a system apart from any such influence that will by its very nature serve our people but not control our business.

Mr. WOLCOTT. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. WOLCOTT. Does the gentleman think a central bank should be used for the purpose of raising money to pay the Government debts?

Mr. KENNEY. No, sir; I do not.

It is the function of the Government to lend its guarantee under certain conditions in time of stress, but the Government should not encroach upon business either directly or indirectly through the banks, and I am still hopeful that the day will come when we adopt a banking system that will function naturally without artificial interference, and if we do, it is my view that we shall only go back to old-fashioned banking. [Applause.]

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to; accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, and had come to no resolution thereon.

ATTORNEY FEES AND EXPENSES IN FIRST NATIONAL BANK OF DETROIT, MICH.

Mr. BROWN of Michigan. Mr. Speaker, on Wednesday I asked unanimous consent to extend my remarks in the RECORD and include therein a letter from the Comptroller of the Currency to me relating to bank receivers and letters from attorneys in Detroit. It was found that that was too long under the rule, and I, therefore, ask unanimous consent to extend my remarks and only include the letter from the Comptroller.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROWN of Michigan. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter which I recently received from the Comptroller of the Currency, Hon. J. F. T. O'Connor:

TREASURY DEPARTMENT,
Washington, April 17, 1935.

Hon. PRENTISS M. BROWN,
Member of Congress, Washington, D. C.

MY DEAR MR. BROWN: I know that you were glad to learn from my letter of April 12 that the liquidation of the Guardian National Bank of Commerce of Detroit has been conducted at a profit to the depositors, in that the income from the bank's assets while in the hands of the conservator and the receiver has exceeded all liquidation expense by approximately one and a half million dollars. In submitting the following information concerning the liquidation of the First National Bank of Detroit, I am pleased to advise you that this receivership also is operating at a profit to the depositors and that the income received during the liquidation has exceeded the expense of liquidation by approximately $6,000,000.

The liabilities of the First National Bank of Detroit to its depositors and other creditors exceeded $415,000,000 at suspension. The receiver has collected as of December 31, 1934, from interest, premiums, and rents $9,973,109.79, a net profit from operations of approximately $6,000,000. The total amount collected from all sources as of that date was $199,855,879.61, and the total expense of liquidation, including the expense of the conservator, was $3,975,319.06. All amounts received from the Reconstruction Finance Corporation are eliminated from this computation. It thus appears that the total expense of liquidation as of December 31, 1934, was less than 1 percent of the deposit liability and less than 2 percent of the total cash collected.

The report of examination of this bank as of December 30, 1932, just prior to suspension, reflects a total annual pay roll of $4,211,439.76 covering 2,108 officers and employees. Included in this sum was $262,000 representing the total annual salaries of the president, cashier, and 18 vice presidents. As of April 15, 1935, the receiver had 654 employees, a reduction of 68.98 percent, with a total annual pay roll, including the salary of the receiver, of $1,094,070, a reduction of 74.02 percent. This does not include 62 real-estate caretakers and janitors temporarily employed on part time. I do not suggest that the receivership expenses can be compared with those of a going bank, but these figures do indicate the savings effected for depositors and other creditors.

Judge Robert S. Marx represents the Comptroller's Office in the liquidation of the First National Bank, and has as associates Hugh L. Nichols, Esq., Albert H. Morrill, Esq., and G. A. Ginter, Esq. Judge Marx employs, in connection with the legal work of this trust, Attorneys Zanone, Manley, Hugh C. Nichols, Schmidt, Runge, Kasfir, Kelley, Levi, Hogan, Harold Nichols, and Bachman, who also perform services for Judge Frank E. Wood, the attorney for the receiver of the Guardian National Bank of Commerce. All payments to these attorneys are met from the fees paid Judges Marx and Wood.

Judge Marx has not yet presented an itemized fee bill covering his services to this receivership. The services rendered are being performed under the fee agreement required of all attorneys representing receivers of insolvent national banks providing the fees for services shall be reasonable and subject to the approval of the Comptroller of the Currency, whose decision shall be final. Itemized fee bills are required describing in detail the services rendered, the time and amount involved, and the results obtained for the depositors and other creditors. When a bill is submitted it will be carefully reviewed under standards for the allowance of attorney fees built up in this office over a period of years and uniformly applied to all bills for legal services rendered the more than 1,500 national bank receivers now functioning throughout the United States.

The only payment that has been made to Judge Marx incident to the liquidation of this bank was an advance of $75,000 on account paid October 9, 1934. This advance was based upon the services rendered incident to the following items:

ITEM 1. SALE OF ASSETS TO NEW NATIONAL BANK OF DETROIT

Sale of assets valued at $104,588,000 to the National Bank of Detroit permitting the prompt payment of a dividend of approximately $135,000,000 to more than 700,000 depositors. The legal services included the formulation of the contract between the two

banks; legal details in connection with a loan of $35,609,000 made by the Reconstruction Finance Corporation, and presentation to the United States District Court at a public hearing for its approval.

ITEM 2. DIVIDEND DISTRIBUTION

Services rendered in this connection included the disposition of thousands of claims for set-off, alleged preferences and assignments involving a total amount in excess of $100,000,000.

ITEM 3. RECOVERY OF UNLAWFUL PREFERENCES

Prior to the appointment of a conservator transactions occurred between the First National Bank and a number of Michigan banks that were believed to have resulted in illegal preferences to the other banks, a violation of section 5242, United States Revised Statutes. Through the efforts of Judge Marx recoveries were made for the depositors and other creditors of the First National Bank, or it was protected against losses as follows:

First National Bank of Pontiac, Mich	$601,283.29
Peoples Wayne County Bank of Highland Park	504,423.25
Peoples Wayne County Bank of Dearborn	418,561.57
Peoples Wayne County Bank of Wyandotte	45,531.18
Peoples Wayne County Bank of Ecorse	70,165.30
Peoples Wayne County Bank of Hamtramck	252,964.64
Romulus State Bank, Romulus, Mich	25,000.00
E. Hill & Sons State Bank, Colan, Mich	45,105.03
Total	1,963,034.26

ITEM 4. RECOVERY OF APPROXIMATELY $500,000 FROM FIDELITY & DEPOSIT CO. AND LLOYDS INSURANCE AGENCY

Prior to the bank's suspension suit had been filed against these surety companies to recover large losses alleged to have been suffered by the American State Bank, subsequently taken over by the Peoples Wayne County Bank, later merged with the First National Bank. After having preliminary motions dismissed Judge Marx brought the case to issue, prepared the evidence to support 75 complicated cases of embezzlement, and after trial effected a settlement which resulted in a payment of $250,000 in cash to the bank receiver, a release of the salvage recovered from the embezzlers aggregating approximately $300,000, and a payment in excess of $45,000 by the receiver of Lloyds Insurance Agency plus an assignment of its claims against the reinsurers.

ITEM 5. RECOVERY OF CLAIMS AGAINST STANDARD ACCIDENT INSURANCE CO.

As a result of several months' work Judge Marx secured the payment of approximately $64,000 on account of a large number of claims against this bonding company and obtained collateral security in the amount of $590,000 par value and $400,000 market value, covering other claims asserted by the bank against this company.

ITEM 6. MORTGAGE FORECLOSURES

The First National Bank of Detroit held 57,000 separate mortgages at suspension aggregating more than $150,000,000 in value. Judge Marx's services were required incident thereto in connection with their assignment or pledge to the Reconstruction Finance Corporation, sale to the new bank, foreclosure in advertisement and by chancery proceeding, exchange for Home Owners' Loan Corporation bonds, and set-off problems.

ITEM 7. RECEIVERSHIP OF DETROIT BANKERS CO.

This company held all of the stock of the First National Bank and many of the matters involving the bank were intertwined with the holding company. Included were the safe-deposit vaults of the bank and its numerous branches; the investment affiliate of the bank; the tax returns of the bank; the nominee corporation for the bank; and a number of other subsidiaries and affiliates. The holding company was indebted to the bank in the amount of approximately $4,000,000 and it was necessary that bankruptcy proceedings be instituted, one phase of which is now pending in the United States Circuit Court of Appeals.

ITEM 8. REAL-ESTATE LEASES

The breach by the conservator of a number of lease agreements to pay large rentals for many years in the future resulted in large contingent claims for damages. The total amount due under the leases aggregated $14,162,719.88 and the taxes totaled $4,330,011.48. As of October 9, 1934, the receivership, through Judge Marx's efforts was released from contingent liabilities aggregating several million dollars through settlements for nominal sums approved by the Comptroller.

ITEM 9. FIRST NATIONAL BANK BUILDING

Through negotiations with the Northwestern Mutual Life Insurance Co., the holder of the mortgage on this building, Judge Marx obtained a reduction in interest on the mortgage from 5 percent to 4 percent for the life of the mortgage, resulting in an annual saving of approximately $40,000. A moratorium on any further principal payments for the next 3 years was also obtained. The board of tax assessors was induced by Judge Marx to reduce the assessed valuation by approximately $1,000,000. Thereafter a lease was negotiated and a supplemental tax arrangement formulated which has resulted in an additional saving to the receivership of at least $20,000 per annum.

ITEM 10. LAWSUITS

Prior to October 9, 1934, many lawsuits of almost every kind and description, involving many thousands of dollars, were filed involving this bank requiring the continuous presence in court of one or more of Judge Marx's associates. Outside judges were specially assigned for the purpose of hearing bank cases. For example, more than 50 bank cases were tried before Hon. Walter Lindley, of Chicago, sitting specially in Detroit. Practically all of these cases were won by the receivership.

ITEM 11. SAVINGS DEPOSITORS' LIEN CASES—AMOUNT INVOLVED—ALLEGED LIEN FOR $252,000,000

Certain savings depositors of the People's Wayne County Bank, merged with the First National Bank December 31, 1931, filed an action asserting that under Michigan law they had a lien on assets purchased by the State bank with their funds, and that the lien attaches to those assets now in the hands of the national-bank receiver. The matter was referred to a special master and later tried before the United States District Court, resulting in a judgment in favor of the receiver. Judge Marx was successful in securing a waiver of appeal, thus permitting further dividends to be paid.

Of course, the $75,000 advance does not constitute payment for all services incident to the above items plus other services rendered up to October 9, 1934, nor does it compensate for services rendered since that date, including stock-assessment collections totaling $5,569,860.22 made pursuant to the decision in *Barbour* v. *Thomas* (7 Fed. Supp. 271) and other major matters.

In addition to this advance of $75,000 made to Judge Marx, the following attorney fees have been paid for services rendered this trust:

Davis, Polk, Wardwell, Gardiner & Reed, 15 Broad Street, New York City	$252.16
Carton & Gault, Flint, Mich	53.00
Lightner, Hanley, Crawford & Dodd, Detroit, Mich	5,000.00
Mack, Wikoff & Ross, Chicago, Ill	3,000.00
Bryant, Lincoln, Miller & Bevan, Detroit, Mich	107.85
Best & Best, Riverside, Calif	150.00
	8,563.01

The records of this bank indicate that approximately $500,000 was expended for attorney services during 1931 and 1932, the 2 years prior to suspension. General claims for legal services unpaid at suspension have been allowed Messrs. Lightner, Hanley, Crawford & Dodd of Detroit, Mich., in the amount of $16,840.55, and to Messrs. Edwards, O'Loughlin & George of New York City in the amount of $2,540.59.

The reasons for the designation of Judges Marx and Wood as attorneys for the two receivers of insolvent national banks of Detroit were outlined in my letter of April 12, discussing the situation at the Guardian National Bank of Commerce. The results so far obtained for the depositors and other creditors by these attorneys and their associates, and the reputation they have established before the bench and the bar in Detroit, fully justify the confidence placed in them by my predecessor. As statutory trustee for the depositors and other creditors, I consider that their services have been highly satisfactory.

In order to clear up the misunderstanding that national-bank receiverships are hedged with great secrecy, I desire to respectfully call your attention to the Comptroller's annual report, which contains full information under the following headings:

All collections by receivers, collection and offsets allowed; collections from stock assessments; amounts borrowed from the R. F. C.; dividends paid by receivers to secured and unsecured creditors; distributions by conservators, payments to secured and preferred creditors; offsets allowed and settled; disbursements for protection of assets; receivers' salaries, legal and other expenses; conservators' salaries, legal and other expenses; a table showing the status, progress, and results of liquidation of all national banks placed in hands of receivers from the date of the first national bank failure in 1865 to October 31, last, the end of the fiscal year in the Comptroller's office; separate tables giving dates of appointment of receivers; capital at date of organization and at date of failure; dividends paid while solvent; total deposits, bills payable and rediscounts at date of failure; also tables showing assets at date of failure, additional assets acquired subsequent to failure; offsets allowed; disposition of all collections and dividends paid to creditors of all insolvent national banks, this information being given in detail as to each national bank.

In addition to this each receiver makes a quarterly report, showing:

Assets: Assets at date of suspension (book value as reported in receiver's first report); additional assets acquired since suspension (book value); stock assessments; total assets to be accounted for—cash collected from assets; cash collected from additional assets; cash collected from stock assessment; total cash collected from assets and stock assessment; offsets allowed on assets; losses charged off on assets and on stock assessment; remaining assets, consisting of uncollected assets, uncollected additional assets, and uncollected stock assessment; a recapitulation of remaining assets—book and estimated values—showing uncollected assets, uncollected additional assets, uncollected stock assessment, and a total of the remaining assets.

Liabilities: Secured liabilities at date of suspension; unsecured liabilities at date of suspension, additional liabilities established, total liabilities this date; secured and preferred liabilities paid in cash (paid by conservator); unsecured liabilities offset; unsecured liabilities for which receiver's certificates have been issued; unpaid secured liabilities (both proved and unproved), unsecured liabilities not paid or proved, total liabilities accounted for.

Collections and disbursements: Collections from all sources, showing cash collected from assets and stock assessment; cash

collected from interest, premium, and rents; cash collected by receiver, and held as trustee for owners; Reconstruction Finance Corporation loans received (loan to conservator); total collections to be accounted for; disbursements of every character, showing secured and preferred liabilities paid (including dividends) (paid by conservator); collateral account (collections held by secured creditors and not yet applied); advances in protection of assets (taxes, insurance, etc.); expenses of receivership (expenses and advances by conservator); dividends paid to unsecured creditors (paid by conservator); Reconstruction Finance Corportion loans repaid; cash in hands of receiver and comptroller; and total collections accounted for.

And this report is posted in the bank for the information of the depositors and creditors, and the general public.

The great solicitude of the office of the Comptroller of the Currency for the depositors of the two insolvent national banks at Detroit, the largest ever liquidated by the Comptroller, is evidenced by the loans this office has secured from the Reconstruction Finance Corporation. A total of $139,940,000 was borrowed by the conservator and the receiver of the First National Bank to permit the payment to depositors and creditors of dividends totaling 70 percent and a total of $28,891,200 was borrowed by the conservator and the receiver of the Guardian National Bank of Commerce, resulting in dividends to its depositors and creditors totaling 68 percent. Arrangements are now being perfected for an additional loan of approximately $7,000,000 incident to the liquidation of the Guardian National Bank of Commerce which will permit another payment of 19 percent, making total dividends of 87 percent paid that bank's depositors and creditors. As you know, certain larger depositors of these two banks have made possible the payment in full of all depositors of the Guardian National Bank of Commerce with deposit balances at suspension of $1,000 or less and all depositors of the First National Bank with deposit balances at suspension of $300 or less. These payments of 100 percent could not have been made except through the splendid cooperation with this office of these unselfish large depositors who permitted small depositors to be paid in full out of their own dividends. The city of Detroit is to be congratulated in having such public-spirited citizens and I wish to express my appreciation to all the individuals and interests that contributed to the plan and particularly to their committees which gave such splendid assistance to this office.

May I thank you again for your courtesy in affording me this opportunity to deny the rumors concerning the large attorney fees that have been paid in connection with the liquidation of the two insolvent national banks at Detroit and for your willingness to assist in every way possible to insure that the depositors will obtain a maximum recovery from the bank's assets? I shall appreciate receiving your reaction to the facts stated in this letter.

A similar letter is being sent to Congressman JESSE P. WOLCOTT, and I am releasing this letter to the press.

Sincerely yours,

J. F. T. O'CONNOR,
Comptroller of the Currency.

PRELIMINARY OUTLINE OF AN ECONOMIC SYSTEM FOR THE PHILIPPINE ISLANDS

Mr. DELGADO. Mr. Speaker, the Commonwealth Government of the Philippines is about to be organized. The trade relations between the Philippines and this country are becoming of more importance. I take it that each and every Member of this House and the Senate has a sort of a Filipino file wherein they deposit data relating to America and the Philippine Islands.

I have a copy of an address delivered by the president of the National Development Co., which contains very valuable data concerning the future trade relations between America and the Philippine Islands. I ask unanimous consent to extend my remarks so that I may have that address printed in the RECORD.

The SPEAKER. Is there objection to the request of the Delegate from the Philippine Islands?

There was no objection.

Mr. DELGADO. Mr. Speaker, I assume that each Member of the House and Senate has what might be called a Filipino file in which is deposited information relating to the Philippine Islands.

The time is rapidly approaching when the new Commonwealth will be established for a period of 10 years.

Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following extracts from an address delivered by Mr. Joaquin M. Elizalde, president of the Philippine National Development Co., in the commencement exercises of the Jose Rizal College in Manila, P. I., March 27, 1935:

It is an undeniable fact that the most important problem confronting our nation is that which pertains to economics. As graduates of a business college, you are expected to lead in this particular field. I shall, therefore, with your indulgence, proceed to outline what, in my opinion, is an essential problem that we must meet squarely: What economic system should the Philippines adopt?

To survive, under the pressure of modern international competition, every country has to work out an economic system of its own, and adapt it to its requirements, individual characteristics, customs, mode of living, national resources, wealth, physical strength, climate, natural resources, etc. But the success of any particular system of economy will depend upon the "purposeful selection between alternative application of resources", as Wicksteed confirms.

There are various basic forms of economy from which nations are gradually deriving their own individual systems. The three most common forms are the following:

The highly industrialized system as developed by Great Britain, United States, Japan, Germany, and others.

The agricultural and raw-material producing system such as that developed in India, Java, South Africa, and in other colonies and possessions.

The semi-industrial and agricultural which is characteristic of various smaller countries, particularly in Europe. Of these, Spain is a typical example. It produces most, if not all, its requirements for farm products. At the same time, by a judicious protective tariff system, the country manufacturers, through smaller industries, the bulk of its requirements for finished goods, with the exception of heavy machinery, automobiles, and other patented industrial products. Its exports are of rather limited scope, consisting of oranges to England, wines to France, olive oil to the United States, and some mineral products. Against these, its imports are chiefly wheat, fuel oil, gasoline, and tobacco. The invisible items, mostly in the form of freight paid to foreign vessels for exports of goods are generally against Spain, but she has a counterbalancing item in the funds that are sent back to the country by Spanish subjects in South America, Mexico, and California. Under this form of economy, Spain can boast of a stable financial system, low cost of living, high wages, relatively no foreign debt, and stable currency as compared with other countries nowadays.

Which of these three systems would be adaptable here? Let us analyze them.

1. The highly industrialized system. This is out of the question. We lack financial resources, basic materials, such as coal, iron, mineral oil, and cheap power by electricity, all essentials for industrial development.

The country is underpopulated, and our people have not had much experience in industrial labor. Moreover, the purely industrial system is one of severe competition, and is today practically monopolized by strong and experienced nations that have been at it and in control of world's markets for years; that are strongly financed and aided by low cost of production; with facilities for distribution by large fleets of merchant ships, highly subsidized for that purpose.

Japan has only recently entered this sphere of intense industrialization, and is really suffering great hardships to maintain herself therein. Embargoes and quotas are imposed on her low-priced goods by countries jealous to maintain their long established markets.

It is perfectly obvious, therefore, that this system is not feasible here and must be discarded altogether.

2. The agricultural system, which serves as the framework of our present national economy, is, at best, unstable and not conducive to progress, economic or social. It is axiomatic that colonies and possessions are producers of raw materials exclusively. Some small independent nations, principally in South America, also Siam, produce raw materials, and all of them are economically dependent on industrial countries, which, by financial assistance, eventually dominate the economic structure of the producer nation.

Under this system it is utterly impossible to attain, at any time, economic freedom and sound, stable finances. Industrial nations and manufacturers have one fixed aim in view—to purchase their raw products at the lowest possible level. It is the consistent policy of such countries to drive prices down, as much as possible, with a double purpose: One, to increase their profits; the other, to place themselves in a position to compete with other nations.

Under these conditions the producer is given very little consideration and, as I have said before, is always at the mercy of the industrial country.

Industrialists, besides, are always trying to replace high-priced raw materials for cheaper ones, and maintain research organizations for this purpose. Most industrial countries are today working on the production of synthetic rubber. If this is ever successful, all rubber-producing countries, such as the Straits Settlements, South America, and Java, will suffer, and their large investments may get to the point of becoming worthless some day. The question is, How can they prevent it?

One reason why we should not remain stagnant within the agricultural system is this: Because of our climatic and soil conditions we can raise tropical products only, materials of high competitive range. The same are produced in many other tropical countries: Coconuts in the Straits, Java, India, Borneo, Celebes, etc.; sugar in Java, India, Formosa; hemp in Sumatra; timber in Borneo; rice in Indo-China; jute in India; rubber in the Straits, Java, and Brazil; tobacco in Turkey, Brazil, and Sumatra.

It must be taken into consideration that the producers of all these commodities—which are, and will more and more become, our

most bitter competitors—are mostly countries of extremely low standards of living; countries which have not emerged from the "coolie" class, with wages between 10 and 20 centavos per day, with no limitation of hours for work, nor labor-protection laws, modern sanitation, or other requirements that give the laborer a respectable form of life but which, on the other hand, entails bigger expenses for the farmer and, consequently, higher costs of production.

It is then clear, that if we would compete with any degree of success in the world's markets with the aforementioned countries, we are doomed to discard rapidly our present standard of civilization and descend as quickly to that of the "coolie", as in Formosa, Singapore, Java, and India.

Even if a strong and economical government could provide for low taxes and give facilities, such as lower freight rates and farm financing, they would not be sufficient to allow us to compete with low-cost producing nations. Furthermore, Government assistance would become more and more difficult, as poverty would gradually undermine it.

I think, therefore, that it is to our advantage to emerge from this agricultural system, as soon as possible; before it is too late; before our finances and our credit fall so low that we shall have no alternative other than to adapt ourselves to the standards of the raw-material producing countries.

The theory is advanced that we should lower our standard of living, as a means of adjusting our economic life to existing conditions. But who wishes to see his country jump backward? Is it fair to impose on our people a standard of living that would push them down to the level of work animals? I believe that such a change imposes grave responsibilities upon those sponsoring and undertaking it, for it will unquestionably bring in its wake social unrest and violent protest from the direct sufferers. We have developed a mode of living that demands modern sanitation, public schools, good roads, efficient social service; and doing away with them now, or even curtailing such facilities for decent living would be unthinkable. No people would knowingly inflict misery upon themselves.

3. The third is the semiagricultural and industrial, which would involve the continuation of our present agricultural system, with limitations, plus the development of small industries to produce goods for local consumption. To insure success and a practical modus vivendi with immediate results, without sudden collapse of our finances, it is of primary importance to maintain, as much as possible, trade with the United States with preferential and reciprocal advantages.

It is possible that, by negotiations, the United States would consent to accept, in limited amounts, sugar, coconut oil, tobacco products, which are almost totally dependent on the American market. The Philippine government may endeavor to obtain, also, preferential arrangements in limited quantities for its goods that are partly dependent on the American market; among them may be included those manufactured here from our own raw materials, such as rope from hemp, coconut products, lumber, and embroideries.

All these negotiations or bargaining could be made possible by offering in exchange continued preferential trade in this country for American products which have now an established market in these Islands.

In relation to the exports of American goods to the Philippine Islands, it may be said that although their total value is not as large as the United States exports to some countries, I fully believe that American exporters are in a position to make better profits on the goods they ship to the Philippines than on those exported to other more competitive markets, where American commodities compete on an even basis against those manufactured by Japan, Great Britain, Germany, and others.

I venture to say that even in this depression American goods exported to the Philippine Islands are still sold on a profitable basis. This is probably not the case with merchandise exported to South America, China, Canada, and so forth.

Fundamentally, we shall have difficulty to sell to any country more than what we buy from it. We must endeavor to reduce our imports from Japan to counteract the present big unfavorable trade balance, unless Japan should materially increase her purchases from us, which does not appear likely at present due to her difficulties in exporting her products. The only way to do this is to establish here small industries to produce the goods that we now buy from that country in great quantities.

The all-important item, therefore, to inject into our economy the desired stability, consists in the establishment and development, at the earliest possible date, of small industries to supply our home demand and consumption.

By such industrialization, and by producing the bulk of our own agricultural requirements, we could afford a reduction in exports, now counterbalancing imports, and still have a sound trade status.

As a preliminary task of industrialization, the National Development Co. is endeavoring to perform the work of research and promotion to encourage investors. Technical men in the Departments of Agriculture and Commerce are studying the adaptability of certain industries and the possibility for their development.

It is very important, however, at this time to point out that without reasonable tariff protection industrial development would be practically impossible. I am hopeful that our Government will soon see the necessity of protection by tariff legislation to foster industrial development in this country.

There are very few industries that can prosper with the present inadequate protection, and the very strong competition from countries trying to sell their goods, regardless of price or profit.

May I also point out that one of the most important problems that we have to face is the shortage of technicians in different lines of industry. Perhaps we have many engineers and other technical men, but, unfortunately, very few of them are specialists in any particular line. If in the past our Government had sent "pensionados" abroad to work in factories rather than to take postgraduate courses in universities, today we would find many more men prepared to undertake industrial development which we are now seeking. The training of a man even though he may have adequate academical preparation is very expensive in any industry and new factories cannot possibly be opened and placed in the hands of men without practical experience, however splendid their university training might be.

In the development of basic industries, such as gold mining, iron mining, etc., we find a depressing shortage of first-class technicians with business and executive ability, with technical and practical knowledge.

I strongly urge the establishment of an industrial bank. There is imperative need of a network of industrial credit organizations sufficiently liberal in their policies, in the extension of facilities, based on personal credit, business, and technical ability. Without such aid, without an adequate financing system of the sort, the contemplated establishment of small industries to reclaim the country from its present purely agricultural condition may be impossible.

The deeper we go into this question the more we appreciate the necessity of implanting the semi-industrial and agricultural system in this country as the one most adapted to our needs to save us from being entirely dependent upon the highly industrialized nations. The operation of this system, similar to that of Spain, would avoid the dangerous disproportions in trade balances, which when favorable to us threaten our production and exports, and when unfavorable, threatens us with general economic disaster.

It is not wise at this critical period, and with our present resources, to consider the immediate establishment of a completely independent currency system or any alteration in the relation of the peso with the dollar. Our connection with the dollar gives us a strong moral credit standing which is recognized by all the world.

In our particular case, the country enjoys a tremendous inflow of invisibles from the yearly expenditures of the United States Army and Navy, amounting to millions of dollars. When such a source of wealth disappears, with our change of political status, the country will have to get it from somewhere else to keep our general economic system working smoothly. But while we are favored by such item, on the other hand, there is an increasing drain of invisibles which we pay in freight on foreign steamers.

So far we are able to tide over the great discrepancies in our trade balances with Japan by drawing from the excess in our favor in our trade with the United States. But such an impossible situation cannot last forever, as we are beginning to learn much to our chagrin. It is certain that the day we lose our favorable trade with America, our unfavorable balance with Japan will have to be settled in some way. In the end, however, the balances against us will gradually become Philippine credits from Japan and we shall, therefore, become automatically a debtor nation to her, and suffer all the onerous consequences that such a situation entails. Our debts may grow in a few years to such a point that we may become absolutely dominated financially by that nation.

The law of trade balances must be obeyed. And again I submit that, for this country, a semi-industrial and agricultural system, with a government economically operated in relation to its income, with the resources of the State regulated and administered with minimum waste, and in the interest of the nation, would be precisely the system that would elevate the country from a state of economic subservience to the ideal position of self-sufficiency.

COTTON

Mr. DEAR. Mr. Speaker, I ask unanimous consent to address the House on the subject of cotton production and the maintenance of the processing tax.

The SPEAKER. Is there objection?

There was no objection.

Mr. DEAR. Mr. Speaker, there are 2,200,000 cotton farmers in the South. There are 136,082 cotton farmers in the State of Louisiana, and 21,922 in the Eighth District of that State which I represent. Throughout the years they have been obliged to toil and sell the products of their labor in the open markets of this country and the world, and on the other hand were forced to purchase industrial goods in the protected market of the United States. The cotton farmers have wrestled with the problems of world surpluses, fluctuation of markets, climatic conditions, pests, and in my particular district with devastating floods. In 1932 they were forced to sell their cotton for as low as 4.6 cents per pound. At that time the change in the national administration brought relief and the average price received last fall

was 12.6 cents per pound. The present administration in justice long denied these farmers has given them for the first time in the Nation's history what may be termed a "farmer's tariff" in the levying of a processing tax, the benefit of which goes to the farmers as an increase in the selling price of cotton.

At this time the cotton farmer is experiencing an attack, subtle and terrific, from the textile manufacturers in this country. The farmers are told by those opposing the farmer's tariff that the processing tax is destroying the textile industry of the United States; that it is raising the cost of goods to consumer; that the tax results in encouraging foreign countries to raise more cotton and consequently that we are losing our foreign market for raw American cotton. Just at the time when the cotton producer is given a ray of hope, it is blasted by this argument, the purpose of which is to destroy the processing tax and to force the cotton producer into his former position of selling his staple at a price below the cost of production. This is a matter of utmost concern to all; for, in short, it means a chance for the farmer to own his own home and to live on the one hand or virtual slavery on the other. Cotton production is the very heart of the South. Destroy the processing tax and you will lay a withering hand not only to agriculture, but to every enterprise in that section.

It is true that our exports of cotton have declined, but that is not the result of the processing tax, as contended by the spokesmen for the textile industry. Our exports generally have decreased. This is true of lumber and other products, both of agriculture and industry. There are many factors entering into the picture which prevent the foreign customers from purchasing American cotton. Involved in these are trade barriers and the question of unstabilized exchanges. In order for foreign countries to purchase our cotton, we must necessarily purchase goods from them. We cannot expect them to purchase our cotton unless we accord them an opportunity to obtain a trade balance with us by our purchasing from them. Before any country can purchase American cotton she must be enabled to obtain American dollars with which to make the purchases. Under the unstabilized conditions and trade policies throughout the world this is difficult at this time. The price of cotton is not a controlling factor in the purchase of cotton by the foreign countries. It must be remembered that the gold price of cotton on the 29th day of April was 8.05 cents per pound, which is even a substantial advance over the gold price for March. The crop of 1924–25 brought an average of 22.9 cents per pound and of that crop the foreign countries took 8,005,000 bales; the crop of 1927–28 brought an average of 20.2 cents per pound and of that crop the foreign countries took 7,540,000 bales; whereas the crop of 1932–33 brought an average price of 6.5 cents per pound the foreign countries took 8,419,000 bales. Our export trade in cotton has been affected by factors which have affected all of our export trade. The economic trends resulting from the World War, together with other considerations, have had their depressing effect on our cotton exports. It was not brought about by the processing tax. It must be borne in mind that the processing tax is not placed on cotton shipped to foreign countries. It is paid by the manufacturers in the United States. In order to protect our manufacturers in the matter of foreign trade, the equivalent of the processing tax is deducted from the goods they manufacture and ship abroad, and to protect them in our home markets the processing tax is added to all cotton goods imported into the United States to be sold in competition with American-made goods. The conditions complained of by the textile industry of the East have not arisen overnight. Though the processing tax was only recently imposed, nevertheless we find that in New England in 1921 there were 18,702,000 spindles, and in 1933 there were 10,810,000. Regardless of that, the spokesmen for the textile industry endeavor to make it appear that these conditions were brought about by the farmer's tariff.

Those agitating the campaign against the continuance of the tax argue that it materially raises the price of goods to the consumers. However, they are confused, and some contend the tax cannot be shifted to the consumer because textiles are manufactured in sharp competition with other commodities, such as rayon and other substitutes which carry no processing tax. Whereas, in order to frighten the consumer and to strengthen their cause, they also argue that the tax is passed on to the consumer and unreasonably raises the price.

What are the facts? The tax is so small that it really makes little difference in the price to the consumer. We will take a few typical examples: cotton sheet weighing 1.91 pounds, processing tax 7.6 cents per sheet; cotton work shirt weighing .89 pound, processing tax 3.4 cents per shirt; overalls weighing 2.06 pounds, processing tax 8.2 cents per pair; cotton unbleached muslin weighing .32 pound per yard, processing tax 1 cent per yard. A tax of 7 cents on 1 cotton sheet, of 3 cents on 1 work shirt, 8 cents on 1 pair of overalls, and 1 cent per yard on muslin is indeed small, and a negligible factor in the tax considerations.

The effort to destroy the benefits to the southern cotton farmers is not unexpected. In the beginning our able Secretary of Agriculture warned the American people that such an effort would be made to destroy the agricultural program, especially as it affects cotton. The prophecy has become a reality. Every effort is being made to remove the processing tax. It is suggested by some that it be paid out of the relief funds recently voted by Congress to aid the unemployed. That, of course, would mean that the tax would die with the exhaustion of the relief funds. It would be the deathknell of the processing tax, and finally the wrecking of the entire agricultural program. It has also been suggested that if any tax is paid that it should be paid out of the Treasury of the United States. If the farmers' tariff is to be paid out of the Treasury of the United States, then, by the same logic, the tariff protecting the industries of this country which increases the price of goods sold to farmers should likewise be paid out of the United States Treasury.

To illustrate how the farmer pays his tribute for the protection of American industry, he pays a protective tariff of 2 cents per pound on soap, 4½ cents on every hoe that he buys, 4 cents per pound on every trace chain, 15 percent on the cost of leather lines, 2.59 cents per pound on his rope plow lines, 37 percent ad valorem on overalls, 45 percent on cotton shirts, an average of 24 cents per pair on shoes, an average of $1.06 on wool felt hats, and over 50 percent on the cost of a shotgun. In other words, on a pair of overalls selling for $1 the textile manufacturer receives in tariff protection 37 cents, on a shirt selling for $1 he receives tariff protection of 45 cents, while the "farmer's tariff" on the cotton in the shirt amounts to only 3 cents and on that in the overalls only 8 cents. Nevertheless the textile manufacturer, while retaining his protection and demanding more, would destroy the small tax which has been levied to assist the cotton farmer. If the farmer's tariff should be paid from the United States Treasury in aid of the textile industry, why not relieve the farmer and pay the protective tariff from the United States Treasury on the articles which he buys? Of course the proposition is preposterous.

This is the first administration that has ever done anything for the cotton farmers of the South. Statistics show that they have become poorer and poorer as the years went by. More and more of the cotton farmers lost their lands. Statistics show that many thousand cotton farmers throughout the belt lost their homes and became tenant farmers during the 10-year period 1920–30. They were promised relief, but nothing was done. When President Roosevelt was inaugurated he went into action. He put cash into the pockets of our farmers in contrast to only promises heretofore received. A cotton farmer received in 1932 an average of $37.50 for a bale of cotton and seed and for the same bale and seed in 1934 he received the sum of $80. To illustrate the benefit received by cotton farmers of Louisiana at the hands of President Roosevelt and his Secretary of Agriculture, I wish to call attention to the following authentic information furnished by the cotton section of the Department of Agriculture:

Value of cotton crop and rental and benefit payments in Louisiana, 1932, 1933, and 1934

Parish	1932 value of crop, lint and seed	1933				1934		
		Value of crop, lint and seed	Rental payments as of Mar. 31, 1934	Profits from cotton options as of Jan. 31, 1935	Value of crop plus payments	Value of crop, lint and seed	Estimated total rental and benefit payments	Value of crop plus payments
Avoyelles	$628,221	$852,139	$152,033	$38,922	$1,043,094	$1,309,031	$206,824	$1,515,855
Grant	148,948	177,314	54,214	17,871	249,399	391,558	55,728	447,286
La Salle	27,081	41,951	8,972	2,016	52,939	57,582	7,372	64,954
Natchitoches	1,113,236	1,077,016	215,959	126,796	1,419,771	2,326,313	236,476	2,562,789
Rapides	665,475	769,651	141,562	79,163	990,376	1,527,842	188,857	1,716,699
Sabine	315,190	337,366	74,646	40,989	453,001	506,722	96,060	602,782
Vernon	93,654	100,861	52,795	5,852	159,508	211,134	39,832	250,966
Winn	200,752	190,774	48,605	20,442	259,821	295,588	58,000	353,588
Total for Eighth Congressional District	3,192,557	3,547,072	748,786	332,051	4,627,909	6,625,770	889,149	7,514,919
Total for State of Louisiana	22,424,187	25,332,801	5,005,176	2,586,839	32,924,816	38,388,000	6,215,458	44,603,458

This tells the story of the cotton farmer. Briefly, the amount of money each parish in my district received for last year's crop over the amount received for the crop of 1932–33 is as follows: Avoyelles, $887,634; Grant, $298,338; La Salle, $37,873; Natchitoches, $1,449,553; Rapides, $1,051,224; Sabine, $287,592; Vernon, $157,312; Winn, $152,836; a combined total of $4,322,362 for the Eighth District. The farmers of the entire State of Louisiana received for their last crop $22,179,271 more than they received for the 1932 crop.

We in Louisiana—and in my opinion the thinking people of the Nation—appreciate the tremendous burden placed upon the leadership of the Democratic Party in bringing about adjustment in American life made necessary by the misrule of 12 years of Republican administration. We all know that in this gigantic readjustment some mistakes will be made and that apparent injustices will appear in the program. That is true in all large undertakings. Those of us supporting the present administration have an abiding faith in our Chief Executive and a sympathetic cooperation in aiding and assisting him in restoring confidence to this country, and especially in his effort to rehabilitate the great agricultural sections of the Nation. The President's sympathies and efforts encompass the welfare of all the people of our Nation, and the textile industry should join hands with him in his desire to improve the condition of the farmers of the South. They should realize that their best domestic markets are in the agricultural sections of this country. If the processing tax is destroyed it means the destruction of the purchasing power of the farmers of the South, and likewise the destruction of the domestic market for the goods of the industrial sections. There is no place in this program for partisan politics or sectionalism, and efforts of those to inject the same into the consideration of this question is against the best interest of the Nation as a whole. The cotton farmers of the South are as much a part of labor as the arm is a part of the body, and if this Nation is to prosper I warn the industrial sections not to bleed white the labor of the South. The farmers of Louisiana, and especially those of my congressional district, can rest assured that the attacks being made on the agricultural program will be challenged at every opportunity. This administration will continue its efforts to better the conditions of the farmer, and it is my opinion that the processing tax will not be removed, but, on the other hand, that further assistance will be given to them whereby they will be enabled to maintain themselves and their families consistent with American standards and American life.

The farmers of the State of Louisiana, with gratitude in their hearts for what a great President has already done for them, will follow him in confidence in the future. Under his leadership the farmers of my district can see the light of the dawn on the horizon of a new day for agriculture and will loyally follow his administration into the full light of that new day of rehabilitation and recovery, not only for the farmers but for the people of a grateful nation.

EXTENSION OF REMARKS

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a newspaper article to which I referred earlier in the day.

The SPEAKER. Is there objection?

There was no objection.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen; to the Committee on Naval Affairs.

S. 159. An act to amend the provision in the act approved March 3, 1931, governing the computation of commissioned service of Naval Academy graduates who have been retired for age or service ineligibility for promotion; to the Committee on Naval Affairs.

S. 373. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of Robert A. Watson; to the Committee on Claims.

S. 376. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah; to the Committee on Agriculture.

S. 377. An act to grant to the Utah Gilsonite Co. the right to use a water well on certain public lands in Utah; to the Committee on the Public Lands.

S. 616. An act authorizing the removal of rock from the submarine and destroyer base reservation at Astoria (Tongue Point), Oreg.; to the Committee on Naval Affairs.

S. 918. An act to carry out the findings of the Court of Claims in the case of the Union Iron Works; to the Committee on Claims.

S. 985. An act for the relief of Hudson Bros., of Norfolk, Va.; to the Committee on Claims.

S. 1030. An act for the relief of the Mutual Savings & Loan Association, Wilmington, Del.; to the Committee on Claims.

S. 1206. An act authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes; to the Committee on Naval Affairs.

S. 1214. An act for the relief of Oliver B. Huston, Anne Huston, Jane Huston, and Harriet Huston; to the Committee on Claims.

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader; to the Committee on the Judiciary.

S. 1379. An act to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone; to the Committee on Merchant Marine and Fisheries.

S. 1380. An act to regulate the defense of alibi in criminal cases; to the Committee on the Judiciary.

S. 1426. An act providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States

Army, as a lieutenant colonel in the United States Army and his retirement in that grade; to the Committee on Military Affairs.

S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods; to the Committee on Flood Control.

S. 1495. An act authorizing the President to order Donald O. Miller before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his separation; to the Committee on Military Affairs.

S. 1497. An act to authorize the appointment of First Lt. Claude W. Shelton, retired, to the grade of captain, retired, in the United States Army; to the Committee on Military Affairs.

S. 1505. An act for the relief of William Edward Tidwell; to the Committee on Military Affairs.

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

S. 1824. An act for the relief of Abraham Green; to the Committee on Claims.

S. 2131. An act to provide for the establishment of the Big Bend National Park in the State of Texas, and for other purposes; to the Committee on the Public Lands.

S. 2185. An act to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes"; to the Committee on the Public Lands.

S. 2193. An act to provide for the construction, extension, and improvement of public-school buildings in Duchesne County, Utah; to the Committee on Indian Affairs.

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended; to the Committee on Agriculture.

S. 2225. An act authorizing adjustment of the claim of the Western Union Telegraph Co.; to the Committee on Claims.

S. 2276. An act to authorize participation by the United States in the Interparliamentary Union; to the Committee on Foreign Affairs.

S. 2292. An act for the relief of Emanuel Wallin; to the Committee on the Public Lands.

S. 2298. An act for the relief of Sallie S. Twilley; to the Committee on Claims.

S. 2312. An act for the relief of the Western Construction Co.; to the Committee on Claims.

S. 2356. An act to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920; to the Committee on Public Buildings and Grounds.

S. 2407. An act for the relief of Gordon McGee; to the Committee on Military Affairs.

S. 2453. An act to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

S. 2471. An act to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

S. 2516. An act for the relief of Anthony J. Constantino; to the Committee on Military Affairs.

S. 2647. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors, materialmen, and laborers for material and labor furnished in the construction of a post-office building at Hempstead, N. Y.; to the Committee on Public Buildings and Grounds.

S. J. Res. 42. Joint resolution to amend section 289 of the Criminal Code; to the Committee on the Judiciary.

S. J. Res. 56. Joint resolution authorizing the publication as a public document of America Secure: Analytical Register of Regular Army Officers and Security Statistics, with Graphs, 1775–1935; to the Committee on Military Affairs.

S. J. Res. 89. Joint resolution directing the Comptroller General to readjust the account between the United States and the State of Vermont; to the Committee on War Claims.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6223. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3787. An act for the relief of Robert D. Hutchinson;

H. R. 3911. An act for the relief of Sarah J. Hitchcock;

H. R. 5133. An act for the relief of Nellie Oliver;

H. R. 6084. An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed $1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes;

H. R. 6223. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes; and

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 1 minute p. m.), the House adjourned until tomorrow, Saturday, May 4, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Saturday, May 4, 10 a. m.)

Will continue hearings on the bill (H. R. 7521) pertaining to merchant marine subsidy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GILCHRIST: Committee on Agriculture. H. R. 2066. A bill to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same; without amendment (Rept. No. 819). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on Irrigation and Reclamation. H. R. 6773. A bill to deepen the irrigation channel between Clear Lake and Lost River, in the State

of California, and for other purposes; without amendment (Rept. No. 820). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 5723. A bill to give certain railway postal clerks the same time credits for promotion purposes as were given others who were promoted on July 1, when automatic promotions were restored; without amendment (Rept. No. 821). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 5596. A bill granting equipment allowance to third-class postmasters; without amendment (Rept. No. 822). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 5151) granting a pension to Rebecca Patterson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2997) granting a pension to Harriett Ware; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2994) granting a pension to Adah C. Seed; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2523) for the relief of Walter C. Blake; Committee on Military Affairs discharged, and referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN of Colorado: A bill (H. R. 7873) to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930, Public, No. 370, Seventy-first Congress (46 Stat. 767); to the Committee on Irrigation and Reclamation.

By Mr. PALMISANO: A bill (H. R. 7874) to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; to the Committee on the District of Columbia.

By Mr. KIMBALL: A bill (H. R. 7875) to provide for the transfer of certain land in the city of Charlotte, Mich., to such city; to the Committee on Public Buildings and Grounds.

By Mr. SAUTHOFF: A bill (H. R. 7876) to amend section 66 of the Judicial Code to provide for the enforcement of the lien of State and local taxes against property in the possession of receivers and other officers of the United States courts without leave of such courts; to the Committee on the Judiciary.

By Mr. SMITH of Virginia: A bill (H. R. 7877) to revive and reenact the act entitled "An act authorizing the Great Falls Bridge Co. to construct, maintain, and operate a bridge across the Potomac River at or near Great Falls", approved April 21, 1928; to the Committee on Interstate and Foreign Commerce.

By Mr. RAMSPECK: A bill (H. R. 7878) to amend the Classification Act of March 4, 1923, as amended; to the Committee on the Civil Service.

By Mr. SMITH of Virginia: A bill (H. R. 7879) to provide for the purchase of certain property in Alexandria, Va., used by George Washington, with a view to preservation of such property as a national shrine; to the Committee on the Public Lands.

By Mr. DIMOND: A bill (H. R. 7880) to authorize the incorporated town of Sitka, Alaska, to construct a municipal electric-generating station and electric-distribution system, and for such purposes to issue bonds in any sum not exceeding $52,000; to the Committee on the Territories.

Also, a bill (H. R. 7881) to authorize the incorporated town of Sitka, Alaska, to construct a municipal gymnasium and athletic field and for such purposes to issue bonds in any sum not exceeding $23,000, and to authorize said town to accept grants of money to aid it in financing any public works; to the Committee on the Territories.

Also, a bill (H. R. 7882) to authorize the incorporated city of Anchorage, Alaska, to construct a municipal building and purchase and install a modern telephone exchange and for such purposes to issue bonds in any sum not exceeding $75,000, and to authorize said city to accept grants of money to aid it in financing any public works; to the Committee on the Territories.

By Mr. FULMER: A bill (H. R. 7883) to limit appointments hereafter made to the Interstate Commerce Commission so that not more than one individual from any one Federal land-bank district shall serve thereon; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE: A bill (H. R. 7884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. McLEOD: A bill (H. R. 7885) to amend the act entitled "An act to provide for the appointment of Army field clerks and field clerks, Quartermaster Corps, as warrant officers, United States Army"; to the Committee on Military Affairs.

By Mr. CANNON of Missouri: Joint resolution (H. J. Res. 271) for the designation of a street to be known as "Missouri Avenue"; to the Committee on the District of Columbia.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida, regarding the campaign for the eradication of the Mediterranean fruit fly; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Connecticut, regarding the enlargement of the veterans' hospital at Newington, Conn.; to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DARDEN: A bill (H. R. 7886) for the relief of Merritt Rea; to the Committee on Claims.

Also, a bill (H. R. 7887) granting an increase of pension to Carl Enevoldsen; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 7888) for the relief of Rhuea Pearce; to the Committee on Claims.

By Mr. DIMOND: A bill (H. R. 7889) for the relief of Werner Ohls; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 7890) for the relief of William Arthur Elmore; to the Committee on Naval Affairs.

By Mr. SNYDER: A bill (H. R. 7891) granting an increase of pension to Ella N. Herwick; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 7892) for the relief of Ada E. Sivley and George C. Sivley; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8226. By Mr. CARTER of California: Assembly Joint Resolution No. 38, State of California, memorializing the President and Congress to enact House Joint Resolution No. 143, authorizing the Distinguished Service Medals to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection; to the Committee on Military Affairs.

8227. By Mr. FORD of California: Memorial of the California State Assembly, favoring House bill 2772, declaring the 9th day of September, California's Admission Day, a legal

holiday for all officers and employees of the United States whose headquarters are in California; to the Committee on the Judiciary.

8228. By Mr. GOODWIN: Petition of the Dairymen's League, Bloomingburg, Sullivan County, N. Y., opposing the passage of the Eastman bill (S. 1629); to the Committee on Interstate and Foreign Commerce.

8229. By Mr. KENNEY: Petition of the Board of Social Service of the Episcopal Church in the Diocese of Newark, endorsing the Pettengill bill (H. R. 6472); to the Committee on Interstate and Foreign Commerce.

8230. Also, petition of Columbia Council, No. 8, of New Jersey, representing the Sons and Daughters of Liberty, urging upon Congress favorable consideration and immediate passage of House bill 5921; to the Committee on Immigration and Naturalization.

8231. By Mr. MARTIN of Massachusetts: Memorials of the General Court of Massachusetts, relative to protection of American industry and employees from foreign competition and requesting the President to exercise certain powers under the National Industrial Recovery Act for the benefit of the cotton textile industry; to the Committee on Ways and Means.

8232. By Mr. PFEIFER: Petition of Lea & Perrins, Inc., New York, concerning bill to amend the Agricultural Adjustment Act (H. R. 7713); to the Committee on Agriculture.

8233. By Mr. RUDD: Petition of War Veterans and Sons' Association, John Martin, secretary, room 13, Borough Hall, Brooklyn, N. Y., concerning the passage of House bill 5541; to the Committee on the Judiciary.

8234. By Mr. TRUAX: Petition of Cleveland Wire Cloth & Manufacturing Co., Cleveland, Ohio, by their president, A. L. Crone, urging a continuance of the excise tax on foreign copper of 4 cents per pound being a part of revenue bill, 1932, which automatically expires in June of this year unless renewed by Congress; to the Committee on Ways and Means.

8235. Also, petition of the Toledo Women's Trade Union League, Toledo, Ohio, by their secretary, Margaret Brangan, urging support of the Wagner labor disputes bill, as they believe it will mean a strengthening of section 7a by providing more adequate enforcement, the outlawing of company unions, and the fulfillment of the great promise of the new deal to labor of the right to organize and bargain collectively; and favoring the reenactment of the National Recovery Act; to the Committee on Labor.

8236. Also, petition of the Howland Women's Nonpartisan Club, Howland, Ohio, by their secretary, Olive E. McBride, urging support of the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

8237. Also, petition of the Great Lakes Regional Advisory Board, Cleveland, Ohio, by Frank H. Baer, general secretary, opposing Government ownership and operation of railroads and any tendency thereto, as Government ownership and operation of railroads in the United States would inevitably introduce political influences into rate making, employment, service, and construction, and abandonment of facilities regardless of adequacy, efficiency, and economy; to the Committee on Interstate and Foreign Commerce.

8238. Also, petition of members of the Blind Post, No. 5, D. V. U. S., by Harold J. Distelzewig, commander, asking support of House bill 5055, by Congressman DOCKWEILER, as only 9 of the 40 blind veterans in their post receive pensions and the facility is put to great expense to care for them; to the Committee on Pensions.

8239. By Mr. WELCH: Assembly Joint Resolution No. 51 of the California State Legislature, relative to memorializing the President and the Congress to enact legislation (H. R. 2772) declaring Admission Day a holiday for all officers and employees of the United States whose headquarters are in California; to the Committee on Expenditures in the Executive Departments.

8240. By the SPEAKER: Petition of the Faust Post, No. 281, American Legion; to the Committee on Ways and Means.

8241. Also, petition of the Chamber of Commerce of the State of New York; to the Committee on Ways and Means.

8242. Also, petition of the Women's Missionary Society of the First Methodist Church South, of Lexington, Ky.; to the Committee on Naval Affairs.

8243. Also, petition of the American Cotton Manufactures Association, of Charlotte, N. C.; to the Committee on Agriculture.

8244. Also, petition of the Common Council of the city of Delaware, Ohio; to the Committee on the Judiciary.

8245. Also, petition of the Journeymen Tailors Union of America, Local No. 1, New York City; to the Committee on the Judiciary.

8246. By Mr. BUCKBEE: Petition of the members of Fred Bennitt Camp, No. 3, United Spanish War Veterans, Pontiac, Ill., urging Congress to pass House bill 6995 to restore the Spanish War veterans' pensions; to the Committee on Pensions.

8247. By Mr. BUCKLER of Minnesota: Petition of Arthur N. Barnard, president, and K. G. A. Springer, secretary, of the Civic and Commerce Association of Fergus Falls, Otter Tail County, Minn., praying for the passage of House bill 3263, the so-called "Pettengill bill"; to the Committee on Interstate and Foreign Commerce.

8248. Also, petition of L. Jensen, president, and Edward D. Rydeen, secretary-manager, of the board of directors of the Cooperative Creamery Association, of Clearbrook, Minn., praying for the maintenance of the 1930 tariff structure as applied to dairy products; to the Committee on Ways and Means.

8249. Also, petition of the Ralph Gracie Post, No. 14, of the American Legion of Bemidji, of Beltrami County, Minn., praying for opposition and negative action of Congress to the proposed setting off of the private lands along east and north shores of Red Lake in Beltrami County, Minn., and adding them to the Red Lake Indian Reservation; to the Committee on the Public Lands.

8250. Also, petition of Albert Henderson, commander, and Swan Neslund, adjutant, and members of the American Legion, Department of Minnesota, of Clearbrook and vicinity in Minnesota, asking for passage of the Smith bill (H. R. 6995) to restore pensions to veterans of the Boxer Rebellion and Philippine Insurrection; to the Committee on Pensions.

8251. By Mr. McCORMACK: Resolution of the Massachusetts Legislature, memorializing Congress in favor of requesting the President of the United States to exercise certain powers under the National Industrial Recovery Act for the benefit of the cotton-textile industry; to the Committee on Appropriations.

8252. Also, resolution of the Massachusetts Legislature, relative to protection of American industry and employees from foreign competition; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

SATURDAY, MAY 4, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, we pray in the name of Him, whose face was marred, whose hands were pierced, and who denied Himself even unto death. We praise Thee, for He sings the deathless song of the immortal soul. Thou who art our Father, lift us to the gleaming hilltops of spiritual life and power. In Thee life is made worthy when we take the cup which Thou hast forever filled. Holy Spirit, urge us to altruistic planning, noble thinking, and generous doing. We pray that these may work through us in the wasted places of humanity. Grant that our ambition may be to gain distinction through deeds and to make it increasingly known that we are clean hearted, clean handed, and clean tongued; thus we shall ascend into the holy hill where dwell the good and the nobly great. In the name of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 2265. An act extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War;

S. J. Res. 117. Joint resolution to provide for the reappointment of Frederic A. Delano as a member of the Board of Regents of the Smithsonian Institution; and

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

CORRECTION OF THE RECORD

Mr. DUFFY of New York. Mr. Speaker, I would like unanimous consent to correct the RECORD. As I am reported in reply to a question asked on yesterday by the gentleman from Michigan [Mr. MICHENER], the answer would convey the idea that I had been denied the right to print the speech of Mr. Vanderlip. I did not intend to convey any such meaning by my answer, but what I did intend to convey was that I could not procure the notes or manuscript of the speech of Mr. Vanderlip. If I had them I would be glad to offer them for printing in the RECORD.

The SPEAKER. Without objection, the correction will be made.

There was no objection.

THE PRAYER OF A COWARD

Mr. DUNN of Mississippi. Mr. Speaker, on behalf of the soldiers of the World War, I ask unanimous consent to extend my remarks in the RECORD against the return of Grover Cleveland Bergdoll to the United States of America.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, the newspapers of recent date have been heralding the fact that Grover Cleveland Bergdoll has sent his wife and children to the United States of America as his personal emissaries to defend his right to return to what he says is the country of his choice; to the country where he desires to rear his children.

Mr. Speaker, when the sons of the mothers of this Nation marched to foreign fields in defense of their country in 1917 they left mothers behind whose eyes were dampened with the tears of patriotism and whose hearts were laden with the prayers that only a mother can know, and while the mothers of our boys—and I was a soldier in that war—readily yielded to the call of arms in the matter of giving their sons for the cause, the wealthy mother of Grover Cleveland Bergdoll, who lives in Philadelphia, Pa., became an accessory in the cowardly thwarting of the Government's right to demand that her son march side by side with other American patriots in defending America's integrity against Germanic autocracy. The mother of this traitor is today enjoying the comforts afforded by this land of liberty and is able to visit her son at liberty in his paradise of cowardice; the country that is really his by choice and devotion, while thousands upon thousands of other mothers in this land have only the memory of a loving son whose body now rests beneath the sod. No such sympathy should move the officials of this Nation in the matter of amnesty for Grover Cleveland Bergdoll, who not only is a fugitive from the law but who is an arch enemy to this Nation. Prayers are not sufficient—prayers of the coward are never answered—prayers of the wife of this traitor are synthetic and but a part of the gesture prearranged for the return to this great land of ours of one who deserted it in a moment of peril.

It is my idea, Mr. Speaker, that the wife of Grover Cleveland Bergdoll—and I am ashamed to think the name of Grover Cleveland is a part of his name—should never have been allowed to set foot on our soil. Her representation of the coward Bergdoll is a blasphemy to the patriotism of every ex-service man in this Nation, and I trust her stay will be limited to a minimum time.

Of course, I know there is nothing like the balm of a sympathizing soul, and to hold your peace in the shadow of another's grief is oftentimes more balm and consolation than anything else, and I subscribe to this as an ordinary thing; but the wife of this cowardly slacker should not expect this sort of sympathy in the light of the facts. If the wife of this fugitive wants sympathy, let her hail her spouse before our tribunals, where he has been justly and legally convicted, to answer the judgment that has already been pronounced. She will not make this gesture; certainly not, for the reason that Grover Cleveland Bergdoll did not give her any such instructions when she left Germany. The prayer of a coward is never answered, and Bergdoll will never be allowed to return to this Nation unless he returns as the prisoner he is.

PERMISSION TO ADDRESS THE HOUSE

Mr. McGROARTY. Mr. Speaker, I ask unanimous consent that on next Friday after the reading of the Journal and consideration of matters on the Speaker's table, I be permitted to address the House for 15 minutes. The National Association of Mother's Day has requested me to address the House on next Friday on the subject of Mother's Day, and I would like to do it, so I ask unanimous consent accordingly.

The SPEAKER. The Chair has heretofore announced that he will not recognize any request for unanimous consent to address the House earlier than the day before the address was to be delivered. The gentleman from California refers to the fact that this address is to be delivered on Mother's Day, and he has been requested to make the address. The Chair, under the circumstances, will ignore the policy heretofore established and submit this request.

Is there objection to the request of the gentleman from California [Mr. McGROARTY]?

Mr. BLANTON. Mr. Speaker, may I say that this is such an important matter and such an important occasion that I think the Chair is exactly right in making an exception and submitting the request. I think the distinguished gentleman from California should be granted the time he requests to speak on Mother's Day, and I hope that none of our colleagues will object.

Mr. TAYLOR of Colorado. Reserving the right to object, did I understand the Speaker to say that he was willing to hold in abeyance his former general order that he would not recognize requests of this kind more than 48 hours in advance?

The SPEAKER. Solely because this is an address on Mother's Day. [Applause.]

Is there objection to the request of the gentleman from California?

There was no objection.

KIDNAPING AT GALLUP, N. MEX.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I rise to call the attention of the House to the unfortunate situation which exists in Gallup, N. Mex., where an attorney by the name of David Levinson and a labor leader and journalist by the name of Robert Minor have been kidnaped and brutally beaten. Both of these gentlemen went to New Mexico for the purpose of arranging for the defense of several people who had been arrested on a charge of murder after a so-called "riot" had taken place several weeks ago in front of the courthouse. This labor lawyer and this labor journalist went there for the sole purpose, I repeat, of arranging for the defense of men who were charged with murder, men who were held without bail. Both Levinson and Minor were placed in an automobile, brutally beaten, and taken across the border, and were found in the State of Arizona.

Mr. Speaker, I respectfully submit that this case comes entirely within the Lindbergh Kidnaping Act adopted by this Congress. I also submit that it is high time that Members of the House, as well as Members of the Senate, and

every liberty-loving person, every person who believes in the Constitution of the United States, especially in the first 10 amendments to the Constitution, should rally around this cause and see to it that the Attorney General of the United States takes action to prosecute these terrorists who are making a scrap of paper of the Constitution of the United States, and who are destroying the last vestiges of civil liberties in the United States of America.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BLANTON. Mr. Speaker, I ask that the Chair admonish occupants of the gallery that they are violating the rules of the House in applauding.

The SPEAKER. The Chair will state that applause in the gallery is not permitted under the rules of the House. Occupants of the gallery are here as guests of the House. The Chair is sure they will observe the rules.

ELEVENTH OLYMPIC GAMES

Mr. PLUMLEY. Mr. Speaker, I am directed by the Committee on Military Affairs to ask unanimous consent for the immediate consideration of the bill (S. 1803) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games.

The SPEAKER. The Chair will state that he cannot entertain the request at this time in view of the statement made on Thursday that no business of any kind would be considered today except the banking bill. The Chair hopes the gentleman will withdraw his request and present it on Monday.

Mr. PLUMLEY. Very well, Mr. Speaker; I withdraw the request.

BANKING ACT, 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7617, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. For the purpose of making an inquiry of the gentleman from Alabama and the gentleman from Michigan, the Chair states that the RECORD shows the gentleman from Alabama has consumed 9 hours and 33 minutes and the gentleman from Michigan 6 hours and 45 minutes. The Chair would like to be advised whether it is the intention of the gentlemen to adhere to an equal division of the time.

Mr. STEAGALL. Mr. Chairman, the gentleman from Michigan and myself understand each other. He has the liberty to proceed whenever he desires. If he does not yield time in his turn, then I am to yield time further.

The CHAIRMAN. The Chair wanted to be sure there would be no misunderstanding.

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the subject of banking is so abstruse that I shall address my remarks to certain features of the bill that I think are understood and which are of interest to the people.

Title I contains the proposed amendments to the laws upon the insurance of bank deposits. The temporary deposit-insurance fund and the fund for mutuals are consolidated and a permanent insurance plan is provided. The term "insured deposit" means such part of the net amount due any depositor for deposits in an insured bank after deducting offsets as shall not exceed $5,000.

The benefits that have resulted to the people of the United States by the creation of the Federal Deposit Insurance Corporation can never be even approximately estimated. It has restored faith in our banks. It has given a renewed hope and confidence to the business interests. Ninety-eight percent of all the depositors are insured in full. About 44 percent of the deposits are insured.

The total assets of the Federal Deposit Insurance Corporation are now $330,000,000—$150,000,000 has been contributed by the Government; $140,000,000 by the Federal Reserve; $40,000,000 has been realized from assessments on the banks.

It has sustained in losses approximately $1,500,000 actually paid.

Its earnings have been about $9,000,000 per year.

Its expenses are two and one-fourth million dollars last year.

The assessment of one-eighth of 1 percent will realize at the present time about $60,000,000 a year.

Every bank in the United States that is solvent may join this fund.

Fifteen banks are now in process of liquidation; 95 percent of the deposits of these banks were insured and were paid in full by the Federal Deposit Insurance Corporation within 10 days after they took control. The deposit liability to the depositors of the entire 15 banks was $2,137,000, which is the total paid liability to the present time of the Federal Deposit Insurance Corporation.

The change in the present bill that permits the State banks to become members of the fund without condition as to becoming members of the Federal Reserve has brought great relief and satisfaction to the State banks. This protection is absolutely necessary for the continued operation of the small State banks. These banks are officered by citizens of the various communities where located, who are conversant with the local needs and the credit requirements and financial ability of their patrons. They are quasi-public institutions. They feel the responsibility that is upon them. It has been largely through them that the banking needs of the smaller communities have been supplied, and to withdraw the protection of membership in the Federal deposit-insurance fund at this time would mean the destruction of many of them. This would be a national tragedy. However much we desire eventually a unified banking system, we should not proceed to obtain it in a manner that would involve such disastrous consequences to so great a number of our citizens and our smaller communities.

There are 1,058 commercial banks that are not members of the F. D. I. C. These banks have $500,000,000 in deposits as against $39,000,000,000 of insured deposits in the insured banks. There are 2,314 insured banks that are not members of the Federal Reserve System.

Probably 75 percent of the uninsured banks could not qualify for membership in the Federal Reserve System.

There are 44 percent of all the deposits in the insured banks insured under the $5,000 limitation. However, if you take out of the list of insured banks three or four hundred of the very large banks, the percentage of the insured deposits will rise very rapidly, and there would probably be 70 percent of the deposits in the remaining banks insured.

The Federal Deposit Insurance Corporation now insures 70 percent of the deposits in 90 percent of the banks, and the other 10 percent in number, the very large metropolitan banks, where the deposits are over five million, reduce the total percentage of insured deposits to about 44 percent.

I desire to give some figures about the probable cost of deposit insurance and the adequacy of the proposed rates of assessment. In the table on the left, showing the hypothetical cost of such insurance from January 1, 1921, to March 15, 1933, it was assumed that the insured portion of the deposits of closed banks amounted to 45 percent of the total deposits of those banks. In fact, however, the insured deposits under the $5,000 limitation would have amounted to 70 percent of the total deposits in closed banks. The reason for this difference in the percentages is readily explained. On October 1, 1934, approximately 45 percent of the deposits of insured banks was covered by insurance under the $5,000 limitation. The percentage of coverage was, however, much higher in small banks than in large banks; the coverage, for example, in banks with deposits of

not more than $100,000 amounted to 93 percent, while that of banks with deposits of more than $50,000,000 amounted only to 26 percent. A much larger proportion of small banks have failed than of large banks, and as a result the liability of the insurance fund in the case of suspended banks is a much larger percentage of total deposits than in the case of active banks. When the size of the banks which suspended during the period from January 1, 1921, to March 15, 1933, is taken into consideration it is found that the insured deposits would have amounted, under the $5,000 limitation, to 70 percent of total deposits.

The correction of this error makes a very striking difference in the conclusions as to the adequacy of the proposed rates of assessment. It increases the eventual losses to be paid out of assessments by 55 percent, raising the total for the entire period from January 1, 1921, to March 15, 1933, to the figure of $1,572,000,000. With a rate of assessment of one-eighth of 1 percent, the Insurance Corporation would have used up all of its initial capital and surplus of $325,000,000 and would have, in addition, incurred a deficit of approximately $500,000,000 after allowing for complete liquidation and all recoveries therefrom. At an assessment of one-twelfth of 1 percent, the Corporation would have used up its initial capital and would have incurred in addition a deficit of approximately $840,000,000. It has been assumed, in making these computations, that the Corporation would have been able to borrow at the rate of 3½ percent, the same rate as it is assumed it would receive on its available investment funds.

Two other points in connection with this computation may be mentioned. First, the losses occurring on account of the banks which closed during the banking holiday and failed to reopen, or reopened with a portion of their deposits waived, have not been taken into account. Second, it has been assumed that all mutual savings banks would have been members of the fund. At present only a few of the mutual savings banks are insured. If the assessments for the period 1921–33 are computed with the mutual savings banks taken out, the annual income of the Corporation would have been from five to twelve million dollars smaller than the figures used in the foregoing estimates. Losses to depositors in mutual savings banks amounted only to about $1,000,000. Exclusion of the mutual savings banks would raise the estimates of the final deficit to $630,000,000 with assessments at the rate of one-eighth of 1 percent, or to $930,000,000, with assessments at the rate of one-twelfth of 1 percent.

It would, in fact, have taken a rate of 27 cents for each $100 of deposits in active commercial banks, or more than one-fourth of 1 percent, to have covered the losses in commercial banks from January 1, 1921, to March 15, 1933, and to have kept the original capital of the corporation intact. The necessary rate would have been 23 cents per $100, only slightly below one-fourth of 1 percent, if assessments were collected from all mutual savings banks as well as commercial banks.

If it is desired to leave out of consideration the suspensions occurring during 1930–33, and to take only those during the years 1921–29, a rate of one-eighth of 1 percent would have paid the losses and have kept the capital of the corporation practically intact. At a rate of one-twelfth of 1 percent, however, the bulk of the original capital would have been used up, and the Corporation would have approached the beginning of the crisis years with a very small capital fund.

With an assessment rate of one-eighth of 1 percent, the deficit which would have been incurred between January 1, 1930, and March 15, 1933, would have necessitated borrowing by the Corporation of approximately $1,100,000,000, or considerably more than the amount permitted by the law—assumed to be $975,000,000, or three times the original capital. The Corporation would thus have completely exhausted both its original capital and its borrowing power prior to the banking holiday. At an assessment rate of one-twelfth of 1 percent, the deficit by the date of the banking holiday would have exceeded the borrowing power of the Corporation by about $400,000,000. These deficits are computed on the assumption that mutual savings banks were assessed, and would have been still larger if only commercial banks were members of the fund.

The accompanying table shows, for each year during the period 1921–33, the losses on deposits in suspended banks and the capital and surplus of the fund at the beginning of each year, as estimated: (a) On the erroneous assumption that 45 percent of the deposits of suspended banks would have been insured; and (b) on the correct assumption that 70 percent of those deposits would have been insured. In computing the capital and surplus at the beginning of each year allowance has been made for immediate payment of insured deposits in full and for the recoveries from the liquidation of previously closed banks, as well as for income from assessments and interest on the invested funds of the Corporation.

I shall insert at this point in my remarks a table showing the estimated annual losses on insured deposits and estimated annual capital and surplus of a hypothetical deposit-insurance corporation operating from January 1, 1921, to March 15, 1933.

These statistics were submitted at a Senate hearing and were based on the assumption that the Federal Deposit Insurance Corporation would insure but 45 percent of the deposits; whereas the facts shown by the experience of the recent banks that have gone through liquidation is that actually 70 percent of the deposits of the banks are insured.

The tables referred to follow:

Estimated annual losses on insured deposits and estimated annual capital and surplus of a hypothetical deposit-insurance corporation operating from Jan. 1, 1921, to Mar. 15, 1933

Year	Estimates based on assumption of 45-percent coverage of deposits in suspended banks			Estimates based on 70-percent coverage of deposits in suspended banks		
	Losses on deposits in closed banks	Capital and surplus at beginning of year		Losses on deposits in closed banks [1]	Capital and surplus at beginning of year	
		With assessment at rate of ⅛ of 1 percent	With assessment at rate of 1/12 of 1 percent		With assessment at rate of ⅛ of 1 percent	With assessment at rate of 1/12 of 1 percent
1921	$34,093,224	$325,000,000	$325,000,000	$53,033,904	$325,000,000	$325,000,000
1922	18,422,514	310,907,209	294,796,798	28,657,244	273,241,084	257,130,673
1923	29,620,998	346,060,640	312,249,552	46,077,108	295,332,445	261,521,357
1924	41,609,898	365,863,872	312,432,095	64,726,508	290,237,528	236,805,750
1925	33,175,890	372,874,000	297,693,350	51,606,940	261,583,295	186,402,644
1926	51,554,900	411,419,966	311,943,385	80,196,424	277,623,837	178,147,256
1927	39,467,142	418,050,521	292,563,412	61,393,332	241,040,574	115,553,456
1928	28,230,840	460,708,376	307,182,840	43,914,640	256,995,833	103,470,288
1929	45,667,314	528,838,790	345,593,585	71,038,044	309,644,527	126,399,313
1930	168,965,874	558,118,802	344,361,765	262,835,804	300,354,047	86,565,818
1931	334,752,462	350,234,826	104,071,147	520,726,052	[2] 81,122,231	[2] 327,329,469
1932	141,693,948	[2] 139,872,562	[2] 418,314,428	220,412,808	[2] 898,075,192	[2] 1,176,593,326
1933 [3]	43,111,530	[2] 160,432,499	[2] 457,786,977	67,062,380	[2] 991,622,079	[2] 1,298,800,959
Total losses	1,010,366,534			1,571,681,188		
Final surplus or deficit [4]		214,997,272	[2] 99,662,818		[2] 496,324,768	[2] 843,293,772
Total loss, if mutual savings banks are excluded				1,570,440,529		
Final deficit, if mutual savings banks are excluded					[2] 630,647,231	[2] 933,877,081

[1] Estimated at 44 percent of insured deposits.
[2] Deficit.
[3] To Mar. 15 only.
[4] After completion of liquidation of all banks closed during the period Jan. 1, 1921, to Mar. 15, 1933.

Ratio of insured to total deposits by class and size of bank, Oct. 1, 1934

	Number of banks				Ratio of insured deposits to total deposits			
	All banks	National	State member	State nonmember	All banks	National	State member	State nonmember
Banks with deposits of—								
$100,000 and under	1,502	94	22	1,386	91.67	92.97	92.47	91.55
$100,001 to $250,000	3,580	834	119	2,627	86.95	87.38	87.13	86.80
$250,001 to $500,000	3,109	1,261	186	1,662	83.14	82.75	83.30	83.43
$500,001 to $750,000	1,477	741	97	639	79.78	79.46	79.71	80.17
Subtotal[1]	9,668	2,930	424	6,314				
$750,001 to $1,000,000	943	506	67	370	77.60	77.24	76.43	78.31
$1,000,001 to $2,000,000	1,630	923	142	565	74.62	74.38	74.50	75.06
$2,000,001 to $5,000,000	1,060	659	153	248	69.14	68.14	70.17	71.20
$5,000,001 to $50,000,000	631	380	141	110	49.57	46.65	50.78	58.71
$50,000,001 and over	96	52	39	5	25.69	26.07	23.24	63.38
Total, all groups	14,028	5,450	966	7,612	43.49	42.29	32.67	72.43

[1] Subtotal includes all groups having a ratio of insured to total deposits of 80 percent or over. Banks falling into this group include 69 percent of all insured banks, 54 percent of national banks, 44 percent of State member banks, and 83 percent of insured State nonmember banks.

Federal Deposit Insurance Corporation, Division of Research and Statistics.

Losses to depositors in suspended commercial banks compared with ⅛ of 1 percent of deposits in active commercial banks, 1865–1934

[000 omitted]

Year[1]	Deposits in active commercial banks[2]	⅛ of 1 percent of deposits in active banks	Losses to depositors in suspended banks	Excess—⅛ of 1 percent of deposits over losses (—deficit)
1864–65	$559,596	$699	$94	$605
1865–66	814,242	1,018	1,558	—540
1866–67	814,492	1,018	753	265
1867–68	828,784	1,036	340	696
1868–69	897,207	1,122	282	840
1869–70	876,744	1,096	40	1,056
1870–71	921,818	1,152	1,318	—166
1871–72	1,080,866	1,351	1,077	274
1872–73	1,135,097	1,419	2,702	—1,283
1873–74	955,854	1,196	3,780	—2,584
1874–75	980,103	1,226	8,213	—6,987
1875–76	1,159,034	1,449	3,203	—1,754
1876–77	1,100,245	1,375	6,187	—4,812
1877–78	1,139,981	1,425	3,567	—2,142
1878–79	1,114,301	1,393	449	944
1879–80	1,406,839	1,759	948	811
1880–81	1,452,881	1,816	670	1,146
1881–82	1,809,314	2,262	3,205	—943
1882–83	1,864,382	2,350	1,383	947
1883–84	1,916,318	2,395	4,581	—2,186
1884–85	1,835,346	2,294	3,074	—780
1885–86	2,042,657	2,553	363	2,190
1886–87	2,102,923	2,629	2,789	—160
1887–88	2,577,857	3,222	1,831	1,391
1888–89	2,674,928	3,344	600	2,744
1889–90	3,040,224	3,800	3,330	470
1890–91	3,240,290	4,050	5,524	—1,474
1891–92	3,280,282	4,100	3,158	942
1892–93	3,338,217	4,798	17,295	—12,497
1893–94	3,514,494	4,393	3,934	459
1894–95	3,729,230	4,661	5,582	—921
1895–96	3,941,217	4,927	3,271	1,656
1896–97	3,797,799	4,747	12,319	—7,572
1897–98	4,050,086	5,062	2,196	2,866
1898–99	4,729,177	5,911	2,860	3,051
1899–1900	5,939,590	7,424	3,038	4,386
1900–1901	6,378,314	7,973	3,772	4,201
1901–2	7,635,860	9,545	2,625	6,920
1902–3	8,245,315	10,307	1,128	9,179
1903–4	8,666,583	10,833	9,020	1,813
1904–5	9,262,704	11,578	3,481	8,097
1905–06	10,596,268	13,245	4,069	9,176
1906–07	11,298,719	14,123	5,979	8,144
1907–08	12,302,867	15,379	53,737	—38,358
1908–09	12,051,103	15,064	7,156	7,908
1909–10	13,523,367	16,904	4,874	12,030
1910–11	14,223,612	17,780	5,096	12,684
1911–12	15,120,900	18,901	3,704	15,197
1912–13	16,110,631	20,138	2,330	17,808
1913–14	16,368,998	20,461	10,022	10,439
1914–15	17,444,216	21,805	7,542	14,263
1915–16	18,081,003	22,601	4,283	18,318
1916–17	22,275,525	27,844	3,054	24,790
1917–18	26,047,670	32,560	2,769	29,791
1918–19	28,193,372	35,242	2,836	32,406
1919–20	32,934,859	41,169	5,266	35,903
1920–21	36,538,379	45,673	54,077	—8,404
1921–22	33,089,669	41,362	53,393	—12,031
1922–23	35,348,557	44,186	34,045	10,141
1923–24	37,960,621	47,451	89,921	—42,470
1924–25	41,015,633	51,270	54,150	—2,880
1925–26	44,843,256	56,054	59,194	—3,140
1926–27	46,491,634	58,115	99,287	—41,172
1927–28	48,674,056	60,843	47,924	12,919
1928–29	49,847,860	62,310	54,111	8,199
1929–30	48,907,295	61,134	111,102	—49,968

[1] Years beginning July 1 and ending June 30. [2] At beginning of fiscal year.

Losses to depositors in suspended commercial banks, etc.—Con.

Year	Deposits in active commercial banks	⅛ of 1 percent of deposits in active banks	Losses to depositors in suspended banks	Excess—⅛ of 1 percent of deposits over losses (—deficit)
1930–31	$50,632,307	$63,290	$392,140	$—328,850
1931–32	46,829,413	58,537	655,074	—596,537
1932–33	35,351,251	44,189	635,590	—591,401
1933–34	35,178,564	43,973	498,943	—454,970

Source: Reports of the Comptroller of the Currency; Committee on Branch, Group, and Chain Banking, Bank Suspensions; Willis, Banking Inquiry of 1925. Federal Deposit Insurance Corporation.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. FIESINGER. It would not be surprising if the gentleman did not have the information I wish, but does the gentleman happen to know how many of those banks which were turned down by the F. D. I. C. are still doing a banking business?

Mr. SPENCE. I cannot answer that question specifically. There are, however, a great number of banks not members of the F. D. I. C.

Mr. FIESINGER. I understand that.

Mr. SPENCE. I do not know the number that have made applications.

Mr. FIESINGER. I think the number has been stated during the general debate. It is quite large.

Mr. SPENCE. It is over a thousand.

Mr. FIESINGER. But that is from choice rather than necessity.

Mr. SPENCE. I think it is almost entirely from choice. There may be a few, however. I am sorry I do not have the facts.

Mr. FIESINGER. I was wondering if the committee had any information as to how these banks were faring that because of necessity were not in the F. D. I. C.

Mr. SPENCE. There are 1,058 commercial banks not members of the F. D. I. C. How many of these are out voluntarily, I do not know. There are 2,314 insured banks not members of the Federal Reserve System; and I have been told authoritatively that not more than 75 percent of these could qualify for membership in the Federal Reserve System. If membership in the Federal Reserve System were a prerequisite for membership in the F. D. I. C. it would preclude them from being members of the F. D. I. C.

I state these figures merely because I think of all the agencies that have had an effect in bringing back to an extent normal conditions in this country none has been more effective than the F. D. I. C. I believe we should do everything possible to strengthen the hands of this Corporation and to see that it has sufficient income to give it a solvency that would make its influence continue during all time.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PIERCE. It has not reduced the amount of the Postal Savings deposits, however. They are still around $1,250,000,000. This money should be restored to the banks.

Mr. SPENCE. I think some law should be passed that would persuade the people to put their money back in the banks of the country where it is just as safe as it possibly could be.

Mr. PIERCE. Does the gentleman know the reason why these banks are not all required to come into the Federal insurance system? I cannot see the reason why an exception is made.

Mr. SPENCE. I believe that a small uninsured bank in competition with an insured bank would have great difficulty to exist. I think there are very strong reasons that will influence the banks to come into the system voluntarily.

Mr. PIERCE. The gentleman stated a while ago that quite a percentage of the banks could not qualify for admission to the Federal Reserve System. Is this on account of their paper?

Mr. SPENCE. It is on account of their capital structure. The law, of course, states that the capital requirements may be waived; but this is permissive only, and there is no absolute direction to the authorities that they shall waive these capital requirements; it is optional with them.

Mr. PIERCE. Apparently more than a thousand banks cannot qualify.

Mr. FIESINGER. If I may interrupt, are not the most of the banks in the F. D. I. C. in the eastern part of the country, Boston, New England, and do they not include mutual savings banks?

Mr. SPENCE. I have not those statistics; I do not know where they are. They are mostly small banks. A few of the larger banks have not come in. I think, generally, they are the small banks.

Mr. FIESINGER. There may be towns in which there are only two banks. If one is insured and the other is not, both could not exist.

Mr. SPENCE. The uninsured one will have to be insured for its own protection.

Mr. Chairman, I can understand this measure, but I have avoided going into the stormy waters of national finance. I have an opinion about this bill that I have not heard many people express, but it is such a firm conviction upon my part that I am going to speak of it to the Members of the House. Although I am heartily in favor of the purposes of this bill, I do not believe it is a constitutional bill as drawn. I do not believe that this Congress can delegate its legislative power to any board and when they attempt to do that they abdicate the power which the Constitution says they must retain.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 13 additional minutes.

Mr. SPENCE. Mr. Chairman, when Mr. Eccles was on the stand I asked him this question, which appears at page 309 of the hearings:

> Governor Eccles, do you consider this bill, if passed, will be an attempt by Congress to exercise its constitutional legislative function to regulate the value of money?

The answer was:

> I should say it would be a case of Congress delegating to a body that power and that responsibility as defined in this statement that I just read.

How do they delegate their power? They delegate it under this provision, which has neither restriction nor condition in it. It is an absolute delegation of power to eight men to control the economic and monetary policy of this Government.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. Does not the gentleman think that the only power Congress can delegate under the Constitution is administrative power?

Mr. SPENCE. Absolutely.

> It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action.

What does this mean? Is there a restriction there that is a delegation of the legislative power of this Congress and an abdication of our powers and our responsibilities? I believe Mr. Eccles has the right idea. He is a man of keen and analytical mind, a very capable man. I do not mean to say anything against this Board, but I want the Government to come back and be a government of law and not a government of men.

Baron Rothschild once made the statement:

> Permit me to issue and control the money of a nation, and I care not who makes its laws.

It is the greatest power that was ever delegated to a body of men anywhere in any civilized country, and it is a power that we have no right under the Constitution to delegate.

In *Wayman* v. *Southard* (10 Wheat. 41) Chief Justice Marshall said:

> It will not be contended that Congress can delegate to the courts, or to any other tribunals, powers which are strictly and exclusively legislative. * * * The line has not been exactly drawn which separates those important subjects, which must be entirely regulated by the legislature itself, from those of less interest, in which a general provision may be made, and power given to those who are to act under such general provisions to fill up the details.

Is the delegation of the economic policy and the monetary policy of the Nation an important subject, or is it one of the administrative details that can be filled in? Under all of the decisions it will be found that Congress has been inhibited from delegating its legislative power, which is a power which has been intrusted to us by the people, and they expect us to exercise the power under the Constitution. It cannot be delegated.

In *Field* v. *Clark* (143 U. S. 650), it was held as follows:

> The authority conferred upon the President by section 3 of the act of October 1, 1890, to reduce the revenue and equalize duties on imports, and for other purposes (26 Stat., c. 1244, pp. 567, 612), to suspend by proclamation the free introduction of sugar, molasses, coffee, tea, and hides, when he is satisfied that any country producing such articles imposes duties or other exactions upon the agricultural or other products of the United States which he may deem to be reciprocally unequal or unreasonable, is not open to the objection that it unconstitutionally transfers legislative power to the President (Fuller, C. J., and Lamar, J., dissenting); but even if it were, it does not follow that other parts of the act imposing duties upon imported articles are inoperative.

In that case, the Court, speaking through Mr. Justice Harlan, at page 692, said:

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. The act of October 1, 1890, in the particular under consideration, is not inconsistent with that principle. It does not, in any real sense, invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries producing and exporting sugar, molasses, coffee, tea, and hides, Congress itself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles, should be suspended as to any country producing and exporting them that imposed exactions and duties on the agricultural and other products of the United States which the President deemed—that is, which he found to be—reciprocally unequal and unreasonable. Congress itself prescribed, in advance, the duties to be levied, collected, and paid on sugar, molasses, coffee, tea, or hides produced by or exported from such designated country while the suspension lasted. Nothing involving the expediency or the just operation of such legislation was left to the determination of the President.

This was not a delegation of power to an appointive board. It was delegation of power to an elective officer of the people, responsible directly to the people, the President of the United States; and if it had been a legislative power, he would have been prohibited from exercising it.

> The words, "he may deem", in the third section, of course, implied that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, and form a judgment as to whether they were reciprocally equal and reasonable, or the contrary, in their effect upon American products. But when he ascertained the fact that duties and exactions, reciprocally unequal and un-

reasonable, were imposed upon the agricultural or other products of the United States by a country producing and exporting sugar, molasses, coffee, tea, or hides, it became his duty to issue a proclamation declaring the suspension, as to that country, which Congress had determined should occur. He had no discretion in the premises except in respect to the duration of the suspension so ordered. But that related only to the enforcement of the policy established by Congress. As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation in obedience to the legislative will, he exercised the function of making laws. Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect. It was a part of the law itself, as it left the hands of Congress, that the provisions, full and complete in themselves, permitting the free introduction of sugars, molasses, coffee, tea, and hides, from particular countries, should be suspended, in a given contingency, and that in case of such suspensions certain duties should be imposed.

This distinction is drawn very clearly. In the case of *United States* v. *Grimaud*, 220 U. S. 506, the Court, speaking through Mr. Justice Lamar, said at page 517:

It must be admitted that it is difficult to define the line which separates legislative power to make laws, from administrative authority to make regulations.

That is not difficult in this case. There is nothing here at all in regard to granting power to make administrative rules. It is the delegation of all the power we have over one of the most important subjects that the Congress of the United States can legislate upon.

Mr. FIESINGER. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. FIESINGER. I am so thoroughly in accord with what the gentleman is saying I wanted to see if I had the right idea. The Congress may set up a principle, then it may say to an administrative board that it shall have discretion as to how to put that principle into effect, but it cannot convey a discretion without setting up a principle?

Mr. SPENCE. The gentleman is correct. The gentleman's agreement with me, as I am well acquainted with his fine legal ability, bolsters me up very much, because I have not as yet heard this argument made.

Mr. O'NEAL. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. O'NEAL. What is the remedy if one agrees with the gentleman in his position but wants to vote for the F. D. I. C.?

Mr. SPENCE. Vote for some of the amendments which will be offered in an endeavor to limit the authority. I will vote for any reasonable and proper amendment which has for its object that purpose.

Mr. Chairman, I know very little about finances, and I do not think I will ever learn, but I have attempted in my humble way to study the Constitution. I am convinced that the powers granted in this bill are not granted in a manner conforming to constitutional requirements.

Mr. BROWN of Michigan. May I say that I do not think any member of the committee, either on the majority or on the minority side, will agree that the gentleman does not know anything about constitutional law.

Mr. SPENCE. I thank the gentleman for his observation.

In considering this question of delegation of powers, Chief Justice Marshall in *Wayman* v. *Southard* (10 Wheat. 1, 42), where he was considering the authority of courts to make rules, said:

It will not be contended that Congress can delegate to the courts, or to any other tribunals, powers which are strictly and exclusively legislative. But Congress may certainly delegate to others, powers which the legislature may rightfully exercise itself.

This is an important subject. We are delegating, without conditions of any kind, power to a board to exercise the most important functions of the legislative body that we were charged to exercise when the people elected us to this, the greatest deliberative body in the world.

Mr. Chairman, I can see why some of these things are done. These laws are drafted by commissions. They are drafted by bureaus which bring them in here and we accept them. It is a natural instinct of human nature to want more power, and I believe that we are going to denude ourselves of our authority so that what vestige we have remaining will hardly be worth a struggle to retain if we continue.

What were these nonlegislative powers which Congress could exercise but which might also be delegated to others was not determined, for Chief Justice Marshall said:

The line has not been exactly drawn which separates those important subjects, which must be entirely regulated by the legislature itself, from those of less interest, in which a general provision may be made, and power given to those who are to act under such general provisions to fill up the details.

Mr. SISSON. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. SISSON. I believe the gentleman is making a very able argument, and I want to see if I understand the gentleman's contention with reference to the third paragraph of the bill, which the gentleman is discussing, as to whether it is in accordance with the Constitution or not.

Is it the gentleman's opinion that if in this bill the Congress gave a specific direction to the Federal Reserve Board to regulate the currency so as to make it accord with a certain level of prices, so to speak, that would meet the gentleman's objections?

Mr. SPENCE. I think it would—a specific direction.

Let me read you something from a recent case. This is from a very able opinion of Chief Justice Hughes in the Hot Oil case, which is right in point. There a direction was given to the President—the President in whom we all have confidence and whom we all love and believe in—a general direction such as this, allowing him through the making of allocation of quotas to limit the production of oil, and it was held he could not do it because that was a legislative function.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SPENCE. Here is what Chief Justice Hughes said in this case:

Fourth. Section 9 (c) is assailed upon the ground that it is an unconstitutional delegation of legislative power.

It was a delegation of power just like this of glittering generalities telling the President what he ought to do without giving any specific directions.

The section purports to authorize the President to pass a prohibitory law. The subject to which this authority relates is defined. It is the transportation in interstate and foreign commerce of petroleum and petroleum products which are produced or withdrawn from storage in excess of the amount permitted by State authority. Assuming for the present purpose, without deciding, that the Congress has power to interdict the transportation of that excess in interstate and foreign commerce, the question whether that transportation shall be prohibited by law is obviously one of legislative policy.

Is not that in point with the case?

Accordingly, we look to the statute to see whether the Congress has declared a policy with respect to that subject; whether the Congress has set up a standard for the President's action; whether the Congress has required any finding by the President in the exercise of the authority to enact the prohibition.

Section 9 (c) is brief and unambiguous. It does not attempt to control the production of petroleum and petroleum products within a State. It does not seek to lay down rules for the guidance of State legislatures or State officers. It leaves to the States and to their constituted authorities the determination of what production shall be permitted. It does not qualify the President's authority by reference to the basis, or extent, of the States limitation of production.

I have not time to read all of this, but I want you to know just what the Court said in this case.

Mr. SISSON. Mr. Chairman, will the gentleman yield for just one other question?

Mr. SPENCE. I am always pleased to yield to the distinguished gentleman from New York.

Mr. SISSON. The gentleman recalls the very able statement made before the committee by Senator Owen. Is it the gentleman's view that in this legislation and with respect to the particular point the gentleman is discussing, in one sense, as I understood Senator Owen to say, we are not going far enough?

Mr. SPENCE. I do not think it is a limitation on how far he will go. The question is how far does Congress want to go and if Congress itself gives the directions and makes the limitations, it can go as far as it pleases, but we are delegating to a board an absolute power, not only of action, but of discretion and judgment. There is the distinction.

Mr. SISSON. Is it the gentleman's view that this legislation should give a mandate to the Federal Reserve Board as to just how to expand the currency through the control of credits, and so forth?

Mr. SPENCE. I think so, and being convinced that that is the law and having great confidence in my distinguished friend from Maryland [Mr. GOLDSBOROUGH] who has a mandate to offer, I shall vote for his mandate. I would vote for any mandate that I felt was at all reasonable that would direct this board as to how it should discharge its functions, because I do not believe the Congress has the power to abdicate its responsibility, or its legislative functions. Here is what the Chief Justice said further in the Hot Oil case:

> The Constitution provides that "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives." (Art. I, sec. 1.) And the Congress is empowered "to make all laws which shall be necessary and proper for carrying into execution" its general powers. (Art. I, sec. 8, par. 18.) The Congress manifestly is not permitted to abdicate, or to transfer to others, the essential legislative functions with which it is thus vested. Undoubtedly legislation must often be adapted to complex conditions involving a host of details with which the national legislature cannot deal directly.

And we contend this is exactly that character of case.

The Constitution has never been regarded as denying to the Congress the necessary resources of flexibility and practicality which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the legislature is to apply. Without capacity to give authorization of that sort, we should have the anomaly of a legislative power which, in many circumstances, calling for its exertion would be but a futility. But the constant recognition of the necessity and validity of such provisions, and the wide range of administrative authority which has been developed by means of them, cannot be allowed to obscure the limitations of the authority to delegate, if our constitutional system is to be maintained.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman from Kentucky 5 additional minutes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HALLECK. As I understand it, the gentleman thinks the bill as now drawn contains an unconstitutional delegation of legislative authority?

Mr. SPENCE. I do.

Mr. HALLECK. And I would assume from that if the amendment which will be offered by the gentleman from Maryland does not prevail, the gentleman would not vote for this bill on final passage with such an unconstitutional provision in it?

Mr. SPENCE. Well, I am not going to be committed on that.

I believe those who drafted the Constitution of the United States were probably the wisest men that ever sat around a council table. I have always believed this. I believe it was Gladstone who said that it was the greatest instrument that was ever struck off at a given time by the brain and purpose of man. There are many principles in the Constitution, and this is one of the greatest. They wanted the people and their elected representatives to retain their constitutional powers. They knew how insidiously those powers might be divested. The power to coin money and regulate the value thereof is a high governmental power. It is a power upon which depend the peace and happiness of our people, as well as their prosperity, and this is a power which it seems obvious to me cannot be delegated.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HARLAN. Of course, the limitation that has been attempted to be put in this bill is in section 204 at the top of page 51, where I believe the general policy of Congress is laid down.

Mr. SPENCE. Yes.

Mr. HARLAN. And that is substantially the same provision that is in the Canadian banking charter, is it not?

Mr. SPENCE. Canada has no constitution, while we have.

Mr. HARLAN. That is the difference between the two, and that is what the gentleman conceives to be our constitutional limitation.

Mr. SPENCE. I do not know anything about what it would be in Canada, but I think it transcends the provisions of our Constitution.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. FIESINGER. The gentleman has made such a refreshing statement I want to make the further observation that I think, without straining this great document, the Constitution of the United States, we can settle all our economic questions.

Mr. SPENCE. I think so. I have never thought the Constitution stood in the way of the legitimate progress of the people, but I think this is an essential function that the people should retain.

Mr. EKWALL. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. EKWALL. I think the gentleman has made one of the most illuminating statements we have heard during the general debate; and inasmuch as we have allowed our constitutional rights to be chiseled from time to time, does not the gentleman think this would be an appropriate time and would afford us a good opportunity to start on our way back to our constitutional rights and to having Congress assume its constitutional functions?

Mr. SPENCE. Do you not know how it has been done; does not every Member of Congress know how it has been done? Do you not know that each party attempts to protect its own bureaucrats?

I have the greatest confidence in the men now handling the Reserve Board, but it is a government of men and not of laws. You cannot substitute a government of men for a government of laws. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, as a member of the minority, I want to first pay my compliments to the entire membership of the Banking and Currency Committee, particularly those members of the majority who have labored so earnestly and intelligently to bring out a banking bill which is in accordance with the policies of the present administration. Whatever I have to say will not be in criticism of the activity of any particular member of the committee on either the majority or minority side, but I am going to try and confine myself as much as I can in this statement to a discussion of the bill itself.

We started the hearings on the bill in the middle of February, and we have been in almost constant daily session both morning and afternoon since that time.

In the committee there was almost no partisanship with respect to the consideration of this bill any more than there is in any bill before the Banking and Currency Committee.

I particularly want to pay my compliments and respect to the chairman of the committee for the courtesy he has shown the minority members of the committee, in advancing a policy which is perhaps diametrically opposite to the recommendations of the majority.

He has been extremely courteous, and we have had full opportunity to present our side of the case.

There is only one important difference in our views, and that is whether the banks of the United States shall be brought under such political control as to be a bad influence on our banking institutions.

I hope the minority will be pardoned for adhering almost too closely to that old truism, "Eternal vigilance is the price

of liberty", because we have been serious and sincere in the thought that this bill, because of its political character—I do not mean partisan character—will react to the detriment of the banking institutions of America and will in no manner—I am speaking of title II—benefit the banking institutions.

This legislation is intended to be permanent. It is not presented as an emergency measure, and so its desirability must be considered in the light of the permanent effect which it will have on our people.

During the debate we have had a great deal of discussion relative to money, the purposes of the banks, the affiliation of the currency-creating power with the national debt, the expansion of the currency and inflation, and all those other matters which are closely related to the bill. The debate has been decidedly interesting. I think the Membership of the House can get a great deal of good from the talks which have been made here on the floor with respect to all these questions.

Before I go further, I must also pay my respects to the intelligence and ability of the gentleman from Kentucky [Mr. SPENCE], who has just so ably presented to the Committee certain phases of the matter which have not been touched on heretofore. I think the Committee owes him a debt of gratitude for bringing into the open one of the major complaints which we have had against the centralization and political control of the banks of the United States.

With respect to banks and banking, during the months that I have been in Congress I have listened with a great deal of interest to the attacks on our system, and more particularly have I listened with much interest to the attacks on bankers as a whole, and to the unlearned—and I put myself in that category—one might assume that all bankers are crooks and thieves, and that their only purpose in life is to rob the people of the money which the people have deposited in their banks. We started out 2 years ago denouncing the international bankers, and laying all of the economic ills of America upon their doorstep. I know it is very unpopular to say anything good at the present time with respect to international bankers, and it is very unpopular to say anything which might reflect to the benefit of private bankers. I say private bankers as distinguished from public banking, because all of our banks at the present time are private banks.

I do not want to be put in the position of representing these obnoxious, pernicious bankers who, it is alleged, are destroying all of the American institutions for which we have fought for a good many years; but perhaps my courage in contemplating the effect of some of this criticism will offset somewhat my ignorance of the manner in which bankers have destroyed American ideals. The international banker has his place in our banking system, and the private banker also has a very significant place in our economic system. We are more particularly interested in this bill with the banks as we know them, the banks with which our people deposit their money and from which they obtain their credit, and so probably we should confine ourselves to the private bankers when considering this bill, and the purpose of private banking.

As we have discussed this problem, I have not been able quite as yet in my ignorance of these matters to understand fully wherein the banks of the Nation completely divest their depositors of all of the money which is deposited in the banks. I may have the wrong impression from some of these remarks that have been made, but I gather that that is the purpose behind the criticism, that bankers, in some mystical manner, have it within their power to rob the people who deposit money in their banks. That might be characteristic of a few bankers. We have had doctors who are not above reproach; we have had lawyers who are known to be unscrupulous; and undoubtedly we have had bankers, and still have bankers, who are not above criticism in respect to the manner in which they manage their banks; but, after all, about the only way under our present system that the bankers can get any of the people's money that is deposited in their banks is through a return on the banker's individual investment in that bank, by reason of stock ownership and the salary which he receives as an officer of the bank.

I do not know of any other legal manner by which a banker can get any part of the people's money or the profits of the investment of the people's money. I understand the purpose of banking is to provide a safe place in which the people may deposit their reserves. I understand it to be a place where the small depositor, as distinguished from the large investor, may put his money and have some return from his money while it is being used by that bank, as the depositor knows it will be used by that bank in investment in safe, sound securities. A bank is a place where the merchant and agriculturist and the industrialist may go to get credit with which to carry on his business. And so, when we are listening to these statements against banking and against bankers, we should have in mind the other side of this picture.

If we prevent the banks from investing the people's money, a charge upon the depositors for the service which they get from the banks is necessary, because the banks become mere warehouses where the money is stored. We have seen a new system in banking grow up within the last year or two. Five years ago it was unusual for a bank to make any charge whatsoever to its customers for carrying their commercial accounts. At the present time banks, unless a goodly deposit is left there over and above the needs of the depositor for his business, in which case the interest offsets the charge, banks make a charge for servicing that account to the extent that many banks charge 5 cents for each transaction on that account.

With respect to savings deposits there is not very much difference. Because of the lack of confidence in certain governmental policies industry is not borrowing from the banks. There is no demand by industry, commerce, and agriculture for loans for the purpose of expanding, and for that reason the only market open to the banks, ordinarily, for the investment of the people's money is in Government securities, paying from one-half of 1 percent to 3 percent interest. So, in consequence, the return to the depositor on the money which he has deposited with a bank, usually for the purpose of reinvestment, has been cut so that at the present time it is unusual for a bank to pay its depositors over 2 percent.

I like to look at a bank as a place where, after the establishment of credit for the purpose of expanding industry, agriculture, and commerce, there is a common clearing house whereby credits may offset credits, debits may offset debits, so our commerce, business, and agriculture will be able to carry on without too much detail and interference.

Previous to 1913, when the Federal Reserve Act was established, we found ourselves in a condition whereby each individual bank established its own policy with respect to loans, with respect to discounts, and with respect to credit. It was recognized that there should be some nationalization, some control over this system, some coordination of the efforts on the part of the banks to encourage industry, agriculture, and commerce to expand; and to further facilitate that expansion the Federal Reserve System was created.

That was one purpose of the Federal Reserve System. The other purpose, of course, was to give us a flexible currency, so that the needs of industry, business, and agriculture would be always assured of not only an adequate currency with which to carry on their business, but a safe currency. In furtherance of that, we provided that the Federal Reserve banks might issue currency to meet those needs. Of course, there had to be something behind this currency so we determined that a certain amount of gold or a certain amount of high-class commercial paper or a certain amount of Government obligations would secure the money which was given to the banks and which in turn was loaned to their customers, with which to carry on their business.

In that connection, let me say that the currency-creating power of the Federal Reserve banks was always incidental to their loans. If they did not need money to loan they did not ask for the money. When I say "money", in that respect

I mean currency. If there was no demand for money, then they did not request the issuance of currency. The banks do not profit by turning their Government holdings into money unless they can loan that money out again, and in that manner raise money on the interest paid on those loans, to pay their depositors. So there has never been any desire on the part of the Federal Reserve System to issue a greater amount of currency than was needed from time to time for business transactions.

You will recognize in the Federal Reserve System a complete divorcement of the national debt from the currency-creating power. When I say that the currency-creating power on the part of the Federal Reserve was incidental to its investment in Government obligations, have in mind that at the present time, in rough figures, there is something like $5,000,000,000 of currency outstanding. There are in the neighborhood of $26,000,000,000 of interest-bearing Government obligations outstanding somewhere. Assuming, for the purpose of argument, and believing the statements which have been made, that the banks invest in Government obligations solely for the purpose of allowing them to create currency, of course, there would be a closer relationship between the amount of the currency outstanding and the interest-bearing bonded indebtedness of the United States.

So there has never been an endeavor on the part of the Federal Reserve System to create any more currency than there was need for, which brings me to a very vital part of this question. This bill creates a situation whereby the national debt of the United States is brought into very close affiliation with the currency creating power. It has been quite generally recognized that when any country brings its currency into such close affiliation with its national debt that the one influences the other, that country has just gone broke. To my mind, that is one of the most important questions which this committee has to consider with relation to this bill.

I do not object to the issuance of currency to a certain extent, in the payment of our Government obligations, if by so doing we do not create an unstable currency. If there is not expansion to the point where people become fearful that through inflation the prices of commodities will rise wholly out of keeping with the demand for those commodities, I do not object to the issuance of more currency. For that reason I have voted for bills which, within reason, expand the currency. I expect to vote in this session for other bills which may reasonably expand the currency; but the thing which we must consider in that respect is simply this: It is the fear on the part of the people that when we issue large amounts of new currency without too much security behind them that in some manner the commodity-price index will be affected; that the commodity-price index will rise precipitately, and there is flight from the dollar to commodities.

Then we take every cent we can get, every single dollar of credit we can get, and we invest in commodities, not because we need them, but because we are fearful that the money is going to be so depreciated in value, thereby increasing the price of commodities, that it will be advantageous to invest in commodities so that we can take advantage of the rise in the commodity-price index and make a profit on the turn-over. When that reaches the proportion which it has reached in other countries, which I think know just as much about currency as we do, there is a tendency to create further unnecessary and unwarranted sums to meet the cash requirements. That is what happened in France; that is what happened in Germany; and that is what happened in Austria. I will not dwell upon the dire results of inflation in those countries. You are all as familiar with them as I am.

Now, if there ever comes a time when, through the power which is vested in the Federal Reserve Board by this Act, it is thought advisable on the part of the President, who actually controls the Board, the Board in turn controlling the boards of the several banks, to print large amounts of currency for the purpose of even stabilizing the national debt, then I want you gentlemen and this country to be warned that we may expect nothing but the results of inflation which were so apparent in the three countries which I have named.

It is not altogether the increase in the currency which causes this result; it is the great increase in the velocity of credit attending the output of this new currency, the increase being so rapid that the Government loses control over the situation. Now, you say to me that is just what this bill prevents; that in this bill we prevent undue inflation through open-market operations, through the manipulation of the rediscount rates, through the ability which is afforded the Federal Reserve Board to make far-reaching and arbitrary regulations with respect to reserve requirements. You say that all that is adequately controlled. But is there any presumption on our part that the Board, with its increased powers under this act, will exercise any more intelligence or will meet that situation with any more understanding than the Federal Reserve Board did in 1927? Under present law with respect to the rediscount rate the Federal Reserve banks must initiate the change in those rates.

Existing law provides that every Federal Reserve bank shall have power—distinguishing, of course, as we have done throughout this discussion between Federal Reserve banks and the Federal Reserve Board—the law now provides in section 14 of the Federal Reserve Act that every Federal Reserve bank shall have power to establish, from time to time, subject to revision and determination of the Federal Reserve Board, rates of discount to be charged by the Federal Reserve bank for each class of paper, which shall be fixed with a view to accommodating commerce and business.

The question is raised immediately, why has not the Federal Reserve Board exercised whatever powers they have had in changing Federal Reserve rediscount rates to meet changes in conditions in the country? Why did they not do it in 1927 and 1928? Why at that time did they not raise the discount rate high enough so that there would be no inducement on the part of the member banks to lend for speculative purposes?

The answer is found in the fact that the request for an increase in the discount rate must come from the Federal Reserve banks themselves; and it is interesting to note what happened in 1927. If you will permit me, I will read certain excerpts from newspapers of that time showing how difficult it was for the Federal Reserve banks of this Nation to persuade the Federal Reserve Board to raise the discount rate, which would have stopped the orgy of credit inflation which resulted in the crash of 1929.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 additional minutes.

These press excerpts will show how difficult it was for the Federal Reserve banks to induce the Federal Reserve Board to protect the people of the United States against the crash they knew was coming.

The New York Times of September 9, 1927, said:

> The long-debated question of the wisdom of centralized dictation in Washington of the rediscount rates that shall prevail in various parts of the country was brought sharply before the Wall Street banking community yesterday (Sept. 8, 1927) by the announcement that a reduction from 4 to 3½ percent in the rate of the Federal Reserve Bank of Chicago had been forced by the Federal Reserve Board over the protests of the Chicago bank's directors.

For the sake of emphasis I repeat: The Board of the Federal Reserve Bank in Chicago had protested the action of the Federal Reserve Board in Washington reducing the rediscount rate from 4 to 3½ percent; yet in the face of the warnings by the Federal Reserve Bank in Chicago the Federal Reserve Board in Washington compelled them under an order, the authority for which is questioned, to reduce that discount rate from 4 to 3½ percent. Again, on September 10, 1927, the New York Times said this:

> It was believed that the Federal Reserve Board favored a uniform 3½-percent rate by all of the larger banks, but that the Chicago Reserve Bank's directors do not desire to make that change.

Again, on September 10, the New York Times said, quoting a member of the other body, that the Senator—

declared that there was no authority to change the rediscount rate. The Chicago bank on September 6—

Quoting the Senator—

was directed to reduce its rediscount rate one-half of 1 percent following its failure to accept the suggestion of the Board for its reduction. The new rate went into effect September 7.

The Chicago bankers assert that local conditions in this district do not require a change in rate and that the effect of it will be hurtful in the Middle West. They intimate also that the lowered rate may further injure agriculture in the Corn Belt.

The Senator took the position that the Federal Reserve Board had no authority, except in times of great emergency, to prescribe rediscount rates, and that its power in this respect was limited to approval, or disapproval, of rediscount charges proposed by the Federal Reserve banks.

New York Times, September 15, 1927:

All signs point to a lively fight here (Washington) on Friday when the advisory council of the Federal Reserve System will take up for consideration the order issued by the Federal Reserve Board on September 6 requiring the Chicago district bank to lower its rediscount rate from 4 to 3½ percent to conform to the rate in effect elsewhere throughout the country.

Commercial and Financial Chronicle, May 18, 1929:

The Federal Reserve Bank of Chicago applied for permission from the Federal Reserve Board today (May 17) to increase its rediscount rate above 5 percent. * * * The development today revealed that the New York Reserve Bank has also petitioned the Federal Reserve Board for permission to advance its rate, according to reliable sources.

Commercial and Financial Chronicle, May 25, 1929:

Both the Federal Reserve Banks of New York and Chicago have continued to petition the Federal Reserve Board for permission to increase their discount rates from 5 percent to 6 percent. * * * The Federal Advisory Council has recommended to the Reserve Board that the latter grant permission to raise the rediscount rate to 6 percent to the the Reserve banks requesting it.

The directors of the New York and Chicago Federal Reserve Banks received another rebuff from the Federal Reserve Board, it was learned here today (May 25). * * * Both banks have made similar requests during the last 2 or 3 months but have only been turned down. The Boston and Philadelphia banks also have made similar requests with the same results.

The attitude of the Federal Reserve Board is that an increase in the rediscount rates would hurt business, but bankers did not believe that it would have any serious effect.

And so we continued this credit inflation in the face of the warnings of the Federal Reserve banks and against the advice of the Federal Reserve banks to a point that the crash came. It was inevitable. It was predicted by the Chicago bank, the New York bank, and the Philadelphia bank months before it actually happened.

Mr. Chairman, there is no reason for us to assume that the Federal Reserve Board with these arbitrary and far-reaching powers sitting here in Washington will have any clearer insight into the necessity for credit in Chicago, Philadelphia, Atlanta, Dallas, or San Francisco than they had at that time.

The framers of the act, the Members of Congress who sponsored it, were of the opinion that we should set up from 8 to 12 Federal Reserve banks throughout the United States.

Why not centralize it under a controlled body down here in Washington such as we are proposing in the pending bill? Because they knew that the Federal Reserve banks throughout the United States would adopt policies favorable to their clients, their customers. They knew how difficult it was for a central, politically controlled board in Washington to establish one policy for the farmers of the Midwest, the cotton growers of the South, the textile industry of New England, and the manufacturing industries of the Atlantic Coast States. They knew how difficult it was to get a body of men here in Washington who would be able to see with the same perspective all these different districts of the United States. For this reason they, in their sound and studied judgment, set up these 12 banks so that they would be in close communication with the interests they represented.

If the farmers of the Midwest, when the price index of farm commodities is going down, make a demand for credit, the Federal Reserve bank in Chicago should be in a position to lower its rediscount rate to meet this situation. If at the same time that the prices of agricultural commodities in Michigan, Illinois, Ohio, and Indiana are going down, the prices of manufactured products in the East and Atlantic Coast States are going up then the banks at Philadelphia, New York, and Boston should be in a position to raise their discount rates to meet the situation. It was never intended, and it is dangerous, to put this diversified power into the hands of a single board in Washington and expect them to intelligently meet the requirements in all parts of the United States. So it was well and fitting that the request for a change in the rediscount rate should be initiated by and come from the Federal Reserve banks themselves.

Mr. THOM. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Ohio.

Mr. THOM. If I follow the gentleman's argument correctly, I understand that these banks in New York and Chicago suggested an increase in the rediscount rate.

Mr. WOLCOTT. In one instance they suggested an increase and in the other instance they suggested that it be left where it was.

Mr. THOM. Their advice was not taken by the Federal Reserve Board?

Mr. WOLCOTT. No.

Mr. THOM. Manifestly the gentleman's plan does not work as it is set up. What does he suggest as to the control of the rediscount rates? Laying aside this bill, what would be the gentleman's suggestion?

Mr. WOLCOTT. I suggest that the power to determine the rediscount rate be left just where it is, in the Federal Reserve banks.

Mr. THOM. Still subject to approval by the Federal Reserve Board?

Mr. WOLCOTT. Yes.

Mr. THOM. Then the gentleman would have a stalemate.

Mr. WOLCOTT. Not necessarily.

Mr. THOM. The decisions which are reached by the district banks in New York, Chicago, or where not, are of no avail because the Federal Reserve Board differs with their conclusion.

Mr. WOLCOTT. Yes.

Mr. THOM. Then there is a condition of stalemate existing. Do you not have to have some responsibility in some final authority?

Mr. WOLCOTT. Yes.

Mr. THOM. Or this scheme of discounting does not work.

Mr. WOLCOTT. The answer to the gentleman's inquiry is if we want to remedy that situation then we can go just as far the other way as we are going in this bill, by determining that the Board of the Federal Reserve banks shall have exclusive power in the determination of rediscount rates.

Mr. THOM. Then the conclusion is we either ought to vest the power fully and completely in the Federal Reserve banks or in the Federal Reserve Board?

Mr. WOLCOTT. Not necessarily. I think there is a middle ground that could be agreed upon whereby the Federal Reserve Board would have some advisory jurisdiction over this matter for the purpose of coordinating the activities of the Federal Reserve banks, just as was intended in the original bill.

Mr. THOM. But we would have this division of power that gets us nowhere under these circumstances.

Mr. WOLCOTT. My point is I would rather have 12 banks each determining for themselves the rediscount rate in 12 districts than to have a Federal Reserve Board at Washington under the control of a single individual, who might be susceptible to private interests, determining the rediscount rate here at Washington for the farmers of the West and at the same time try to determine a safe and adequate rediscount rate for the industrial East.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New Jersey.

Mr. CAVICCHIA. The local banks know the situation in the part of the country in which they operate. They cer-

tainly would know how to remedy anything which appeared to be threatening the soundness of their investment much better than a body located in Washington. No matter how the body in Washington tried to be of service to the 12 banks, they would not necessarily know the conditions as well as the men who are operating in the particular district. That is the reason why each bank should decide for itself when to lower or raise discount rates?

Mr. WOLCOTT. That is exactly my point. I thank the gentleman for his observation.

Now, going on to another question, the President in his inaugural address said that he felt it advisable, and I am quoting in substance, not literally, to decentralize the population of the United States. In subsequent addresses he has given us the impression that because of the relief load being carried in large urban communities it would be better to take some of the poor people from the cities and put them out on small farms. His is a program of the decentralization of population. I do not care to argue the merits of that proposition, but I want to point out an inconsistency in this bill with that policy.

My fear is that we have taken the initial step toward not only the centralization and arbitrary political control of credit in the United States but I am very greatly concerned about the attitude of the Board in respect to loan policies. As I say, I am fearful this bill operates only as an entering wedge, and the initial step to further legislation by which the central Board in Washington can tell my bank in Port Huron whether they will lend to a paper mill or brass works or a foundry in my city, and, if so, under what conditions my bank may grant that credit.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, with this central Board in Washington having the power constantly to tell my bank, through the instrumentality of the Chicago bank, what reserves are required, what the rediscount rate shall be, and how many Government bonds it shall purchase, I am afraid that even under the provisions of this bill the Federal Reserve Board in Washington under the domination of political control can control the industries in Port Huron. With this control of credit my banks must look to the credit centers for their money; my industries must look to the credit centers for their credit; my industries must have their loans checked and balanced against loans to a like industry in Pittsburgh, New York, Philadelphia, Dallas, or wherever they may be, to the point where if one of my industries wants to borrow $10,000 for the purpose of extending its plant and putting men to work, thereby taking them off the relief roll, and it happens that down in Florida or out in California, or anywhere else, there is a like industry which owes the central bank a large amount of money, it is only natural that the policy of the Board down here will be to protect the Federal Reserve banks in their investments in those other industries.

It is only natural that the Federal Reserve bank will, in turn, protect its members against loans to industry coming in competition with other industry, and I do not want to be a party to any activity whereby my industries must come down to Washington and lay their applications for loans on the table and have them turned down because some industry in some other part of the country already owes the central bank a large amount of money and by giving them that loan they would be, to some extent, the security behind the loan, which they hope, at least, will be repaid. Where there is concentration of credit facilities, there is concentration of industry; where there is concentration of industry, there is a concentration of population. This is indeed a peculiar paradox. The administration advocates a decentralization of population, and at the same time expect us to pass this bank bill which, in its operation, will result in a greater centralization of population than we have ever known.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. I am wondering if the gentleman has in mind the provisions of subsection (o) on page 51. Would the gentleman object to stating whether they are the provisions which he is now discussing as being dangerous provisions?

Mr. WOLCOTT. No; I have no reference to that particularly. I did not want to discuss that section.

Mr. GOLDSBOROUGH. If the gentleman had no reference to that section, I have no questions to ask.

Mr. WOLCOTT. I think that has been covered, and while I would like time to discuss it, I think it has been so completely covered I am not going to take up the time of the Committee to do so.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. LUCKEY. Referring to the point the gentleman made in regard to the raising or lowering of the rediscount rate in different sections of the country to the detriment of other sections, is it not a fact that in 1920 the rate was raised in the agricultural sections, bringing about a deflation in the agricultural sections, at first, and then bringing on a collapse in that section, rather than a general deflation over the country?

Mr. WOLCOTT. I may say to the gentleman I am not acquainted with the mechanics of that operation, but the statement he has made, in substance, may be correct.

Mr. LUCKEY. My understanding is that the Tenth Federal Reserve Bank in Kansas City started to deflate first and that brought a collapse of the agricultural sections of the agricultural States.

Mr. WOLCOTT. The gentleman may be correct. I have not made a particular study of that operation, but I think if the gentleman is correct, it bears out my point that the Central Board down here at Washington did not have the interests of the agricultural Midwest in mind at that time, when it encouraged a situation which resulted in the deflation of farm-commodity prices.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to my colleague from Michigan.

Mr. BROWN of Michigan. As I understand the gentleman's argument relative to draining the resources of the member banks, it is based upon the right of the Federal Reserve Board to raise the reserve requirements. Is that right?

Mr. WOLCOTT. I did not just get the point of the gentleman's question.

Mr. BROWN of Michigan. I say the gentleman's argument as to transfer of funds from the smaller communities to the larger centers and to the Federal Reserve Banks is based upon the provision in the bill which permits the regional reserve banks to raise the reserve requirements.

Mr. WOLCOTT. I think that is correct.

Mr. BROWN of Michigan. And the gentleman fears that by that process they will take credit out of the smaller places and put it into the Federal Reserve banks?

Mr. WOLCOTT. They might.

Mr. BROWN of Michigan. Does the gentleman agree with me in the statement that as soon as that process is started—the result will be, if it is done to any extent, we will say 50 or 60 or 70 percent—there would be an immediate payment by the small-town banks of their obligations to their depositors?

Mr. WOLCOTT. There would be an immediate calling of their loans in that vicinity and the bank would, of course, have to pay its loans and discounts with the Federal Reserve bank.

Mr. BROWN of Michigan. What purpose would there be in a bank maintaining itself and keeping the deposits of its depositors if their reserve requirements were raised up to 60 or 70 percent?

Mr. WOLCOTT. There would be no inducement.

Mr. BROWN of Michigan. None whatsoever. I think immediately the result would be the bank would pay off its depositors because it cannot get any interest on its balance in the Federal Reserve bank, and there I think comes the

answer to the gentleman's argument in section (o) to which the gentleman from Maryland [Mr. GOLDSBOROUGH] referred. If the result of calling in the reserves is to diminish the deposits in the banks, it certainly would tend to unstabilize the general level of production, trade, prices, and employment. I think, if the gentleman will permit me a moment, the purpose of section (o) is to prevent just such a thing as the gentleman has mentioned.

Mr. WOLCOTT. Let me say that section (o) merely establishes a policy and is not mandatory in any particular.

There has been criticism of the fact that to help one section of the country the administration has wrought havoc in other sections of the country. There has been criticism of the fact that the sugar-beet farmers of Michigan and Colorado and Ohio and Indiana and all the rest of the sugar-producing States are now seriously encumbered by a very undesirable sugar-control act. We feel that the policy of the administration is wrong in that respect. We felt that the policy of the administration was wrong in increasing the preferential on the importation of Cuban sugar and the decrease of one-half of 1 percent in the world rate on sugar, but it was done. We had given them the power to do it, and it was done; and we can talk as loud as possible about it and the condition still remains, to the extent that three sugar-beet factories have closed in Michigan and within 20 miles of my home city 5,000 acres of sugar beets have gone out of cultivation.

We have heard the charge made recently that because of the policy of the administration with respect to the importation of Japanese textiles, the textile factories of New England are closing. These are questions of policy upon which different sections of the country disagree. The cotton farmer of the South does not want a tariff, while the industrial north wants a tariff. It has been said that tariffs are local issues. Whether they are or not I do not know. I think there is a middle ground which might be worked out, but I do not want to discuss the tariff today. I just use these as examples of the diversity of interests in the different sections of the country and the impossibility of the President and the Governor of the Federal Reserve Board, with all the intelligence and experience at their command, being able to establish a policy here in Washington that will be beneficial to all parts of the country and will not be injurious to some parts of the country. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Chairman and gentlemen of the Committee, I may say that my mind has run to details in connection with this bill. I feel that I am fairly familiar with the various sections in the three titles, and I would be glad at any time to stop and give you the benefit of whatever knowledge I have respecting any particular section.

I am very happy that my colleague from Michigan [Mr. WOLCOTT] spoke as he did of the banking fraternity in general. I think that sometimes the people do not fully realize the record that has been made from 1929 to 1935 by the bankers of the country. Knowing as I do that it is an unpopular thing to stand here and say anything favorable to the bankers I, nevertheless, venture to do so. When I speak of them I am not speaking of the bankers in the great financial and industrial sections of the country alone, although I think they ought to have their day in court, I am speaking of the average town and country banker. I say now that from 1929 down to the present time they have done a very good job.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. GOLDSBOROUGH. I would like to say, considering the banking situation of the country, that if there is any criticism at all it is of the system rather than the character of the bankers themselves.

Mr. BROWN of Michigan. I thank the gentleman. I am going to give you briefly an idea of what was done from 1929 down to the present.

In 1929 there were $58,000,000,000 in bank deposits. That includes all banks, public banks and private banks. The available figures show that deposits have shrunk to $47,000,000,000, a shrinkage of $11,000,000,000 in bank deposits from 1929 down to the present—the figures are for March 1935.

There was a total loss of deposits by suspension of $6,000,000,000—and when I say suspension I mean the total amount of deposits in the banks that were suspended, but not by any means losses, because the losses were very much less, of course, than the total amount of deposits in suspended banks.

The difference between the $6,000,000,000 and the $11,000,000,000 represents the money that has been taken out of the banks since 1929 and not redeposited. I do not feel that I should quote my authority upon this subject, because naturally there may be some changes in the final figures. The estimates I give may be a little off, but the latest estimate that I can get from authentic sources in the Government is that the recovery will be the sum of approximately $4,000,000,000. In other words, on a total deposit liability of $58,000,000,000 in 1929, we will probably have a net loss of $2,000,000,000. That means that if all of the losses in all banks were equally divided among all depositors, each depositor would have remaining $96.50 to his credit today.

In other words, there has been an average loss of 3½ percent to depositors in this tremendous depression that we have suffered from from 1929 to the present time. It is a better record than has been made in any other major line of investment in the United States. If you had invested in real estate, in bonds, in stocks, or had hoarded your money, you would have been worse off than if you had placed this money in the average bank in the United States.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. COLDEN. I dislike to divert the gentleman from his argument, but the gentleman quoted the amount of the deposits, which does not show any such proportion of loss to the country as the country has suffered. The velocity of money enters into our depression a great deal, and the very fact that these deposits are frozen to a great extent has had a wide effect upon our commerce and industry.

Mr. BROWN of Michigan. At the present time, with deposits of $47,000,000,000 available to the people, there has been a total loss of only $6,000,000,000, $4,000,000,000 of which has been or will be recovered.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. PIERCE. When the gentleman speaks of a loss of $2,000,000,000 to depositors, can he state what the loss was to the stockholders in those banks?

Mr. BROWN of Michigan. I am unable to give the gentleman that figure. They were in a sense the bankers.

Mr. PIERCE. Does not the gentleman overlook, more than any other fact, the fact that the men in the banking business lost practically their all?

Mr. BROWN of Michigan. I do not think that they have lost all. Many of them may have, but I think the total amount of stockholder loss does not compare with the depositor loss.

Mr. PIERCE. But the $2,000,000,000 lost by depositors is only a small part of the loss in the banking business.

Mr. BROWN of Michigan. On the contrary, I think it is by far the major part of the loss. I could not now give the gentleman the number of banks that were closed.

Mr. PIERCE. Many of them suffered a loss of 100 percent.

Mr. BROWN of Michigan. That is true, but I will not agree with the gentleman that it is the major part of the loss. The principal part of the loss has been in the deposits.

Mr. PIERCE. If the gentleman could give us the figures, I think he would find a loss of between three or four billion dollars in the capital structure.

Mr. BROWN of Michigan. I do not think it is anywhere near that high. If you had invested in real-estate bonds here in Washington in one of the great properties of the

city, the Wardman property, your loss would have been pretty close to 100 percent. If you had invested in 1929 in United States Steel stock, your loss would have been somewhere between $160 and $170 for each $200 that you invested. If you had hoarded your money, if in 1929 you had gone to the bank and said, "I want my $100; I am going to keep it", and if you had kept it until today you would still have your $100, whereas if you had left your money in the average bank in the United States and had suffered the average loss and had received interest at the rate of 2 percent a year for 5 years, you would have had $106.50 for every $100 you had left in the bank. I know of no major line of investment where the record equals that in the banks of the United States. I think that these rather caustic criticisms that the bankers of the country have endured are almost wholly undeserved.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. SAUTHOFF. I am a little amazed at the gentleman's statement. It strikes me as far-fetched, but I cannot controvert it because I do not have the figures. Before the gentleman leaves the subject I want to ask him a question. I presume most of the States have double liability in bank stocks, have they not? That is what the gentleman from Oregon [Mr. PIERCE] referred to.

Mr. BROWN of Michigan. Yes. Seventeen States do not have such laws at the present time, but I think the remainder or the majority of them do.

Mr. SAUTHOFF. In addition to that, this is where most of the people have their quarrel with the banks. It is not only a case of deposits, but it is the securities that they sold them, and that is where the biggest losses came in.

Mr. BROWN of Michigan. I think the small-town banks of the country were far greater sufferers, proportionately, from the cause to which the gentleman alludes than were the people of the country generally.

Mr. SAUTHOFF. I do not agree with that statement. Has the gentleman any figures to back that up?

Mr. BROWN of Michigan. I think it is a fact.

Mr. SAUTHOFF. Has the gentleman any statistics on it?

Mr. BROWN of Michigan. I think the small banks of the country were loaded up with a tremendous amount of bonds upon which they lost a great deal of money.

Mr. SAUTHOFF. I will agree with that statement, but how did they get loaded up with bonds? Mostly the securities were listed as offerings from the larger banks which disposed of them to the country banks.

Mr. BROWN of Michigan. I agree with the gentleman.

Mr. SAUTHOFF. I am in accord with the gentleman in his sympathy with the small banker. He carries a tremendous amount of grief and he suffered with his community, but I do not agree that the banking industry did not show losses commensurate with or in proportion to what the public lost, because I believe the heaviest losses which the public experienced were on the securities which the banks unloaded on the investing public.

Mr. BROWN of Michigan. I am talking about losses in banks. I do not know what the system is in the gentleman's State of Wisconsin——

Mr. SAUTHOFF. It is about the same as all over.

Mr. BROWN of Michigan. As far as the banks in the State of Michigan are concerned, they are not engaged in the business of selling securities to their depositors.

Mr. DONDERO. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. DONDERO. I think what is true in Michigan is true of other places. We have a law which requires the banks to have a certain amount of municipal bonds in their secondary reserves, from which the bankers suffered tremendous losses. They had no way to dodge that issue and were compelled to take them.

Mr. BROWN of Michigan. And they were required to take a certain amount of real-estate bonds also, from which they suffered to a greater degree.

Mr. COLDEN. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. COLDEN. I wish to call the gentleman's attention to the fact that a certain bank in California that has numerous branches throughout the State would instruct the officials of those branch banks to go out and sell the stock of this institution to their leading depositors, and did so to the extent of a great deal of money.

Mr. BROWN of Michigan. I think the Committee on Banking and Currency has done an excellent piece of work in divorcing and separating the business of selling stocks and bonds from the banking business.

Mr. COLDEN. I agree with the gentleman on that point.

TITLE I

Mr. BROWN of Michigan. Now, if we may leave that subject, I want to take up a few of the sections of title I. As I said in my introductory statement, feel free to interrupt me at any time regarding the provisions of that title. Unfortunately both titles I and III seem to have been lost in the general argument over title II.

I refer first to section 4 of title I, which makes a major change in the Federal deposit-insurance capital set-up. Heretofore the Corporation has had capital pretty largely supplied by the United States Government, through the Treasury Department.

I do not know whether some of the new Members know it or not, but next to the Treasury Department's contribution of $150,000,000 to the capital, the largest contribution came from the Federal Reserve banks of the country—$139,000,000. The banks themselves, through an assessment of one-quarter of 1 percent under the temporary plan, paid in $39,000,000. Under the present law that capital set-up is changed and it is changed for this reason: It was feared that if we had a considerable loss in the country and if it seemed unwise to assess the banks in time of stress, provision ought to be made for using the assets of the Corporation. This change has been made, and the allotment of resources between capital and surplus is left to the board of the Federal Deposit Insurance Corporation. They may, if they desire, and they probably will, greatly reduce the amount of capital and greatly increase the amount of surplus, for the reason that it would look bad to take money out of the capital of the Corporation, and they want to arrange things so that in times of stress it will not be necessary to deplete the capital of the Corporation.

Section 6 contains a matter which will prove of considerable controversy in this House when the bill is read for amendment. It is the section which relates to the continuance of nonmember banks in the Federal Deposit Insurance Corporation after 1936.

If anyone has any question as to what that section contains, I will be glad to answer it now. I am going to discuss the matter from the standpoint of the argument later.

Mr. DONDERO. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. DONDERO. Can the gentleman give the House any information as to the proportion of member banks to nonmember banks of the country, to see how many banks will be affected by this provision?

Mr. BROWN of Michigan. If I am wrong, I am sure some member of the committee will correct me, but, roughly speaking, there are about 960 State member banks of the Federal Reserve. I believe about 11,000 nonmember banks.

Mr. STEAGALL. Nine hundred and sixty member banks and about 11,000 nonmember banks, and all but 1,100 are members of the Federal Deposit Insurance Corporation.

Mr. BROWN of Michigan. Of course, there are about 5,600 national banks that are members, by requirement of law, of the Federal Reserve System.

Title I, section 7, contains a provision and a change made by the committee, which I consider of considerable importance. It is probable that there will be some effort made to make some changes in that respect. I think it illustrates the attitude that many of us on the committee have with reference to control by State authorities and control by the

Federal Reserve authorities. Under section 7, page 11, of the bill, for admission to the Federal Deposit Insurance Corporation the bases upon which the Corporation shall make its determination are the condition of the bank and the adequacy of its capital structure. The committee, by a considerable majority, voted out of the bill as originally presented, these requirements: First, future earning prospects; second, general character of management; third, condition and needs of the community; fourth, corporate powers.

The reason those were stricken out was because we feel that as long as we have a dual banking system in the United States, the question of chartering State banks, the determination of whether or not a community ought to have a State bank, and the general character of its management are matters for the State authorities to determine.

The important things to the Insurance Corporation are the financial condition of the bank and the adequacy of its capital. I was among those who felt that we ought to leave the matter of chartering banks to the State authorities as long as we have a dual system. I, for one, say right here, although I believe I am in a minority, I am for a unified system; but until the time comes when we have such a system throughout the country, the matter of determining whether a community ought to have a bank should remain with the State banking authority and not be vested in the F. D. I. C.

Many of the Members who have spoken on the bill have touched upon the subject of assessment. I think my views differ very little from those of the gentlemen who have spoken with reference to this matter. As originally presented to us, the recommendation was that the assessment should be one-twelfth of 1 percent. This, Mr. Chairman, is the recommendation of the Federal Deposit authorities, based upon the experience of the past year. The testimony of Mr. Crowley, the Chairman of the Board, shows that one-third of 1 percent per annum annually assessed would have cared for all the losses in the past 70 years in the banks of the country. I may say, however, that those who have discussed this matter have neglected to say that this experience is based upon national banks, because the figures for State banks prior to about 1900 were not available, and no accurate figures were available until the establishment of the Federal Reserve System. One-eighth of 1 percent would have taken care of all the losses in the national banks of the country except during the last 4 years. One-tenth of 1 percent would have taken care of all the losses of $5,000 or under for the past 70 years, with the exception of the years of the depression.

The committee, after considerable discussion, compromised upon a rate of one-eighth of 1 percent.

Under the law as originally introduced and before the committee changed it the Corporation had the right to remit a part of its assessment. So far they have not taken in more than one-half the amount they are entitled to receive.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. HANCOCK of North Carolina. In view of the fact that the capital of the average bank is at the lowest figure it has been for many years, does the gentleman think it would be wise to reduce the assessment from one-eighth of 1 percent to one-tenth of 1 percent, based upon the information the gentleman has with respect to losses during the past decade?

Mr. BROWN of Michigan. The gentleman embarrasses me in asking that question, because I moved in the committee that the amount be fixed at one-tenth of 1 percent; and, as usual, I was defeated.

Mr. HANCOCK of North Carolina. In other words, the committee would not accept the gentleman's sound judgment.

Mr. BROWN of Michigan. I thank the gentleman for his complimentary contribution.

Mr. Chairman, I have the feeling that the figure of one-eighth of 1 percent is not excessive; I believe we could get along with less than that. I certainly feel that we cannot permanently continue to assess banks one-eighth of 1 percent, because at the rate of the Corporation's earnings and at the rate of their collections by way of assessments, if more banks come into the System, and if deposits increase, the Corporation in the matter of 10 or 15 years would have most of the money of the country. So it seems to me that a limitation must be placed on the amount of the assessment. I am frank to say I think it most unfortunate that we have taken out of the law the right of the Corporation to remit assessments. By the pending bill they are made absolutely mandatory and must continue until Congress changes the law, if the pending measure is enacted into law.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. GIFFORD. While the gentleman is on this subject I would like to have him express his views as to the justice of having the same rate apply equally in all parts of the country. Should not the rates be regional? Are not some sections of the country more apt to have trouble than others? I would like the gentleman's views as to the fairness or unfairness of the larger banks, carrying the larger deposits above $5,000, having to pay a rate just the same whether their deposits are insured or not. These matters are bound to be subjects of controversy.

Mr. BROWN of Michigan. I think that in the Seventy-third Congress the Banking and Currency Committee discussed that subject very thoroughly, much more so than they have done during the present session.

The general answer to the gentleman's arguments is that all of the banks of the country are interested in the solvency of all the banks; that a failure in Massachusetts has its repercussions in California, and a failure in Oregon or in Michigan likewise has its influence in the Southland.

We feel further in the matter of assessments based upon all deposits rather than upon insured deposits that while it is somewhat of a concession to the smaller banks of the country, nevertheless it is a right and proper thing, because the large banks are interested in the solvency of the small banks of the country. This, I believe, is the view of the committee.

Mr. GIFFORD. I knew that would be the gentleman's answer, but it is a matter of great controversy.

I would appreciate the gentleman's comments with reference to the attitude of the Massachusetts savings banks with their deposits of $2,000,000,000, who did not wish to and who did not go into this insurance feature. Their investments are largely local, and they resist the attempt to force them to insure with the rest of the banks of the country.

Mr. BROWN of Michigan. Mr. Chairman, I may say to the gentleman from Massachusetts that the committee and the House, whenever legislation affecting the Federal Deposit Insurance Corporation has been before them, have given special concessions to the mutual savings banks of the northeast section of the country; and we have made it particularly easy for them to come in or to get out, as they see fit.

Mr. GIFFORD. The gentleman realizes that these banks are located in the northeast section of the country; there are few of them in the other portions of the country. The gentleman does not criticize their attitude.

Mr. BROWN of Michigan. Absolutely not.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. SISSON. The gentleman has made the comment I wished to make when he replied to the gentleman from Massachusetts. I would like to observe, however, that no attempt ever has been made to force the savings banks into the Deposit Insurance Corporation.

If the gentleman remembers the history of that proposition, he will remember that the savings banks came and requested that they be brought within this legislation.

Mr. BROWN of Michigan. The gentleman is correct. I think at the present time the number insured is something like 68, although I am not certain of that figure. A large number of them are not in the Corporation.

Mr. STEAGALL. In that connection may I say the gentleman remembers that under the provisions of the bill the Deposit Insurance Corporation Board has authority to fix a different assessment for the different kinds of banks?

Mr. BROWN of Michigan. Yes. We have given them special consideration because of their solidity, and I am as proud of that fact as is the gentleman from Massachusetts.

Mr. Chairman, the total income of the Corporation based on one-eighth of 1 percent has been variously estimated, but, of course, cannot be accurately determined.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. BROWN of Michigan. Mr. Chairman, the return from assessments at one-eighth of 1 percent will be, roughly speaking, $45,000,000 a year. The return from the investments of the Corporation is at the present time $9,000,000 per year, giving them a total income of somewhere between $50,000,000 and $60,000,000.

I suppose everyone in the House understands we are definitely now giving up the original provisions of the first Steagall bill; that is, we are no longer insuring accounts up to $10,000; 75 percent of the accounts between $10,000 and $50,000 and 50 percent of the balance.

The reason for that has been well expressed. Forty-four percent of the deposits of the country, according to figures I obtained from the Corporation yesterday, are $5,000 or less; 56 percent are above $5,000; 98 percent of depositors are covered in full. The total deposits in insured banks as of October 1, 1934, the last available figure, is $37,000,000,000. You will remember I said the total amount of deposits in all banks in the United States at the present time is about $47,000,000,000.

A gentleman during the speech of the gentleman from Wisconsin [Mr. REILLY] asked about the principle of subrogation and its application in this bill. Because of perhaps the hurried manner in which the first bill was drawn, many of us who ought to have applied ourselves a little closer, overlooked this matter. The situation under the present law is such that the depositor with an account in excess of $5,000 is to a certain extent insuring his own deposit, because the Corporation is subrogated to all the rights of a depositor, no matter how much money he has in the bank, until the Corporation is refunded its money in full. Under the present bill we have made it absolutely clear that the Corporation is entitled to be subrogated only to the amount that it pays to a depositor. I do not think that it could be more clearly expressed than in the statute itself:

> Such subrogation in the case of any closed bank shall include the right to receive the same dividends from the proceeds of the assets of such closed bank and recoveries on account of stockholders' liability as would have been payable to such depositor on a claim for the insured deposit, such depositor retaining his claim for any uninsured portion of his deposit.

Mr. DONDERO. What section is the gentleman reading?

Mr. BROWN of Michigan. Section 7 on page 27. So that matter, I think, is clearly and definitely disposed of. That is all I shall have to say on the subject of title I.

Mr. KENNEY. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from New Jersey.

Mr. KENNEY. What would happen in case deposits were insured but insurance of the deposits was not justified? Who would take that loss and how would the assessment be levied?

Mr. BROWN of Michigan. A very careful provision has been made in the law protecting the Corporation in this respect. The actual fact, as determined finally by a court, fixes the liability of the Corporation.

Mr. KENNEY. If it was determined that the Corporation made a mistake in insuring the depositors, upon whom would that loss fall?

Mr. BROWN of Michigan. The loss would fall upon the depositor, if the account was not legally insurable. It would depend on the facts and a determination of a court in the matter.

Mr. KENNEY. In that case who would raise the question? The Corporation?

Mr. BROWN of Michigan. The Corporation or the depositor.

Mr. KENNEY. If the deposits were insured and under that insurance measure deposits were made and continued to be made in the bank, the gentleman does not mean to say, if it subsequently turned out that these deposits should not have been insured, that the Corporation could recover against the depositors because they had received their money?

Mr. BROWN of Michigan. That would be solely a question of fact to be presented to the court for determination. I could make no other answer to the gentleman's question.

Mr. Chairman, I cannot close my discussion of title I without referring to the excellent work done by the gentleman from Alabama [Mr. STEAGALL], and I am very happy to say that I can quote from an earlier speech of mine, to express my appreciation of his work.

I was invited to go back to the city of Grand Rapids in June 1934, to address the Michigan Bankers' Association. I know the Members will bear with me if I quote a paragraph from the speech which I made at that time to the Michigan bankers. I then stated:

> I cannot close without paying tribute to the great American who heads my committee. There is no person in the American Congress, I think I can safely say no person in the American Government, who has contributed so much to the new stability of banks in the United States as has HENRY B. STEAGALL, of Alabama. He is a great statesman and a great liberal; one who was far-sighted enough 3 years ago, yea, 12 or 13 years ago, to battle for the formation and the carrying into effect of some system of mutual bank insurance. If his desires had been enacted into law in 1932, it is very likely that the banking debacle of 1932 would not have occurred. The House passed this bill but the Senate did not.

TITLE III

May I now refer briefly to title III, and it is a rather interesting fact that so far no one on the floor of the House has discussed any of the provisions of section III of the act.

Mr. GIFFORD. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I do not blame the gentleman for not listening to me when I made my address, but I did refer to section III and to the reverse action taken on many things which we did and should not have done.

Mr. BROWN of Michigan. May I say to the gentleman that I was so chagrined at interrupting him during his speech, giving both him and the House some false information, that I did not listen to the rest of gentleman's speech, because I was busy checking on myself.

Mr. GIFFORD. I may say to the gentleman, while handing out these bouquets, I have been so overwhelmed by the knowledge of the gentleman from Michigan that when he interrupted me I almost yielded what I thought to be the facts, and the gentleman was very nice about calling me up and stating that he did get his facts confused and that I was right.

While I am on my feet—I do not want to bother the gentleman——

Mr. BROWN of Michigan. The gentleman certainly is not bothering me. He pleases me.

Mr. GIFFORD. But I would like to ask the gentleman if he will not, in his remarks on title III, discuss a phase of the bill which I did not take up, with respect to the harassment of our people by that phase of the bill whereby a banker, who may be the president or an executive officer of a small bank doing a large business, if he goes outside and borrows money, must tell his own bank exactly why he did it, how much he borrowed, what he gave as security, and bare himself to the gaze of all his neighbors in his own little bank. We have gone so far with respect to some of these things that I mention it to the gentleman from Michigan; and when we come to that point in the bill I should certainly like to offer an amendment so that we may retrace another one of our steps which we have taken in going so far in our attempt to control a few crooked bankers.

Mr. BROWN of Michigan. I shall be very pleased to comment on that. I am going to mention three of the principal items in title III.

In the first place, title III eliminates double liability of stockholders in national banks. At the present time the law is in an uncertain condition. We provided in the Banking Act of 1933 that double liability should not attach to stocks hereafter issued. This leaves a situation in which some bank stock is liable for double assessment and some bank stock is not. We have clarified that matter—and, I think, in a legal and constitutional manner—by providing that double liability would cease on July 1 of 1937 after public notice had been given to the depositors of the bank 6 months prior to the time when double liability is to be eliminated.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. HANCOCK of North Carolina. Will the gentleman give us his opinion with respect to making the date July 1, 1936, or, rather, explain to us why it should be July 1, 1937?

Mr. BROWN of Michigan. I have the feeling that ample notice should be given to the depositing public of the United States, so that there could be absolutely no question, either legally or morally, of the right to eliminate double liability. I think delay until 1937 is beneficial for that reason.

Furthermore, the present structure of the banks, as well as the condition of the country, is such that I feel there is very little necessity for hastening the day by setting it ahead 1 year.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. DONDERO. What would be the situation in case a bank failed to give public notice 6 months prior to the date we fix in this bill?

Mr. BROWN of Michigan. Double liability would attach to the stock, but any bank may thereafter comply by giving the 6 months' notice.

Mr. DONDERO. Might it not be better to make it uniform and absolute throughout the country by fair publication through the public press?

Mr. BROWN of Michigan. I may say to the gentleman from Michigan that the opinion of the committee is that there is a contractual relationship between the bank depositor and the bank; and we do not believe that we can, by statute law, without giving ample notice to the depositor, eliminate that liability, and this is the reason for it.

Mr. HANCOCK of North Carolina. And I assume it is the gentleman's thought that by delaying action with respect to repeal of double liability for a period of 2 years or more, the banks would be in a position to retire from their surplus of earnings an amount to offset the amount of liability on account of such stock ownership or an amount approaching that point.

Mr. BROWN of Michigan. I was just coming to that question.

Mr. DOBBINS. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Illinois.

Mr. DOBBINS. The gentleman spoke of the desirability of a uniform banking system. Does not this plan that is proposed by this bill of allowing some banks to make their stockholders liable doubly to the depositors and others not, as they elect, detract from the plan of a uniform banking system?

Mr. BROWN of Michigan. I will say to the gentleman that I cannot conceive of any national banking institution that would not take advantage of the law and eliminate double liability.

Mr. DOBBINS. But it does put that bank in the position of asking its depositors to accept this plan as applying to that bank alone, instead of the United States Congress assuming the responsibility and making it apply to all national banks in the country.

Mr. BROWN of Michigan. I may be wrong from a legal standpoint, but many other lawyers on the committee and the Comptroller of the Currency feel as I do, that because of the contractual relationship between the depositor and the bank, which is the relationship of debtor and creditor, we cannot take any of the rights away from that creditor without giving him ample notice, and I believe this is necessary.

Mr. DOBBINS. But you would notify the depositor if you passed this law, and if he allowed his deposit to remain in the bank after the date you fixed, he would have his legal notice upon enactment of the law.

Mr. BROWN of Michigan. I doubt whether that would be considered sufficient notice. This is my own view of it.

Section 314 of title III is corollary to the elimination of double liability. It provides that one-tenth of the net earnings of the bank each year shall be carried to surplus until the surplus shall equal the capital; in other words, a one-hundred-thousand-dollar bank must take one-tenth of its annual earnings and add them to surplus until the surplus equals the sum of $200,000; that is, the surplus and capital.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BROWN of Michigan. In the matter of loans to executive officers, which was discussed by the gentleman from Massachusetts [Mr. GIFFORD], I may say that we have made a substantial change.

Under the law as it now exists, no loans could be made to executive officers of national banks. I am in thorough accord with the present law; I think it should be continued; but it was felt that it might cause hardship at some time, that emergencies might arise when an executive officer of a bank needed money quickly, and it was decided to place a limitation of $2,500 upon his right to borrow and the further limitation that such loans could only be authorized by a majority of the board of directors-elect.

The provision to which the gentleman refers and to which he particularly objects is that all executive officers of banks are required to notify the board of the bank of which he is an executive officer of the fact that he is borrowing money elsewhere.

I myself felt that if the executive officer was not indebted to his bank that there was no reason for requiring him to give that information. But since we have changed the law to enable him to borrow the sum of $2,500, I believe it is right and proper that notice should be given to his board of the fact of his indebtedness elsewhere.

The contention of the Deputy Comptroller of the Currency, who testified with respect to that matter, is that it is a mighty good thing for the bank to know the condition of its executive officers with respect to indebtedness to other banks.

Mr. DONDERO. Will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. DONDERO. Suppose the officer borrowing from his own bank gives 100-percent collateral security. Does the gentleman think he should be compelled to give that information?

Mr. BROWN of Michigan. I made that suggestion in the committee, but it was not assented to. We have also extended the time for payment of existing loans to executives from July 1, 1935, to 1938.

Mr. DONDERO. I am in sympathy with cutting down the amount that an executive can borrow from his own bank, for that has made a lot of trouble in this country.

Mr. BROWN of Michigan. Now, I would like to take the time if I had it to discuss a matter which will be an issue in the House when the bill is read for amendment, but I am not going to take the time other than to state my position. Although I am usually in accord with the committee, I am compelled here to disagree. I feel that every effort should be made to bring nonmember banks into the national system. I believe that they possess a greater solidity when they are members of the Federal Reserve System.

I call your attention to the fact that if we repeal the limitation requiring them to become members of the Federal Reserve System by July 1, 1936, we are bringing about a

situation where the smaller banks of the country—the smaller national banks of the country are going to go out of the Federal Reserve System.

Any national bank can liquidate, take out a State charter and enter into the F. D. I. C. as a nonmember bank.

What is the situation? By Executive order of the President the right to issue money equivalent to the capital stock of the bank has been taken away. The right to establish branch banks does not exist for the smaller national banks. It does exist in most State banks. By remaining in the national system the small national banks cannot do it.

The rediscount privilege in the Federal Reserve System does not mean much to the small-town banks. They do not have to remain in the Federal Reserve System to remain in the Federal Deposit Insurance Corporation. There is every reason for the small national bank to get out of the System if the bill as we now have it becomes the law of the country.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. FIESINGER. If a bank is in the Federal Deposit Insurance Corporation, it gets quite as drastic examinations and the control is quite equal to that in the Federal Reserve? Is not that so?

Mr. BROWN of Michigan. I think in some States it is, but I think in the majority it is not. As far as F. D. I. C. examinations are concerned, we have had but little experience.

Mr. FIESINGER. I have always been of the idea that I would like to see all banks in the Federal Reserve, but now that we have the Federal Deposit Insurance Corporation with their examination and methods of liquidation, I cannot see the same reason for having them all in the Federal Reserve.

Mr. BROWN of Michigan. I think there is considerable in what the gentleman says, but so far there has been no considerable system of examination set up, and I will say that the record of the Comptroller's Department in the examination of banks is I think——

Mr. FIESINGER. Much stronger than the F. D. I. C.?

Mr. BROWN of Michigan. We have not had much experience with the F. D. I. C., but the Comptroller's record is splendid.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. PIERCE. How often do deposit examinations come?

Mr. BROWN of Michigan. With member banks?

Mr. PIERCE. Yes.

Mr. BROWN of Michigan. At least once a year.

Mr. PIERCE. And with the Federal Reserve?

Mr. BROWN of Michigan. Once a year, and the Comptroller's is twice a year, in nationals, and more often if conditions warrant it. To give you some idea of the difference in the record of member and nonmember banks, let me give you these figures: In 1921 there were 8,150 national banks with total deposits of $12,991,000,000. There were 1,595 member State banks with deposits of $7,646,000,000. There were 20,181 nonmember banks with deposits of $9,529,000,000. In 1932 open national banks had diminished in number from 8,150, 12 years before, to 6,080; the State member banks from 1,595 to 824; and nonmember banks from 20,181 to 11,292. During the 12-year period just before the abnormal situation of 1933, the average annual number of national banks closing per year was 138, or 1.6 percent of the 1921 total; State member banks, 35 per year, or 2.2 percent; and nonmember banks, 732 per year, or 3.6 percent—more than twice as much, expressed in percentage, as the national banks. In the matter of deposits, the 12-year period shows that the total deposits in national banks suspended was $1,187,000,000; in State member banks, $680,000,000; and in nonmember banks, $3,017,000,000.

When one stops to consider that the 1932 member banks' deposits were three and one-half times the nonmember deposits, and that the deposits in suspended nonmember banks for the 12 preceding years were practically twice the amount of deposits in suspended member banks, it is plain and apparent that a unified system is immensely superior in safety to depositors. You get some idea from these figures of the superior safety of banks that were members of the Federal Reserve System. That record is borne out by the record of failures in the Federal Deposit Insurance Corporation.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes more.

Mr. BROWN of Michigan. The gentleman from Illinois [Mr. DIRKSEN] stated the other day that the first bank to fail after the inauguration of the F. D. I. C. was in his congressional district. I asked him at that time whether or not it was a member bank. He said that he thought it was. I have found out since that it was a nonmember bank. We have had 16 failures in the Federal Deposit Insurance System up to the day before yesterday. Two of them have been members of the Federal Reserve and 14 of them have been nonmembers of the Federal Reserve System. Taking the total amount of deposits, the figures are even more astounding. The 14 nonmember banks failed with total deposit liabilities of $3,000,000, and the 2 member banks failed with total deposits of $360,000.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. CAVICCHIA. Does not the gentleman realize the fact that 14 nonmember banks failed as against 2 member banks shows that those banks that are members of the Federal Reserve System, when in need, usually get it from other member banks, and thereby their closing is prevented, whereas these nonmember banks have nowhere to go for help?

Mr. BROWN of Michigan. I think that has much to do with it. In the State of Michigan in 1932–33 over 40 nonmember banks failed, not because of bad management, not because of the decline in securities, although that was tremendous, but because they had their reserves in suspended banks in the city of Detroit, and if those country banks had had their reserves in the Federal Reserve bank, either the branch bank in Detroit or in Chicago, they would have been open today.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. COLDEN. Does not the gentleman feel that the elimination of the interest payable by the banks to commercial depositors and the release of the double liability of stockholders and of the extension of the executives to borrow money from a bank, to some extent infringes upon the rights of the depositors of those banks? Perhaps I had better call it "custom."

Mr. BROWN of Michigan. It is a contractual obligation. He does not need to enter into a contract with the bank to carry his money if he does not want to. The courts have many times held that it is a relationship of debtor and creditor.

Mr. DONDERO. Will the gentleman yield for a question?

Mr. BROWN of Michigan. I yield.

Mr. DONDERO. Speaking of the Michigan situation, the 40 banks which closed were mostly small banks.

Mr. BROWN of Michigan. That is true.

Mr. DONDERO. And is it not a fact that they were required to have their reserve deposits in the larger banks by law?

Mr. BROWN of Michigan. By State law; yes; but not by national law.

Mr. DONDERO. That is true.

Mr. FIESINGER. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. FIESINGER. I was just wondering whether the gentleman had considered this proposition: It seems to me there could be too much strictness in examinations. Of course, I believe in safe banking, but it can be made so strict that the

bankers get scared and they will not take any risk. That is a difficulty I have found. Of course, that retards business. If a banker will not take some slight risk, a business man cannot get money when it is reasonable to do so.

Mr. BROWN of Michigan. Of course, we must remember the banker is dealing with other people's money. I feel that the record of the Comptroller's office in the matter of examinations is an excellent one. I do not believe it is too drastic. Like others I think they have made mistakes in the past, but I think it is one of the most highly efficient organizations we have in the Government.

Mr. Chairman, I ask unanimous consent to include at this point in my remarks some statistics from the Federal Deposit Insurance Corporation regarding the failure of banks since the establishment of the Corporation.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

Suspended insured banks

Name and location of bank	Gross deposits	Deposits preferred, secured, or subject to offset	Deposits uninsured, unsecured, unpreferred, and not subject to offset	Net insured deposits	Immediate cause of suspension
1. Fon du Lac State Bank, East Peoria, Ill	$239,124	$57,611	$76,946	$104,567	Internal discord.
2. Bank of America Trust Co., Pittsburgh, Pa	1,059,783	739,011	5,935	314,837	Forgeries and manipulations.
3. First National Bank of Lima, Lima, Mont	41,644	3,741	----------	37,903	Comptroller's decision based on insolvency and increasing losses.
4. Florence Deposit Bank, Florence, Ind	66,492	368	----------	66,124	Defalcation.
5. Bank of Lewisport, Lewisport, Ky	68,148	4,078	----------	64,070	Shrinkage of business.
6. Farmers and Traders Bank, Porterfield, Wis	31,733	2,792	1,300	27,641	Cashier's defalcation.
7. Pickens County Bank, Jasper, Ga	212,636	22,999	1,900	187,737	Forgeries and manipulations by president.
8. The State Bank, Sauk City, Wis	[1] 170,352	7,479	[1] 42,033	120,840	Shrinkage of business.
9. Farmers State Bank, Bongards, Minn	[2] 72,740	13,029	[2] 43,458	16,253	Defalcation.
Total to Jan. 1, 1935	1,962,652	851,108	171,572	939,972	
10. Cliffside Park Title Guarantee & Trust Co., Grantwood, N. J	587,888	15,377	11,268	561,243	Decision of State department based on irreparable insolvency.
11. National Bank of Herndon, Herndon, Va	319,949	62,552	34,362	223,035	Defalcation of cashier.
12. Palmetto State Bank, Lake City, S. C	136,254	172	2,418	133,664	Robbery.
13. First State Bank, Cheyenne, Okla	298,121	21,669	69,253	207,199	Illegal management practices.
14. Guaranty State Bank, Clinton, Okla	[3]	[3]	[3]	[3]	Do.
15. Planters State Bank, Mountain Park, Okla.[4]	----------	----------	----------	----------	Defalcation.
16. State Bank of Milford, Milford, Kans	86,648	2,702	12,024	71,922	Do.
Total, 14 banks	3,391,512	953,580	300,897	2,137,035	

[1] Includes $25,328 of restricted deposits not eligible for insurance.
[2] Includes $43,458 of restricted deposits not eligible for insurance.
[3] Not yet available.
[4] Reorganization pending Apr. 15, 1935.

Mr. BROWN of Michigan. Let me conclude this part of my statement by saying that aside from insurance, if your money was in a member bank of the Federal Reserve, your chance of getting it back was about as 300,000 is to 1. If your money was in a nonmember bank, it was about as 1,500 is to 1. In other words, the percentage of safety, if we may call it so, was 200 times greater in member banks of the Federal Reserve than in the nonmember banks.

In the discussion of this question many have talked about borrowers and about bankers, but we must remember that the greatest obligation of a bank is to its depositors, and safety there is the end we seek.

TITLE II

I want to briefly touch upon title II of the bill. I think the argument made by the minority members of the Committee on Banking and Currency in the report 742 is the best argument that can possibly be made against title II. The ranking minority member, Mr. HOLLISTER, ably assisted by the other Republicans on the committee, has made a splendid argument against title II, and there have been many able arguments on the floor.

I want to call your attention in that respect to this: Every argument they make is based not upon the use of the powers that we have given in this bill to the Federal Reserve Board but upon the abuse of those powers. I think it is conceivable that General MacArthur, when they are having a parade with their guns and artillery, might suddenly turn upon the Capitol of the United States or the White House and take it.

I think he would have the power to do that, and perhaps get away with it for a short time, but no one thinks that we should deny the Commander in Chief, the general in charge, and the Army the power to do it because of the remote possibility suggested. I think the Legislature of my State of Michigan could abolish the law against murder, but it is not going to do it. No one thinks that the Federal Reserve Board is going to raise the reserve requirements of banks to the absurd amount of 90 or 100 percent of their deposits. No one believes that. The people of the United States have given the Congress power to do many things. Perhaps we do many foolish things, but the sober sense of the Representatives here keeps this body pretty straight. The same would be true of the Federal Reserve Board. However, let us assume that they would go the limit in this matter of the financing of Government obligations, the most money that could possibly be obtained from the Federal Reserve banks under present conditions by any open-market policy under this bill in the purchase of Government bonds would be approximately the sum of $15,000,000,000, about half of our total issue. At the present time the Federal Reserve banks have but two and a half billion dollars. The great bulk of the money is held by the investing public and by the banks of the country which go into the open market freely and buy those obligations. There is no danger at the present time. No member or nonmember bank in the country could be compelled to buy a bond or make a loan under this bill.

The Under Secretary of the Treasury, Mr. Coolidge, said to us in substance that there is no danger that those powers could be used or are needed for the purpose of financing Government obligations.

Mr. THOM. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. THOM. How did the gentleman arrive at the figure of $15,000,000,000 as the total amount of bonds that could be purchased?

Mr. BROWN of Michigan. The total amount of assets of the Federal Reserve banks are such at the present time, I am reliably informed, that such a sum could be raised if it was necessary.

We must assume that powers given will be exercised reasonably. But do not forget that this bill contains a distinct and definite direction to the Board. It is found on page 51 of the bill:

> It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

This is a distinct limitation on the power. A great raising or lowering of the discount rate, an extensive and unwar-

ranted buying of Government bonds, cannot be tolerated under this section. Stability is the test. If this direction is followed and it is a part of the law, there need be no fear of the abuses which are the bases of the argument of the opposition.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BROWN of Michigan. Mr. Chairman, I desire to refer to the circular which all of you received this morning from the Chamber of Commerce of the United States. I am going to read to you what they say about banking legislation:

> With the elimination from the pending bill of the provisions of title II, which we so earnestly believe should not be enacted, there would remain in the proposed Banking Act of 1935 the sections relating to insurance of bank deposits (contained in title I) and the sections that relate to a number of technical changes of banking law (contained in title III). The subject matter of the deposit-insurance provisions and of the technical amendments, having been evolved by officials of the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency in consultation with men of practical experience in banking and in business, are based upon demonstrated needs. The adoption of these provisions of the bill, with such minor modifications as congressional investigation may warrant, is recommended.

In other words, they are willing that this legislation should come from the administrative departments of the Government, aided and abetted by the business and banking interests of the country, and they generously leave to us the adoption of such minor modifications as congressional investigation may warrant.

Let me say to the Members of this House that I have the highest respect for the present officials of the Federal Deposit Insurance Corporation, for the present officials of the Federal Reserve Board, and for those in the Comptroller's office, but the substance of much of this bill comes from the Banking and Currency Committee of the House of Representatives; Federal deposit insurance originated there. It is our measure, not theirs. It is not the result of 1 year's work. It is the experience of many. I think the time has come, Mr. Chairman, although many may not agree with me, that we ought not to have too much executive interference in matters of legislation. [Applause.] The House of Representatives and Senate ought to do the legislating. It seems, however, in many instances that the situation has gotten down to the point where the executive department wants to enact all the laws and, I am sorry to say, we, in the legislative department, seem to want to appoint all the officials. [Laughter.] I think we each ought to get back to our constitutional functions. [Applause.]

I thoroughly believe that the Government should be dominant in the issuance of currency and the control of general national credit conditions. On the other hand I think the individual banks should be dominant in the matter of local credit, aided and assisted in the needs by membership in the Federal Reserve System.

I am in accord with the general provisions of the bill and am very happy to support it.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. HANCOCK of North Carolina. Does the gentleman believe that we can give an effective national monetary policy so long as half the banks are within the national system and the other half without?

Mr. BROWN of Michigan. The gentleman knows I am in agreement with his views, but I believe that the tremendous size of the national banks and the member banks of the Federal Reserve is such that we can struggle along without bringing the nonmember banks into the System. I thoroughly believe, however, that in the matter of safety to depositors and in the matter of the larger national credit conditions, that it is desirable that the nonmember banks should be brought into the system. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, I am going to speak today in a general way about the banking bill and about bankers, but I wish also to point out the psychology behind some of the events that have occurred in Washington within the last few weeks in opposition to the policies of Congress and of the President of the United States.

We had here recently the Southern States Industrial Council and the National Chamber of Commerce and other organizations, such as the American Liberty League, the last of which stands for everything except for liberty. I find that the National Chamber of Commerce and various organizations have come out against this banking bill and nearly everything the President and the party stand for. This fact of itself seems to indicate that the banking bill must be a good one.

I see also where the President of the United States did not like it so very well; and I am mighty glad to see that the President of the United States has new enemies of that kind. Since he has the animus and hatred of the National Chamber of Commerce, I am sure he will do well.

A good way for a person to know how to vote on a bill is to find out what the National Chamber of Commerce wants and then vote against it. This organization and similar organizations fight every administration that tries to do anything of a progressive nature.

It may seem superficial that I should use as an example what I am about to say, but it is important as an example of the numerous lobbies operating in Washington. Recently I was invited to a banquet by John E. Edgerton, of Tennessee, in such pious and sugary language that I smelled a rat. You know, when a man who does not know me pokes his nose into my cotton patch and talks to me about coming to a free barbecue, a banquet, or something like that, I always smell a rat and think of someone trying to get something, to sell worthless real estate, or use me in some way. I am not opposed to all lobbyists. Interests have a right to lobby. But I do not like some of their methods. So I wrote the gentleman a letter, suggesting that I might not appear. I received an equally impolite answer. In any event, knowing at least the meeting would be tiresome, I did not attend. Most of the rest of the southern Members did go and they remained to hear shabby insults of all kinds, as I had expected.

This big-wig organization, a sort of imitation National Chamber of Commerce, was here for no other purpose than to destroy the new deal, to raise up sectional prejudices and hate, to destroy the policies of the President and of the Democratic Party. This organization and others have sent forth a holocaust of propaganda lately, and it is about time we took our stand against them and stand up for ourselves and our policies. If you look through the newspaper files and through recorded history back to the War of 1812—yes; back to the Revolutionary War—you will find that these same kinds of groups have always been against progressive measures.

I want to talk to you now, however, about the Southern States Industrial Council, just as an example—not that I think Mr. Edgerton and that council amount to anything, but to show some of the practices of the various lobbies and special interests that come to Washington. Under the pretext of southern decency and gentility, on which we southerners pride ourselves, some hundred Congressmen and Senators foregathered and remained to hear the Democratic administration insulted, the President treated derisively, and the Government threatened. It was an absurd, contemptible, vicious, insidious, cowardly, and unfair attack upon the Democratic Party. I would call it nonsense except it was unadulterated knavery.

It was an appeal to prejudice of such a type that would isolate the South from the rest of the Nation, and what we really need in this country is a progressive, unified Democratic Party. [Applause.]

These people in their speeches showed an ignorance of economics, a hatred of labor, and not only a lack of knowledge of the South, but of the North, South, East, and West. I have read all of these speeches. I got them from the

newspapermen, and I have talked to the unfortunate men who attended that meeting.

It was a cheap frame-up to get Congressmen before them, to violate all rules of decency and courtesy, and to embarrass our respected Speaker and the Secretary to the President, Marvin McIntyre. I say it was cowardly, because they got up and lectured their guests like school boys and denounced the Democratic Party, the Government, and everything else, and fed them food and did not give them a chance to talk back.

Mr. Chairman, let us go lately into the record of John E. Edgerton.

In the Daily Oklahoman on October 17, 1934, and this was just before the election, the headlines say:

New deal hit as socialistic.

In the Oklahoma News of the same day, he says:

The speaker declared Government has made greater steps toward a socialistic or communistic state under the new deal than in all entire history.

That gets the Democrats, and I suppose that will please Republicans, but let us go back to what he says about the Republicans and the Government, because while the Republicans were managing or mismanaging the Government, whichever it was, back in 1927, he thought the Republicans were a little too progressive.

Mr. BOILEAU. When was that that the Republicans were too progressive?

Mr. MAVERICK. I refuse to yield except to say he thought they were progressive. I did not say they were progressive.

He said concerning the governmental practices, of course proceeding from Congress, that they were not "merely unfair" but "positively dishonest." He must have thought the Republicans were too progressive under Hoover, and certainly thinks the Democrats are worse. Of course, I think we Democrats are a great deal better.

Going on further with Mr. Edgerton, he said in August 1934 that it was "unfortunate the Government has issued a commitment that no one shall go hungry in this country." In other words, he commits himself to the policy that we shall have no relief, and that people should be allowed to starve. At another time he extended this by saying that there should be no security of any sort, except by "virtues and habits." Presumably, those who are unemployed have no virtues, and their habits are such that they deserve no help.

At another time, he emitted various and sundry statements concerning the open shop, which, properly interpreted, showed he was not only antilabor, but that labor should be boycotted.

To sum up: Before he ever issued this call to the congressional delegations of the South, he was shown to be violently against the new deal; that it was socialistic and communistic; that the Government is dishonest; that people should have no relief; and that he was antilabor. This pious faker, who has prayer meetings in his plants, essayed to invite the Members of Congress, whom he had previously maligned.

Anyhow, the meeting was held. Here is one of the headlines from the Washington Post of Tuesday, April 30:

Southerners voice views of new deal. Policies both assailed and faintly praised at D. C. dinner. Efforts to drive U. S. into state socialism charged by Hall.

This newspaper article should be read to be appreciated, but it showed that the administration was bitterly denounced in the presence of Speaker Byrns and Marvin McIntyre; a speaker named Hall bellowed that Government should "get out and stay out of business"—a misleading statement—adding in contemptuous tones:

God knows, we can make a better job of it than those in the Federal Government.

Then he said:

We expect to maintain the labor differential, N. R. A. or no N. R. A.

Also he said, with utmost contempt, to the assembled delegates:

It doesn't make any difference what Congress does, there are certain problems which we will solve precisely as we wish.

Another paper indicates that along with this was brought in the antilynching bill, and any reasonable person can deduct from this and from plain words that, unless the law suited this aggregation, they would violate it. Of course, the antilynching bill has nothing to do with other bills; it was only to stir up prejudice. But it was what they say the Communists propose to do:

To overthrow the Government by force and violence.

This makes them much worse than Communists, because Communists are not supposed to know anything and are "mostly foreigners", whereas, according to the statements of the speakers, they are of pure blood, pure Anglo-Saxon stock, and have one God, one country, and one flag.

So these people announced in advance that they will not obey a law if it is passed by Congress. They arrogate to themselves a certain section of the country in which they state the laws of the United States will not be in force, "N. R. A. or no N. R. A." They want laws enforced against Massachusetts, against California, but they, claiming to be southern aristocrats, will refuse to obey the laws of the United States and continue to exploit their people. I say again, what we Democrats need is a unified party, where the North, the South, East, and West understand each other. And it is up to us; we must do something, or we will fail. We must adopt and carry out economic policies, and we must separate the sheep from the goats; that is, the friends from the enemies, and do our duty in a courageous manner.

Here are the headlines of the Washington Daily News of Tuesday, April 30, 1935:

Speakers denounce administration at industrial dinner. Southern Congressmen cheer attacks on Government; approve plea for "more babies."

Get the article and read it. It is by a very able reporter, Mr. Charter Heslep, and reads partially as follows:

The new aristocracy of the South spoke its mind on the new deal in plain words here last night and turned thumbs down on "planned economy" and "Federal usurpation of power."

Sandwiched between loudly applauded demands that Government "get out and stay out of private business" was the plea for "more babies in the South" to perpetuate the "finest Anglo-Saxon stock in the Nation."

The forum was a dinner tendered 150 Senators and Congressmen from 14 Southern States by the Southern States Industrial Council. At the speakers' table sat Speaker JOSEPH W. BYRNS, whose shaggy eyebrows edged closer to each other as various administration enterprises were denounced. Marvin McIntyre, of President Roosevelt's secretariat, sat near him * * * as speakers drove home thrusts at the N. R. A., Government ownership of railroads, the Wagner labor bill, the Guffey coal bill, the new banking bill, the Wagner-Costigan antilynching bill.

These words, of course, need no interpretation; but it is very plainly for the purpose of working up the South as against the North and to tie in the lynching bill with the progressive measures of the new deal. I do not care how anybody votes on any of these bills; but what are we to do, scuttle our program by virtue of a combination of prejudices imposed upon us by the Southern States Industrial Council? I was looking at a history book the other day, and I found that a similar crowd fought Andrew Jackson. They called themselves "chambers of commerce and manufacturers' associations", and they fought him because he was fighting for the rights of the American people and curbing old Nicholas Biddle, the banker. If we go into this matter historically, we find a group of people always fighting progressive measures. Let us of the South not be moved from our path of progress, and let us realize that the future of this Nation depends upon a unified Democratic Party.

Time is scarce, but let me say a few things about the speech of Mr. Edgerton, which is in the CONGRESSIONAL RECORD of Tuesday, April 30, 1935, placed in the RECORD by unanimous consent of the House by Mr. MAY, of Kentucky.

Mr. Edgerton's speech was a clever one, indeed, and, although he did not mention my name, I got several left-handed compliments, but these I shall pass. He is an able speaker. He referred in his speech to "hospitality and good fellowship" and then proceeded to insult all those present

and referred to the banquet in which he used the words "the cost of this philanthropic gesture." On this statement, whatever conclusions one cares to make can be drawn.

He then waded into great gobs of false sentimentality, principally designed to appeal to southern prejudices, mentioning "religious instincts" and "the pride of ancestry", and then, to take a crack at the President, he referred to George Washington as being "the greatest 'brain trust' that ever came together." And I should like for you to think over the insidiousness of that remark.

He talked for solid minutes after minutes, calling on God, God Almighty, and Christian civilization time after time, which makes me think that there are religiopolitical demagogues and politicoreligious demagogues, and one is as bad as another.

I have found that people who are continuously talking about religion in reference to their business are not so religious. In fact, such people talk religion, but they do not practice it. I long ago found out that when a man claims to be religious and blats about it in the newspapers and in public, that he is not so religious; and when a man claims to be honest, you had better watch out. In other words, these gentlemen might consider practicing religion instead of talking about it.

He thanked God Almighty that one of the Presidents was of "southern birth, breeding, and habits of mind and soul"—another slap at Mr. Roosevelt. Then, more insults for those who did not happen to come from the South and more aspersions on the President. More references to "academicians and agitators." Then, in sonorous phrases, he insisted that the Congressmen "do your full duty." More about Karl Marx, Lenin, and then, as a direct slap at the administration, he said:

> We of the rank and file in the South do not believe that there is anything of such unusual character in this latest emergency as to justify or call for deliberate contraventions or circumventions of the American Constitution or other radical departures from established customs in treating extraordinary conditions. We cannot reconcile so-called "planned economies" to our peculiar system of government.

He then quoted something Roosevelt had said 5 years ago, and sarcastically remarked that it is as true now as 5 years ago, and then proceeded to state that if he were a Member of Congress he would do so and so.

He then said:

> But there are one or two other vital questions about which the South is particularly concerned in these troublous times. Our section constitutes the largest area within the borders of the United States in which practically all of the people are of one blood, of one language, of one God, and of one basic philosophy of life.

This last-quoted paragraph is, of course, nonsense; and though I hate to bring it up, we have a problem in the South which is a racial one, because in many places the Negro population is 30 to 60 percent, so this was merely an appeal to prejudice.

The rest of his speech was devoted mostly to talking about communistic and socialistic philosophy, strong intimations that the South will not obey laws which they do not like, asking for special privileges to none, except that he have wide wage differentials as a tariff against the North, and then ended up with these casuistic phrases:

> Clearly, the legislative end of this gigantic responsibility rests largely upon the sturdy shoulders of our southern representation in the Congress. Certainly, no shoulders ever carried a heavier burden, and it is one that obviously cannot be honorably transferred to other shoulders.

It would be dishonorable, I presume, to put power in the hands of northern or western Democrats or even to let them think. This last appeal could only be used to appeal to the South's sectional prejudices, to cleave us away from the party, and to break the party and make it possible for the groups and special interests to keep the American people divided, and thereby never recover out of this depression.

Another speaker, Hon. David R. Coker, of South Carolina, spoke like a gentleman and in not an unfriendly way. He, however, mentioned the fact that the South must have a much wider wage differential, and intimated that there was no sense in paying wages from 17 to 30 cents when you could get all the workers you wanted for 10 to 12½ cents an hour. However, it might be said that Mr. Coker made an honest speech, in rather plain and decent language, and his speech is worth reading. He, in fact, made some good suggestions about the cotton industry.

Then came Harvey Couch, of holding-company fame, who delivered a panegyric on big families, but who made a statement insinuating the greatness of holding companies and electric-power companies and, by implication at least, intending to show that the power commission report on the status of the electric industry, and done through Congress, is false. It was intended to put the delegation fast asleep and to prejudice them against the holding-company bill and the T. V. A. and the progressive policies of the President.

Then came the star of the evening, Fitzgerald Hall, of the Nashville, Chattanooga & St. Louis Railway, and it was a fine, honest, and thoroughly insulting speech. He referred to the railroad situation as an "El Dorado" for politicians, with implications of graft, crookedness, and inefficiency, and then he mostly had the idea that everything else should be regulated out of business and make it so he could have an unrestrained monopoly to do what he pleases. And then he says:

> When we compare the way the average business is run with the way the Federal Government is run, I am convinced that the taxpayers prefer for business men to run business and for the Federal Government to get out of business, stay out, and attend to its constitutional functions, instead of trying to regulate the lives of its citizens from the cradle to the grave.

This class of people who are always cursing the Government, and who are worse than Communists in doing it, are down begging for money from the R. F. C. and getting money out of the R. F. C., which money, of course, comes from the taxpayers of the United States. After they get their money and get on their feet, they with utter ungraciousness attack the hand that feeds them. The truth of the matter is they want the R. F. C. to feed them money and to regulate everybody else out of business so that they can have an unrestricted field to do as they please in monopolistic practices.

Mr. Chairman, I have several ideas on this. One of them is that which I brought out in the first place—that when I am invited as a guest I expect to be treated as one, and this was a great example of bad manners. It was not a good example, I think, of southern chivalry. There is only one thing worse than a Yankee carpetbagger, and that is a southern carpetbagger; and now these southern carpetbaggers, these clumsy Tories, with none of the charm of the old Tories, come into Washington and, with blatancy, bad manners, and a disregard for all the social amenities, burst in among us.

If we stand for this and let them get away with it, the people are going to go to HUEY LONG, and this same outfit will probably finance him to help break up the Democratic Party and thus, with Roosevelt in the middle, they hope to get back a Republican reactionary.

These people have an absolute contempt for working people. They say they do not believe in Government regulation, but want Government regulation for their own benefit or special interests; they praise southern aristocracy, and so on. The same class of people are always talking about "poor white trash." This is a cruel type of language, but I must say this—that whenever a man claims to be a southern aristocrat, you can count on it that he is "poor white trash." And, as far as that is concerned, we ought not to have any "poor white trash." Everybody ought to have a chance to make a decent living, and that is what the Democratic Party should stand for.

Mr. Chairman, I am proud to have come from the South. I am proud of my people, and I am proud of their patriotic services to this Nation. It is a grand place to live, and good people live there—but the Civil War is over, and good people live everywhere else. But I must say this: Although these "aristocrats", who have claimed to be aristocrats, are only pseudo-aristocrats, I do not believe that we ought to have any aristocrats running this country. I propose, Mr. Chairman, that we have an aristocracy, but that it be an aristocracy of courage, of manhood, of intellect, and of honor. An aristocracy of courage, I say, which has nerve enough to tell the

reactionaries to "go to hell"; an aristocracy of courage which is willing to fight for its principles; an aristocracy of courage which is liberal, progressive, thoughtful, kindly, decent, and which has a feeling for the people of the United States. Only in that way can we come out of this depression.

Of course, Mr. Chairman, we have certain things that we must do. There are certain criticisms of the Democratic Party which are well founded. We must develop an economic philosophy, a balance of economic principles, and we must fight for those things, and we must demand that they go through and not be deflected by a group of selfish men, who represent only the special interests and their desire to make a profit.

The following is an editorial appearing in all the Scripps-Howard papers, which will explain some of the matter:

[From the Cleveland Press of Apr. 9, 1935]

A GOOD STEAK

Representative MAURY MAVERICK, like the unbranded steers his grandfather used to send roaming the great Southwest, thinks the lone "pa-ra-rie" a safer place for a man than a soft-carpeted caravanserai in Washington. Responding to a dinner invitation sent by the Southern States Industrial Council, the young Texan said he would come if he could pay for his own meal. The council's president was deeply offended that Maury saw anything sinister in so innocent a thing as a bid to dinner.

"We deplore", he wrote the Congressman, "the implication that it is an unsafe thing for a Member of Congress to expose himself to the influence of a good steak and the information which he often gets in connection therewith, even though they cost him nothing except his time which is presumed to be worth more than the best dinner."

Mr. MAVERICK's Chesterfieldian comment to this was: "Phooey!"

Without questioning his would-be host's motives it can be said that the Texas Congressman's instinct is sound. Propaganda sifted through soft lights, laughter, and music is ever so much more convincing. The subtle half-tones of dinner conversation are more persuasive than logic in the daylight. Many a man who could not be bought for millions has been tempted by a good steak.

A résumé of the incident might be shown briefly as follows:

THE SAGA OF THE STEAK, OR THE STORY OF THE CHICKEN THAT CROWED TOO SOON

THE WHITE LETTER [1]

Letter by the Honorable John E. Edgerton to the gentleman from Texas [Mr. MAVERICK] inviting him to a grand "social" affair to be given under the aegis of the Southern States Industrial Council.

THE SMELLED RAT

Mr. MAVERICK smells a rat and does not accept, writing a letter to Mr. Edgerton.

ANOTHER WHITE LETTER [1]

Edgerton expresses his purity of his intentions, calls MAVERICK a "freshman", suggests it is only a social affair, and cannot understand why a Congressman refuses a "free steak."

THE NOBLE RECORD OF BROTHER EDGERTON

Enemy of all labor, calling his employees to prayer before miserable exploitation; "new deal socialistic, communistic", and Government "dishonest"; Government should revoke "unfortunate official commitment that no one shall go hungry in this country."

BANQUET OF THE SOUTHERN STATES INDUSTRIAL COUNCIL

It was: Tiresome—Pious flub-dub—Too long—Insulting to the President and Congress—An attack on the Government—An appeal to passion and prejudice.

Main purposes indicated by speakers: Exploitation of labor—Wide-wage differential (lower) for their labor—To destroy the Democratic Party—To raise sectional hate of the South against rest of Nation; to "divide and destroy"—To make money in violation of the laws of economics and fair play—Violation of all laws not desired—Killing of T. V. A. and holding-company bills by sweet insinuations—Labor for 10 cents an hour (figuring $4 per 40-hour week), for which a "Southerner of pure blood, one God, one flag, one country" is to rear family, educate children, eat, and live in idle luxury and indolence, ride in Rolls-Royces, and lay around drinking choice southern mint-juleps.

FINIS

There was no steak (although promised)—only chicken! But the mystic chicken had crowed too soon. Guests went home bored to death. And thus ungrandiloquently did fall, and burst like a dud, one of Washington's most asinine lobbies.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I have no desire to speak at length on this measure, which has been so exhaustively presented by the members of the Banking and Currency Committee. In its consideration, however, I am inevitably carried back to personal experience on the other side of the water in the field of public finance, when the governments of Europe were suffering from the results of monetary inflation.

At the time of the sweeping inflation in Germany which, as the Members will recall, carried the reichsmark to a point where it required a trillion post-inflation marks to equal the preinflation value of a single mark, one of the outstanding factors in the picture was the enormous and repeated purchase by the Reichsbank, the bank of issue in Germany, of obligations of the German Government directly from the German treasury. Currency was provided in this manner as desired by the Government. The Government acted, no doubt, as it believed, in the interest of the nation as a whole. The Reichsbank felt compelled to conform to the policy. The results were disastrous.

Subsequently, during the inflation in France, which carried the value of the franc from a 100-percent basis to a 20-percent basis, the same factor was prominent in the picture. Again, we saw the Bank of France, the bank of issue in France, purchase directly from the treasury and purchase heavily Government obligations in exchange for currency desired by the French Government. The Government acted again, no doubt, as it believed, in the interest of the nation as a whole. The Bank of France felt compelled to conform to the policy. The results are known to all.

After the inflation had run its course, when the time came to gather up the fragments and to try to start anew, steps were taken in both countries to guard against a repetition of this experience. Included in these steps in each country were the divorce of the central banking system and its officials from the political control of the Government, and rigid restrictions upon the acquisition of Government obligations directly from the treasury by the central banks.

The experience of these two nations, Mr. Chairman—the experience of the world, for that matter—emphasizes strongly, to my mind, the importance of a clear line of demarcation between the authority of government, on the one hand, and the authority, on the other hand, of such central banking system as may be maintained for the protection of the people against the perils of unwise monetary control.

We have been told in the course of this debate that there is no democratic country in the world today with a central banking system in which this line of demarcation is not drawn in the interest of the people as a whole. It has been drawn because it has been found through bitter experience that wise central banking control often calls for action in opposition to popular sentiment of the moment. It has been drawn because it has been found that successful control calls for control by experts, free, insofar as it is humanly possible to free them, from the influence of political pressure to which elective officials in every democratic nation of the world are necessarily subject.

In analyzing the bill—and I refer particularly to title II—it seems to me that it carries with it a very real danger for the people of this Nation through an apparent failure to appreciate the importance of the principle to which I have referred.

[1] "Write Letter" indicates the absolute impeccability and purity of the writer, the Honorable John E. Edgerton. Uninformed persons are enjoined to look up the word "impeccability", which has wide connotations.

I fear that if adopted in its present form it will carry us in a direction in opposition to that principle. I fear that if enacted without amendment it will serve to set up in this country machinery very similar to the machinery in France, to the machinery in Germany, at the time to which I have referred.

What does title II provide in its present form? It increases the authority of the President over the Federal Reserve Board. It increases the authority of the Federal Reserve Board over the Federal Reserve banks. It provides for open-market operations, under the direction of the Federal Reserve Board mandatory insofar as the Federal Reserve banks are concerned. The net effect, as I see it, is to place the executive branch of the Government in a position to compel the Reserve banks to support the market for Government obligations, to compel the purchase of Government obligations or obligations guaranteed by the Government to the full extent of available resources. The danger is self-evident. It needs no emphasis in the light of the enormous deficits which we have been incurring each year, and which it appears likely we are to continue to incur for a number of years to come.

The title also delegates to the Federal Reserve Board the power to change requirements as to reserves to be maintained by member banks against demand or time deposits. The effect of this provision in conjunction with others, as I see it, is to place the executive branch of the Government in a position to dictate in large measure the credit policy of the banks, even to the point of compelling them to cease operation. The power could be effectively used, if so desired, in bringing about in large measure the nationalization of banking and credit in the country.

There are other provisions in title II in its present form which seem to be open to objection. The so-called "liberalization of rediscounting requirements", which would permit loans to member banks on their own obligations secured by "any sound asset", the change of requirements in respect to collateral securing Federal Reserve notes to include a first lien on all the assets of the bank, the authorization to member banks to make real-estate loans up to 100 percent of capital and surplus. These and other provisions seem to me to run counter to the experience of the world in respect to sound banking and currency.

Title II in its present form carries with it another great delegation of power to the executive branch of the Government. The constitutionality of that delegation has been questioned. It provides for a further concentration of authority in the executive branch of the Government over the currency, the credit, and the banking structure of the Nation. It presents the temptation to finance budgetary deficits as they were financed in Germany and in France by the issue of bonds to the Reserve System in exchange for notes secured by the bonds issued. It reflects, I think, the theory that the National Economy Act can be effectively regulated by the increase or decrease in the volume of money. It paves the way for further trial and experimentation under that theory.

No one could be satisfied with recent results in the field of central banking in this country. It may well be that a greater concentration of control in respect to the system as a whole is desirable. That control, if accorded, however, should be protected insofar as humanly possible, both from business pressure and political pressure. Experience throughout history indicates that when Government control in the field of credit and currency becomes that of management rather than that of supervision it destroys the safeguards against financial ruin which the people of a nation are entitled to.

I hope that title II will be revised. In the absence of revision I shall feel compelled to vote to strike the title, or important portions of it, from the bill. Further consideration seems to me essential.

A few days ago a brilliant statesman in Great Britain, a former Chancellor of the Exchequer, Mr. Winston Churchill, wrote an article on the new deal and what he described as "the audacious onslaught on the canons of the monetary system."

From afar—

He said—

the vast proportion of the American landscape can be surveyed. Sunlight still flashes upon it between the storms. But one has a feeling, insofar as the new deal is concerned, that it is the sunlight of the afternoon. The ardent rank of economic and social crusaders who dominated the American Continent 2 years ago have fallen into perplexity division and we must add recrimination. * * * The atmosphere of disillusion is unmistakable.

I trust, Mr. Chairman, that if another storm does break upon us, which God forbid, we shall not have cause to reproach ourselves for failing to take due heed of our own experience and experience in the rest of the world. [Applause.]

Mr. STEAGALL. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman, it has been my good fortune to have been a Member of the Banking and Currency Committee since I entered Congress 2 years ago last March. I have spent a great deal of time during these three sessions of Congress in the work of this committee; probably as much time in the work of the committee and in the study of the several important questions that have come before the committee than in all the rest of the work that I have done as a Member of Congress. However, when I compare my own limited experience in the settlement of the difficult and involved questions involved in the regulation of money and banking with the vastly greater experience of several of the other members of the committee, some of whom—notably the chairman, the gentleman from Alabama, Mr. STEAGALL, and the ranking majority member, the gentleman from Maryland, Mr. GOLDSBOROUGH—have devoted many years of hard arduous service to this work, I approach even a brief discussion of this bill with a good deal of humility.

The chairman of our committee, I believe, is generally conceded to have done more than any other Member of either branch of Congress to secure the enactment of that splendid piece of legislation designed for the protection of the great majority of depositors in the banks of this country and the stability and the safety of our banking structure—the Federal insurance of bank deposits. I have a great deal of respect for his judgment in banking and currency matters, as well as admiration for the service that he has given to the country.

The gentleman from Maryland [Mr. GOLDSBOROUGH] has, as was attested by the two men whom I regard as perhaps the greatest expert authorities on currency in this country, Governor Eccles and former Senator Owen, furnished a great contribution to our sum total of knowledge as to the correct method that the Congress should follow in giving us a sound and adequate currency.

It seems to me that there is nothing that I can add to what they and several other members of this committee have said in this debate regarding title II of this bill. There may, however, be some value in reiteration, although no additional contribution is made.

I am heartily in favor of the main provisions of title II, which carry out nearly in whole the recommendations made by Governor Eccles to the Banking and Currency Committee, and in accordance with the program initiated by the great leader of the American people, Franklin D. Roosevelt, to give us a sound and adequate currency and to place the control of the issue of money and the control of credit, which is at least nine-tenths of our money, in the Government of the United States rather than in the private bankers.

For Congress to exercise its constitutional power to coin money and regulate the value thereof three things are necessary:

First. The control of the interest and discount rate.

Second. The control of the ratio of reserves in the banks to deposits.

Third. The control of open-market operations as carried out by the buying and selling of the bonds and obligations of the Government.

Properly to carry out these three powers they must be vested in one body—a body representing the Government—in order that they may be made, when necessary, uniform and beneficial to the country as a whole, and in order that all or any of them may not be so used in any 1 of the 12 Federal Reserve districts to the detriment of the rest of the country. This bill properly gives these powers to the Federal Reserve Board.

Gentlemen here have attacked this control as being a political control. The only way that it is a political control is that it is control by the Government itself, as representing all of the people, and as between public control and private control, I am for public control. Private control has been tried and found wanting.

I think this bill may not be justly criticized in this respect as going too far. After listening to the several witnesses who appeared before our committee—notably, Governor Eccles and Senator Owen—and after reading and rereading the important parts of the hearing on this bill, some degree of intellectual honesty, which I hope I may be found to possess—however I may be found to be lacking in the expertness in this subject that can come only from experience and long study—compels me to say to this House that I find some of my previous conceptions or prejudices somewhat removed, and I think there may be some ground for saying that this bill, in some respects, does not go far enough. If it were not for the rule of action which I have found in other matters to be most prudent to follow, namely, that we should take only one step at a time, I should say that the Congress ought to follow the advice of Senator Owen and take a position which I believe the gentleman from Maryland [Mr. GOLDSBOROUGH] has long advocated, and direct the Federal Reserve Board in its control of credit to furnish sufficient expansion to keep prices at what may be regarded as a normal level, whether of 1926 or of some level more nearly just to debtors, which in a great sense we all are. It seems to me that the argument in favor of doing that is so sound and conclusive that if that step is not taken at this session of Congress in this bill, it is certainly indicated as one of the steps next to be taken after the control of our currency and monetary policy has been restored to the Congress, where the Constitution directed that it should be.

Of course, this bill in its present form undoubtedly gives the power to the Federal Reserve Board to do this, and I suppose the only thing that may be criticized on this score is that it is, in practical effect, permissive rather than mandatory.

There are some other features of the bill as finally reported by the committee with which, while I do not regard them as of as much importance as I do the issue of public versus private control of our monetary policy, I am not in entire accord.

It seems to me conclusive that our banking history has shown—particularly the history of the 12 years preceding the bank holiday in 1933—that security to our depositors through the soundness of the entire banking structure of the country depends in a large degree upon a unification of the control of the banks of the country. In the passage of the Federal deposit-insurance law as a part of the Banking Act of 1933, and again in the amendments to that act passed in 1934, it was, I believe, generally understood that the nonmember State banks should be given sufficient privileges to enable and induce them gradually, but eventually, to be brought into the Federal Reserve System.

They, of course, wished in 1933 and 1934, and also now in 1935, to participate in the benefits of Federal deposit insurance. Viewed as a matter of public policy, and from the standpoint of affording safety to the depositors, it was entirely fitting and necessary that they should be given such privilege; and so we wrote it into the law that they should be given until a certain date to bring themselves into the Federal Reserve System. That date was later extended and is now, under the present law, July 1, 1937. In order to make the burden of assessment for Federal deposit insurance lighter upon the small nonmember State banks, as well as upon the other small banks, the Congress provided for the building up of the reserves of the Federal Deposit Insurance Corporation by an assessment upon all the insured banks and by an assessment upon the uninsured, as well as upon the insured deposits. That means, in one sense, that we are making the large banks—the banks which carry a greater proportion of uninsured than insured deposits—carry a part of the burden which would otherwise fall upon those smaller banks which have a larger relative proportion of insured than uninsured deposits. I am in favor of this. I have been in favor of it throughout. Like most of the other members of the committee—both the majority and minority members—I have favored it, despite the opposition of the American Bankers Association and despite the opposition of many of the big banks in my own State. I have not been alarmed, and I am not alarmed now by any blast from the United States Chamber of Commerce directed against any of the provisions of this bill. I recall that the United States Chamber of Commerce, which right now is not quite bold enough to attack Federal deposit insurance, was bitterly opposed to it last year and the year before, as a permanent proposition.

We are providing in this bill for an assessment, namely, one-eighth of 1 percent annually, so long as it may be necessary to build up the reserves of the Federal Deposit Insurance Corporation, upon the total deposit liability of all of the banks that participate in the benefits of the insurance. We all know that practically none of the small banks—except some savings banks—could live without it in competition with banks whose deposits are insured to the limit of $5,000. With that privilege accorded to the small nonmember State banks, I believe there goes a duty, namely, that inasmuch as it is now being made possible, and in fact, comparatively easy for them to qualify to come into the Federal Reserve System, that they should be required to do so. That is the administration program; that was the recommendation made to us by all of the members of the administration who came before our committee. It is a part of the program laid down by the leader of the American people, and in advocating this change in the present bill I say that I am following the leadership of Franklin D. Roosevelt.

The greater mortality of the nonmember State banks during the 12 years preceding the bank holiday, the vastly greater losses to their depositors in proportion to the total number of deposits than in the member banks, has already been set forth by the gentleman from Michigan [Mr. BROWN] both upon this floor and in his very able supplemental report on this bill. His report, based on the 1933 report of the Federal Reserve Board, shows, among other things, the following: In 1921 there were 8,150 national banks with total deposits of $12,991,000,000.

There were 1,595 member State banks with total deposits of $7,646,000,000. There were 20,181 nonmember banks with deposits of $9,529,000,000. During the 12-year period before 1933 national banks had closed or been suspended with total deposits of $1,187,000,000. State member banks had been closed or suspended with total deposits of $680,000,000. Nonmember banks had been closed or suspended with total deposits of $3,017,000,000. During this same period the average number of national banks closing per year was 138, or 1.6 percent. The average number of State member banks closing per year was 35, or 2.2 percent. The average number of nonmember banks closing per year was 732, or 3.6 percent. The losses, as shown in the total number of deposits, as well as in the total amount of deposits, was far greater in the nonmember State banks than in either the national or member State banks.

This must lead one to see the severe blow to this process of unification of our banking structure in striking out from this bill as originally presented to the committee the provision requiring nonmember banks to come into the Federal Reserve by July 1, 1937, or at some future date, in order to participate in the Federal deposit insurance.

The worst thing about it is that, of course, if the nonmember banks can get all of the benefits without coming into the Federal Reserve System it is altogether likely that a large number of them will remain outside.

With respect to these features of the bill, as well as generally to what has been said regarding the furnishing of banking facilities in all other parts of all of the States of this country, I am in entire accord with my friend, Mr. BROWN of Michigan, and also with the gentleman from North Carolina [Mr. HANCOCK], and if either of them offers an amendment, as I understand that they will, to replace these features in the bill, I shall support them.

With all due respect to the statements by other members of the committee and to other Members of the House who have talked about taking care of the little bank, I am in agreement with them, and I think this is one of the principal ways of taking care of the small banks; but I think what is more important than taking care of the banks is taking care of the depositors. That is the paramount duty of this Congress with respect to our banking structure.

It was my understanding that the chairman of the committee, who has fought so long and so successfully for Federal insurance of bank deposits would help us to carry this out. I have been in sympathy with the chairman ever since I have been a member of the committee with respect to this effort of his. I have been in agreement with the chairman that the Federal deposit-insurance law should eventually be put into force as it was originally written and should provide for full insurance of deposits up to $10,000 and a partial insurance of the larger deposits. I am fearful that the failure to do this may be found to result in a greater splitting of deposits than would otherwise be done, and that it may conceivably, in some sections, result in a draining off of deposits from the smaller business centers to the greater business commercial centers.

I feel a great sense of humility in opposing my judgment at the present time against the judgment of the chairman—if indeed it is his judgment—but I feel justified in doing so because I regard it as a part of my duty in upholding the well-planned administration program and because it is my understanding that the position which I am now taking is the position which was formerly taken by the gentleman himself. Therefore, I urge the support of such amendments as may be offered to carry out the recommendations in the supplemental report of the gentleman from Michigan [Mr. BROWN], and when that has been settled I know that the gentleman from Michigan, as well as the gentleman from North Carolina [Mr. HANCOCK] and myself, will join with the committee in passing this great constructive measure.

It seems to me conclusive that our banking history has shown, particularly the history of the 12 years preceding the bank holiday in 1933, that security to our depositors through soundness of the entire banking structure of the country depends in a large degree upon a unification of the control of the banks of the country. In the passage of the Federal deposit-insurance law as a part of the Banking Act of 1933, and again in the amendments to that act passed in 1934, I believe it was thoroughly understood that the Congress contemplated—certainly the Committee on Banking and Currency contemplated—a policy of eventually requiring nonmember State banks, in consideration of receiving the benefits of Federal deposit insurance, to be brought into the Federal Reserve System. Nonmember State banks, of course, in 1933 and 1934 wished, and I assume now in 1935 wish, to participate in the benefits of Federal deposit insurance. The gentleman from Michigan [Mr. BROWN] made a very able argument on that question. He has put into the RECORD the very figures which I intended to put into the RECORD, showing the greater mortality of the nonmember State banks during the 12 years preceding 1933, greater mortality, greater number of failures, greater number in total deposits, greater loss in amount of deposits as compared with the total amount of deposits in each of those two classes of banks, and as comparing it with the member State banks. The gentleman from Michigan has made an argument which, to my mind, is unanswerable. If there is an answer to his argument I do not know what it is. It would be merely repetition for me to make at length an argument upon that particular phase of the bill such as I intended to make until I heard the very able speech of the gentleman from Michigan [Mr. BROWN]. But while it is reiteration, I want to point out what, of course, every member of the Committee on Banking and Currency knows, but in order that it may not escape the Members of the House if they read the RECORD on this subject, we set a date when we passed the Federal deposit-insurance law as a part of the Banking Act of 1933, and that date was finally extended again last year until July 1, 1937, at which time nonmember State banks were to come into the Federal Reserve System in order that they might continue as participants in the Federal Deposit Insurance Corporation.

That provision was in the bill as it was originally presented to the committee. The committee, in its wisdom—by, I believe, a fairly substantial vote, although I do not recall what the vote was—has stricken that from the bill. I think it is fair to say that this bill is one of the major pieces of administration legislation of this session. It is my understanding that the provision so stricken from the bill is a provision which was a part of the administration's program.

I might point out further, that which would not appear in this bill, and I do not know whether it has been mentioned by the gentleman from Michigan [Mr. BROWN] or not, that it was to meet certain arguments and objections raised on behalf of the nonmember State banks, that a recommendation was made to the committee by Governor Eccles—and I thought it was going to be viewed with favor by the committee at that time—that all of the banks that were, at the extended date, July 1, 1937, members of the Federal Deposit Insurance Corporation, should be eligible to come into the Federal Reserve System. I am in favor of restoring that provision of the bill. I now understand the gentleman from North Carolina [Mr. HANCOCK] is going to offer an amendment to restore that. I may say that I find myself in the rather unusual position of agreeing with both the gentleman from Michigan [Mr. BROWN] and the gentleman from North Carolina [Mr. HANCOCK] at the same time. I want to urge upon the Membership support of the amendment to be offered by the gentleman from North Carolina [Mr. HANCOCK]. The news must have leaked out that I was going to speak this afternoon. Otherwise I cannot account for the large number in attendance. I am supporting the amendment of the gentleman from North Carolina, not because of my high regard for the gentleman, but because I think the gentleman is right. In general, I agree with the supplemental report of the gentleman from Michigan [Mr. BROWN], and I hope that report will be read by the Membership. That was filed by the gentleman from Michigan [Mr. BROWN], both on the question of bringing about, as far as possible, a unification of the banking system and also furnishing banking facilities more generally to smaller communities by extending the privileges of branch banking to national banks in the same way as it is to State banks, gradually bringing in nonmember banks.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. SISSON. I yield.

Mr. HANCOCK of North Carolina. I am happy to know the gentleman and I are able to agree about this particular amendment. I want to call attention to the fact that the amendment which I propose to offer at the proper time will be to restore section 202 as amended, to the bill, with one exception, changing the date from July 1, 1937, to July 1, 1938, which will give an additional year within which those banks could make the necessary preparation, if they need to make preparation, to come into the system. On that point, if the gentleman will bear with me, I want the Membership of the House to know that under this provision the banks that have issued deferred certificates waiving deposits, which was referred to the other day by our colleague from

Illinois, Mr. DIRKSEN, will also be eligible for admission to the Federal Reserve System, and that that fact will in no wise operate against their ability to come in and receive the real benefits which this bill offers to nonmember banks by coming into the Federal Reserve System.

The amendment which I will offer is as follows:

SEC. 202. Section 9 of the Federal Reserve Act, as amended, is amended by inserting after the tenth paragraph thereof the following new paragraph:

Upon application to the Federal Reserve Board at any time prior to July 1, 1938, by any nonmember bank which at the time of such application has been admitted to the benefits of insurance by the Federal Deposit Insurance Corporation under section 12B of this act, the Federal Reserve Board, in its discretion, in order to facilitate the admission of such bank to membership in the Federal Reserve System, may waive in whole or in part the requirements of this section relating to the admission of such bank to membership: *Provided*, That, if such bank is admitted with a capital less than that required for the organization of a national bank in the same place and its capital and surplus are not, in the judgment of the Federal Reserve Board, adequate in relation to its liabilities to depositors and other creditors, the Federal Reserve Board may, in its discretion, require such bank to increase its capital and surplus to such amount as the Board may deem necessary within such period prescribed by the Board as in its judgment shall be reasonable in view of all the circumstances. *Provided, however*, That no such bank shall be required to increase its capital to an amount in excess of that required for the organization of a national bank in the same place.

Mr. SISSON. I thank the gentleman.

Now, Mr. Chairman, I will only take a minute or two on this particular point, and I will conclude. I want to call the attention of the House also to this, as a matter of fairness and as a matter of justice. We hear the argument made by gentlemen from different parts of the country about the small bank, the bank in the small village.

The CHAIRMAN. The time of the gentleman from New York [Mr. SISSON] has expired.

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SISSON. I have full sympathy with that view, as I know every member of the committee has, but again, in the language of the gentleman from Michigan [Mr. BROWN], the paramount duty of Congress in that respect is to look first to the safety and the security of the depositors.

I have no criticism of any member of the committee for what may appear to be a reversal of policy. Although I am not authorized to speak for him, I believe the gentleman from Alabama [Mr. STEAGALL], like myself, is disappointed that Federal deposit insurance is not going to be extended to deposits over $5,000. I believe it was the original purpose of the gentleman, as was first written in the law, that deposits should be insured 100 percent up to $10,000, 75 percent from $10,000 to $50,000, and 50 percent on all over $50,000. I believe the gentleman from Alabama had that in his mind, for with the present limit of $5,000 there is the danger that in certain communities deposits might be drained off; there might be too much splitting of deposits and deposits might be drained off in turn when there was fear in the particular community regarding the soundness of a particular bank. I know this is one of the things the gentleman wanted to guard against.

Mr. STEAGALL. Mr. Chairman, will the gentleman permit an interruption?

Mr. SISSON. I would be pleased to.

Mr. STEAGALL. I think we have covered very desirable ground in an admirable way by the provisions of this bill. We are making permanent the insurance of deposits up to the amount of $5,000 for each individual depositor and levying the assessment on all insured banks upon the basis of the total deposits. It is such a forward step, and I think it means so much to the country, that I am willing to accept this as the best thing to be done at this time. If we find by experience that it is desirable to enlarge the amount of the insurance, we shall be in position then to profit by our experience. I may say to the gentleman that it is my opinion that when the banks of the country wake up to the fact that they are not insured against one another, as they will before many years, the banks themselves will ask us for the insurance of deposits to the extent to which we originally planned.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. SISSON. May I say to the very able chairman of our committee that I am very glad to hear him say that; and I respect his judgment as coming from one far better informed than I in that respect. I am sorry only that we have any difference of opinion about the method of bringing about the unification of the banking systems of the country. Again I am venturing to predict—I should not ask him to answer this question—I believe the gentleman from Alabama himself recognizes that the unification of the system must come if we are going to afford complete protection for the depositors and maintain our banking system intact. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. STEAGALL. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, the situation in the Chamber recalls to my mind an incident that occurred during the consideration of the Payne-Aldrich Tariff Act in 1909. It was a night session in the merry month of August in Washington, D. C., and the first speaker of the evening was our late beloved Speaker, the Honorable Henry T. Rainey. When he rose at his desk he looked slowly about the Chamber and then said: "Mr. Chairman, I never before realized what a vast quantity of furniture this Chamber contains." [Laughter.]

There has been a complete change in this Chamber since that long-gone night, Mr. Chairman. Nearly all the actors of that scene have passed into the shades of the hereafter, and the furniture is gone, showing that the vandal hand of time spares nothing in Washington, neither furniture, nor trees, nor buildings, nor anything else; but the Chamber itself under similar conditions retains the same appearance of impressive and oppressive vastness.

When the gentleman from Michigan [Mr. WOLCOTT] was making his able and thoughtful address, and while we are on opposite sides of the fence I want to say his discussions are always thoughtful, he paid a modest, and I think, deserved tribute to the bankers of the country. I bethought myself to say a word because I may sometimes overlook saying that word.

In my consideration of this legislation, and the banking system of this country, and what ought to be done about it, it is without any thought of prejudice whatever against the bankers as men, as individuals, as citizens, or as bankers. I have a good deal of respect for a banker. I believe we naturally respect and somewhat envy those qualities that we most lack, and I really admire and somewhat envy the sand and the cement of character and stability that it takes to build up and maintain throughout a long life a successful banking business.

Mr. Chairman, I lived a long time before I made what struck me as a very important discovery. It might seem to some of you not like a discovery at all. It came to me like a revelation. When it came it altered my entire outlook on my fellow man. That was the discovery that there is only one kind of human nature in the world. There is not one kind of human nature owning and operating banks and another kind depositing money in them and still another kind borrowing from them. There is not one kind of human nature owning utility holding companies, another kind owning operating companies, and still another kind consuming the product and paying the freight. There is not one kind of human nature owning mines and another kind working in them. There is only one kind of human nature in the world, and it is a kind that takes a whole lot of supervision to keep it in line in order to make it respect and preserve the rights of its fellow men and so use its own as not to injure the rights and property of others. It is not a difference in human nature. It is a matter of system.

Paradoxical as it may seem, in view of the rather severe nature of my ideas of what ought to be done about the

banking system, I have no feeling against a man like Charles E. Mitchell; I have no feeling against a man like Samuel B. Insull. I feel that these men were first the beneficiaries, then the victims of the system. Strange as it may seem, I felt a sort of sympathy for them. I had a sort of sneaking gladness when they beat the law to the rap, as the saying is. I felt they were fully as good as the bankers and the utility magnates who still carried on, and as good as the rest of us. The breaks of the game simply went against them.

What we want in banking is a different system and in my opinion, Mr. Chairman, that is what this bill will bring about. I have one more thought, because my time is running, and I have not said what I intended to say, because I have a prepared speech here in my pocket.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. If what the gentleman has in his speech in his pocket is any better than what he has already told us, he must have a fine speech in his pocket.

Mr. MARTIN of Colorado. I thank the gentleman from Maryland, who always makes a fine speech himself.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. FIESINGER. The gentleman has made a fine philosophical argument, and he is an able philosopher, and one of the most valued Members of this House. If he will permit an intrusion upon his argument, I should like to observe, with reference to the statement often made in this debate of the superiority in safety of member banks over nonmember banks—and I would have no one construe in what I say I am not for the highest degree of safety and security in banking—there are two periods in the life of most men, the period of youth when chances are taken, and the period of age, when safety is the prime consideration. So it is with the Nation. We have had our period of great development, when chances were taken, and now it seems we have come to the period when safety is the main consideration, and, while I hope we have not come to the period of old age nationally yet, we have come to a period of sobriety. In that period of our national life when we were in great development, it was the small, independent banker who took no small part in the great drama of building America, and, of course, chances were taken. Many of us can remember back—and this does not prevail very much today—when a banker would loan money without collateral to a young man of character and ability to establish himself in business. Many large businesses in the United States, and much local business had beginnings with the small country banker, which, in the aggregate, have greatly contributed to make America great and prosperous. My point is that the criticism often stated here or at least implied, for safety of Reserve member banks against nonmember banks, should at least be tempered with the part these smaller nonmember banks, and mostly country banks, have played in the period of our great development. In our period of sobriety let us not be too harsh with them.

Mr. MARTIN of Colorado. I thank the able gentleman from Ohio for his own philosophical contribution regarding the small independent bankers and will say in reply that it is my intention to support the bill as it is, preserving their independence, while granting them the privilege of deposit insurance.

Mr. Chairman, I feel indebted to the gentleman from Michigan [Mr. WOLCOTT] for having furnished some convincing detail in support of a matter to which I have made some reference in the embalmed remarks which I have in my pocket; that is, to the transactions of the Reserve banks and the Federal Reserve Board during certain stages of the speculative orgy in Wall Street that precipitated the crash in this country in 1929, in which it appears that a number of Reserve bankers came to Washington and tried to prevail on the Federal Reserve Board to not scale down the discount rates and to raise the discount rates. He mentioned the bank in Chicago that had to reduce its rediscount rate from 4 to 3½ percent. He mentioned a number of incidents to show that the Federal Reserve Board here in Washington was deaf even to the pleas of Federal Reserve banks to do something to check this orgy by raising the discount rates.

I did not interrupt the gentleman in his remarks, but I wanted to ask him why the Federal Reserve Board refused to do anything here in Washington, which they could have done, and the means of which they had solely in their hands, to check that thing before it got beyond all control. I did not ask the gentleman the question. Perhaps it would not have been an entirely honest question, because I had the answer in my own mind, which it would take time and facts to dislodge. It is that the Federal Reserve Board in Washington was under influence far greater than the power and influence of the Federal Reserve banks themselves. The name "Federal Reserve bank" is imposing, but they are not such big fish in the puddle. What is a dozen Federal Reserve banks compared with the Houses of Morgan, of Kuhn, Loeb & Co., and others, who were making tens and hundreds of millions of dollars out of the innocent investors of this country by bringing in and unloading on them the fraudulent bonds of the world, the worthless billions of "blue sky" stock of the holding companies, and every other great speculative group in this country? There was a power in the United States greater than the Reserve banks, and that was the power and the influence that kept the Federal Reserve banks from doing anything to check and remedy that situation.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MARTIN of Colorado. Mr. Chairman, we want to do something by this legislation to prevent repetition of that sort of thing. This Republic of ours cannot endure with a power within greater than Government itself. A power that can come down to Washington and control the Government as the Government was controlled at that time, a Government which not only did nothing to stop and check that orgy but actually underwrote and propagandized it and told the people of this country there was no end to that sort of thing.

Mr. Chairman, I came to the consideration of this bill a week ago with a preconceived idea that I was in favor of legislation that would place the Reserve Bank System under the control of the Government but I had a hearsay prejudice against this bill, and thought it did not reach that objective; but as a result of listening to the able and informative debate, and I may say the most able and informative debate I have heard on a bill since I came back to Congress, I have arrived at the conclusion that the power is in the bill to regulate these matters.

It is agreed that the crux of the bill is title II, enlarging the powers and tightening Government control over the Federal Reserve System. As these enlarged powers deal with monetary and credit policies rather than the mechanics of banking, a layman may at least be qualified to arrive at fairly sound conclusions drawn from the arguments.

I want to compliment the drafting, the legislative workmanship, on this title. I had anticipated that, considering its subject matter, it would be long and involved, perhaps to be understood only by a banking lawyer. On the contrary, it occupies only 15 pages in the bill; and if a Member will sit down to it with a lead pencil and do a little underscoring, its salient features in clear and concise language will stand out from the page.

The provisions in the title fall clearly into two categories. One, the enlarged banking powers granted the Federal Reserve Board and banking system, and the other enlarged controlling powers granted the Government over the Reserve Board and banking system. The controversy is waged around these two questions.

On either side of these two questions the opposing schools of thought arrange themselves naturally. The controversy is even simpler than this. It has been made clear in the large number of speeches on both sides that the quarrel is not so much what the powers are as it is where the powers are lodged. We may virtually dismiss from consideration any serious question over the enlarged powers granted the

Federal Reserve Board and banking system by title II of the bill: The open-market policy under which the Reserve banks will buy and sell bonds and other securities, thus expanding or contracting the currency as they buy or sell; the discount rates whereby the banks make money cheap or dear and stimulate or retard speculation accordingly; the bank reserves, which, by lowering, increase the amount of money which must be kept in circulation and, by raising, reduce its volume.

These three banking powers in this bill, placed fully in the hands of the Federal Reserve Board, an agency of the Government controlled by the President of the United States, can make the tides of finance and of credit to ebb and flow. The exercise of these great powers will affect the economic welfare of every living being in the United States. And, fourth, the provision that the Federal Reserve Board may authorize—I quote:

> Any Federal Reserve bank to discount any commercial, agricultural, or industrial paper of a member bank and may make advances to any such bank on its promissory notes secured by any sound assets of such member bank.

The banks may select an open-market advisory committee, who may make recommendations to the Federal Reserve Board with regard to the open-market policy, but the Federal Reserve Board has the sole authority to fix the policy, and then—I quote:

> Each Federal Reserve bank shall purchase or sell obligations of the United States, bankers' acceptances, bills of exchange, and other obligations in order to effectuate the open-market policies adopted by the Board—

Shall purchase or sell.

But the main quarrel is, Where shall this vast power be lodged? In the banks, says one school of thought; in the Government, says the other school of thought. And advocates of the private control go so far as to say in so many words that a bad private control would be better than what they call "a political control."

Let me see if I can briefly enumerate the control of Government over the System. All of the powers of the Governor, chairman of the board of directors, and Federal Reserve agent of each of the Reserve banks will be vested in one person, the Governor. The Governor will be nominated by the board of directors of the bank, but his nomination will be subject to confirmation by the Federal Reserve Board. This is the new check of the Federal Reserve Board on the Federal Reserve bank executive power.

The Governor of the Federal Reserve Board is appointed by the President and, I quote, "to serve as such until the further order of the President."

This, then, is where the Government control comes in—the power of the Reserve Board over the executives of the Reserve banks and the power of the President over the Reserve Board, and when this control is coupled with the enlarged Reserve Board powers over the monetary and credit operations of the System, we have the completed picture of Government control over the Reserve banking system of the United States.

The immensity of this power is not yet fully disclosed. The immensity of this power lies in the fact that in this country today the exercise of the function of issuing money and regulating the value thereof is vested very largely in the Federal Reserve System. I demonstrate this. The Secretary of the Treasury is the financial head of the Government. He exercises certain monetary functions in little more than a ministerial way. He buys gold and silver and locks them up in the Treasury. He may issue some silver dollars and silver certificates. The volume of national-bank circulation is fixed. The volume of greenbacks is fixed. With the exception of the money issued by the Federal Reserve System the volume of money in the United States is fixed.

The chief function of the Secretary of the Treasury is that of raising revenue, issuing, dealing in, refunding, and retiring the national debt.

The Federal Reserve System issues money and withdraws money, and by the volume of its issue and withdrawal it regulates the value of money, and thus the value of things. It can expand the currency by buying a billion dollars' worth of bonds and throwing out a billion dollars' worth of new notes in exchange for them. It can contract the volume of currency by selling a billion dollars' worth of bonds and taking in that amount of its notes in exchange for them.

The Federal Reserve System, therefore, is the monetary authority of the United States. It exercises the monetary functions vested by the Constitution in the Congress of the United States.

In determining where this great power should be lodged, let us take another brief glance at the manner of the exercise of the power by the privately controlled System since it has been in existence.

I have already mentioned its refusal to raise the discount rates before the panic. It has been charged repeatedly, I accept it as an established fact, that the Federal Reserve System, by calling in and enforcing liquidation of its loans in 1920, brought about the deflation which knocked down the commodity-price level, impoverished agriculture, and reduced the whole economic structure of the country. It therefore brought on one panic and refused to stop another.

The men who did these things, being private citizens, are still at the head of their institutions and their institutions are still going concerns and still in the exercise of the great powers which they so badly used. But the political regime in control of the Government, and charged in the public mind with responsibility for the historic disaster thus brought about, has rightly or wrongly been swept into political oblivion.

This gives us the penalty for the misuse of the powers conferred upon Government by this bill. This is the answer to the criticism of the vesting of this power in Government. "Uneasy lies the head that wears the crown", is just as true of Presidents as of princes.

Mr. Chairman, the able Chairman of the Banking and Currency Committee, the gentleman from Alabama [Mr. STEAGALL], has been highly complimented on the floor of the House, I believe, by every member of his committee on both sides of the aisle for the courtesy and the fairness and the ability with which he conducted the hearings. Mr. Chairman, I want to add a compliment to the personnel of the Banking and Currency Committee of this House. I do not believe there is a committee in this House that has among its membership a greater number of men who are able to thoroughly discuss and defend or criticize a bill of their committee than the Banking and Currency Committee of the House. I cannot but feel that these men have brought out a fair bill that will reach the objective intended, and I will only say this, further, in conclusion.

In friendly hands this bill will bring about a new and better era in banking in the United States; but, on the contrary, in complaisant hands it can become and will become an engine of exploitation and oppression. No system will work in the hands of its enemies except for its enemies. Eternal vigilance is still the price of liberty. [Applause.]

Mr. STEAGALL. Mr. Chairman, I yield 10 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I am one of those who do not believe that this country or the nations of the rest of the world are ready or prepared for a managed-currency system. This bill, as I see it, seeks to establish a managed-currency system in this country, and does more. In its operation it will increase the interest load of the people of the United States and stabilize the interest load.

The thing that occurs to me in studying the money question and the plan proposed by this bill for the issuance and creation of legal-tender money is that there can be no money issued or created under this bill that does not carry the interest feature. Somebody must borrow the money from the banks of the country. Let me tell you, one of the difficulties we have in handling the money question is the failure of the business men of the country to distinguish and differentiate between cash and credit or differentiate between an automatically controlled or a managed-currency system and the automatic system of issuing and creating

money by the coinage of the precious metals, gold and silver. When we adhere to the principle that was given us when our money system was established, we automatically increase the volume of money by the production of gold and silver, particularly gold, which circulates in coin or in silver or gold certificates as legal-tender money issued by the Government. In the operation of that system we had automatic control. It was after the bankers of the country, through their influence on legislation, had gradually eliminated this system that we substituted bank control of the issuance of money which must be borrowed at interest to get into circulation and subject to retirement when the eligible paper on which it was issued is liquidated. First, we demonetized silver in 1873, and now, under the gold bill, there is no longer any circulation of gold or gold certificates minus interest. Gold has been withdrawn from circulation and is used as coverage for the issuance of money which will be lent into circulation rather than issued into circulation.

I also wish to call your attention to the powers that are conferred upon the group in control of the banking business of this country under paragraph (o) of section 204:

(o) It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of the monetary action and credit administration.

This power can be used, as it was used in 1920, to retire money, destroy prices and credit, and bring ruination upon the business of the country.

I want further to direct your attention to section 16, page 64:

SEC. 16. Each Federal Reserve bank may issue Federal Reserve notes, which shall be obligations of the United States, secured by a first and paramount lien on all of the assets of such bank. Federal Reserve notes shall be issued and retired by Federal Reserve banks under such rules and regulations as the Federal Reserve Board may prescribe and shall be legal tender for all purposes.

This is the power to retire money that was used in 1920, when a period of deflation was decided upon by the Federal Reserve Board, when the farming sections of this country were depressed, when prices were destroyed, when the lending value of property was reduced, and this brought disaster upon the agricultural districts of the Nation.

Another section I would like to call to your attention is section 209, on page 57:

Notwithstanding the other provisions of this section, the Federal Reserve Board, in order to prevent injurious credit expansion or contraction, may by regulation change the requirements as to reserves to be maintained against demand or time deposits or both by member banks in reserve and central reserve cities or by member banks not in reserve or central reserve cities or by all member banks.

Mr. Chairman, if there is anything that is going to reduce the security of the deposits in this country in the banks, it is this section that confers authority upon the Federal Reserve Board to reduce the security or the coverage for these deposits.

If we can eliminate from this bill the provision which is a concession to the banking interests to create and issue money to be lent into circulation and take the security feature of the bill, it would be a splendid piece of legislation. But I am opposed to any provision which confers on the banks the right to issue and circulate money which is an obligation against the people of this country. [Applause.]

Mr. STEAGALL. Mr. Chairman, there will be only one more speech during this debate. I want to say that we have given, not only to the members of the Banking and Currency Committee, an opportunity to discuss this bill, but we have extended an invitation to every Member of the House to participate in the discussion. Every Member of the House who has expressed a desire to do so has had an opportunity to speak.

I think it is proper to say that the remarks on the bill have justified the procedure, and we feel that the speeches warrant the assertion that the time consumed has been to the advantage of the House and to the country.

I desire to thank the Members of the House and the members of the committee for their courtesies and consideration and for their generous references to me, for which I am deeply grateful to all of you. I now yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, before I make a statement as to the bill, I hope the House will allow me to make a statement about the crime committee report being published.

The District of Columbia Committee, of which I am a member, had a crime subcommittee that made a report a few days ago to the whole committee. It was understood at the time the report was submitted that it was not official; that it would not be considered official until it was approved by the whole committee, if it was ever approved. It was distinctly understood that it would not be given out to the newspapers, and that the newspapers would be asked not to publish it if they had in any way obtained a copy of the report.

I was very much disappointed to see what was alleged to be a report printed in the next morning's paper. I feel like the integrity of the House is involved.

The newspapers were asked not to print the report, as it would not be official if they obtained a copy, since it was not official and would not be official until it was passed on by the whole committee. The whole committee has not passed on it. The whole committee has not examined the report. It has not read the report, and they know nothing about it except what was in the newspapers. I do not say that the report should be adopted or disapproved. I am not now passing on it. We have not been in a position to give it consideration. It should not have been published.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. While I got a copy, I know that some Members of Congress have tried to get a copy of the report from the District Committee but have been refused a copy. They were told same were all under lock and key. Will the gentleman explain why a confidential report not yet approved by the committee can be given to the newspapers and published, while Members of Congress cannot get it?

Mr. PATMAN. I cannot understand that.

Mr. KVALE. If the gentleman will yield, I saw one statement in which it said that the report was to be held confidential until presented to the full committee; that when it was presented to the full committee it was understood by the newspaper representatives that the report was public information.

Mr. PATMAN. I know that the newspapermen were instructed by the lady from New Jersey [Mrs. NORTON], the chairman of the committee, not to print any report if they obtained it from any source. They were warned not to print that report. Why they printed it I do not know and, we, the committee, certainly would not agree to a report in a 2-hour session which attacked the reputation of honorable men. We refused to do it.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. I had a copy of the report because I know how to get it, and I happen to know that before the committee met on Wednesday morning every bit of that confidential report, which had not yet been passed upon or approved by the gentleman's committee, had been set up in type by the two Hearst newspapers and another in the city of Washington, all ready to be printed in full, waiting for the gentleman's committee to approve it, and when the gentleman's committee did not approve it, they printed it anyway, in spite of the committee's action and its order that it should not be printed. They ignored the committee and, in effect, said: "To hell with Congress and the committee; we will do just what we please with a subcommittee report."

Mr. PATMAN. I do not say that that was the report that the subcommittee made.

Mr. BLANTON. It was a one-man report, gotten up by a disgruntled former employee of Judge Garnett (Mr. Fitzpatrick), who throughout its entire length, from beginning

to end, could not disguise his spleen and malice against Judge Garnett and others. He was out to "get" Garnett and tried to do it. I compared the newspaper print closely with the printed report Fitzpatrick prepared that I have, and I know these newspapers had a copy of it. I congratulate my friend and his District Committee on refusing to approve it.

Mr. PATMAN. Anyway, it is not official, and the printing of the report was not authorized, and I do not think anyone had a right to pass judgment on it until the whole committee passed on it.

Mr. BLANTON. I furnished the United States district attorney, Judge Garnett, with a copy of it because it viciously and maliciously attacked him and he had a right to see it to defend himself, as he is an appointee of the President of the United States, and such an unwarranted attack was a reflection on the President, and our Department of Justice.

When Fitzpatrick maliciously attacked Judge Garnett as a law officer of Washington, and he did it unjustly, and he printed his malicious report prematurely, and he did it without authority, he has done more to break down respect for law and the morale of law enforcement than you can undo in 10 years, and that is just what he has done by publishing his attack. More has been done to break down law enforcement hereby preparing and printing that unauthorized report than anything that could have been done. Fitzpatrick has demoralized law enforcement in Washington.

Mr. JOHNSON of Oklahoma. The gentleman does not mean that the gentleman from Texas [Mr. PATMAN] had anything to do with it?

Mr. BLANTON. No; certainly not. It was Mr. PATMAN, Mr. WERNER, and other wise members on the District Committee, with sound, splendid, good judgment, who refused to approve Fitzpatrick's malicious report, and, with Chairman NORTON, ordered that it should not be printed until the committee could examine the hearings and have time to digest and pass on it. And I commend the District Committee for taking such action.

Mr. WOLCOTT. Mr. Chairman, I rise to a point of order.

Mr. PATMAN. I am through, anyway, Mr. Chairman. I know that what I have said is out of order, and I am through.

Mr. Chairman, in regard to this bill, it is a good long definite step in the right direction. I would like to see it embrace other provisions that I am very enthusiastic about, but whether it does or not, I am for this bill. It is a good bill as far as it goes. I commend the committee for the hard work that the members of the committee have done in committee meetings, listening to testimony of dozens of witnesses. I know that they have conscientiously done their very best. Although I differ with some of them on certain sections, I give them credit for having the very best of intentions.

Title II is the contested section of the bill. I would first like to take up the unification of the banking system. We have today 48 States and the Federal Government, 49 governments, in effect, controlling our money and credit. There was a time in my legislative experience when I was not satisfied on the proposition of taking over the State banks. I thought it was invading the State's business, but I am convinced now the business of coining money and regulating its value should be administered by the Federal Government and the Federal Government alone.

You cannot control money and credit in this country if you have 49 separate and distinct governments controlling money and credit. It is true that the State governments cannot coin money, they cannot issue money, but they can issue demand deposits which have exactly the same force and effect as actual money. So when you determine the amount of circulating medium, you determine not only the amount of money, which is small, but you determine the amount of demand deposits subject to check, and you add the two together and you have our circulating medium. We have these 48 States. Any State can set up its own State banking institutions and any State legislature can give the State banks the right to issue $5 to every $1 the bank has, or $10 to every $1 the bank has or $15 or $20 to every dollar the bank has. So, how are you going to control the money situation if you cannot control the money-creating institutions? We have only 5,000 national banks, and we have about 10,000 State banks. As long as we can control only the 5,000 and cannot control the 10,000 money-creating institutions, how are you going to regulate the value of money?

You cannot possibly do it, and you might just as well give it up. It is not the function of a State to either coin money or regulate the value of money. No one will deny that. Therefore, if it is not the function of a State, why do you want a State to exercise that function in competition with the Federal Government? Does not the Constitution of the United States provide that Congress shall have the right to coin money and regulate its value? How are you going to carry out that mandatory duty if you are turning loose money-creating institutions in this country over which you have absolutely no control?

If there is a State bank in the home town of my distinguished friend, the chairman of this committee [Mr. STEAGALL], and he goes in there to borrow $1,000 by giving his note, he gives the note through the window and the cashier puts back through the same window a deposit slip for $1,000; and that State bank, under no restriction or limitation from the Federal Government, has created $1,000 in new money. They can do that just as much as the legislature of that State permits them to do it. So how is the Federal Government going to control and regulate the value of money if you are going to have only 5,000 national banks under your control and have 10,000 money-creating institutions under the control of State governments with no control over them? You cannot do it. You might just as well give it up. If you really and honestly want Congress to regulate the value of money, the first thing you have to do is to put power into the hands of Congress that will permit Congress to regulate the value of money. The first step in that direction is unifying the banking system, causing all banks to come under the Federal Reserve banking system.

We passed a law for Federal bank-deposit insurance. Somebody had to put up the premium to guarantee the deposits in all the banks. Somebody had to put up the initial premium. Three hundred and thirty-nine million dollars was the sum deposited. You might call it the initial premium. The Federal Government put up $300,000,000 of that money, and all the banks in the Nation, including the State banks that were permitted to come under the system, put up the other $39,000,000. Is it right for the Federal Government to use the taxpayers' money out of the Federal Treasury to insure State banks over which the Federal Government has no control whatsoever?

The Federal Government put up $300,000,000 of the $339,000,000. That was done with the understanding that by January 1, 1937, all these State banks would come under the Federal Reserve System and be members of the Federal Reserve Banking System. I took the view of many that we should not make harsh requirements of them; that we should be easy with them. There was an amendment passed which permits those banks to come in, regardless of the amount of their capital stock. I do not care if the amount is $25,000 or what it is, less than you could use as a basis for the organization of a national bank, but regardless of their capital stock, they can come into the Federal Reserve System. So we wrote into the law that they must come in by January 1, 1937, and we thought that that law would continue, but for some reason, I do not know why, this committee in passing on this legislation, although this subject is not directly related, picked up that provision of the law and repealed it, and said, "These State banks can indefinitely get the benefit of the insurance that the Federal Government is paying for, not be under the supervision of the Federal Government, continue to get their benefits and never come under the Federal Reserve banking system"; in other words, "Go ahead as money-creating institutions, create money in competition with the national banks, create money that this Congress cannot control." It puts them beyond our reach, as a Congress, to regulate the value of money. Are you going to let them do that? If you pass

this bill as it is written, you will. You will have 10,000 of these money-creating institutions over which you will have no control. But the Federal Government will have the right to change the reserve requirements of the national banks, which they should have the right to do, but they will not have that power over State banks.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. STEAGALL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PATMAN. Therefore, this section relating to January 1, 1937, which requires State banks to come into the Federal Reserve System by that time should not be repealed. I expect to support the amendment that will be offered by the gentleman from North Carolina [Mr. HANCOCK], when it is offered, to restore the law to read as it does now and strike that provision from this bill.

Next, an amendment will be offered by the gentleman from Texas [Mr. CROSS] that will cause the Government to pay the member banks $146,000,000 in capital stock, and the Government will own the stock of the 12 Federal Reserve banks. I expect to support that amendment.

When this country was new we had to have gold in order to trade with foreign countries, when we were an importing nation and not an exporting nation. We needed gold to carry on the business with foreign countries. At that time our Government, struggling as it was, borrowed money from foreign banks. It was right that our Government should pay interest to those banks. If we borrowed money from a foreign country, it was right that we should pay interest on that money borrowed from the foreign government; or, if our industrious citizens should go out into the hills of the West and with their own hands pan out gold, and our Nation should need that gold to carry on its business with other nations, and our country should borrow that gold from its citizens, it was right that our country should pay interest on that gold.

We do not have that situation today, however; we neither borrow from a foreign bank nor a foreign government, nor do we borrow gold from our own citizens. The Government today is borrowing its own credit and is paying tribute to a few big bankers for the privilege of using that credit. I would like to see it stopped. The Federal Reserve banks, for instance—12 of them—hold $2,500,000,000 or $3,000,000,000 of Government securities—Government bonds. How did they purchase those bonds? They were purchased with Government credit and the Government continues to pay interest on those bonds of the Federal Government.

The salaries of the Federal Reserve officials have been paid by money that would have otherwise gone into the Treasury of the United States—$30,000, $40,000, and $50,000 a year. All the money they could spend, under the old law, they did not have to turn over to the Treasury of the United States; but the law has been changed and all surplus goes into the surplus fund of the Federal Reserve bank. Remember that not one dollar of Federal Reserve bank stock is owned by a citizen, not one dollar of it is owned by the United States Government; every dollar of it is owned by private corporations; and these banks pay no taxes upon any transaction—do not forget that—they are tax exempt, tax free. They do their business without taxation. The only tax they pay is the insignificant tax on their real estate, no more. Not a tax of any kind is laid upon the hundreds of billions of dollars' worth of transactions they do annually in this country with the use of Government credit.

Do you know what they can do? The Federal Reserve agent representing the Government of the United States, as such, has at his service the Bureau of Engraving and Printing here in Washington, a bureau which employs 5,500 people who sometimes work night and day to print money.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. PATMAN. We will say the chairman of the Board, the Federal Reserve agent in New York City, wants some money. He communicates with the Bureau of Engraving and Printing. He has $10,000,000 in Government bonds that the Federal Reserve bank holds. He deposits the bonds there with himself, has $10,000,000 in money printed, and the money is distributed, of course, to the member banks, and they get interest for the use of that money. They get the use of the credit of this Nation absolutely free. Every Federal Reserve note, which is currency, paper money, greenbacks—I do not care what you call it—is guaranteed by the Government. The Government of the United States guarantees that note; it is a blanket mortgage on all the property of all the people of this Nation, and the taxing power of this Government can be used to redeem that note.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GOLDSBOROUGH. As a matter of fact, that is all the value the note has, is it not?

Mr. PATMAN. Certainly. It would not be as good without the credit of the Nation. It is true it has the backing of the assets of the Federal Reserve bank, but what really makes it good is the credit of this Nation.

This money costs the Federal Reserve bank about 27 cents per $1,000—the actual cost of printing. That is all the Federal Reserve bank pays—no taxes; it pays absolutely nothing but the cost of the printing of the money.

Do you believe that our Government should permit the further farming out of the great privilege to a few big banks of this country to issue blanket mortgages on the property of the people and use the taxing power to redeem the money, if necessary, without the Government getting 1 cent on earth for the use of this great privilege? The first question is, Should they do it at all? And the second question is, If they are permited to do it, should not the Government get paid for the use of its own credit?

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITE. The Government also bears the expense of protecting those notes from counterfeiters, does it not?

Mr. PATMAN. Yes, of course; the Government takes all the responsibility of protecting the Federal Reserve System. So it is not an individual that is issuing this money, it is a corporation that is owned by corporations. Every dollar of the stock in every Federal Reserve bank is owned by these private corporations. So you have farmed out to the corporations owned by other corporations the great privilege of issuing the money of this great country of ours. It really should be stopped.

You have heard a great deal about getting the Government out of private business. Yes; I am in favor of getting the Government out of private business, but at the same time I am in favor of getting the bankers out of the Government business. The issuance and distribution of money is a Government function and should not be farmed out to the private bankers. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read.

The Clerk read down to and including line 3 on page 1.

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill H. R. 7617, the Banking Act of 1935, had come to no resolution thereon.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am sure I voice the sentiment of every Member of this House when I say that I appreciate the very constructive and informative address just delivered before the Committee of the Whole by the distinguished gentleman from Texas [Mr. PATMAN]. When the gentleman from Texas speaks, he knows what he is talking about. I have watched him since he came to this House, and I notice that he goes to the bottom of things. There is not a harder worker in this body, nor does any other Member enjoy a greater respect of the entire Membership of this House than does the distinguished gentleman from Texas [Mr. PATMAN]. [Applause.]

Mr. Speaker, I desire now to mention the name of another distinguished statesman. I refer to Hon. Robert L. Owen, for many years a very distinguished and able Member of the United States Senate from the State of Oklahoma, former Chairman of the Banking and Currency Committee, and author of the Federal Reserve Act. Senator Owen is undoubtedly one of the greatest authorities in America on the money and banking questions. [Applause.]

Since the present banking bill has been pending in the House of Representatives, several Members of the delegation in Congress from Oklahoma have been giving this bill much study and serious consideration. This week our delegation called upon our good friend, the distinguished former Senator from Oklahoma, who was good enough to confer with us and give our delegation the benefit of his views concerning the measure and especially in connection with the controversial features of the pending bill.

After a conference with Senator Owen, our delegation was so impressed with his vast wealth of information that we asked him to prepare a statement giving his views in some detail on the pending banking bill. This he had done, and I feel that his statement would be of vital interest to the American people.

Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD at this point the statement in question as prepared by Senator Robert L. Owen on the pending banking bill.

Mr. WOLCOTT. Mr. Speaker, may I ask the gentleman if this is the same statement Senator Owen put in the RECORD of the proceedings before the Committee on Banking and Currency?

Mr. JOHNSON of Oklahoma. No; it is not the same statement. But, as I suggested a few moments ago, it is a very informative statement prepared by Senator Owen especially for the Oklahoma delegation in Congress.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The following is Senator Owen's statement prepared for the Oklahoma delegation in Congress:

Answering the request of members of the Oklahoma delegation as to my views on the banking bill of 1935, I very respectfully would say:

The bill, in my opinion, is of supreme importance in granting in clear terms to the Federal Reserve Board:

1. The power to buy and sell bonds and bankable assets, and thereby expand and contract demand bank deposits which function as money.

2. The right to increase or decrease member-bank reserves.

3. The right to control the interest and discount rate.

4. The right to approve the governor of the Federal Reserve bank, and practically, through the class C directors, to control the personnel and management of the bank, so far as monetary policy is concerned.

5. A very important addition to the flexibility and power of the Reserve banks is granting by expanding the eligibility of member-bank paper for discount, and giving them larger powers to make real-estate loans.

The mandate inserted by the committee in the original bill, which directs the Reserve Board to use its powers to promote business stability, is excellent so far as it goes, because it is well known that this administration, and particularly the Governor of the Federal Reserve Board, Mr. Eccles, favor the policies of Mr. Roosevelt, of restoring property values and giving the country a dollar whose debt-paying power would be as great as when the debt was contracted. The President has informed the country in his last Sunday radio address that this bill was a minimum of what is required to restore the country to normal.

I think the mandate referred to would be improved by inserting before the words "business stability" the words "maximum employment and * * *." The country should be advised by the language of the bill that it was the intention to use the powers granted by this bill to restore employment to a maximum by restoring the money supply of the country and the working capital which have been destroyed in the last 4 years.

Senator FLETCHER in his last Sunday's radio broadcast (see extension of remarks, CONGRESSIONAL RECORD, Apr. 30) pointed out that this contraction is twenty-one billions. This money engaged in production, transportation, distribution, and personal services, having been withdrawn, has necessarily thrown out of employment thirteen or fourteen millions of people. This productive capital can be immediately restored by the purchase of Government bonds, State bonds, or other sound bankable assets by the Federal Reserve banks under the direction of the Federal Reserve Board.

There are several minor points which I should like to see corrected.

For example, there is no use whatever in requiring (page 54, line 22) 35 percent of lawful money (not including Federal Reserve notes and Federal Reserve bank notes) against the member-bank deposits for the simple reason that these deposits of necessity, being fixed by law, are very rarely drawn upon at all, and if they were drawn upon to any extent, could be immediately paid in legal-tender money. There is no sound reason for holding 35 percent of the vast future reserves that will go into these banks, especially that such 35 percent shall be in terms of pocket money, when the pocket money required can be instantly supplied out of the existing supplies of such money available to such banks.

There is a sound reason why it should not be required in the form in which it appears in the bill, because as the words of the bill are written, excluding Federal Reserve notes and Federal Reserve bank notes (which are now legal tender) and discrediting such notes as lawful money would leave only greenbacks remaining, which are scattered in the pockets of 125,000,000 people. It would be absurd to count the gold certificates held by the Reserve banks as reserve against such deposits, because such gold certificates are available as security for the issuance of legal tender money of all kinds, but are not available to be paid to the member banks in settlement of reserves. The silver certificates are not available because in $1 bills, unavoidably needed for pocket change.

I favor the bill with or without amendment, for the reason that the increased powers are necessary for the protection of the American people, are necessary for regulating the supply of money, are necessary for regulating the value of money, a duty imposed on Congress by the Constitution.

The Goldsborough amendment is gravely objectionable for the simple reason that the all-commodity index for the average of the years 1921–29, being based on gold at $20.67 an ounce, would be greatly different and greatly lower than an index based on gold at $35 on ounce.

The fact that agricultural products sold for gold in Liverpool bring a larger number of dollars now than they did before we changed the content of our gold dollar, did add to the number of dollars obtained for such products, but did not add to the real value, except for debt-paying purposes to the extent of such actual shipments, leaving the United States, with that exception, no better off than it was before. What the farmers need in this country is to receive a larger number of dollars in our domestic markets, where the paper dollar, the check-money dollar, has a greater value than the gold dollar. The evidence that our domestic dollar has more value than the gold dollar is the vital fact that in the last 12 months the outside world has sent us 14 hundred millions of gold dollars by weight of gold to purchase domestic dollars with which to buy our commodities.

You ask my views on the so-called "Goldsborough amendment" proposing to restore the dollar to the average value of 1921–29; that is, to the 1926 all-commodity index. The Godsborough amendment also provides for a complete change in the all-commodity index from 784 commodities down to the basic commodities shipped abroad, amounting to probably 50 items. The Goldsborough amendment also provides a complete change in the meaning and significance of the Gold Reserve Act of 1934, with its intricate provisions.

First. It is my judgment that since the all-commodity index of 1921–29 was based on $20.67 per ounce of gold, or 25.8 grains troy per dollar, that mathematical number for such index would be entirely changed when gold has been increased 60 percent in terms of dollars by placing an ounce of gold at $35 instead of $20.67 per ounce.

Moreover, the index of that period has been seriously advanced by the scarcity produced through governmental policies of cutting down the production of basic farm commodities and the commodities under the codes. Moreover, the great drouth in the Western States has artificially raised the all-commodity index, and these vital changes in the index have taken place without any expansion whatever of the money supply of the United States, but our money supply has been actually contracted, since March 1933, to the extent of several billion dollars.

The very recent expansion of demand deposits by the purchase of Government bonds by the banks has served no adequate purpose to increase the credit to business men, because the increase of such deposits has been employed by the member banks to liquidate loans to business men, thus transferring from business men these credits to the Government.

For these reasons the index of 1921–29 is much too low to restore the value of property which existed at that time.

I regard it as a very serious matter to attempt to change in this casual fashion the all-commodity index, which has been built up

at the expense of many millions of dollars through a period of over a generation.

I think it is as equally serious a matter to attempt to change the national policy established by the Gold Reserve Act of 1934, whose intricate provisions should be examined by your delegation before consenting to a change. This is a technical matter and requires the closest scrutiny in order to avoid making worse our present difficult position. The amendment referred to proposes a so-called "free gold" market, which means taking away from the gold any fixed relationship to the American dollar, thus running the risk of losing such advantages as are already claimed by those who advocated raising the price of gold. But, what is far worse, it is authorizing by law the speculation in gold, the basic international money of the world. It seems to me to be an unsound policy to permit, much less to encourage, the speculation in gold. For it renders unstable the international measure of value and permits gold and the price of gold to be manipulated by speculation. In my opinion, the grief of the world has been brought about by permitting speculation in our money supply by private forces seeking profit. This was the very thing so strongly condemned in the Democratic national platform, which attributed this last depression "to the indefensible expansion and contraction of credit (that is, money) for private profit at the expense of the public."

I am opposed to speculation in gold and, being opposed to the speculation in our money supply which has resulted in the present disaster to America and the world, I have done what I could to establish a sound opinion in favor of stabilizing the value of money and preventing private speculation in money destroying all values created by human labor.

Those of the delegation who care to see my views on this bill will find them set forth at length in the hearings before the Banking and Currency Committee of the House, page 553, March 26, 1935.

Yours respectfully,

ROBERT L. OWEN.

CRIME CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. WERNER. Mr. Speaker, as a member of subcommittee of the District of Columbia Committee, which, under resolution passed by the House, investigated crime conditions in the District of Columbia, I ask unanimous consent that I may have until next Friday to file minority views.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

A DASTARDLY, DIABOLICAL NEWSPAPER PLOT TO WANTONLY AND MALICIOUSLY ASSASSINATE THE CHARACTER AND TRY TO RUIN A UNITED STATES ATTORNEY AND OTHER HIGH PUBLIC OFFICIALS

Mr. BLANTON. Mr. Speaker, as a preface to a unanimous-consent request I intend to make, I call attention to another false statement published in this afternoon's Washington Times, as follows:

Representative THOMAS BLANTON, of Texas, called on the Attorney General yesterday but would not divulge the reason for his visit. He wrote letters yesterday to several members of the House District Committee urging them to tone down their criticism of Inspector Headley in the report.

Mr. Speaker, I went to the Attorney General's office in the United States Department of Justice on important business yesterday afternoon at 4:45 o'clock. No one connected with newspapers knew of my going unless they watched me when I left my office and followed me. No one saw me go in his office, for it almost takes an Indian guide to find out how to get to his office through the many winding corridors of that tremendous building.

When I came out into the hall from the Attorney General's office about 5:15 p. m. I found five Washington newspaper reporters there in the hall waiting for me and insisting, all five of them in concert, that I tell them what I was doing there. This is just illustrative of the remarks that I made yesterday about newspapers snooping into our official business matters here.

This Washington Times on this Saturday afternoon, May 4, 1935, says that I wrote letters yesterday, which would be on Friday, May 3, 1935, to several members of the House District Committee urging them to tone down their criticism of Inspector Headley. Yesterday I did not write any letters whatsoever to any member of the District Committee on May 3, 1935. I did not write any letter to a single member of that committee the day before yesterday, which was Thursday, May 2, 1935. I have not written a letter to any member of the District of Columbia Committee since that committee held its executive session on last Wednesday, May 1, 1935. Such a false statement as the one appearing in this afternoon's Washington Times illustrates what I stated yesterday about Hearst's papers here printing false assertions about me.

Mr. Speaker, I now ask unanimous consent to revise and extend my remarks in the RECORD on this alleged report of the crime committee, and especially to discuss a proposal that has been made but which has not yet reached the committee, but we learn of it through the newspapers, in reference to consolidating the Park Police with the Metropolitan Police.

The Park Police are under the control of the United States Government exclusively and, while preserving order in the parks here, protect United States property in the District of Columbia.

In this connection I desire to include some statements from officials and citizens about this report, and other data, to which I wish to refer in my remarks. I also want to discuss generally the subject of this crime investigation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, I am grateful to my colleagues for granting me the privilege of discussing a report drawn for the Crime Subcommittee, which the press says was jointly prepared by Mr. John R. Fitzpatrick and Mr. William F. Seals; and for allowing me to include statements from officials and citizens and other data I wish to refer to in my remarks.

TO INVESTIGATE CRIME IN WASHINGTON AND RECOMMEND LEGISLATION

I helped to pass the House resolution authorizing this investigation. But I never dreamed that part of the $1,500 the House authorized to be spent "to investigate crime" would be frittered away and wasted in employing the said John R. Fitzpatrick, a spiteful, disgruntled former assistant of United States Attorney Leslie C. Garnett, with malice in his heart against his chief and an all-consuming intent to injure and try to ruin him, and paying Fitzpatrick $225 per month when he was wholly unfit, and has not been worth 5 cents to the Government. And I never dreamed that another part of this $1,500 would be frittered away and wasted in employing the said William F. Seals, at $225 per month, who when the Crime Subcommittee first met appeared before it as a reporter for the Washington Post, which has malice toward and seeks to harass a number of public officials, thus giving his Washington Post an inside advantage and opportunity to bemean and libel officials it does not like.

And when I helped my colleagues to pass this House resolution I never dreamed that the employed counsel of said subcommittee would attempt to go beyond the power and authority granted by the House of Representatives.

AUTHORITY LIMITED BY HOUSE

The only authority granted by the House of Representatives to this committee was "to investigate all forms of criminal activity in the District of Columbia, the probable causes for commission of crimes, law enforcement, and law-enforcement agencies, paroles and parole boards, the activities of courts, the conduct of prisons, and to report its investigations to the House, with recommendations for legislation."

The only authority "to recommend" granted by the House to the committee was "recommendations for legislation." The House did not authorize this committee to have an employed counsel "grill his former chief", a United States attorney, with a lot of silly, ridiculous academic questions about his knowledge of something about which this spiteful attorney had the night before prepared foolish questions out of a law book to propound. The House did not authorize this committee to let its hired counsel publicly charge a United States attorney with being "ignorant, totally unfit, and incompetent." It did not authorize this committee or its hired counsel to "demand the removal from office" of a United States attorney or any other official. The House did not authorize this committee to employ a counsel at $225 per month to deliberately insult Members of Congress and other public officials regarding matters wholly disconnected from the subject of crime. The House

did not authorize this committee to allow such a hired counsel to grill or lecture Members of Congress for recommending and trying to have deserving public servants justly promoted. If Members of the House of Representatives had known that employed counsel was going to attempt to exceed the authority granted this committee in all of the above particulars, they would never have voted for and passed said resolution.

"DETERMINED TO GET GARNETT AND BROWN"

Almost from the beginning it was clearly apparent to all posted observers that there was a concerted effort being made by William Randolph Hearst's Washington Herald and Washington Times and Eugene Meyer's Washington Post to ruin and hound out of office both United States Attorney Leslie C. Garnett and Maj. Ernest W. Brown, superintendent of the Metropolitan Police.

ADMITTED BY PROMINENT MEMBER OF SUBCOMMITTEE

The Washington Star for April 14, 1935, in reporting a speech made on the night of Friday, April 12, 1935, by our colleague from Indiana, Mr. WILLIAM T. SCHULTE, at the fifth annual meeting of the Central Business Men's Association, mentioned that he was a member of the House Committee to Investigate Crime, and quoted Mr. SCHULTE as follows:

The Representative said he had "positive evidence" that certain persons were "after the scalp" of Superintendent of Police Brown, United States Attorney Garnett, and Chief of Detectives Frank W. S. Burke.

So our colleague had found out just what I found out almost immediately after the investigation began, that powerful influences were after the scalp, and were trying "to get" United States Attorney Garnett, and Superintendent Brown, of the Metropolitan Police, and other high officials. And I found out that it was William Randolph Hearst's Washington Herald and Washington Times, and Eugene Meyer's Washington Post, that had hatched "the plot" and were working in unison, although hating each other, on a concerted scheme of attack. Just as a magnolia bud gradually unfolds, their scheme and plot unfolded from the time steps were formulated to create a crime committee, to have appointed as outside helpers the ones desired by these newspapers to look up and interrogate witnesses who would attack the victims these newspapers wanted harrassed and ruined, and then to play up in scandalous headlines such attacks on their front pages in an attempt to create public sentiment against such officials.

"KEPT PLOT SECRET FROM CRIME COMMITTEE"

The members of the Crime Subcommittee, of course, knew absolutely nothing of this scheme and plot of the Herald, Times, and Post, but these newspapers took advantage of their knowledge of the fact that the chairman of the subcommittee was a great admirer of William Randolph Hearst, whose picture he had hanging up in his office, and that entertaining such friendly and kindly feeling for Hearst he would likely listen to their suggestions. I make no criticism of any member of the Crime Committee; but if the members of this subcommittee had known all the facts they would never have employed John R. Fitzpatrick as their counsel at $225 per month, and they would never have employed the Post reporter, Seals, at $225 per month, and then there would have been no defamation of character of United States Attorney Garnett, Major Brown, and other high officials.

"HE STARTED IT ALL"

The Washington News on April 26, 1935, in heralding the sensational Drastic Shake-up of High Officials and in telling about this Fitzpatrick report, and carrying the pictures of Judge Garnett, Major Brown, and Inspector Headley as the ones whose heads were going to be chopped off, then carried a picture of Fitzpatrick, under which was the name "Counsel Fitzpatrick", and the News under his name printed "He started it all." The News was not well informed. Fitzpatrick was a helper, but he did not "start it all", but he was largely instrumental in helping to "finish it all."

A MOTIVE FOR EVERY PLOT

When I witnessed the determined effort on the part of William Randolph Hearst's Washington newspapers to "get" United States Attorney Garnett, I knew there was a motive, and I began to look for it. At last I found it. Here it is: On Sunday, September 13, 1931, the Washington Herald, on page 2, printed a scandalous, libelous, article about a Methodist preacher in Virginia—Rev. J. Arthur Winn—and tried to involve four good women, wantonly printing their photographs in connection with such attack on this Virginia minister. Rev. J. Arthur Winn employed Hon. Leslie C. Garnett, who was then in the private practice of law, to sue William Randolph Hearst's paper for libel. The suit had to be brought against the Washington Times Co., Inc., as the publisher of the Washington Herald. Judge Garnett brought this suit, not in Washington, where Hearst's papers through daily representing the facts can create prejudice in the minds of Washington citizens who do the jury service here, and his bevy of skillful high-powered lawyers which he keeps on annual retainers know how to select the prejudiced veniremen on the jury, and where this Virginia preacher would have been at a great disadvantage; but Judge Garnett, using his usual good judgment, filed the suit in Alexandria, Va., where Hearst's papers circulate, which gave him jurisdiction in Virginia. This libel suit is styled J. Arthur Winn, plaintiff, against The Washington Times Co., Inc., defendant.

W. RANDOLPH HEARST CONSIDERED GARNETT FORMIDABLE THEN

Mr. William Randolph Hearst then considered Leslie C. Garnett, as a lawyer against him, much abler, and better informed, and more experienced, and greater versed in law than seemingly he now asserts him to be as a United States attorney.

HEARST HAD EIGHT SKILLFUL LAWYERS EMPLOYED TO DEFEND HIM AGAINST JUDGE GARNETT'S SUIT

William Randolph Hearst's counsel of record in this case were Wilton J. Lambert, one of the best and leading lawyers in the United States; Rudolph H. Yeatman; Messrs. Barbour, Keith, McCandlish & Garnett, of which firm Hon. R. Walton Moore, formerly a Member of Congress but who is now Assistant Secretary of State, was a member; and Wilson M. Farr, then commonwealth attorney of Fairfax County, Va.

WILLIAM RANDOLPH HEARST OBJECTED TO BEING SUED IN VIRGINIA

Hearst's skillful attorneys raised the question of jurisdiction, and tried to get the court to hold that he could not be sued in Virginia. Extended hearings were held on the jurisdictional plea and Judge Leslie C. Garnett prevailed against Hearst's bevy of eight skillful lawyers, for the court sustained Garnett in bringing the suit in Virginia and decided that question against Hearst.

WILLIAM RANDOLPH HEARST PLEADED PRIVILEGE—THAT HE HAD THE RIGHT TO LIBEL A METHODIST PREACHER

Then Hearst's skillful lawyers wasted a lot of time in holding hearings on a plea of privilege they filed for Hearst claiming that as a newspaperman he had the right, without being held accountable, to publish such libelous matters on a Methodist preacher. Again Attorney Leslie C. Garnett was pitted against the eight high-powered lawyers employed by Hearst, and again the court held with Garnett that Hearst's papers did not have such privilege. Then followed a number of other hearings on the pleadings, which were decided by the court in Garnett's favor, and after all of these delays caused by Hearst's lawyers the case was finally set down for trial on its merits before a jury in Alexandria.

WILLIAM RANDOLPH HEARST WOULDN'T TRUST JURY

Hearst was not willing to leave the matter to a decision of a Virginia jury as to how much he should pay for libeling a Methodist preacher in Virginia, so he settled the case before trial, and on April 25, 1933, he paid $2,500 to the Methodist preacher, client of Leslie C. Garnett, in settlement. But Hearst also had to pay the fees of his eight high-powered lawyers he had employed to defend him in the suit. And the fact that Leslie C. Garnett whipped him in this libel suit is the motive for the plot and scheme now to ruin Garnett.

WHAT CAUSED FITZPATRICK'S SPLEEN

Just a few weeks before the crime investigation was authorized, Mr. Justice Proctor, of the Supreme Court of the District of Columbia, called United States Attorney Garnett before him, and in open court, told him that his assistant, Mr. John R. Fitzpatrick, had been impudent to the court, and had been insolent in court, and requested Garnett not to allow him to appear in his court again.

RESULTED IN FITZPATRICK'S RESIGNATION

Instead of resigning to his chief, Mr. Garnett, for whom he worked, Fitzpatrick filed his resignation with Hearst's newspapers, and the first information Garnett had about it he saw in the newspaper, but shortly thereafter he received the following from Fitzpatrick:

RESIGNATION

OFFICE OF THE UNITED STATES ATTORNEY,
DISTRICT OF COLUMBIA,
Washington, D. C., November 21, 1934.

Hon. LESLIE C. GARNETT,
United States Attorney.

MY DEAR MR. GARNETT: Having in mind the statement which you made to me this evening to the effect that Mr. Justice Proctor had formally requested you to relieve me from further duty as assistant United States attorney in Criminal Court No. 2, over which he is presiding at the present time, and having in mind also your further statement to the effect that you felt it necessary to accede to his request and that, therefore, commencing on Monday, next, I would be assigned to the civil courts to handle compensation matters, I hereby respectfully tender my resignation as assistant United States district attorney with the request that it be accepted immediately.

I take this occasion to convey to you my sincere appreciation of the personal courtesies which you have extended to me as a member of your staff and I express to you my good wishes for your future welfare.

Respectfully yours,

JOHN FITZPATRICK,
Assistant United States Attorney.

JUST PLAIN JOHN FITZPATRICK, THEN

You will note that he signed his resignation just plain John Fitzpatrick, and did not then put any doctor handle to it. But all through the investigation you will note that he was invariably called "Dr. John R. Fitzpatrick."

WHEN FIRST APPOINTED, DID NOT HAVE LICENSE TO PRACTICE

John R. Fitzpatrick was in a clerical position and was secretary to Justice Frederick L. Siddons from 1925 to September 12, 1929, when Mr. Leo. O. Rover, then United States Attorney, appointed Fitzpatrick as one of his many assistants. At that time, Fitzpatrick was not a lawyer, and did not have a license to practice law, and had never tried a case in his life. He was admitted to the bar here in Washington on September 18, 1929, 6 days after his appointment, and for the first time was then authorized to try a case in the Washington courts. He served under Rover until January 22, 1934, when President Roosevelt appointed Leslie C. Garnett to succeed Rover, and Garnett inherited Fitzpatrick from Rover. And during 6 months and 22 days of the fiscal year of 1934—that is, from July 1, 1933, until January 22, 1934—Fitzpatrick served under Rover.

FITZPATRICK'S FOUR OUTSTANDING CASES

In recounting Fitzpatrick's legal achievements, our colleague from West Virginia [Mr. RANDOLPH], on April 3, 1935—RECORD, page 4939—mentioned that Fitzpatrick had prepared and successfully prosecuted cases, and cited as the four outstanding ones "the Brinkler, Wampler, Bowles, and De Benque-Gormley cases." Not ever having heard of Fitzpatrick as a lawyer during my 19 years in Washington, and being acquainted with most of the outstanding lawyers here, and not being very much impressed by any apparent legal ability possessed by him, I was curious to know just what he had really done with these four outstanding cases, hence I requested United States Attorney Garnett to give the facts about same. Here is his letter:

OFFICE OF THE UNITED STATES ATTORNEY,
DISTRICT OF COLUMBIA,
Washington, D. C., April 5, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR JUDGE BLANTON: In response to your request as to what the records of this office show as to the Brinker, Wampler, Bowles, and de Benque-Gormley cases mentioned by Hon. JENNINGS RANDOLPH in his speech in the House on Wednesday, April 3, as outstanding cases which Mr. John R. Fitzpatrick, as assistant United States attorney, had tried, I beg to submit the following:

The Brinker case: There was an indictment, no. 53752, against Richard J. Brinker, Charles J. Kay alias Charles K. Brinker, and Elsie A. Cannon, under section 37 of the United States Code, charging a conspiracy to commit the crime of false pretenses and to defraud Father Charles J. Rosensteel, of St. Johns Catholic Church, of the sum of about $37,000. Elsie A. Cannon was the attorney who, with the Brinkers, worked the alleged scheme. There was no actual trial of these cases, but on October 25, 1934, the two Brinkers pleaded guilty to the first count of the indictment, and Mr. Fitzpatrick entered a nolle on that day as against Miss Cannon. No reasons for this nolle appear in the record. In imposing the sentence on the Brinkers, Justice Luhring recommended to the district attorney that Miss Cannon's case be referred to the grievance committee of the bar association for disbarment. Her case has been so referred and is now before that committee.

The evidence in this case was worked up by Mr. Fitzpatrick and Sergt. Earl Hartman, of the Metropolitan Police.

The Wampler case: Wampler was never tried in this jurisdiction; he was prosecuted and convicted in Baltimore by the United States attorney there. The proceedings for his removal from Washington to Baltimore were conducted by Assistant United States Attorney Charles B. Murray.

The Bowles case: Norman S. Bowles was indicted for embezzlement and grand larcency in no. 52745 and no. 52119, respectively. In no. 52745 Bowles defended himself, and Fitzpatrick prosecuted. On March 15, 1933, a verdict of not guilty was rendered on the first count, and the court directed a verdict of not guilty on the second count. In no. 52119 a nolle was entered on the next day, March 16, in view of the verdict in no. 52745, transactions being the same.

The de Benque-Gormley case: There was an indictment for grand larcency, no. 53382. Mr. Fitzpatrick prosecuted this case and a verdict of guilty was found as against each defendant on November 19, 1933. They were both sentenced to the penitentiary on November 27, 1933; however, Gormley thereafter filed a petition for writ of habeas corpus, no. 1713, on the ground of an erroneous sentence, and on February 20, 1934, there was an order discharging the petitioner from his sentence on the ground that the sentence was a void judgment, but the prisoner was remanded to the custody of the United States marshal to the end that the court holding a criminal division might pronounce a sentence upon him in accordance with the law, and he was thereafter resentenced. The habeas-corpus proceedings were defended by Assistant United States Attorney John J. Wilson.

Very truly yours,

LESLIE C. GARNETT,
United States Attorney.

GARNETT'S SIDE OF THE MATTER

I hate injustice wherever I find it. Fitzpatrick's attack upon Garnett is so uncalled for and is so unfair and unjust and scandalous that, since it has been printed into a 55-page document entitled "Report of the Subcommittee on Crime of the Committee on the District of Columbia, House of Representatives, Seventy-fourth Congress", and numerous of such copies may become scattered over the country, and although the report has not been approved by the committee, and will never be approved by the House of Representatives, I thought that it was only just that Mr. Garnett's side of the controversy should be preserved in this RECORD; hence I requested him to give me an exact frank statement of facts that he had not made public.

GARNETT'S STATEMENT

The framework of the subcommittee report and the report itself are so obviously the handiwork of the counsel for the committee that the background of his actions may be interesting.

On November 20, 1934, from an important conference in my office with Treasury officials, I was summoned before Justice Proctor in criminal court no. 2, where a motion to continue for a short time the Buccolo case had been presented by counsel for Mrs. Buccolo. Upon entering the courtroom I was informed by Justice Proctor that my assistant, Mr. Fitzpatrick, had been both insolent and impudent and that he ought to have put him in jail. I naturally expressed my regret that anything unpleasant should have occurred, and after discussion with counsel and with tne court a day certain was set for the Buccolo case. Later in the afternoon I was told by Justice Proctor that this was not the first occasion of insolence on the part of Mr. Fitzpatrick, and that he would be glad if I would relieve him from service in his court. I acceded to this request, and informed Mr. Fitzpatrick that his usefulness in Justice Proctor's court was over, and inasmuch as the other criminal court was functioning smoothly it would be necessary for me to assign him to civil work until the end of the term of the court. He expressed no intention then of resigning. The morning papers carried the information that he had resigned on account of the incident, and I found a sealed envelop on my desk when I arrived at the office containing his resignation, which was immediately accepted. In this letter of resignation is the following assurance from him:

"I take this occasion to convey to you my sincere appreciation of the personal courtesies which you have extended to me as a member of your staff and express to you my good wishes for your future welfare."

Shortly after accepting his resignation he appeared in my office and I expressed to him my surprise that he resigned to the press before he resigned to me. He denied that he had submitted his resignation to the press and could not account for the origin of the newspaper story. I was afterward informed by the newspaper reporters that the story came wholly from him, and that he had discussed it with them for 2 hours. Upon his leaving my office, in accordance with the cordial terms of his letter of resignation, he assured me and he assured Assistant United States Attorneys Pine and Underwood of the same thing—that he had not criticized this office, that he had the kindliest feelings and highest regard for me and that if in the future anyone informed me that he had criticized this office I could count it as a damn lie.

I cannot square his conduct in accepting employment to hold a star-chamber inquisition into cases and transactions in the office during the time which he had been intrusted as assistant, with any rule of conduct that obtains among gentlemen in any profession, and the sinister character of this report gives rise to the grave suspicion of a design to foul his own nest.

And in submitting this report suggesting my removal from office, because of delay in the trial of criminal cases, the chairman of the subcommittee forgets that not only he but other prominent Democratic politicians in West Virginia requested the dismissal of an indictment charging perjury against R. Hugh Jarvis, a prominent West Virginia Democrat, because the first trial of Jarvis had resulted in a hung jury, and, in addition, the day before the subcommittee first met, the day before the Jarvis case, which had been repeatedly continued on Jarvis' behalf, was set for trial the chairman called my first assistant, Mr. Pine, and urged another delay. This request was referred to me and was denied.

Attached hereto is a copy of a letter from Herbert S. Ward, an attorney practicing in this city, who represented Jarvis in the civil case where the alleged perjury was said to have been committed, declaring that Mr. Jarvis had threatened that if I tried this case the second time I would have cause to regret it, coupled with the statement that Mr. RANDOLPH had gone to the Attorney General in the matter.

LETTER FROM HON. HERBERT S. WARD

WASHINGTON, D. C., *May 1, 1935.*

Hon. LESLIE C. GARNETT,
United States Attorney, Washington, D. C.

MY DEAR MR. GARNETT: I have observed the proposed action of the committee investigating crime conditions in the District of Columbia, with particular reference to their recommendations.

I am interested in this, both from a desire to express my personal appreciation of your conduct of the Office of United States Attorney, and the uncompromising manner in which you have considered and acted upon the several criminal matters which I have taken up with you from time to time.

I have in mind particularly the case of R. Hugh Jarvis, whom I represented in the civil action which resulted in his being indicted. While my several contacts with you were always graciously considered, I was impressed with the fact that you felt it to be your duty to go forward with this prosecution, even in the face of the evidence I then possessed which, to my mind, raised such a probability of doubt as to merit an abandonment of this prosecution. You ordered this prosecution in the face of Mr. Jarvis' statement that he was a close friend and constituent of Congressman RANDOLPH. Mr. Jarvis also stated that Mr. RANDOLPH had urged the Attorney General to postpone the second trial and that if he, Jarvis, was tried a second time, you would have cause to regret it.

In several other cases I have found you equally considerate of matters involving prosecutions which I had occasion to put before you, but, after investigation on your own account, you insisted upon going forward with the prosecutions.

Reserving always the right to differ from you in the conclusions reached, I admired and respected your willingness to consider matters and your adherence to the course of action which you felt was justified.

With kind personal regards, I remain,
Cordially yours,

HERBERT S. WARD.

HERALD AND POST HELP SELECT COUNSEL AND SECRETARY

It is very interesting to remember what Mr. George E. Reedy, who when the Crime Subcommittee first met, appeared before it as a reporter for Hearst's Washington Herald, says about the selection of Fitzpatrick and Seals.

I quote the following from Reedy's statement:

UNIVERSITY CLUB,
Washington, D. C., March 20, 1935.

At the first and subsequent meetings of the subcommittee of the District Committee investigating crime conditions in Washington, I represented the Washington Herald.

At the first meeting of the Crime Committee, I was introduced to a Mr. Seals and he informed me that he was a reporter for the Washington Post. Subsequently, at the time of the appointment of Mr. Fitzpatrick as counsel for the committee, Mr. Seals became investigator for the committee. At the time of my assignment to cover the Crime Committee activities for the Washington Herald, in a conversation with one of the reporters who evidently enjoys the confidence of the city editor, I was told to stay away from BLANTON because he was extremely unfriendly to any of Hearst's representatives.

With reference to the appointment of Mr. Fitzpatrick as counsel for the subcommittee, at the time I knew nothing of the arrangements or what brought it about, except I was informed by Mr. JENNINGS RANDOLPH at a press conference in his office, with other reporters present, that Dr. John R. Fitzpatrick was the man the committee had decided upon as counsel, and asked if he was acceptable to all of the papers. During my conversation with Colonel Yaden (president of the Federated Citizens Associations) he told me that Mr. Seals, of the Washington Post, had talked with him about the appointment of Dr. Fitzpatrick as counsel for the Crime Committee.

So, it would seem that the Herald and Post did have something to do with the selection of Fitzpatrick as counsel, and with the Post reporter, Seals, as secretary, each of whom has since been drawing $225 per month out of the Public Treasury.

LIVED IN WASHINGTON 50 YEARS

THE STERN CO. OF WASHINGTON, INC.,
Washington, D. C., May 3, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I have read the published reports of the action of the so-called "Crime Committee", and I want to express my condemnation of them for their harshness in dealing with our United States attorney, Mr. Garnett, and Inspector Albert J. Headley, of the police department, while they were witnesses by this committee.

I also want to express to you that it is my earnest belief that the investigations of this crime committee have demoralized our police force.

This comes to you from a man in business and who has lived here in Washington for 50 years and who is very well acquainted with your private secretary, Mrs. Louise Marks. This is also a compliment to you for your efforts in behalf of this beautiful city.

Thanking you for your continued efforts of these persecuted men, I beg to remain

Respectfully yours,

ABRAM E. STERN.

PRESIDENT FRANKLIN D. ROOSEVELT SAID: "KNOW YE THAT, REPOSING SPECIAL TRUST AND CONFIDENCE IN THE INTEGRITY, ABILITY, AND LEARNING OF LESLIE C. GARNETT."

I want my colleagues to remember that it was President Franklin D. Roosevelt who appointed Leslie C. Garnett a United States attorney, and I want to quote you his Presidential commission, which reads as follows:

Franklin D. Roosevelt, President of the United States of America
To all who shall see these presents, greeting:

Know ye that, reposing special trust and confidence in the integrity, ability, and learning of Leslie C. Garnett, of Maryland, I have nominated and, by and with the advice and consent of the Senate, do appoint him attorney of the United States in and for the District of Columbia, and do authorize and empower him to execute and fulfill the duties of that office according to law, and to have and to hold the said office, with all the powers, privileges, and emoluments to the same of right appertaining unto him, the said Leslie C. Garnett, for the term of 4 years, commencing with the date hereof, subject to the conditions prescribed by law.

In testimony whereof I have caused these letters to be made patent and the seal of the Department of Justice to be hereunto affixed.

Done at the city of Washington this 19th day of January, A. D. 1934, and of the independence of the United States of America the one hundred and fifty-eighth.

FRANKLIN D. ROOSEVELT.

By the President:
[SEAL]

HOMER S. CUMMINGS,
Attorney General.

UNFAMILIARITY WITH WASHINGTON CONDITIONS

I do not blame the chairman of the subcommittee. Most of this trouble has arisen because he is young and inexperienced. It was unfortunate that he allowed all five newspapers here to have their reporters present at every meeting, and their photographers present on all occasions to take sensational pictures. These Washington newspapers used the proceedings to furnish daily headlines to sell their papers.

IS THE PRESIDENT WRONG, AND "DOCTOR" FITZPATRICK RIGHT?

It takes lawyers to know a good lawyer. It takes lawyers to know an ethical lawyer. It takes lawyers to recognize legal ability and attainment. You never heard of a good lawyer calling himself "doctor." Now doctors know good doctors. But I would rather have the endorsement of the 1,180 lawyers of Washington as to my legal ability than the endorsement of "Doctor" John R. Fitzpatrick.

President Roosevelt and Attorney General Cummings must have known what they were doing when they selected

and appointed Leslie C. Garnett. For I will show you what the 1,180 lawyers of Washington say about his ability:

DISTRICT BAR ASSOCIATION DEFENDS GARNETT

Justly incensed at the unfair, untrue, unjust, and scandalous attacks made upon United States Attorney Leslie C. Garnett in the report prepared and framed by the Post reporter, Seals, and Garnett's former disgruntled assistant, John R. Fitzpatrick, there was a special meeting of the directors of the District Bar Association, which has a membership of 1,100 Washington lawyers, and the bar association, by a unanimous vote, passed the following resolution:

RESOLUTION OF THE DISTRICT BAR ASSOCIATION

Whereas it has been brought to the attention of the board of directors of the Bar Association of the District that the Crime Committee, a subcommittee of the House District Committee, has filed a report with the said District Committee recommending, among other things, the removal of Leslie C. Garnett, Esq., from the position of United States attorney for the District of Columbia on the ground of inefficiency; and

Whereas the board of directors of the bar association is acquainted with Leslie C. Garnett, his record, and ability, both as a lawyer and as United States attorney for the District of Columbia, with the fact that he was formerly Commonwealth's attorney for Mathews County, Va., formerly assistant attorney general for the State of Virginia, and formerly Assistant Attorney General for the United States: and

Whereas the said board of directors has complete confidence in the ability, integrity, and efficiency of the said Leslie C. Garnett: Now, therefore, be it

Resolved, That the board of directors of the Bar Association of the District of Columbia vigorously and strenuously opposes the adoption of so much of the report of said subcommittee as recommends the removal from office of Leslie C. Garnett as United States attorney for the District, and urges the District Committee to reject such recommendation made by the said subcommittee, and that copies of this resolution be sent to the Attorney General of the United States and the Chairman of the House District Committee.

BARRISTERS ALSO RESENT LIBELOUS ATTACK

The younger lawyers of Washington have an organization called the Barristers, with a membership of 80 younger Washington lawyers. In a special called meeting, by a unanimous vote, their directors passed the following resolution of confidence:

BARRISTERS' RESOLUTION

The Barristers, in a meeting called for the purpose of considering the criticism of Leslie C. Garnett as United States attorney for the District of Columbia, by unanimous vote declares its absolute confidence in his ability, integrity, and efficient administration of that office, and earnestly urges his retention in office.

One thousand one hundred and eighty lawyers in Washington unanimously say that United States Attorney Leslie C. Garnett is able, competent, learned, and worthy. Dr. John R. Fitzpatrick, who only the last few years got his license to practice, says he is not. Who knows better—1,180 Washington lawyers, or "Doctor" John R. Fitzpatrick? The President of the United States says Garnett is all right. The Attorney General says Garnett is all right. Just who will pay any attention to Dr. John R. Fitzpatrick?

SUPREME COURT OF THE DISTRICT OF COLUMBIA RESENT AND REBUKE REPORT

The Supreme Court of the District of Columbia is composed of Hon. Alfred A. Wheat, chief justice, and the following distinguished associate justices: Judge Jennings Bailey, Judge Peyton Gordon, Judge Jesse C. Adkins, Judge Oscar R. Luhring, Judge Joseph W. Cox, Judge James M. Proctor, Judge F. Dickinson Letts, and Judge Daniel W. O'Donoghue. The supreme court selected three of its judges, to represent all nine justices of the supreme court, in calling on the Attorney General of the United States, to resent the attack made on Judge Garnett, as shown by the following statement made in the Washington Star this afternoon:

Three justices of the District Supreme Court—Jennings Bailey, James M. Proctor, and Oscar R. Luhring—representing the entire bench of that court, called on Attorney General Cummings in Garnett's behalf yesterday.

Interview confirmed

The delegation declined to comment, but Henry Suydam, special assistant to the Attorney General, made the following announcement:

"A delegation of three justices representing all of the justices of the District Supreme Court called on the Attorney General and made strong representation for Leslie C. Garnett, United States attorney for the District of Columbia. No other statement will be made."

Later, reporters discovered Representative BLANTON, Democrat, of Texas, leaving Cummings' office. He told them the purpose of his visit was to present the Attorney General with a "May Day bouquet."

PROMINENT LAWYER RESENTS FITZPATRICK'S MALICE

Hon. E. Hilton Jackson is one of the prominent lawyers in Washington. He was formerly associated with Judge Garnett in the law practice. He has rebuked Fitzpatrick and his vicious report. I quote the following from this afternoon's issue of the Washington Star:

E. HILTON JACKSON, FORMER ASSOCIATE, PROTESTS TO CUMMINGS

The crime committee report was sharply scored today by E. Hilton Jackson, attorney, former associate of District Attorney Garnett.

Jackson formally protested against the report by writing a letter to Attorney General Cummings, and today issued a statement in which he stoutly defended Garnett.

In his letter to the Attorney General, Jackson said, "It is with profound regret and amazement that I read the report of the Crime Committee, which bears evidence on its face of being largely the work of one who was both prosecutor, judge, and executioner.

Protests process

"It is hardly conceivable that we have fallen upon times where character may be assassinated with impunity and reputation blighted without some semblance at least to due process of law.

"If the committee had contemplated an impartial investigation of Garnett's office", said Jackson, "it is not understood why they should have selected as the 'prosecutor' of this committee an inexperienced former assistant of Garnett, whose separation from the office was precipitated by a controversy between him and one of the judges of the Supreme Court of the District of Columbia. Regardless of the merits of such separation, an impartial mind is not able to grasp the propriety, under the principles of Anglo-Saxon jurisprudence, of selecting a potential enemy to act in the dual capacity of prosecutor and judge, a situation implicit in the investigation and findings of the Crime Committee.

Knew Garnett long time

"I have known Mr. Garnett over a long period of years and for several years he was associated with me in my office suite in the practice of law, both in the District of Columbia and in Virginia. During this period I was associated with Mr. Garnett in litigation of the first importance in both jurisdictions, and throughout was in constant conference with him with respect to the most complicated legal matters. As a result of this contact I formed the opinion, which I now entertain, that Mr. Garnett was a lawyer of unusual ability, both in the trial of cases and in conference, and that his approach to all legal questions was characterized by the highest integrity."

In his statement Jackson further praised Garnett, declaring that the office of district attorney in this jurisdiction "is primarily of an administrative and semijudicial character, and that qualifications for the discharge of its duties do not necessarily involve a meticulous memory as to the penalties imposed by a multitude of criminal statutes or the incidental rules of court procedure."

Charges petty questions

The examination of Garnett by the committee, Jackson charged, "was artfully designed to disclose a lack of knowledge of certain details on the part of the district attorney, having nothing to do with the larger and more fundamental aspects of the administration of this important office."

Explaining the office was administrative and semijudicial, Jackson declared: "It is not commonly realized that the district attorney is largely a judicial officer, for by him must be decided the question as to what cases shall be prosecuted and what cases shall be dismissed. He has to examine the evidence and determine in a great many cases whether the evidence shall be produced to the grand jury for an indictment, and after indictments have been made by the grand jury, he has to weigh the evidence to determine whether it is proper to prosecute or to enter a nolle prosequi."

WASHINGTON HERALD'S SILLY AND RIDICULOUS CONTENTION

The Herald contends that bar-association endorsements are not worth much. But when it is sued for libel, it immediately hires eight high-powered lawyers to defend it. And by printing the article I will now quote, it has libeled every member of the Crime Subcommittee, for I do not believe that any Member will subscribe to this Herald doctrine. And I do not believe that the Herald is telling the truth when it attempts to quote a member of such committee, and I dare the Herald to give the name of any member of the committee who said what it says was said. I quote the following from the Herald article:

DISCOUNT SUPPORT

Members of the special committee that condemned Mr. Garnett and Mr. Kindleberger were inclined to discount the activities of lawyers and judges who have visited Attorney General Homer Cummings in Mr. Garnett's behalf, however.

Confident they have enough votes to get the committee report adopted by the House District Committee, they are refraining from public comment.

However, one member said:

"These bar association endorsements aren't worth much as far as I am concerned.

"Everybody knows that lawyers stick together in a pinch. I'm a lawyer myself. I know how it is. The bar association could hardly do less. That's why Attorney General Cummings is trying to get the Government to start an open campaign against crooked lawyers right today.

"He knows how ineffectual bar associations are and how little they like to take stands against their members."

SUPPOSE HEARST COULD NOT GET LAWYERS TO DEFEND HIM

If Leslie C. Garnett, or these other officials who have been libeled by Hearst's papers and the Post, should sue them for $200,000 damages, which they have legal and just rights for doing, it would treat Hearst exactly right, if no lawyer in Washington would accept employment to defend him. If his paper can hatch up such an attack against lawyers as his Herald without warrant prints above, he does not deserve to be represented by lawyers, for whom he has such little respect and regard.

But, before I finish this discussion, Mr. Speaker, I am going to print in this RECORD a sufficient cross-section of the numerous letters I have received from the business men of Washington, not lawyers, to show Hearst and the Post, and Dr. Fitzpatrick, and my colleagues, that the people generally condemn this Fitzpatrick scandalous report.

AN APPEAL TO CONGRESS

HILL'S GARAGE,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
Member of Congress, House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I wish to register my criticism of the action of the so-called "Crime Investigation Committee" for censuring the United States district attorney, Mr. Leslie C. Garnett, and Inspector Albert Headley. This investigation has ruined our police department, and placed within the minds of our good District of Columbia citizens an unwarranted and unjustified idea that the United States attorney's office and the police department of the District of Columbia are unworthy of further performance of their sacred duties.

As a respected citizen of the United States of America, living in Washington, D. C., all of my life, I am not in agreement with the report of the Crime Investigation Committee, and heartily endorse the disapproval of it, so manifestly made clear by the support of my many dissenting friends.

It is up to the citizens of this voteless community to stand solidly behind the disapproval of the Crime Investigation Committee's report, and I want to add my personal endorsement to the view of those not in agreement with the findings and report of the Crime Investigation Committee of the District of Columbia, insofar as it respects the condemnation singled out to United States District Attorney Leslie C. Garnett and Inspector Albert Headley, both of whom have served their country in trying times admirably. The disapproval of the Crime Investigation Committee's report will also restore the police department of the District of Columbia to its former state of respectability.

It is necessary that the citizens of the United States of America (voteless District of Columbia) take a positive stand in this matter and request that the report of the Crime Investigation Committee be not approved by the House District Committee.

Very sincerely yours,

J. D. HILL.

VARIOUS CITIZENS' ASSOCIATIONS RESENT ATTACK FITZPATRICK'S REPORT MADE AGAINST MAJ. ERNEST W. BROWN

The Washington newspapers yesterday carried a statement made by Mr. Sylvan King, who is a prominent merchant in Washington and the chairman of a committee representing 10 federations or groups of civic bodies in Washington, expressing confidence in the integrity, ability, and service of Maj. Ernest W. Brown, superintendent of police, from which I quote the following:

KING STATEMENT

Mr. King's statement and that of his associates follows:

"As chairman of the joint committees of the following associations, Merchants and Manufacturers' Association, the Washington Board of Trade, the Federation of Citizens' Associations, the Federation of Civic Associations, the Federation of Business Men's Associations, the Federation of Civic Clubs, the Federation of Women's Clubs, the Congress of Parent-Teacher's Associations, the District of Columbia Public Schools Association, the American Automobile Association, and the Keystone Motor Clubs, we represented in great majority the opinion of the people of Washington.

"We have contacted every member of this committee yesterday, and their personal opinion expressed confidence in the integrity, ability, and service of the superintendent of police, Ernest W. Brown.

"The entire committee has personally expressed the wish and hope that Major Brown will be retained.

"(Signed) Sylvan King, Burd Payne, George Plitt, Mrs. Harvey Wiley, Charles Frame, Arthur Smith, Mel Sharpe, Ed Shaw, Mr. Beasley."

MERCHANTS AND MANUFACTURERS' ASSOCIATION DEFEND MAJOR BROWN AGAINST FITZPATRICK'S ATTACK

I quote the following from yesterday's Washington Star, showing that they resent the attempt in the report Fitzpatrick prepared, to oust Major Brown from his position as Superintendent of the Metropolitan Police:

The board of governors of the Merchants and Manufacturers' Association took cognizance of the report yesterday and adopted a resolution expressing confidence in the integrity, ability, and service of Police Superintendent Ernest W. Brown.

The resolution also expressed the hope that Major Brown would be retained in the service.

FEDERATION OF CITIZENS ASSOCIATIONS PROTESTS

The Federation of Citizens Associations of Washington met tonight, and the report of such meeting carries the following headlines: "Federation Takes Issue with Crime Probers on Change in Methods", and from same I quote the following excerpts:

Taking direct issue with one recommendation of the House Crime Committee, the Federation of Citizens' Associations last night registered opposition to appointment of officials of the Police Department from outside the ranks of the department.

The House committee proposed that a new chief of police be selected from outside the department. The federation, after a 2-hour debate, adopted a resolution offered by Joseph L. Gammell, chairman of its police and fire committee, stating that no one outside the ranks of the police and fire departments shall be appointed to a place above the rank of private in either the police or fire departments.

CALLED PREPOSTEROUS

Wender denounced the House committee recommendation dealing with an "outside police chief" as "preposterous" and a thing that the federation should "stifle."

Lodge argued that the federation had nothing before it, since the House Crime Committee report as yet had not been released to the general public, and President Yaden explained there was no bill in Congress requiring selection of a new chief of police outside the ranks of the department. After many parliamentary moves, however, the federation by a clear majority voted its opposition to selection of officers of the department except by promotion within its ranks.

The federation adopted another resolution proposing that no one be appointed a private in either the police or fire departments unless he had had residence of 5 years in the District. This was on motion by Sullivan.

GARNETT AN ABLE, EFFICIENT, CONSCIENTIOUS LAWYER

The following letter I have just received from Judge Gus A. Schuldt, who is the presiding judge of the police court, refutes Fitzpatrick's scandalous report:

POLICE COURT OF THE DISTRICT OF COLUMBIA.

Hon. THOMAS L. BLANTON,
United States House of Representatives, Washington, D. C.

MY DEAR JUDGE: Responding to your inquiry relative to District Attorney Garnett would say that I consider him an able, efficient, and conscientious lawyer and capable in every way of performing the important duties of district attorney of this district.

Allow me, also, to take this opportunity to thank you for the deep interest you have manifested in District of Columbia affairs.

Sincerely,

GUS A. SCHULDT,
Presiding Judge.

GARNETT ONE OF THE FINEST LAWYERS

Judge Isaac R. Hitt is one of the able, experienced judges of one of the criminal courts here in Washington. I have just received the following letter from him:

POLICE COURT OF THE DISTRICT OF COLUMBIA,
May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: I am pleased to have received your letter, which indicates that you are making a sincere effort in ascertaining the true facts in connection with the practice before the Police Court of the District of Columbia.

Concerning Mr. Garnett, whom I have known for more than 15 years, I can speak freely and from the heart. I can truthfully say that he is one of the finest lawyers and one of the most perfect gentlemen that it has ever been my pleasure to know. The administration of his office, since his appointment, has been pleasing and gratifying to everyone with whom I have had the oppor-

tunity to discuss the matter. Mr. Kindleberger, one of his assistants whom he has assigned to the police court in charge of prosecutions here, has conducted his post courteously and with marked ability. There has never been any occasion where anyone of the assistants, including Mr. Kindleberger or those under his charge, have been reprimanded or criticized by myself or, so far as I know, by any other judge of this court. At the present time the court calendar is current, and the cases are being disposed of with efficiency, ability, and dispatch by Mr. Garnett's aides assigned to this court.

You are to be congratulated, Mr. BLANTON, for your sincere and tireless effort in ascertaining the truth about conditions in this community. Your service will always be remembered by both the bench and bar.

Cordially yours,

ISAAC R. HITT, *Judge.*

WASHINGTON'S ONE RELIABLE NEWSPAPER

It is most fortunate, indeed, that there is one high-class, reliable newspaper in Washington—the Washington Evening Star—that does not countenance frame-ups upon public officials. It does not enter the plots and schemes of other designing newspapers here in their malicious attempts to ruin good men.

Following the unauthorized printing of the unapproved report prepared by John R. Fitzpatrick and William F. Seals, the dependable Washington Evening Star, on Thursday afternoon, May 2, 1935, had the following to say in a pertinent editorial:

THE CRIME REPORT

With recommendations of the House Crime Committee * * * specifically, asking immediate removal of United States Attorney Garnett and for the retirement of police officers above the rank of captain who are past the age of 60, and replacement of the superintendent of police by someone not now a member of the force—there will be less inclination to agree. And those to whom such recommendations are addressed will naturally insist upon a more convincing demonstration of alleged derelictions by official personnel than is contained in the committee report.

The report accuses Mr. Garnett of incompetence, indifference to official responsibility, and ignorance of the law. His competence might be determined in part by his record as prosecutor, and the committee gives such a record in statistical summary and comment. But the statistics and their interpretation by the committee report are on their face contradictory to those contained in records submitted to the committee through Chief Justice Wheat from the chief clerk of the Supreme Court of the District. The committee report makes no reference to these data, which indicate that Mr. Garnett's record is unusually good. As for the prosecutor's professed ignorance of certain statutes and procedure in local courts, a less candid witness in a less hostile atmosphere might have acquitted himself to better advantage. * * *

So the advantages to be gained in creating morale, esprit de corps, and discipline by forced retirement of the higher police command to make way for another General Glassford experiment leave the reader of the report skeptical and very much in doubt.

That, apparently, is the attitude of the full House District Committee, which, instead of putting rubber-stamp approval on a report which it had not had time fully to digest, wisely laid it aside for the time being to await the printing of the full record of testimony. The status of the report thus remains in doubt. The resolution directing the inquiry provided that the District Committee "as a whole or by subcommittee" should investigate and "report to the House during the present session of Congress the results, together with such recommendations for legislation as it deems advisable." The report must, therefore, run the gauntlet not only of the District Committee, but of the House before its findings are accepted as conclusive.

EVEN THE WASHINGTON NEWS ATTACKS REPORT

The Washington News, in an editorial of this afternoon, adversely criticizes the report Fitzpatrick prepared, and from its editorial I quote the following:

The report of the House Crime Subcommittee has advanced some conclusions that do not seem to be supported by the evidence the Representatives had before them. * * *

Careful examination of the report yields insufficient support for these generalizations. * * *

The subcommittee recommends a permanent citizen crime committee to "keep cases" on the police and prosecutors. The mischievousness of such a measure must be apparent. Who could hope to be an efficient chief of police or district attorney with a citizens' committee, officially assigned to meddle, hung around his neck?

Likewise ill considered seems the blanket mandate that police commanders be retired at 60. The wisdom of experience can be very useful in a police organization, as elsewhere. If individuals fail, individuals and not age groups should be dismissed.

SENATOR KING OF UTAH DEFENDS GARNETT

United States Senator WILLIAM H. KING, a distinguished Democrat of Utah, is one of the best-posted men in Washington on conditions in the District of Columbia. He, too, resents the unethical and malicious attack Mr. Fitzpatrick made against his former superior in the report he prepared against United States Attorney Garnett. I quote the following from yesterday's Washington newspapers:

With protests growing against the report of the crime investigating subcommittee, Senator WILLIAM H. KING, (D.), of Utah, took up the cudgels in defense of District Attorney Garnett.

NO JUSTIFICATION

In taking up the defense of the district attorney, Senator KING, who is Chairman of the Senate Judiciary Subcommittee which approved Mr. Garnett's nomination, explained that, although he did not hear the testimony on which the subcommittee based its denunciation of the district attorney he saw no grounds in the report, in his opinion, justifying the attack.

Pointing out that, as he understands it, the subcommittee based its suggestion that Mr. Garnett be ousted on the grounds that he showed a lack of familiarity with the details of local law procedure, Senator KING, who is recognized as an able jurist, said:

"To say that for this reason he is incompetent and should not be allowed to hold the office is improper. The position that Mr. Garnett holds does not require that he be familiar with the details.

"Mr. Garnett is there in an administrative capacity, and as far as I know he has served well in this capacity.

DETAILS UNNECESSARY

"A man can make a fine district attorney without being closely familiar with the details of the local law procedure. Why, even if a Justice of the Supreme Court of the United States were to be made district attorney here, I would venture to say that he would not know the details of the local procedure, but, of course, he would make an excellent district attorney.

"Mr. Garnett came highly recommended, and during his service in the position I have heard no criticism of him, and am of the opinion that he has done a good job. He made several appearances before our committee, once in connection with his proposed law to strengthen the gambling laws here, and he appeared to have a sound understanding of the situation and how it should be coped with."

STAR CHARGES RANDOLPH GAVE UNAPPROVED REPORT TO PRESS

The Washington Star in its issue this afternoon, May 4, 1935, gives out the impression that Representative JENNINGS RANDOLPH assumed that the District Committee would approve the prepared report at its meeting Wednesday, and that he gave copies of said unapproved report to all of the five newspapers in Washington on Tuesday before the District Committee met Wednesday morning, and I quote from today's issue of the Washington Star the following:

Copies of the crime committee report were given to representatives of all five Washington newspapers last Tuesday, the day before the meeting of the full District Committee, at which the document was to be considered. Chairman RANDOLPH, of the Crime Subcommittee, instructed the newspapermen that the report was not to be released for publication until the close of the full District Committee meeting.

CONGRESSMAN WRIGHT PATMAN JUSTLY INCENSED AT ACTION

My distinguished colleague from Texas [Mr. PATMAN] is a seasoned member of the District of Columbia Committee. He attended this 2-hour executive meeting of the District Committee Wednesday morning, May 1, 1935. He knew of the committee's action in refusing to allow said unapproved scandalous report to be made public. I want to quote his remarks just made this afternoon concerning same, and my colloquy, to show that this unapproved libelous report should not have been published:

Mr. PATMAN. Mr. Chairman I hope the House will allow me to make a statement about the Crime Committee report being published.

The District of Columbia Committee, of which I am a member, had a crime subcommittee that made a report a few days ago to the whole committee. It was understood at the time the report was submitted that it was not official; that it would not be considered official until it was approved by the whole committee, if it was ever approved. It was distinctly understood that it would not be given out to the newspapers, and that the newspapers would be asked not to publish it if they had in any way obtained a copy of the report.

I was very much disappointed to see what was alleged to be a report printed in the next morning's paper. I feel like the integrity of the House is involved.

The newspapers were asked not to print the report, as it would not be official if they obtained a copy, since it was not official and would not be official until it was passed on by the whole committee. The whole committee has not passed on it. The whole committee has not examined the report. It has not read the report, and they know nothing about it except what was in the newspapers.

We have not been in a position to give it consideration. It should not have been published.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. While I got a copy, I know that some Members of Congress have tried to get a copy of the report from the District Committee but have been refused a copy. They were told same were all under lock and key. Will the gentleman explain why a confidential report not yet approved by the committee can be given to the newspapers and published, while Members of Congress cannot get it?

Mr. PATMAN. I cannot understand that.

I know that the newspapermen were instructed by the lady from New Jersey [Mrs. NORTON], the chairman of the committee, not to print any report if they obtained it from any source. They were warned not to print that report. Why they printed it I do not know and, we, the committee, certainly would not agree to a report in a 2-hour session which attacked the reputation of honorable men. We refused to do it.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. It was a one-man report, gotten up by a disgruntled former employee of Judge Garnett (Mr. Fitzpatrick), who throughout its entire length, from beginning to end, could not disguise his spleen and malice against Judge Garnett and others. He was out to "get" Garnett and tried to do it. I compared the newspaper print closely with the printed report Fitzpatrick prepared that I have, and I know these newspapers had a copy of it. I congratulate my friend and his District Committee on refusing to approve it.

Mr. PATMAN. Anyway, it is not official, and the printing of the report was not authorized, and I do not think anyone had a right to pass judgment on it until the whole committee passed on it.

Mr. BLANTON. I furnished the United States district attorney, Judge Garnett, with a copy of it because it viciously and maliciously attacked him and he had a right to see it to defend himself, as he is an appointee of the President of the United States, and such an unwarranted attack was a reflection on the President, and our Department of Justice.

When Fitzpatrick maliciously attacked Judge Garnett as a law officer of Washington, and he did it unjustly, and he printed his malicious report prematurely, and he did it without authority, he has done more to break down respect for law and the morale of law enforcement than you can undo in 10 years, and that is just what he has done by publishing his attack. More has been done to break down law enforcement here by preparing and printing that unauthorized report than anything that could have been done. Fitzpatrick has demoralized law enforcement in Washington.

Mr. JOHNSON of Oklahoma. The gentleman does not mean that the gentleman from Texas [Mr. PATMAN] had anything to do with it?

Mr. BLANTON. No; certainly not. It was Mr. PATMAN, Mr. WERNER, and other wise members on the District Committee, with sound, splendid, good judgment, who refused to approve Fitzpatrick's malicious report, and, with Chairman NORTON, ordered that it should not be printed until the committee could examine the hearings and have time to digest and pass on it. And I commend the District Committee for taking such action.

MINORITY OF SUBCOMMITTEE AGAINST REPORT

Said Crime Subcommittee had eight members on it. There was a minority against the report prepared by Mr. Fitzpatrick. Our distinguished colleague from South Dakota, Mr. WERNER, had not even had time to prepare the minority views against said Fitzpatrick report when it was submitted to the District Committee last Wednesday for consideration, and wantonly printed before it had been approved. He has just now obtained leave of the House to have until next Friday to prepare and print such minority views, which is shown by his request the House has just granted, which I quote:

Mr. WERNER. Mr. Speaker, as a member of subcommittee of the District of Columbia Committee, which, under resolution passed by the House, investigated crime conditions in the District of Columbia, I ask unanimous consent that I may have until next Friday to file minority views.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

LIFETIME CHARACTER AND GOOD REPUTATIONS INVOLVED

Mr. Speaker, this subject I am discussing is of momentous importance. It involves a defense of good reputation and character public officials have striven for a lifetime to upbuild without blemish. This Fitzpatrick report is a reflection upon our Democratic President in the White House. It is a reflection upon our Attorney General of the United States. It involves the integrity of the great Democratic Party; it, as my colleague [Mr. PATMAN], well said, involves the integrity of this House of Representatives and the Congress.

But for the above, I would not use so much time and take up so much space in the RECORD. But since this "Doctor" Fitzpatrick has accumulated a record of 2,000 pages in this hearing, which voluminous record is now being printed at public expense in the Government Printing Office, and since this silly, ridiculous report he has already prepared, and has already had printed, embraces 55 printed pages, seeking to ruin and destroy United States Attorney Garnett and other high officials, I deem it well worth my time, and well worth the space it will cover in the RECORD, to put all of the facts, and what leading business men of Washington think about it, before my colleagues in the House and Senate.

EULOGIZING FITZPATRICK AND SEALS

Most of page 2 of this unapproved report eulogizes "Doctor" John R. Fitzpatrick, counsel, and Mr. William F. Seals, secretary, to the Crime Committee, each paid $225 per month. I quote this from the report:

With funds provided for its expenses, the subcommittee appointed a counsel, a secretary, and a clerk, as follows:

(a) Counsel, appointed February 12, 1935; salary, $225 a month.

(b) Clerk, appointed February 16, 1935; salary, $120 a month.

(c) Secretary, appointed February 17, 1935; salary, $225 a month.

The only other items of expense incurred were for ordinary stationery and supplies.

Counsel: Applications were received from approximately 100 attorneys who sought appointment as counsel to the subcommittee. These applications were in writing, in person, and by telephone.

After a painstaking survey, during which the District of Columbia Bar Association, civic leaders, and civic organizations were asked for opinions in the matter, Dr. John R. Fitzpatrick, dean of law at Columbus University and former assistant United States district attorney was appointed as counsel to the subcommittee.

SCURRILOUS REPORT PREPARED BY FITZPATRICK AND SEALS

The Washington Times, the Washington Star, the Washington News, the Washington Herald, and the Washington Post all advised their readers that this 55-page printed report was prepared by "Doctor" John R. Fitzpatrick and Mr. William F. Seals.

The Washington News, in its final "red star" edition, on May 1, 1935, said:

Seals and Committee Counsel John R. Fitzpatrick were responsible for the drafting of the report.

And the following is also quoted from said edition of the Washington News:

The District Committee was in session for almost 2 hours this morning, deliberating the report, but decided to withhold its approval until all members of the committee have had an opportunity to review the testimony that was introduced during the crime committee's hearings.

It was decided to have the hearings printed and distribute copies to each member of the committee.

Shortly after the meeting of the full committee this morning, Representative THEODORE WERNER (Democrat, S. Dak.) made known his opposition to the report.

"I wish it understood that I do not concur with the conclusions of the report in many instances", he said.

This was construed by observers to mean that he is not in accord with the views as to Garnett, Kindleberger, Brown, Headley, and Bean.

DISGRUNTLED FITZPATRICK GETTING BACK AT HIS CHIEF

The following is what "Doctor" Fitzpatrick had to say against his former employer, United States Attorney Leslie C. Garnett:

Ideal qualifications cited: The person charged with the grave duties and responsibilities of the United States attorney for the District of Columbia should be (1) an attorney who possesses a creditable record as a trial lawyer; (2) he should have a broad knowledge and thorough understanding of Federal and District of Columbia laws and procedure; (3) he should possess the vigor and energy to personally prosecute dangerous criminals; (4) he should command the confidence and respect of the bench, the bar, his subordinates, and the citizens of the community; (5) he should, by his official conduct and his personal behavior, personify the dignity and the majesty of the law; (6) he should, by persistent and adamant prosecution of criminals, symbolize the power of the Government to condemn and punish enemies of society; (7) he should possess the executive and administrative ability and the qualifications of leadership to organize a capable, hard-working, and efficient staff that would emulate his own courageous and competent conduct.

Garnett should be removed: The immediate replacement of Leslie C. Garnett by a prosecutor possessing the attributes described above, would do as much to reduce the frequency of crime in Washington as would the adoption at this time of any single remedy.

Mr. Garnett's testimony before the subcommittee, and the testimony of his assistant, Mr. Karl W. Kindleberger, clearly indicate that the affairs of the office of the United States attorney for the District of Columbia are being conducted without adequate knowledge of the law, without proper or efficient supervision, and minus an attitude conducive to public confidence and respect.

Garnett and Kindleberger found incompetent: The foregoing detailed testimony of Mr. Garnett, contrasted with the inserted facts, proves beyond peradventure that the United States attorney for the District of Columbia is not only incompetent but that he is indifferent to the responsibilities of his office.

With such a person in charge of the prosecution of criminal cases in Washington, it is not possible to afford the people of this city the protection against crime for which they pay and to which they are by right entitled.

The subcommittee wishes at this point to emphatically reiterate its opinion that Mr. Garnett should be removed without delay and that a competent official should be appointed to succeed him.

There are undoubtedly many faults which should be speedily corrected in the administration of the various departments of the United States attorney's office. It is the opinion of the subcommittee that the assistant United States attorney in charge of police court, Mr. Karl W. Kindleberger, is totally unfit for the office he now holds and that he should be immediately removed. It is not deemed necessary to go into the detailed testimony of Mr. Kindleberger. It was established to the entire satisfaction of the subcommittee, through his testimony and that of other witnesses, that Mr. Kindleberger is hampered in the proper discharge of his duties and that he does not command the confidence and respect of the community.

JUST WHERE DID "DOCTOR" FITZPATRICK GET SO MUCH AUTHORITY?

Who gave Fitzpatrick authority to prepare such a report? Nobody! The House did not give any such authority to the committee.

Remember that Fitzpatrick was appointed as "counsel" for the subcommittee on February 12, 1935, and one of the first things he did was to have his former chief, Garnett, summoned before him as a witness, so that he could "grill" him. And then the Washington Herald was in its glory. I quote the following from the Herald for Tuesday morning, February 19, 1935, which after big headlines on its front page, "Grilled at Quiz", stated:

Leslie C. Garnett, United States district attorney, startled a congressional inquiry yesterday three times by damaging admissions concerning the conduct of his office.

Visibly shaken and nervous, he replied in answer to questions:

1. That without any legal sanction, he had revealed to the House Military Affairs Committee confidential testimony to the grand jury concerning the War Department fraud investigation in 1934.

2. That John R. Fitzpatrick, his questioner, counsel for the committee before which Mr. Garnett was testifying, knows more about phases of the criminal code here than he does.

3. That he thinks Lt. George Little, head of the police vice squad, is courageous, and capable at battering down doors and moving out furniture in gambling joints.

Mr. Garnett was instructed to appear before the committee again today and probably tomorrow also as Mr. Fitzpatrick indicated he will delve into every ramification of the district attorney's duties.

The district attorney's explosive answers to insistent prodding by the counsel were sharply contrasted by Mr. Fitzpatrick's cool, impersonal demeanor in dealing with his ex-chief.

Mr. Fitzpatrick opened the hearing by asking Mr. Garnett if reports the district attorney has objected to appearing before the committee were true. Mr. Garnett denied this, and Mr. Fitzpatrick then got his admission that he turned over the grand-jury records to the War Department graft case without authority. Mr. Fitzpatrick asked him if he thought that might have effect on people who appear before the grand jury hereafter, and Mr. Garnett replied by asking what that had to do with the suppression of crime.

DID NOT TURN OVER GRAND-JURY REPORT WITHOUT LEGAL SANCTION

When I read the above, Mr. Speaker, I was greatly amused. I happened to know about that grand-jury report. When Mr. Collins, of Mississippi, was chairman of the subcommittee of the Committee on Appropriations, which has charge of the bill that makes appropriations for the War Department, I was a member and helped Mr. Collins hold the hearings. We needed that grand-jury report. Our committee ordered Mr. Garnett to bring that grand-jury report before us. He brought it, but refused to deliver it to us, claiming that it was confidential. We passed a resolution to compel him to turn it over to the committtee, and he complied by turning it over. And it was ridiculous for "Doctor" Fitzpatrick to make it appear that Mr. Garnett had done something wrong.

SILLY QUESTIONS

It is like witnessing a cheap comedy to listen to some of the questions Fitzpatrick "grilled" United States Attorney Garnett with. Here are some of them:

You are familiar with the bad-check statute, are you not? When you speak of housebreaking, sir, perhaps the committee would be interested in knowing just what our housebreaking statute covers?

And public money is now being spent to print 2,000 pages of such hearings that will not be worth 5 cents to the people.

DAILY PHOTOGRAPHS

And then the Herald carried a large picture of "Doctor" Fitzpatrick, and a large picture of Mr. Garnett, with the following in large type: "Garnett Admits Quiz Counsel Knows Criminal Statutes Better" just above the picture, and just below the pictures was printed the following:

Leslie C. Garnett (right) is pictured as he faced the fire of his former assistant, John R. Fitzpatrick (left), counsel for the Special Crime Investigating Committee.

HEARST'S HERALD DID NOT PRINT ONE QUESTION

It was left to the News to tell us of one question asked by "Doctor" Fitzpatrick, which did not suit him. I quote from the News of February 19, 1935:

Asked by counsel if any complaint had been lodged against his assistants, Mr. Garnett replied:

"The only complaint I ever had was from Judge Proctor concerning John R. Fitzpatrick, a former assistant."

He was asked to discuss details of the charges made against Dr. Fitzpatrick. He said:

"I don't think it is up to this committee to inquire into details of what the court told me. I insist that this has nothing to do with the crime situation in Washington."

But being pressed about what Judge Proctor told him, Garnett said: "I was told Fitzpatrick was impudent and insubordinate."

DELIBERATE ATTEMPT TO DISTORT

Mr. Fitzpatrick devoted parts of pages 21 and 22 of his spiteful report in trying to make it appear that Hon. H. Winship Wheatley had criticized Mr. Garnett but immediately upon learning of the distortion through the newspapers, Mr. Wheatley, who is president of the Bar Association of the District of Columbia, published the following statement in the press denying Mr. Fitzpatrick's contention:

GARNETT DEFENDED

H. Winship Wheatley, president of the District Bar Association, said the House Crime Committee in its report tried to "read into his testimony a criticism of United States Attorney Leslie C. Garnett" he did not intend to make. He declared:

"I had no intention of saying indirectly what I would not have said directly.

"When interrogated by the committee I assumed the committee wanted my personal knowledge. My practice has not brought me in contact with the district attorney's office since Mr. Garnett was appointed. If I had thought the committee desired hearsay, I would have told them my information from a number of Washington lawyers of standing is that Mr. Garnett is a gentleman and a lawyer of ability. My personal experience with him indicates the same."

A FALSE, CLAMOROUS, AND DISGRACEFUL DOCUMENT

The Rosslyn Chronicle, of Rosslyn, Va., an ably edited and well-known newspaper published by Mr. Glen M. Hearin, just across the Potomac River from Washington, and whose patrons are mostly business men of Washington, in its issue published yesterday, May 3, 1935, carried an apropos editorial about this report prepared by Mr. Fitzpatrick. The editorial writer for this newspaper is an able, distinguished lawyer, who formerly was a Commonwealth attorney for the State of Virginia. He says this Fitzpatrick report is "a false, clamorous, and disgraceful document", and he says the attack on Garnett is "an unwarranted and damnable outrage." I quote the editorial, as follows:

[From the Rosslyn (Va.) Chronicle of May 3, 1935]

THE CRIME COMMITTEE EXPLODES

The House Committee on the District of Columbia appointed a subcommittee to investigate the conditions as regards crime in

Washington. The committee, instead of investigating the cause and ascertaining the cure of crime at the seat of government, conducted a sort of investigation that could accomplish nothing constructive, and its report is like that of a policeman who was endeavoring to vent his spleen and satisfy his grudges against the Superintendent of Police and his experienced assistants and against the United States attorney. Superintendent of Police Brown, a man of sterling honesty, worked himself up from the ranks after a lifetime of police duty and by sheer merit, and he is regarded as the most capable and one of the cleanest officers who ever held the position of Superintendent of Police.

The committee's malevolent attack on United States Attorney Garnett is an unwarranted and damnable outrage, and no person who has made a profession of the black art of defamation, and who has speculated in assaults upon the honor of stainless characters, could vie with that committee in spreading calumny. All through the report run vindictive malice and uncalled for insult. Stress is laid upon such trifling things as the failure of the United States attorney to recall that jurors in the police court serve but 2 weeks, and that the juvenile court had certain responsibilities, and other equally unimportant matters. Assisting the committee was a former police-court assistant to the United States attorney, who had been retained in his office by Colonel Garnett, through characteristic kindness. Justice Proctor of the Supreme Court of the District of Columbia, had complained to Colonel Garnett that because he, Justice Proctor, had continued a case for a short time on account of illness of Attorney Wilton J. Lambert, and the engagement of the other defense lawyer in another court, that this assistant to Colonel Garnett had been insulting and insolent to the court, and the assistant resigned, like the preacher resigned when the bishop was about to stop his pay.

He was employed by the Crime Committee at a trifling compensation, and upon the appearance of Colonel Garnett before the committee he showed an attitude of insinuation and insult to his former chief who had treated him with every consideration and kindness.

Had the committee shown an unprejudiced desire to know the standing and capability of Colonel Garnett they could have called the judges of the Supreme Court, the leaders of the bar, and the law officers of the Government departments, and the committee would have learned that Colonel Garnett was a high type of man, and a lawyer of exceptional learning and ability, an attorney of the highest standing at the bar enjoying not only the confidence and esteem of the bench and bar but of the Attorney General of the United States and the President himself.

In another column of this newspaper we print the enviable record of United States Attorney Garnett. This record was obtained from official files by a representative of the Evening Star newspaper and, when published, made such a profound impression on the Attorney General that he sent it to the President as an evidence of fidelity to duty and outstanding public service.

The report of the committee is a false, clamorous, and disgraceful document and will make no impression on the bench or bar except to discredit the committee that used its opportunity to defame a deserving public servant and a good man.

WASHINGTON STAR EDITORIALLY CONDEMNS FITZPATRICK REPORT

In a strong editorial in its issue of May 3, 1935, the Washington Star censures Fitzpatrick for inaccuracies and for leaving out of his report all of the facts given by Chief Justice Wheat upholding the splendid record of District Attorney Garnett, from which editorial I quote the following:

Mr. Garnett's reply

District Attorney Garnett's reply to the Crime Committee's charges against him and his office fully justifies the House District Committee in having delayed action on the report. Statements and conclusions in Mr. Garnett's letter are sharply contradictory to those contained in the report, a fact which demands full and satisfactory explanation.

While the report bases certain of its conclusions as to laxity and delay in prosecutions on the testimony of lay witnesses who offered no evidence, statistical or otherwise, in support of their charges, the committee members had before them the testimony of Chief Justice Wheat, which included statistics from court records as to the disposition of criminal cases. Why the committee report failed to make any mention of this testimony—which would ordinarily be regarded as the only acceptable evidence in the form of official statistics—and relied upon other statistics, the source of which is not given, should be explained, together with apparent discrepancies in * * *

But the even more important statistics indicate that of 1,244 cases started during the fiscal year 1934, 1,166 were terminated, and of those terminated there were 166 convictions, 756 pleas of guilty, and 49 acquittals. With grand juries returning an average of 120 indictments a month during the fiscal year 1934, only 67 cases remained to be tried at the close of that year. That does not indicate to the layman a degree of delay that would justify a conclusion of laxity in bringing cases to trial.

The contents of Mr. Garnett's letter suggests the propriety of another investigation by the full House committee into the basis of statements and conclusions in the report. Innuendo and suggestion have no proper place, of course, in any fact-finding report. Some of Mr. Garnett's explanations of suggestions written into the report would indicate that fair use was not made of readily available facts.

"TACTICS AND TREATMENT DEMORALIZED POLICE FORCE"

I have just received the following letter from Mr. Isaac Furman, of the Terminal Meat Market, 1101 F Street SW., condemning this report prepared by Mr. Fitzpatrick as unfair criticism of Inspector Headley and Judge Garnett and stating that such "tactics and treatment demoralized the police force":

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I wish to take this means of condemning the action of the so-called "Crime Committee" in their unfair criticism of Inspector Headley and United States Attorney Garnett; the treatment of them was indeed brusque and most unfair.

I wish to further criticize this committee, whose tactics and treatment, in my opinion, demoralized the police force, on whom our citizens naturally must depend.

I trust that you will take some action to prevent these objectionable recommendations from being carried out in the future.

Yours very truly,

ISAAC FURMAN.

"INTERFERENCE MAY PROVE DISASTROUS"

I have just received the following complaint from Mr. H. J. Taltavull, another well-known business man of Washington, registering his protest against the unfair treatment accorded Mr. Garnett and Inspector Headley:

WASHINGTON, D. C., *May 3, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington. D. C.

DEAR CONGRESSMAN: I want to register my complaint against the so-called "Crime Committee" because of the treatment of Mr. Garnett, the United States attorney, and that veteran policeman, Inspector Albert J. Headley, accorded them by this committee.

I desire also to say that the so-called "investigation" has very seriously affected the morale of the police force, and further interference may prove disastrous. You are one Member of Congress who can be depended upon at all times.

Very sincerely yours,

H. J. TALTAVULL.

"WHOLE AIM SEEMED TO BE TO DISCREDIT"

I have just received the following letter from Mr. Fred A. Berlin, secretary of the National Board of Trade, with offices here in Washington, and he says that it was unfortunate that the subcommittee picked as its counsel "a discharged employee of the district attorney's office, and the whole aim seemed to be to discredit District Attorney Leslie C. Garnett":

NATIONAL BOARD OF TRADE,
Washington, D. C., May 3, 1935.

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

DEAR REPRESENTATIVE BLANTON: We note from the press this morning that you are going to oppose the acceptance by the House of Representatives, the District subcommittee report covering hearings on the crime in Washington, and we feel that something should be done to prevent the acceptance of this report and are in accord with your move to that end.

It would appear that the Subcommittee Investigating Crime in the District of Columbia were unfortunate enough to pick a discharged employee of the district attorney's office and the whole aim seemed to be to discredit District Attorney Leslie C. Garnett.

The National Board of Trade had been investigating the crime conditions here for nearly a year prior to the formation of the Crime Commission, as we knew that a congressional investigation was inevitable, and you will please note the enclosed reproduction of our comments about the police department dated August 13, 1933.

Attached hereto, you will find copy of letter to Representative RANDOLPH, asking that the National Board of Trade be heard before the crime committee. This letter was never acknowledged, and when about March 1, I talked to Representative RANDOLPH he immediately turned me over to the committee counsel who refused to discuss the matter, but turned me over to the assistant counsel, a Mr. Seals. Mr. Seals informed me that the commission was quite capable of making their own investigations, and told me in a polite way that the information we had would not be presented to the committee. From various newspapermen I was told, from time to time, that "I knew too much", and would not be called before the committee, which apparently was the case.

The National Board of Trade offered to furnish, at its own expense, a capable attorney, not identified with lawbreakers, or racketeering organizations, in order that the findings would be a true crime investigation, but this offer was refused by Representative RANDOLPH. We decline at this time to comment on the findings of the Crime Commission, but as a Member of the House of Representatives, may we urge upon you the necessity for a crime investigation in the District of Columbia, which will bring

out the real facts, and one directed by counsel who will not turn down important information which might not be strictly in accord with his own personal views. We feel that this is of vital importance and will, at our own expense if necessary, furnish capable counsel for such investigation.

Yours very truly,

NATIONAL BOARD OF TRADE.
FRED A. BERLIN, *Secretary.*

"DOCTOR" FITZPATRICK INTERFERING WITH ADMINISTRATION OF JUSTICE

From the 55-page printed report Fitzpatrick has prepared against Garnett and others, I quote the following from page 24, where he tried to unjustly criticize the United States attorney:

PREVIOUS LACK OF ACTION AGAINST GAMBLERS

Question. In view of the local situation, as it has been reflected in the press and over the radio and so on, with reference to gambling, why were not those 33 cases expedited and actually tried and gotten out of the way?

Mr. GARNETT. Because we wanted to try the Sam Beard case first (S. T., p. 319).

SAM BEARD IS THE WASHINGTON KING OF GAMBLERS

The following will show just why United States Attorney General Garnett decided to try the Sam Beard case first, rather than others "Doctor" Fitzpatrick thought ought to be tried:

[From the Washington Post, Feb. 24, 1935]

BEARD RECEIVES SPECIFIC DATA IN GAMING CASE—UNITED STATES SUPPLIES LIST OF 18 PLACES HERE ALLEGEDLY INVOLVED IN "PLOT"

Forced to reveal its hand through a bill of particulars, the Government has furnished Sam R. Beard and his 13 codefendants with a list of 18 places where it is alleged they conspired in "the setting up and keeping of gaming tables, gaming devices, and gaming places."

The list was revealed when Roger Robb, assistant United States attorney in charge of the prosecution, was directed by Justice James M. Proctor to draw up a list of the specific offenses that would be shown in his trial.

In accordance with the order, Robb has given Beard's attorney, John J. Sirica, a list showing the addresses where alleged offenses either occurred or were about to occur.

The addresses are: Room 508, Mather Building; 605 Pennsylvania Avenue NW.; 718 Eighteenth Street NW.; 1319 Wisconsin Avenue NW.; 1319 F Street NW.; 833 Fourteenth Street NW.; 804 North Capitol Street; 10 H Street NE.; 1405 L Street NW.; 519 Ninth Street NW.; 742½ Ninth Street NW.; 722 Thirteenth Street NW.; 939 D Street NW.; 792 O Street NW.; 522 Eighth Street NW.; 514 Tenth Street NW.; 1417 New York Avenue NW.; 922 F Street NW.; and "divers other places" to the grand jury unknown.

Indicted on three counts

Beard and the others were indicted on 3 counts, the first 2 charging the setting up of a gaming table and the setting up of a gaming place, and alleging a conspiracy to violate the gaming laws.

Beard was arrested several months ago. His trial had been postponed numerous times because of attacks on the indictments, the defense claiming it was illegal because a woman on the indicting grand jury was serving unlawfully. Following that another indictment was returned, and it, too, was attacked.

The latest move, one to force the Government to acquaint Beard with the nature of the charge against him so he could properly prepare his defense, has resulted in the removal of his case from the trial calendar.

Was arrested in raid

This was brought about by the necessity of investigating all of the places listed.

Beard was arrested in a raid on the Mather Building, where police claimed they seized 60 phones, each with sufficient outlets to make possible 1,600 simultaneous calls. Mr. Robb said he hoped to be able to show that race-track information was sent out throughout Washington over the telephonic system.

Removal of Beard's trial from the calendar means he probably will not be brought to face the charges until after the Easter recess. He is at liberty on a $9,000 bond.

FITZPATRICK'S REPORT DEMORALIZES LAW ENFORCEMENT

Assistants of United States Attorney Garnett are now prosecuting this notorious gambler, Sam Beard, here in Washington, for conducting 17 branch gambling houses in 17 different places in Washington during this week; and since this unapproved report gotten up by Mr. Fitzpatrick attacking the United States attorney and the superintendent, assistant superintendent, and inspector of the police department, the court has been forced to threaten and punish for contempt John J. Sirica, attorney for this gambler, Beard, for repeated attacks Sirica has made on Garnett's assistants prosecuting the case.

And tonight's Washington Times, on its front page, in large headlines printed in black-faced type an inch high running across the entire front page, carries the assertion gamblers are betting 10 to 1 that Beard will not be convicted. This illustrates very forcibly just how such an unwise, silly report, attacking faithful, competent officers of the law, will inevitably demoralize all law enforcement. But I predict that Beard and his 12 codefendants will be convicted. Concerning this case I quote the following from the Washington Star:

"If the dice which the Government offered are crooked," Beard said, "they were 'planted.' I know nothing of crooked dice, or of any of the contents of the safe."

Justice Cox yesterday overruled a motion of Sirica's to strike from evidence all testimony bearing on contents of the safe. Assistant United States Attorney Roger Robb explained to the court he had opened the safe on his belief that a felony had been committed and because no one had come forward to claim ownership of the strong box.

The Government contends it has proved that Beard was the proprietor of a gambling syndicate having branch agencies in at least 17 places at the time the 13 defendants were arrested, October 5, in a fifth-floor suite of the Mather Building, 900 block of G Street.

"BRANCH JOINTS" CLAIMED

In support of this they have offered in testimony a list of 17 telephones traced to the alleged "branch joints" and marked with code numbers. The prosecution contends that the code numbers appeared on racing slips made out in the Beard place and also were given by operatives whose bets telephoned to the main office were overheard by Government wire tappers.

And from the Washington News of May 1, 1935, the following is quoted:

DICE ARE INTRODUCED AGAINST SAM BEARD

A tin box filled with sets of alleged crooked dice was introduced late today as evidence in the gambling trial of Sam Beard and 12 others in District Supreme Court.

Chief Deputy Marshal Thomas Ott testified that the dice, a dice cup, and several hundred slips of paper which he said were betting slips were taken from safes in Beard's National Amusement Co. office in the Mather Building, 916 G Street NW.

BEATING THE DEVIL AROUND THE STUMP

In an attempt to get rid of Major Brown, superintendent of police, and Inspector Headley and Inspector Bean, Fitzpatrick wrote all of the following in his report on page 14, knowing that they were the only three officers who would come within the provisions of such recommendations, to wit:

Present high command exhausted: Purely in the interest of affording the people of Washington the best possible police protection, it is nothing more than good judgment to take the administration of the police department out of the hands of officials who have given to the city the best years of their lives and who, because of advancing age, are no longer able to provide the character of energetic leadership that must be had if the department is to be operated at its maximum efficiency.

The work of a good police officer is arduous and exhausting. Those who have risen through the ranks by virtue of their devotion to service and because of their ability to assume increasing responsibilities are the ones who have probably exerted the greatest amount of physical and mental energy. These officers have given to their tasks not only the best years of their lives, but their service to the community has exhausted their physical and mental resources. For many years most of them have worked without regard to schedule of hours. They have worked Sundays, holidays, and at times continuously for weeks without a single day of relaxation. It is not uncommon for ranking officials of the police department to devote as much as 14 or 16 hours a day to their duties. No man can devote himself so unsparingly to such trying work as that of police administration and continue indefinitely to be forceful and efficient.

It is not only fair and just to these officers that they be retired, but from the standpoint of good common sense and self-protection the District of Columbia should place them on the retired list and replace them with younger and more vigorous men.

Immediate retirement of high ranking officers: Translating the foregoing into definite opinion, the subcommittee suggests that the Commissioners of the District of Columbia immediately retire from active service at least all officers above the rank of captain who have reached the age of 60 years and who, in accordance with the existing law, as found in title 20, section 584, page 238, of the Code of the District of Columbia, complete to March 4, 1929, may be retired in the discretion of the Commissioners.

The subcommittee feels that in connection with the appointment of a successor to the major and superintendent that careful and serious consideration should be given to the advisability of selecting a competent and qualified person who is not now a member of the police department.

WHO GAVE "DOCTOR" FITZPATRICK SUCH AUTHORITY?

The House of Representatives gave no such authority either to the committee or to Fitzpatrick, and it was pre-

sumption on his part to make such recommendations to the Commissioners. Only Congress can do that, and Congress is the House and Senate. Even if the District Committee were to unanimously approve his report, the Commissioners would not be bound by it, because they take their directions from Congress and laws passed. Bills unanimously approved and reported by the District Committee have failed to pass in the House.

THE REAL PURPOSE OF IT ALL

The following ridiculous and unauthorized recommendation on page 15 of said report disclosed the real reason for the above:

Headley censured on "gentleman's agreement" and laxity: While Inspector Albert J. Headley comes within the category of police officials over 60 years of age, and by virtue of that fact subject to retirement at the discretion of the Commissioners, the subcommittee is impelled to comment specifically on the service of Inspector Headley as revealed by his testimony, the testimony of others, and additional information in its possession.

WHO GAVE "DOCTOR" FITZPATRICK AUTHORITY TO CENSURE?

The House of Representatives did not give the committee any authority to attempt to censure anybody. Yet "Doctor" Fitzpatrick attempts to censure an honest, faithful, efficient police officer who has loyally served the Metropolitan Police for the past 39 years.

The District of Columbia Legislative Committee by an organic police act, had authorized two assistant superintendents of police. They could be appointed only when the Congress appropriated the money. Congress had appropriated the money for one assistant, but only one.

In the early part of 1934 an attempt was made by the District to have an appropriation made for the second authorized assistant. The matter came up before the Subcommittee on Appropriations, of which our distinguished colleague from Missouri [Mr. CANNON] is chairman, and I am a member. I refused to agree to it. Chairman CANNON refused to agree to it. And we passed the bill without it. When the Senate passed the bill they inserted this money for the second assistant. In conference Chairman CANNON and I were forced to accept it, as the Senate would not recede from its amendment. And the money was provided for a second assistant superintendent of police.

NATURALLY WANTED A GOOD MAN IN THE PLACE

Two outstanding police officers were, through seniority, in line for the position, namely Inspector Headley and Inspector Bean. When the Gibson committee was trying to clear up rottenness in Washington several years ago, I was a member of his committee. He is now in the United States Senate from Vermont. Inspector Headley then rendered us invaluable service. We found him to be honest, reliable, fearless, and dependable.

Without his knowing anything whatever about it, a number of his friends, including some prominent business men, met me in my office to take steps to have Inspector Headley promoted to this position. It was the office seeking the man. We had absolute confidence in him. And after the meeting we notified Headley that we wanted him in the new position.

But we learned that the friends of Inspector Bean were also active in his behalf. They met with us and told us that Inspector Bean was in bad health, was fixing to retire and move to Florida, as he could not stand another winter in Washington, but that after serving 39 years he was poor and financially hard up, and specially wanted the promotion so that when he retired his retired pay would be some larger, and these friends of Bean's asked the friends of Headley to allow him to have the position, and then he would retire in a short time, and then Inspector Headley could get it, as he was the next man in line for it, having also served about 39 years.

We advised Inspector Headley of what the friends of Bean proposed and asked him if it would be all right with him, and he generously agreed for us to stand him aside for his old friend and police pal, and without Headley knowing anything about it, we, his friends, agreed to help Bean get it.

And on behalf of the many friends of Inspector Headley, and without his knowing anything about it, until it was all done, I had a meeting with Superintendent Brown, and had a gentleman's agreement with him that we would back Bean for the position, but that when Bean retired he would give the position to Inspector Headley, who was next in line through seniority.

It was the good of the service that all of us had in mind. We wanted to get a man with Headley's fine characteristics in the position. Everything about the matter was open and above board, as we had confidence in Major Brown. Not one thing was done by Inspector Headley about the entire matter. It was all done by his friends.

LETTERS REGARDING THE AGREEMENT

When Congress adjourned, and I had gone back to Texas, the following correspondence passed between Superintendent Brown and myself, and Inspector Headley knew nothing about it until it was over, and I mailed such letters to him to show him exactly what was the situation, to wit:

ABILENE, TEX., *August 4, 1934.*

Maj. ERNEST W. BROWN,
Superintendent Metropolitan Police Department,
Washington, D. C.

MY DEAR MAJOR BROWN: You will remember the gentlemen's agreement we had that the assistant superintendent only wanted to hold the office a short time and would then retire and that you would then give the place to Inspector Albert J. Headley. I am counting on you to carry out this agreement and would appreciate your advising me just how soon this change will be effected.

Very sincerely yours,

THOMAS L. BLANTON.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 8, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 4th instant in which you refer to our conversation some months ago in connection with the position of assistant superintendent of police, in which it was our understanding that there would be a vacancy in this position very shortly, due to the retirement of one of the assistant superintendents.

In reply, permit me to advise that it is my understanding that one of the assistant superintendents contemplates retiring in the very near future, and although he has not mentioned it to me, through other sources he has made the statement that he would not continue in the service again during cold weather, and in the event this vacancy occurs our agreement will be carried out as discussed by us in your office.

It may be of interest to you to know that Inspector Headley is rendering me a most efficient service and is cooperating fully in bringing about improvements in the department.

I trust you are able to obtain a little rest from your arduous duties during the past session of Congress and your campaign for renomination.

I intended writing you before expressing the congratulations and best wishes of the membership of the police department on your renomination, which we know is equivalent to your election as a Member of Congress.

With personal best wishes, I am,

Sincerely yours,

ERNEST W. BROWN,
Major and Superintendent.

ABILENE, TEX., *August 15, 1934.*

Hon. ERNEST W. BROWN,
Major and Superintendent Metropolitan Police Department,
Washington, D. C.

DEAR MAJOR BROWN: Thank you for your letter of the 8th instant. In it you use the following language:

"It was our understanding that there would be a vacancy in this position very shortly due to the retirement of one of the assistant superintendents."

The above does not quite state the understanding. It was distinctly stated by you that the one who was to be appointed to this specific position provided for in that bill only wanted the position for a few months, as he intended to retire, anyway, and only wanted it for the purpose of increasing his retirement pay. And I was assured that he would retire in a few months, and I am counting on you to see that he keeps his agreement and does retire at an early date, because he has now held the position longer than was contemplated at the time we had our gentlemen's agreement.

With kind personal regards, I am,

Your friend,

THOMAS L. BLANTON.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 25, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 15th instant, and before replying, I have endeavored to obtain, if possible, definite information as to the approximate time of retirement of one of our assistant superintendents, and the best information at this time is that he contemplates asking for retirement in the next few months, possibly around January 1.

It was my understanding when we discussed this matter in your office that he contemplated retiring before cold weather.

I have already taken this matter up with Commissioner Hazen and advised him of our agreement in this matter, and as soon as we have the vacancy everything is arranged for the promotion of Inspector Headley to the position; and I want you to know that the agreement between us will be carried out, as I am most anxious to do something for Inspector Headley, especially in view of our many years of association together in the department; and I most certainly appreciate your interest in this, a matter of mutual interest to both of us.

Reciprocating your kind personal regards, I am, as ever,
Your friend,

ERNEST W. BROWN,
Major and Superintendent.

FINE ITALIAN HAND OF NEWSPAPERS

Snoopers for the Washington newspapers who did not like my attitude toward their many attempts to get money out of the Federal Treasury, happened to learn from Bean that I had written to Major Brown about Headley succeeding him when he retired, and Bean was summoned before the committee for "Doctor" Fitzpatrick to examine him. And then the press tried to make it appear that I was trying to force Bean to retire when he did not want to retire. And for 2 weeks they attacked me until they made themselves so ridiculous they stopped when I went on the floor and exposed them.

PROMPTLY WENT BEFORE COMMITTEE

Exercising the privilege that every Member has when he is maligned, I promptly went before the committee and demanded my right to make a statement. I sent for Major Brown and Inspector Headley, and had Headley bring me the correspondence I had had with Major Brown, above quoted, which I had mailed him from Texas, and to my surprise "Doctor" Fitzpatrick objected to Major Brown and Inspector Headley remaining in the room, and they were forced to go out.

The first thing I did was to present the 2 letters I had written Major Brown and the 2 replies he had written me, to have them go into the record, and to my surprise "Doctor" Fitzpatrick sought to do what Judge Proctor said he had done in his court, get impudent and insolent, as will be shown from the following quoted from the Washington Star of March 15, 1935:

BLANTON GRILLED

Fitzpatrick asked of BLANTON: "Why were you so interested in having Bean retired?"

In answer, BLANTON went over his previous testimony about friends telling him Bean could not live another winter in Washington, and explained he wanted Bean retired so Bean could get more money.

"Why", asked Fitzpatrick, "was Major Brown telling you all this?"

"Because we had a gentlemen's agreement", responded BLANTON.

"Why did you have a gentlemen's agreement?" Fitzpatrick asked.

"What are you doing here, trying to find out crime conditions in the District or stir up trouble in Congress?" BLANTON asked, looking at Fitzpatrick. "I am a Member of Congress", BLANTON shouted, and intimated that if necessary he would take this case to the floor of the House.

Fitzpatrick sallied: "You may be a Member of Congress, but you're just another witness here."

In the midst of the excitement Fitzpatrick looked at BLANTON and said:

"What are you doing here; trying to show your authority?"

"Oh, hell, no", BLANTON replied.

WHO GAVE AUTHORITY FOR SUCH GRILLING?

The House of Representatives gave no such authority to the committee to "grill" Members about matters wholly disconnected from the subject matter of said resolution. He had no such authority to insult Members. Of course, he knew that he was pleasing the Washington newspapers responsible for his appointment, but he had no right to assume such authority.

EVERY STATEMENT ABOUT HEADLEY FALSE

Fitzpatrick in his report said that Headley's "quest for promotion" was prejudicial to the best interests of the department. There was no quest for promotion. It was Headley's many friends seeking to place him in this new position for the good of the service. Here is what Fitzpatrick charged, which I quote from his 55-page printed report:

The subcommittee recognizes the fact that under our present form of government, the practice of political endorsements is generally accepted. It does not comment upon the propriety or impropriety of this practice. However, it does find that the conduct and attitude of Inspector Headley in his quest for promotion, was, to say the least, prejudicial to the best interests of the department.

Furthermore, his attitude toward his subordinates, his neglect of duty as District inspector, as indicated by his failure to take action in connection with the deplorable conditions in precinct no. 5, and his evasiveness and lack of candor when appearing as a witness before the subcommittee, all contribute to the conclusion that his services have been unsatisfactory and conducive to a lack of efficiency and harmony.

It is the hope of the subcommittee that its censure of Inspector Headley may be construed by all members of the force now and in time to come as a condemnation of so-called "gentlemen's agreements" of the type in which Inspector Headley participated, and which was revealed during the hearing.

ATTEMPTED SLAP AT ME

When Fitzpatrick and his newspapers put the above in his report he knew that it was a deliberate slap at me. What right had Fitzpatrick to give any such instructions to the police force for all time to come. The committee itself had no such right. And the subcommittee had less authority. The House of Representatives has no such right. It takes the Congress of the United States to make any such ruling. There have been such gentlemen's agreements for the last 150 years, and there will be more just like them for the next 150 years.

CHAIRMAN CANNON REBUKES PUBLISHERS OF LIES

When Washington newspapers were asserting that Fitzpatrick had shown that I had placed a provision in the appropriation bill for an assistant superintendent in order to have one of my friends appointed, my good friend and colleague from Missouri [Mr. CANNON], chairman of the committee that frames this bill, took the floor on his own volition and showed the true facts, and I quote his remarks from the RECORD of March 28, 1935, pages 4639–4640.

Mr. CANNON of Missouri. Mr. Speaker, * * * how far beside the facts many of the reports circulated in this connection have been is indicated by one to the effect that Judge BLANTON was instrumental in placing in the bill provision for an additional assistant superintendent of the Metropolitan Police Department. As a matter of fact, Mr. BLANTON opposed the provision. When the Budget estimates were received last year they provided for two assistant superintendents instead of one. The committee, with the approval of Judge BLANTON, rejected the recommendation and provided for one assistant superintendent, as in former years. But when the bill went to the Senate the additional assistant superintendent was incorporated in the bill and the House agreed to it in conference. The charge is that Judge BLANTON supported the item, when the truth is he voted against it both in the committee and in the House.

Again, the statement of Judge BLANTON that the committee was apprised of the operation of a gambling establishment a block from the Capitol has been questioned both in the papers and in hearings before another committee. All members of our committee will agree that this information was given us on two different occasions, and that a reputable employee of the Government testified before the committee, giving the street address and describing the building in which the place was being operated. He informed the committee that this house was running in full blast, that it had been running for over a year, and that it was equipped with various gambling devices and was widely patronized.

May I say, while I am discussing this matter, Mr. Speaker, that a great deal is printed in the local papers about this committee and this bill which is erroneous. I have no doubt that it is reported to the papers and they print it in good faith, but the fact remains that much of it is, to say the least, misleading. For example, the papers carry articles which would lead readers to infer that the committee has reduced the number of police here in the District, and that it reduced the appropriations for the support of the police department. On the contrary, Mr. Speaker, the committee has made more officers available. It gave the Commissioners every man they asked. It gave them every dollar they suggested for the support of the police department. The committee recommended and the House provided the full Budget estimate. The number of men available for police duty in Washington is larger under the pending bill and the amount provided for its maintenance is higher than at any time in the history of the city, all statements to the contrary notwithstanding.

Mr. Speaker, I have not conferred with Judge BLANTON about these matters. I merely make this statement in order to keep the RECORD straight. He is one of the most useful members on the committee. His intimate knowledge of District affairs, his indefatigable industry, and his long service on the bench make him one of the most valuable members of the committee and the House. [Applause.]

"INSPECTOR ALBERT J. HEADLEY A FINE MAN, A FINE POLICE OFFICER, IS UPRIGHT, SQUARE, HONEST, AND HAS FAITHFULLY SERVED DISTRICT ABOUT 40 YEARS"

I have just received the following letter from Mr. Edward Alonzo Hayden, whose firm of E. A. Hayden & Co. has been in the automobile accessories business and U. S. L. battery agency for 37 years in Washington, who says that after the "long lifetime of faithful service as a police officer, it would be inhuman and outrageous to treat Inspector Albert J. Headley as Mr. Fitzpatrick provides in his prejudiced report":

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
Member of Congress, House of Representatives.

DEAR CONGRESSMAN BLANTON: I am in business at no. 331 Pennsylvania Avenue SE., in the fifth police precinct. I was born in Washington, have raised 13 children here, and all have gone through the Washington schools, and I have been in business here continuously for the past 37 years. I ought to know a great deal about the affairs of Washington.

The unfair treatment accorded to Inspector Albert J. Headley by the crime committee is unjust and unwarranted. All of Inspector Headley's numerous friends here consider it an outrage and absolutely inexcusable, and we demand that this protest be placed before Congress.

Why did you Congressmen permit Mr. Fitzpatrick to act for the committee? Any ordinary person who has followed press accounts of this hearing has plainly seen his prejudice and malice. We learn that he is a disgruntled former employee of Mr. Garnett's office, and that he had it in for Mr. Garnett and police officers. He should not have served. He was a prejudiced juror to start with. He had every advantage of Mr. Garnett and Inspector Headley, when he was allowed to frame up questions on him.

Inspector Headley is a fine man. He is a fine police officer. He is upright and square. He is honest. I know that he treats his fellowman right. He has faithfully served this District for about 40 years, and has always been true and steadfast, and neither Mr. Fitzpatrick nor any committee can all of a sudden destroy his fine character and good reputation. His many friends are dissatisfied with the unjust slur Mr. Fitzpatrick has tried to place upon him. We think that Mrs. NORTON and her committee ought to throw this Fitzpatrick report in the wastebasket.

Instead of helping the crime situation in Washington, as we had hoped would be done, we believe that Mr. Fitzpatrick has hurt and demoralized law enforcement. He has hurt the morale of the entire police department. He has encouraged the crooks and lawbreakers to have contempt for our officers of the law. After a long lifetime of faithful service as a police officer, it would be inhuman and outrageous to treat Inspector Albert J. Headley as Mr. Fitzpatrick provides in his prejudiced report. You wouldn't treat a common dog so unjustly. We friends of Headley demand justice.

Very truly yours,

EDWARD ALONZO HAYDEN.

FALSE CHARGE OF EVASIVENESS AND LACK OF CANDOR

Fitzpatrick had the audacity to charge Inspector Albert J. Headley with evasiveness and lack of candor while a witness before the subcommittee. The whole trouble was that suspicious "Doctor" Fitzpatrick did not understand anything about a gentlemen's agreement, and kept trying to make Inspector Headley "know something" that he never heard before. For instance, he wanted to know why Headley did not bring the letters to the committee that passed between Major Brown and me, and why he gave them to me. They were letters about Headley, which I have quoted above, and which I had mailed to Headley for his information, from Texas. Naturally, when Fitzpatrick had Bean testify that I had written Brown a letter about his retirement, I telephoned Headley that morning when I was going before the committee, and asked him to bring me the letters so I could present them to the committee.

And the first thing I did when I appeared before the committee, in the presence of both Inspector Headley and Major Brown, I presented all four of the letters to the committee without anybody connected with the committee knowing that I had them. Yet in that afternoon's Washington Times appeared the following ridiculous lie:

[From the Washington Times, Mar. 16, 1935]

After long and careful questioning by the committee counsel, "Doctor" John R. Fitzpatrick, BLANTON admitted making a "gentlemen's agreement" with Major Brown that Inspector Headley would be promoted as soon as a vacancy occurred.

WRIGGLES UNDER QUESTIONS

Wriggling under the verbal barrage, Mr. BLANTON time after time refused to answer questions. BLANTON became incensed at "Doctor" Fitzpatrick when the latter, aroused to a fighting pitch, drove question after question in the hope of trapping Mr. BLANTON.

Mr. THEODORE B. WERNER (D.), of South Dakota, told his colleagues Mr. BLANTON "should not be put on the spot."

And the above was the ridiculous lie the Washington Times spread all over Washington, right in the face of the fact that, without Fitzpatrick having asked me a question, the first thing I did when I appeared was to put all four of said letters into the record.

IMAGINED OTHER LETTERS EXISTED

Yet Fitzpatrick, in an attempt to furnish copy for the newspapers, plied Inspector Headley with question after question about other letters I had written him, when none existed, and about letters Headley had written me about the position, when none existed. And because Headley could not furnish imaginary letters that did not exist, Fitzpatrick got mad, lost his temper, and did what he lost his position with Garnett for doing in Judge Proctor's court—got impudent and insolent.

DEPLORABLE CONDITIONS IN PRECINCT NO. 5

Fitzpatrick charges Inspector Headley with "failure to take action in connection with the deplorable conditions in precinct no. 5." It was not Headley who failed. It was "Doctor" Fitzpatrick himself who failed.

I quote from the Washington Herald of March 24, 1935, the following testimony given by Captain Morgan of said fifth precinct:

Captain Morgan said: "When I came to the precinct in January, Inspector Albert Headley told me that the place had been running for a year and that he wanted it closed."

Now remember, Captain Morgan went to that precinct the first of January. Morgan says "When I came to the precinct in January, Inspector Albert Headley told me the place (meaning the gambling joint afterward raided) had been running for a year, and that he wanted it closed." That was long before the Crime Committee was created or appointed. That was in January 1935, when Morgan was first transferred there the first of the year. Headley, nor no one else then knew there would be a crime committee. So please keep this in mind, as this magnolia unfolds, and I show you all the facts.

PROPOSED CHANGE IN POLICE TRIAL BOARDS

I have made a close study of police affairs in Washington for 18 years. I helped Senator GIBSON, of Vermont, conduct the famous Fenning investigation, that forced the resignation of Col. Frederick A. Fenning. I had long ago reached the conclusion that with the present trial-board procedure, where crooked policemen are tried before a board of policemen, and there is not power to remove any one of them, no matter how crooked he is, unless he is convicted by this board of policemen, that we will never have law-enforcement in Washington until we change the system. And for several years, in each Congress I have had a bill before the District Committee, seeking to change this ridiculous system, and provide an unbiased trial board, so that we can get the crooked policemen off the force, and I have never yet been able to get the District Committee to report the bill.

WENT BEFORE CRIME COMMITTEE

So as soon as the Crime Committee had been fairly well organized I went to the chairman on January 31, 1935, and asked to come before the committee the next day to present my bill. To my surprise, when I read the morning paper, there was quite an erroneous write-up about my appearing before the Crime Committee to give sensational evidence, and on my arrival at the committee I was again surprised to find the committee room full of newspaper reporters and a bevy of newspaper photographers there to

play me up. I advised the chairman that I would not appear unless he had these photographers leave the room and would assure me that I would not be photographed before the committee as I was testifying. He gave me this assurance and had the photographers retire.

To my great surprise, there appeared in Hearst's papers a photograph of me taken from behind me, where I could not see the photographer, and later an article was written by Mr. John Snure, Jr., which appeared in Hearst's paper, stating that while I was testifying a prominent member of the committee had motioned to the photographer behind me to go ahead and take my picture.

I had called Major Brown and had him appear to hear what I had to say, and the following is the report made by the Washington Times:

BLANTON ASKS CIVILIAN POLICE-TRIAL BOARD—ASSERTS CRIME WILL CONTINUE AS LONG AS PRESENT SET-UP IS ALLOWED TO REMAIN

From the lips of a fiery Texan, appearing before a special House Committee Investigating Crime Conditions in Washington, flowed charges today that local police are protecting gamblers.

Representative THOMAS L. BLANTON (Democrat), of Texas, self-styled "best friend a good policeman has", appearing as a witness at his own request, startled the subcommittee with the assertion that collusion between the criminal element and Washington police officers will continue as long as there is a police-trial board.

Asks Civilian Board

Representative BLANTON consumed the major portion of his 15 minutes on the witness stand in pleading for enactment of his bill which would take the trial board from the power of the police department and place it under supervision of a civilian board to be appointed by the President. Mr. BLANTON said:

"For 12 years I was a member of this committee, and I made a thorough study of all departments, especially the police department. Among the 1,300 or more policemen we have in Washington, there are some of the finest men available.

"But we find some off-color, black sheep among them. Whenever you have crooks in the police department, it affects the morale of every man on the force.

"The police board is composed of police who are fellow-officers of the men brought before them. I have seen innocent men framed, and I have seen guilty men go free.

The Washington Post stated that I was asked the question: "You think then, that some police here are protecting these establishments?" And that I replied:

"You think then, that some police here are protecting these

"Oh", cried Mr. BLANTON, "there is no question about it. Whenever you find an open gambling house you can know that either the police captain and the policeman on the beat are crooked or they are numskulls who ought to be kicked off the force.

I cited specific instances where innocent policemen had been framed by crooks on the force, convicted and discharged, and also where guilty police officers of high standing, with their guilt confessed in writing over their own signatures and in their own handwriting, had been tried and acquitted.

Then off the record, on this February 1, 1935, I told the Crime Committee that an employee of the Government had appeared before our Appropriation Committee for the District, and testified that within a block of where the committee was then holding hearings there was a notorious gambling house in full blast, with all of its gambling paraphernalia, full of gamblers all the time, and had been running for a year. And I had Superintendent Brown there to hear what I said about it. That was on February 1, 1935.

A TIPPED-OFF RAID

Remember Captain Morgan testified that as soon as he went to no. 5 the first part of January, Inspector Albert Headley told him there was such a gambling house there, and instructed him to close it. Yet nothing was done until I made this complaint on February 1, 1935.

Captain Morgan and his lieutenant pulled off a raid, set for the specific time of 2 o'clock, but at 10: 30 that morning, nearby merchants were told it was going to be pulled off, so when it was pulled off at 2 o'clock, with spectators there to see it, naturally they found the place empty.

A REAL RAID

But on February 6, 1935, there was a real raid, when a splendid officer named Little cut his way into this gambling house with axes, and took charge of all the gambling devices, apprehended 59 gamblers, and closed up the place. I quote the following from Hearst's Washington Herald for February 7, 1935:

AXES SMASH GAMING DEN NEAR CAPITOL—9 HELD ON CHARGES, 50 OTHERS QUESTIONED; RACE, NUMBERS SLIPS SEIZED

Police smashed down literally "in the shadow of the Capitol" yesterday to wreck one of the largest places yet raided in the campaign against gambling.

The raid at 113 B Street SE. netted the arrests of 59 persons and capture of racing and numbers slips, craps tables, and other instruments used in gaming, as well as a large quantity of money.

Jailed for line-up

Lt. George Little, head of the vice squad, led the raiders who had to smash through heavily barricaded doors. All 59 persons were hauled to police headquarters and locked up in "the cage."

Nine of the men arrested were charged with setting up gaming and held in $2,000 bond each. They gave their names to police as Charles Turner, 45, 1300 block of East Capitol Street; John M. Cornell, 31, 900 block of East Capitol Street; Edgar J. Behrle, 39, 900 block of E Street NE.; Fred A. Stillman, 42, 1700 block of P Street NW; Kenneth T. Pumphrey, 29, 400 block of Fifteenth Street NW.; John E. Goetz, 36, 1600 block of Q Street NW.; Wilmer M. Long, 28, 700 block of Nineteenth Street NE.; and Frederick G. Lynn, 51, 500 block of Fifth Street NW.

Fifty are released

Approximately 50 men found in the place were released as Government witnesses.

Police confiscated $2,127 in cash, two barricaded doors, a quantity of gambling books and slips, 1,200 number books, a pool table, radio, two desk phones, one ear phone, one power pack for a radio, a small dice table, a stool, an electric heater, and a ventilator.

The raided place, visible from the windows of the room in which the District Crime Investigating Committee is holding hearings, apparently had been preparing for a land-office business.

The third floor, on which the crowd was located, had been braced with heavy stanchions. Automatic locks were set on all doors and close identification was demanded of all persons.

Maj. Ernest Brown, superintendent of police, said that the raid was the culmination of 2 weeks' investigation. He said:

"Representative TOM BLANTON said recently that he knew of a place operating in the shadow of the Capitol Dome. I believe this is the one he was talking about."

Several weeks ago police of the fifth precinct tried to raid the place, but there apparently had been a tip-off, for when the squad arrived they found nothing. Yesterday, however, things were in full swing, according to police.

Subject of inquiry

Details concerning this raid will be given the Crime Investigating Committee of the House, it was stated. The committee, under the chairmanship of Representative JENNINGS RANDOLPH, of West Virginia, reconvenes Friday with full subpena power and finances to delve into the whole matter of police, courts, and crime.

YET CRIME COMMITTEE WAITED 6 WEEKS

That real raid occurred February 6, 1935. Yet the Crime Committee waited until the latter part of March to investigate that tip-off.

"INSPECTOR HEADLEY HAD BEEN GRYING ABOUT THIS PLACE SO LONG"

And when the Crime Committee had Captain Morgan and his Detective Salkeld before it on March 23, 1935, to tell about the tip-off, I quote from the Washington Post of March 24, 1935, showing that Salkeld testified:

"Inspector Headley had been crying about this place so long", Salkeld said, "I knew he was going to ask about it."

And you will remember that the Herald for February 7, 1935, said that the Crime Committee was going to take charge of the investigation of this tip-off raid, and the real raid, yet Fitzpatrick blamed Inspector Headley for inaction, when the evidence shows that he is the only one of the 1,306 policemen in Washington who ever started the move to have this place closed up, before the Crime Committee was ever created.

EVIDENCE OF THE TIP-OFF

From the Washington Times of March 26, 1935, I quote the following evidence from one witness who was tipped off:

Mr. Fred was the second witness.

Asked if he had a conversation with Capt. Joseph Morgan, of the fifth precinct, shortly after the B Street raid, Mr. Fred said:

"I went to see the captain on another matter. He said something about being sorry his men hadn't gotten anything in the raid. I told him:

"'You know why.'

"He asked what I meant and I told him someone passing along B Street on the morning of the day the raid was made had said:

"'Be around about 2 o'clock today and you'll see a raid.'"

Captain Morgan testified that on the morning the raid was arranged, it was about 10 o'clock, and no one but he and Detective Salkeld knew about it. It was set for 2 p. m. And he said that it was either he or Salkeld, because no one else knew about it.

Suddenly Fitzpatrick referred back to the B Street gaming house and asked, "Who was the tip-off?"

"The only man it could have been was Salkeld", said Morgan.

"Did you bring charges against him?" asked Fitzpatrick.

"No; I did not", said the captain.

Captain Morgan also testified:

At roll call on February 20 I told the men that an ugly rumor had come to me from a citizen after the raid at 113 B Street SE.; that he had spoken to Mike Sesso (reputed proprietor of the establishment) and said, "Why don't you stop or the police will get you", and Sesso replied, "I've got all the police on the beat fixed except O'Neill, and he's too dumb."

YET INSPECTOR ONLY ONE CENSURED

Many centuries ago the bearer of bad news was beheaded. Because Inspector Headley did his duty and commanded Morgan last January to close up this gambling house he is now beheaded by "Doctor" Fitzpatrick.

NO SENATOR OR CONGRESSMAN CAN EVER AGAIN ENDORSE ANYBODY

Is there any Congressman, after reading and digesting the following recommendation made by Fitzpatrick, going to ever endorse anything in this report? Here is what the Washington newspapers, who have always been jealous of Senators and Congressmen getting appointments for their friends, have been trying to take away from Senators and Congressmen for years:

Political endorsements: Subscribing to the theory that the local police department should be absolutely free from politics, and with the view of eliminating the practice of political endorsements, which has a tendency to undermine the merit system, the subcommittee strongly suggests that the Commissioners of the District of Columbia formulate, adopt, and insert in the police regulations a rule to the effect that it shall be the duty of the major and superintendent of police, when a political endorsement is received for any member of the force, to make the fact and the substance of such endorsement public.

So hereafter, if we are fools enough to approve the above, Congressman JENNINGS RANDOLPH will have his endorsements of policemen published in the Washington newspapers as soon as he makes them.

Fitzpatrick had the audacity to allow attending reporters to put the following in their papers: In the Star for March 20, 1935, under headlines: Further BLANTON Activity Studied by Crime Group, and under subheadlines: House Committee Seeks Data on Varney Promotion Case, over the following article:

Another police department case in which Representative BLANTON, Democrat, of Texas, is reported to have interested himself, was under investigation today by the Special Crime Committee of the House.

Information has been given the committee that BLANTON communicated with Police Superintendent Brown with respect to Lt. Frank A. Varney for promotion.

Lieutenant Varney is expected to be called before the committee to explain the case.

And in speaking about "Doctor" Fitzpatrick worrying BLANTON, the Washington News of March 21, 1935, had this to say about my facing "a new probe":

Faces new probe

However, his worries are not over yet as far as the present probe is concerned, it has been learned.

While the committee has put aside temporarily the matter of the Texan injecting himself into local police promotion, another case supposedly involving similar activities on his part is yet to be unveiled by the committee.

It is alleged that Mr. BLANTON has attempted to seek a promotion for Lt. Frank Varney, but that the matter has never developed.

Correspondence relative to this subject is said to have been carried on between the Representative and Major Brown, and this will be brought before the committee.

And, simply because I had endorsed Varney for promotion, "Doctor" Fitzpatrick had the audacity to summon Varney before the committee, but in the meantime learning that his own employer, Chairman RANDOLPH, was the first one to endorse Varney, and that several others had endorsed him, including a Senator, he adjourned the meeting, and would not let Varney testify.

HERE ARE VARNEY'S ENDORSERS

MARCH 30, 1934.

Hon. MELVIN C. HAZEN,
District Commissioner, District Building,
Washington, D. C.

MY DEAR MR. HAZEN: This letter is written in behalf of Mr. Frank A. Varney, who is a lieutenant of the police force, but wishes to become a captain for the vacancy which I understand will exist. I trust he can be given most careful consideration.

With kind personal regards, I am, very sincerely yours,

JENNINGS RANDOLPH.

APRIL 2, 1934.

Hon. JENNINGS RANDOLPH,
Member of Congress, House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN RANDOLPH: Referring to your letter of the 30th ultimo, written in behalf of Lt. Frank A. Varney for promotion to the grade of captain, Metropolitan Police, District of Columbia, permit me to advise that the recent vacancy occurring in the rank of inspector was filled by the advancement of an acting inspector to the full pay of an inspector, in keeping with the economy program, and resulting in but one promotion instead of four, and assuring the District of Columbia of the same measure of patrol service as heretofore.

Major Brown further informs me that in the event of a vacancy to be filled in the grade of captain, every consideration possible will be given Lieutenant Varney, your interest in him being kept in mind.

Thanking you for writing me concerning this officer, and reciprocating your kind personal regards, I am,

Sincerely yours,

MELVIN C. HAZEN,
Commissioner, District of Columbia.

APRIL 7, 1934.

Hon. ERNEST W. BROWN,
Major and Superintendent Metropolitan Police,
Washington, D. C.

DEAR MAJOR BROWN: I understand that Lt. Frank A. Varney stands first on the civil-service eligible list to be made a captain in your department. I would appreciate your seeing that he is given due consideration and made a captain at the earliest date possible.

With kind regards, I am,

Your friend, THOMAS L. BLANTON.

APRIL 14, 1934.

Mr. GEORGE E. ALLEN,
Commissioner, District Government,
District Building, Washington, D. C.

DEAR GEORGE: Perry Howard has spoken to me about Lt. F. A. Varney, of the twelfth precinct.

From what Perry tells me, Lieutenant Varney is in line for a promotion to a captaincy and if the superintendent of police recommends this promotion, I sincerely hope that you will do everything you can to have it effected.

With best wishes, I am, sincerely yours,

PAT HARRISON.

Hon. MELVIN C. HAZEN,
President of Board of Commissioners,
Washington, D. C.

MY DEAR COMMISSIONER: I understand that Lt. Frank A. Varney is first on the eligible list for captain in the Metropolitan Police, Washington.

Many of my friends here in Washington have told me of Mr. Varney's record and excellent work. If opportunity presents itself, will you not give him serious consideration?

Very truly yours,

D. LANE POWERS.

Hon. MELVIN C. HAZEN, APRIL 13, 1934.
Commissioner, District of Columbia,
Washington, D. C.

MY DEAR MR. HAZEN: I understand that a vacancy exists in the police department in the office of captain of police.

My attention has been directed to the qualifications of Lt. Frank A. Varney, who, I believe, is first on the eligible list of the civil-service applicants. From authentic reports which have come to me, I feel warranted in presenting the claims of Lieutenant Varney to you for consideration for promotion. I am persuaded that this promotion will be for the benefit of the service.

Thanking you for such favorable consideration as you can give to this subject, with kind personal regards, I am,

Very truly yours,

J. W. DITTER.

WASHINGTON, D. C., *April 19, 1934.*

Senator PAT HARRISON:
United States Senate, Washington, D. C.

DEAR SENATOR: I am taking the liberty of referring your letter of April 14 on behalf of Lt. F. A. Varney to Commissioner Hazen, who has immediate supervision over the police department.

I am sure Commissioner Hazen will give the lieutenant every consideration when this matter comes up for action.

With all best wishes, I remain, sincerely yours,

(Signed) GEORGE E. ALLEN,
Commissioner, D. C.

THIS CENSURING "DOCTOR" FITZPATRICK

When he thought I was the only one who had endorsed Varney, Fitzpatrick was going to probe me, without any authority, without any reason, without any excuse, and he was playing me up in the newspapers as if I had done something wrong, but as soon as he found out that Congressman RANDOLPH, his chairman, and Senator PAT HARRISON, of Mississippi, the Democratic whip in the Senate, and Congressman POWERS, and Congressman DITTER, all had endorsed Varney, he dropped his probe like a hot brick.

TRIED TO SCARE COMMISSIONER HAZEN

Fitzpatrick tried to make Commissioner Hazen testify that nothing had been said to him by Major Brown about promoting Inspector Headley when Bean retired, but I quote from the Washington Herald of March 20, 1935, what it gives as Hazen's testimony:

Major Brown asked me one time last winter or fall, I can't be sure when, if I had any objections against Inspector Headley succeeding Bean, when Inspector Bean would retire.

I told him that since Inspector Headley was the next senior in point of service and there was no reason why not, I had no objections. At that time, I recall, he said that Representative BLANTON favored Inspector Headley to succeed Bean.

Yet "Doctor" Fitzpatrick wasted 8 days before this committee trying to show that there was something out of the way for me to want Inspector Headley justly promoted. Hazen says Inspector Headley deserves the position and should succeed Bean. Major Brown, superintendent of police, says so. Everybody else says so except "Doctor" Fitzpatrick.

AGAINST A PROPER TRIAL BOARD

Of course, since I advocated a change in this ridiculous system of letting policemen try policemen, Fitzpatrick had to recommend against the plan. Here is what he put in his report:

Police-trial board: The police-trial board in many respects is much like an Army court martial. The problems involved are peculiar to the type of service. The committee does not feel that the average civilian would be adequately equipped, either from the standpoint of background or interest in the service. * * * On the other hand, Inspector Lamb, the ranking police official of the traffic bureau, and others insist that it would be a grave error to decentralize the bureau.

Yet Major Brown, superintendent of police, writes me that he favors my proposal, and the Commissioners testified before our Committee on Appropriations that they favored it, yet, because Lamb says "no" the "doctor" says "no."

But there will be no real law enforcement in the District of Columbia until there is a proper trial board and a means provided for getting rid of the crooked policemen on the force, which demoralize the entire force.

REPORT ABSOLUTELY WORTHLESS AND SHOULD BE JUNKED

If there were no other reason for throwing this worthless report in the wastebasket, it should be placed there because of the recommendation of "Doctor" Fitzpatrick that the Park Police force should be united with the Metropolitan. That is a ridiculous proposal, when anyone knows the history of why the Park Police was created. Here is Fitzpatrick's recommendation on that:

Without in any wise casting any reflections upon the personnel or efficiency of the United States Park Police, the subcommittee finds that the activity of the United States Park Police in the District of Columbia is substantially identical with that being performed by the Metropolitan Police department. This conclusion is indisputable in the light of the data contained in the table showing the character of police work performed by members of the United States Park Police force in the District of Columbia for the fiscal year of 1934, and which table may be found in the appendix (exhibit I).

While the Metropolitan Police department has concurrent jurisdiction over the areas in the District of Columbia now patrolled by the United States Park Police, there is a tendency, because of the divided responsibility, for the Metropolitan Police to neglect these areas. This is not conducive to efficient police administration. The subcommittee is unable to find any logical reason for the maintenance of these two separate forces and it recommends that the personnel of the United States Park Police, doing duty within the territorial limitations of the District of Columbia, be merged with and placed under the command of the Metropolitan Police department, care being taken to preserve the rights of those transferred.

During my first service in Congress, I went wild over the idea of consolidating the two forces. I introduced a bill to accomplish it. I caused extensive hearings on it. Then I had a long conference with Col. U. S. Grant, 3d, who took me to his office and showed me the history and records. Then I had a talk with the President then in the White House. And I learned something about the Park Police that was far more important than economy. It meant much to the Government of the United States. And I changed my mind. And "Doctor" Fitzpatrick has another guess coming, if he thinks he will ever consolidate the two forces, for when the new Members of this Congress learn all about why we need a Park Police force, such a consolidation measure would not get more than a handful of votes.

NATIONAL PARK SERVICE ATTACKS FITZPATRICK'S SILLY REPORT

I quote the following from the Washington Star of yesterday, May 1, 1935:

C. Marshall Finnan, superintendent of National Capital Parks, also expressed opposition to a recommendation in the report for the merger of the United States Park Police with the Metropolitan department. He insisted that even if the two forces are combined the Federal Government would still have to maintain a separate police force to patrol Federal property outside the District, such as the George Washington Memorial Parkway and the Mount Vernon Memorial Highway.

Regrets recommendation

"The parks office regrets this recommendation was made", Finnan said. "We feel that the absorption of the Park Police by the Metropolitan Police would, in the course of time, work to the detriment of the park system and would certainly complicate administrative problems. An independent force would still have to be maintained for the large acreage of our jurisdiction, but not within the District of Columbia.

"The question might logically be raised of any economy, as the parks are now policed by the very minimum number of men, and this would mean the retention of that number on the Metropolitan force if the parks were to be given proper attention.

"It is a matter of record in our files that every major city in the United States, with two exceptions, has opposed the consolidation of park police with the city police, and in cities where it has been tried, in most cases it has been unsuccessful."

FOR THE BENEFIT OF FITZPATRICK AND WASHINGTON NEWSPAPERS

The following is from one of the best known Texans, who has spent many years in Washington, in and around both the House and Senate:

DALLAS, TEX., *March 21, 1935.*

Hon. THOMAS L. BLANTON, M. C.,
Washington, D. C.

DEAR CONGRESSMAN BLANTON: The newspapers indicate that you have again offended the Washingtonians. The manifestations of this disapproval of the inhabitants of the District force the conclusion that you are correct in your position, and as one of your good friends I am inclined to urge that you "stay in there and pitch."

With every good wish, and hoping to hear from you if you have time to write, I am

Cordially yours,

HOMER D. WADE,
Executive Secretary Texas Cooperative Council.

"WILL WORK A REAL INJUSTICE"

I have just received the following letter from Mr. Henry J. Klein, a Washington business man, who says that this unjust action proposed against Inspector Headley would "have a very demoralizing effect on every man" in the Metropolitan Police department, and there are 1,306 uniformed men in it;

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOS. L. BLANTON,
House Office Building, Washington, D. C.

DEAR SIR: Please do not permit the report of the Crime Subcommittee to become effective and dismiss the members of the police department who have for many years capably served the people of Washington.

I have known Inspector Headley for many years, and I think if action like that proposed is made it will work a real injustice to the man, and also have a very demoralizing effect on every man in the department.

Thanking you for your consideration, I am,

Yours very truly,

HENRY J. KLEIN.

PRAISING WILLIAM RANDOLPH HEARST IN NEW JERSEY

Hon. MARY T. NORTON, of New Jersey, chairman, and her Committee on the District of Columbia, in its executive meeting on Wednesday morning, May 1, 1935, specifically ordered that the newspapers of Washington should not print the unapproved report prepared by Mr. John R. Fitzpatrick and Mr. Seals for the crime subcommittee, until her committee could have the voluminous hearings printed and could have time to read and digest same. Yet that evening, wholly ignoring and in contemptuous disregard and disobedience of said District Committee's wishes and orders, Hearst's Washington Times printed said unapproved report. And at the very time Hearst's Washington Times carrying such unapproved report was being sold that night on the streets of Washington, the subcommittee chairman, Hon. JENNINGS RANDOLPH, was lauding and praising William Randolph Hearst in New Jersey, the home State of his committee chairman. Hearst's Washington Herald the next morning, May 2, 1935, under large headlines "Hearst Lauded by RANDOLPH" carried the following item:

PATERSON, N. J., May 1.—Hearst's newspapers were praised tonight by Representative RANDOLPH of West Virginia, in an address here before New Jersey Democrats.

And in Hearst's Washington Times for May 2, 1935, there was another mention made of Representative RANDOLPH having "lauded Hearst", and having praised Hearst's newspapers in an address in Paterson, N. J., before New Jersey Democrats.

And in that same issue of Hearst's Herald of May 2, 1935, on pages 8 and 9 thereof, Hearst devoted 2 entire full pages, 8 columns each, in carrying in full this unapproved report prepared by Mr. Fitzpatrick, right in the face of the District Committee's order that it should not be published until the District Committee passed on it.

And to show that Hearst's newspapers knew that Chairman NORTON and her District Committee had ordered said report prepared by Mr. Fitzpatrick not to be printed by them, the Herald for May 2, 1935, quoted Hon. MARY T. NORTON, Chairman of the District Committee, as follows:

CHAIRMAN'S STATEMENT

In view of the wide-spread importance and interest in this report and in order that proper consideration may be given to the report, it was the consensus of opinion that the hearings be printed immediately; and pending the printing of these hearings no action will be taken on the report.

And this same issue of the Herald quoted Representative RANDOLPH as follows:

JENNINGS RANDOLPH, chairman of the special committee, left town as soon as the report was made public, but before going he issued the following statement:

"In the conduct of the investigation the special committee had the aid and assistance of the five Washington newspapers." * * *

Showing that William Randolph Hearst's Washington Herald and Washington Times at least had something to do with the subcommittee action.

The Washington Post for May 2, 1935, under big headlines, "Report Urging Ouster of Garnett and Police Held up by Committee", and under the following subheadlines, "Copies Put Under Lock and Key", said:

The committee made an attempt to prevent publication of the report by newspapers and instructed Chairman NORTON to inform the press that the report would not be released until the committee approved it.

All undistributed copies of the report were placed under lock and key immediately after the meeting, and Mrs. NORTON said she would not give copies even to Members of Congress not on the District Committee.

And in the face of having knowledge that said Fitzpatrick report had not been approved but was being kept under lock and key away from even Members of Congress, and that the committee had ordered they be not printed, the Washington Post went right ahead and printed said unapproved report, in contemptuous disregard of the District Committee's orders.

WASHINGTON TIMES DEVOTES ABOUT 4 PAGES

In the early "Wall Street" edition of the Washington Times, May 1, 1935, it printed a picture of Representative JENNINGS RANDOLPH, who it said "submits long-awaited subcommittee's report to the District Committee today", with a large heading, "Fireworks", just above, and said:

Washington police, court, and crime circles waited expectantly today for the publication of the crime report of the special subcommittee of the House District Committee.

Speculation and rumors as to the contents of the report have been rampant for the past month, but Representative MARY T. NORTON, Chairman of the District Committee, has requested her committee not to discuss the details or general character of it until the full committee completes its consideration of the matter at noon today.

The subcommittee hearings were marked by frequent clashes between John R. Fitzpatrick, counsel for the subcommittee, and the witness. Mr. Fitzpatrick wrote the report adopted by the subcommittee.

Outbreak after outbreak arose during the questioning of District Attorney Garnett, and one of the stormiest sessions occurred when Representative THOMAS BLANTON, of Texas, appeared voluntarily before the committee to give his views on the "gentlemen's agreement" by which he expected to see Inspector Albert J. Headley promoted to Assistant Superintendent of Police.

And then in its "home" edition that afternoon the Washington Times devoted much of its front page, all of page 8, all of page 9, and most of page 10 in printing said unauthorized, unapproved, scurrilous Fitzpatrick report in full.

LADY INSULTED BY DRUNKEN NEWSPAPER REPORTER

Just what kind of order did "Doctor" Fitzpatrick keep at this hearing? The following article, published by William Randolph Hearst's Herald on Sunday, March 30, 1935, told about an insult offered to Mrs. Harvey Wiley, the widow of the great pure-food crusader, she being one of the leading ladies of Washington:

In the District Crime Committee the other eve Mrs. Harvey Wiley was discussing problems.

It was an evening session and across the table from Mrs. Wiley, ardent dry as she is, sat a somewhat inebriated gentleman of the press.

Each time as Mrs. Wiley looked his way she discovered that his eyes were gazing intently at her.

Mrs. Wiley has lived around Washington for many, many years and has seen many reporters, but not one who followed her every word as did this particular one.

Mrs. Wiley concluded.

The man across the way, still inebriated, announced in a loud tone:

"I could love you if you weren't a prohibitionist."

Mrs. Wiley almost tumbled off her chair in amazement.

The meeting broke up.

INSPECTOR ALBERT J. HEADLEY'S ARMY OF FRIENDS

I will say, without fear of contradiction, that Inspector Headley has as many true, loyal, faithful friends among the honest, substantial citizens of Washington, as any one of the 435 Congressmen have faithful friends in their districts back home.

I wish my colleagues could see all of the letters I have received from Headley's friends. Because the matter is such an important one, and this report unjustly and unfairly censures him without cause, and seeks to ruin him, after 39 years of honest, faithful, efficient service, I deem it of enough importance to the integrity of Congress and to the integrity of the District of Columbia Committee, which can remove this blight from him by refusing to adopt this scandalous report, to put in the RECORD now a fair cross-section of the many letters I have received.

Two thousand pages of hearings are being printed by the committee, reflecting upon an honest United States attorney, an honest superintendent of police, and an honest inspector of police, and their good reputation is at stake, and a scandalous report of 55 printed pages has been published in full in the Washington newspapers before it has been approved, so it is only just to these officials, and to the Democratic administration, and to the Congress, and to the District of Columbia Committee, that I publish a fair cross-section of what the business men of Washington think about the matter.

CROSS-SECTION OF LETTERS

FAUNCE & BROOKE CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

HONORABLE AND DEAR SIR: According to the public press, I have observed that the so-called "Crime Committee" has cast reflection on the good names and services of our Hon. Leslie C. Garnett, the

United States attorney for District of Columbia, and that fine police officer, Inspector Albert J. Headley. I believe this censure has done a grave injustice to these good men, one of whom I have known for 40 years, and I believe that by the action of this committee and the published reports of their findings has done only one thing, and that is demoralize the Washington police force, who have rendered faithful and satisfactory service to the citizens of Washington.

I write this letter to you because I believe you are the only man in Congress who can rectify this condition.

Very sincerely yours,

FRANCIS I. BROOKE.

POWELL TRANSPORTATION CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
United States Capitol, Washington, D. C.

HONORABLE SIR: Recently what has been spoken of as a "crime committee" has been engaged in an investigation here in Washington.

One of the results seems to have been the weakening of the faith and loyalty of the rank and file of our police department for its superior officers and leaders. This is the backbone of our police department, or any department or group, and must not be broken.

When a man has devoted half or more of his life to the conscientious service of the citizens of the District of Columbia, or any other community, it seems to me that those citizens owe to the man a loyalty and respect which should be proof against whispered, unproven, unjustified critical propaganda such as seems to be infecting our whole Nation today.

Therefore, I sincerely trust that you, who are in a position to appreciate and to guide toward a just termination matters of this nature in District affairs, will endeavor to have the name of Albert J. Headley associated with his actual record as an honest, efficient, fearless police officer, which he has certainly been from the day when he first ran a beat to his present position of increased responsibility and trust, rather than with rumors and suggestions of unknown or questionable origin.

This should materially help others in the department to keep faith in the strength and importance of their records and reputations.

Upon several occasions my organization has needed special help and protection from the police department. At these times I have found Inspector Headley courteously and efficiently ready to aid us.

I am mighty glad that we have Albert Headley and so many other splendid chaps like him on the force of our police department.

Respectfully yours,

LESTER B. POWELL.

[From a former foreman of a Washington grand jury who helped materially in cleaning up St. Elizabeths Hospital.]

COLUMBIAN CORRESPONDENCE COLLEGE,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

MY DEAR MR. BLANTON: Just a few words concerning Inspector Headley. I have known him for over 20 years and always found him a model officer. He was not of the meddling disposition that so often exasperate our citizens. His kindly consideration toward those of high and low degree was a splendid example to others on the force.

I once served as foreman of the grand jury of the District for 3 months and among the witnesses called there was Inspector Headley. His straightforward, businesslike manner of giving his testimony was a subject of frequent comment and approval among the jurors.

I feel that the comments on him in the report of the subcommittee was an honest mistake on the part of its members so I hope you will be able to set the matter right and prevent a great injustice to a very worthy citizen.

Very respectfully,

D. A. EDWARDS.

ST. DOMINIC'S PRIORY,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

HONORABLE AND DEAR SIR: Like all other public servants, a Congressman is supposed to be more or less inured to criticism. Nevertheless, he must be, on the other hand, human enough to appreciate a word of commendation for the conscientious efforts he has expended in behalf of those he has pledged himself to serve.

In this brief communication I wish to commend you highly for the very personal, as well as for the official interest you have taken in matters pertinent to the District.

From my more than cursory reading of the crime situation here I cannot but conclude that its committee has neither ferreted out the real cause for its investigation nor can it then offer the proper remedy. To particularize, I can cite the case against Inspector Albert J. Headley, who for the past several weeks has been subjected to a most unfair and unwarranted severity. To the legion of friends he has made during his many years in the police department this must come, not only as a keen disappointment in the awarding of promotion, but even as a travesty on justice. Indeed, I fear its repercussions will be felt by the entire department.

I sincerely hope that your efforts for the uplift and improvement of the District will never be abated, and that in the near future many of them will be guerdoned with success.

With every sincere good wish, I remain,

Respectfully yours,

Very Rev. ROBERT CARROLL, O. P.,
Pastor.

W. H. MCCONKEY CO., INC.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: I am taking the liberty to write you regarding the criticism given Inspector Albert J. Headley by the so-called "Crime Committee."

I have known Inspector Headley all my life and have always found him to be a fair, honest worker for the police department, and cannot feel that this committee is fair in making the accusations that they have against him.

It seems to me that since Inspector Headley has served so many years on the police force, it is very bad form to so severely and unjustly censure him.

If you can in any way prevent the recommendations of the committee from being carried out it will be greatly appreciated. The committee's action has demoralized the police force.

Thanking you, I am

Very truly yours,

W. H. MCCONKEY.

CHISLEY'S FLORIST,
Washington, D. C., May 3, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives.

MY DEAR MR. BLANTON: After reading the detailed report of the Crime Committee in the Washington Times, I think this committee has demoralized the Metropolitan Police department by condemning such leaders as Maj. E. W. Brown and Inspector A. J. Headley after their long years of service.

In my judgment, as a citizen of this city, I hope that the full Congress will set aside such findings and allow these men to remain in office and be given an opportunity to prove to the city that they are good leaders and will bolster up the department 100 percent. I, personally, do not think the crime situation in this city is as bad as is painted by our committees in Congress. Hold the old-line officers, if possible, and satisfy a taxpayer and citizen.

Respectfully,

CHAS. O. CHISLEY.

ARGONNE APARTMENT,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, City.

MY DEAR SIR: Inasmuch as you have taken an active interest in affairs that concern the citizens of the District of Columbia, I am selecting you as the proper Member of Congress to voice my objections against the report of the Crime Committee with reference to Inspector Albert J. Headley.

For your information, I beg to advise that I have known this gentleman for a great number of years. He is, in my opinion, a very efficient and capable officer, and a credit to the police department.

Anything you can do in his behalf will be appreciated by me.

Thanking you in advance, I am,

Very truly yours,

CHARLES ROSENTHAL.

COPELAND BROS.,
Washington, D. C.

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

DEAR JUDGE: I am taking this opportunity to express my appreciation of your interest in the affairs of the District of Columbia and to endorse the stand you have taken on the action of the House subcommittee. I do not see that the committee has developed the real situation in reference to the so-called "crime" in the District. The treatment accorded Inspector Albert J. Headley at the hands of the committee is to be deplored, and the ultimate result is the break-down of the morale of the Metropolitan Police department.

I sincerely hope that your efforts will be successful in the undoing of the wrong done by the committee to the parties singled out in its report and indirectly to the citizens of our city.

Very sincerely,

ALFRED M. COPELAND.

PHELPS-ROBERTS CORPORATION,
Washington, D. C., May 4, 1935.

Hon. T. L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR SIR: I have kept in touch with the congressional police investigation through the newspapers, and it is my opinion the real facts have never been published.

After 39 years of public service and with a record such as to gain for him his high position in the District of Columbia Police Department, it seems to me Inspector Albert J. Headley has been subjected to as gross an injustice and as much humiliation as any man in our past public city service.

I trust you, with your knowledge of city affairs and high standing in public life, may be able to clean up the present conditions and see that Inspector Headley gets a square deal.

Very truly yours,

L. H. PHELPS.

MOTHER GOOSE CANDY CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I wish to express to you my condemnation of the action of the Crime Committee in censuring Inspector Albert J. Headley, whom I have known for 40 years, a man against whom no one can speak ill. He was picked out of 1,300 policemen to censure, and the action of this committee has demoralized the police force.

I hope you will do something about it.

Thanking you, I am respectfully yours,

HARRY DAVIS, *Proprietor.*

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives,

DEAR SIR: In reference to the unfair criticism about Inspector Albert J. Headley:

I have known Mr. Headley for many years and do know that he is honest and efficient in the performance of his duties.

Anything you can do to right this wrong done to Inspector Headley will be appreciated by,

Yours truly,

DAVID TROSHINSKY.

PILLSBURY FLOUR MILLS CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I wish to voice my criticism of the action taken by the so-called "Crime Committee" against our veteran police officer, Inspector Headley, in their final report.

I have known Inspector Headley for the past 20 years and feel that his loyalty and devotion to duty has been above reproach.

Knowing that you have the interest of the District of Columbia at heart, I am making an appeal for this loyal public servant.

Respectfully yours,

C. W. THOMPSON.

ACCO PRODUCTS, INC.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: I have been following very closely the so-called "crime investigation" being conducted by the House subcommittee. To date the committee seems to be dealing more in personalities than in actual crime.

I want to take this opportunity of telling you that I agree heartily with the stand you have taken.

It is my regret that such a fine officer as Inspector Albert J. Headley should be subjected to the humiliation he has received from the subcommittee.

Very sincerely yours,

J. KIP EDWARDS, *District Manager.*

L. S. BRIGGS, INC.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives.

DEAR SIR: In reference to the report of the Crime Committee investigating crime conditions in the District of Columbia and in regards to the unfair criticism about Inspector Albert J. Headley:

I have known Mr. Headley for many years and am positive that he is honest and efficient in the performance of his duties. After so many years of faithful service as a police officer, I think the criticism to the inspector is unjust and demoralizing to the police department of the District of Columbia, upon which the good citizens have to depend upon for protection.

Anything you can do to assisting in righting this wrong done to Inspector Headley will be greatly appreciated by,

Yours very truly,

RAYMOND C. BRIGGS, *General Manager.*

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives,

DEAR SIR: I have known Inspector Albert J. Headley for many years since he was a private, and feel that he does not deserve the unfair criticism by the Crime Committee. He has always been a fair, honest officer and entitled to fairer treatment.

S. W. RUSSELL.

DISTRICT HOTEL SUPPLY CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: In regards the present criticism of Inspector Headley, we wish to state that we have known Inspector Headley as an officer for the past 30 years, and at all times during that period we have considered him as an officer of exceptional efficiency and one who has always conducted himself in such a manner as to bring only honor and credit to the department.

We consider Inspector Headley and any other officer of his caliber a credit to the Metropolitan Police force. We feel that an officer through his constant and faithful service should be rewarded at least as an example to the younger members of our police force as encouragement to them to seek promotion justly earned by efficient and faithful service.

We feel that the example now being set by disregarding the knowledge obtained by these many years of active police duty is very disastrous to the morale of the department, and trust that those in charge will at least afford Inspector Headley that which he justly deserves.

Respectfully yours,

CHAS. N. BIONDI.

J. T. RICHARDS CO., INC.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

HONORABLE CONGRESSMAN: The writer has had the pleasure of knowing Inspector A. J. Headley for a number of years and knows that he is very efficient in executing his duty, and that his integrity is beyond reproach. Therefore I feel that there would be a very serious mistake made in removing the inspector from the Metropolitan Police department at this time.

A reconsideration of retaining Mr. Headley would not only be appreciated by the writer but also by thousands of others here in Washington.

Yours very truly,

J. T. RICHARDS, *President.*

DENTAL GOLD CO.,
Washington, D. C., May 4, 1935.

Hon. T. L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR SIR: As a native Washingtonian, I have kept in close touch, through the newspaper, with the House subcommittee report of its crime investigation and it is my personal opinion that this committee has not achieved its purpose but has only dealt in personalities.

Inspector Albert J. Headley has given close to 40 years of honest and intelligent service to this city.

I feel that the House subcommittee has erred in attacking this veteran official.

Knowing of your interest in the affairs of the District I sincerely hope that your efforts will be successful in combating the further destruction of the morale of the Metropolitan Police department which, in my opinion, has been the actual and sole result of the investigation as conducted by this so-called "Crime Investigating Committee."

Yours truly,

A. J. AGRICOLA.

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I have been following the newspaper reports of the Crime Committee closely in the newspapers. At the beginning I thought it a good idea, but when the final report of the committee was drafted condemning Major Brown and Inspector Headley (whom I have known for over 30 years, personally) I could not see any benefit to the District.

You have been an active Member of Congress for years and most active in the matters concerning our police force, and am sure you can see no good in the final report of the Crime Committee.

Trusting the affairs of the Metropolitan Police and the District affairs will not be hampered by any of the findings of this committee, I remain,

Respectfully,

G. HOWARD DUNNINGTON,
Mid-City Citizens' Association.

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

RIGHT HONORABLE SIR: Recognizing you as an outstanding Member of Congress I wish to express my condemnation of the treatment accorded our Inspector Headley, when he was on the stand before the so-called "Crime Committee."

I wish also to condemn the Crime Committee because, by its action, it has demoralized our police force, for whom Washington people hold a high regard.

Very truly yours,

JULIUS KATZMAN.

WASHINGTON, D. C., *May 3, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: I desire to convey to you my disapproval of the recommendations of the so-called "Congressional District Crime Committee."

It is my personal opinion that the investigation such as made by the Congressional District Crime Committee tends to do more harm than good. The morale of our police department has been lowered and the respect due to the superior officers has been lessened by this investigation.

I hope, Mr. Congressman, that you will use the power and force of your office to prevent a recurrence of such publicity in the future.

Respectfully yours,

JOSEPH P. BURKE.

MAZO BROS. CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: We desire to voice our protest against the report submitted to the House District Committee by its special committee criticizing the ranking officers of the Metropolitan Police department.

We have come in contact with these officers a great number of times and have always found them very efficient in the performance of their duties and they have always given us their full cooperation.

We feel that this report has disrupted the morale of the personnel of the department, and anything you can do to remedy this situation will be to the benefit of the entire community of the District.

Yours very truly,

I. JOSEPH MAZO, *Sole Owner.*

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
Congress of the United States, Washington, D. C.

HONORABLE SIR: My attention was recently called to a Crime Committee investigating local crime and the enforcement of our laws.

I cannot help but condemn this committee in the manner it had gone about its duty in practically ruining the morale of the Metropolitan Police department and its condemnation of Inspector Headley. I have known the inspector for many years and have always regarded him as an outstanding enforcer of law and duty to our city.

As a loyal Democrat, a fellow citizen, and an American I beg of you to stand by Inspector Headley.

Respectfully yours,

JOSEPH G. KATZMAN.

FRED J. WHITE IRON WORKS,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: By reading the reports in the newspaper of the Crime Committee, I see they have criticized some of the police officials most severely, especially Inspector Headley, whom I have known for a great number of years. I consider him one of the best police officers I have ever known; he is most thorough and conscientious.

This, in my opinion, has a tendency to not only demoralize these officers but breaks down the morale of the entire police department, which I believe is very detrimental to the safety of the citizens of Washington.

I am, very truly yours,

FRED J. WHITE.

WASHINGTON, D. C., *May 4, 1935.*

The Honorable THOS. L. BLANTON,
House of Representatives, Washington, D. C.

DEAR MR. BLANTON: Your comments in defense and support of the police department are to be commended.

The report of the Congressional Crime Committee is deplorable and wholly unjust in its criticism of our police officials. Such unfounded charges will cause a demoralization of our police force and can lead only to insubordination and inefficiency.

May you be successful in your fight for our honest and efficient officials, and may confidence be restored in their ability and integrity.

Sincerely yours,

MARTIN WIEGAND.

WASHINGTON D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

HONORABLE AND DEAR SIR: I have noticed in the public press the so-called "Crime Committee" have finished its task, and in so doing have censured our Inspector Headley, whom I have known for 30 years as an upstanding police officer who has merited his promotions by his close attention to duty and against whom never has scandal been directed. I remember when the Shriners last visited Washington in 1923 that there was not a single mishap when Inspector Headley was responsible for traffic at that time, and there was no traffic bureau in existence at that time.

I want to criticize the committee for demoralizing the police force by what I consider unjust criticism. As a citizen of the District for the past 50 years, I ask that Inspector Headley as well as the Metropolitan Police be relieved of such persecution.

Very truly yours,

MARCUS NOTES.

U. S. L. BATTERY CORPORATION,
Washington, D. C., May 3, 1935.

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

DEAR JUDGE: I am taking this opportunity to express my appreciation of your interest in the affairs of the District of Columbia and to endorse the stand you have taken on the action of the House subcommittee. I do not see that the committee has developed the real situation in reference to the so-called "crime" in the District. The treatment accorded Inspector Albert J. Headley at the hands of the committee is to be deplored, and the ultimate result is the break-down of the morale of the Metropolitan Police force.

I sincerely hope that your efforts will be successful in the undoing of the wrong done by the committee to the parties singled out in its report, and indirectly to the citizens of our fair city.

Very sincerely,

THOM. E. WRATHELL,
Manager Washington Office.

GALE E. PUGH & CO.,
Washington, D. C., May 4, 1935.

To whom it may concern:

I have known Inspector Headley since he was a private on the police force, and I have always found him to be honest, trustworthy, and capable in all of his dealings.

I feel that is a valuable asset to the Metropolitan Police force.

Very truly yours,

GALE E. PUGH.

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: My attention has been attracted through the public press censuring Inspector Albert J. Headley, of the Metropolitan Police department and several others.

The writer has personally known Inspector Headley for many years, and have always known him as a fearless and efficient policeman and police official who has rendered to this community faithful service for almost 40 years.

Therefore, Mr. Congressman, I make this personal appeal, that you may at your first favorable opportunity invite the attention of the proper persons to the above and, therefore, afford to this faithful official the right to remain in the Metropolitan Police department.

Thanking you, I beg to remain,

Most respectfully,

RALPH P. COUNSELMAN.

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives.

MY DEAR REPRESENTATIVE: I wish heartily to express appreciation of your efforts toward bringing out all of the facts in connection with the recently concluded investigation of crime conditions in the District of Columbia by a subcommittee of the House of Representatives.

Your loyal defense of the efficiency, loyalty, and character of Inspector Albert J. Headley will be approved by every good citizen. It is hoped that the final report of the District Committee will do full justice to the quality of the services of this conscientious officer, for his retirement from active service would benefit only the denizens of the underworld.

Very sincerely,

GEORGE G. MUSICK.

THE CITY PRODUCE CO.,
Washington, D. C., May 3, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I want to take this means of condemning the action of the so-called "Crime Committee" in their unfair criticism of Inspector Headley and United States Attorney Garnett. The treatment of them was harsh and unfair.

I further want to criticize this committee, whose tactics demoralized the police force on whom our good citizens must depend.

I hope you will take some action to prevent these objectionable recommendations from being carried out.

Very truly yours,

H. C. LIPPINCOTT.

LEWIS TRANSFER CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: As a local citizen and taxpayer, it is a pleasure to make this acknowledgment of your commendable at-

titude during the recent investigation by the Subcommittee on Crime Conditions in the District of Columbia.

Until the time of your appearance before the investigators, the tactics pursued and the quality of the evidence adduced by the overzealous subcommittee prosecutor indicated a desire to air personal grievances and petty official jealousies rather than to serve the purpose for which the investigation was designed. Old time Washington residents appreciate the timeliness and the justness of your condemnation of the methods pursued. They particularly are pleased with the deserved tributes you later paid on the floor of the House to the efficient and honorable services of officials of the character of Inspector Albert J. Headley.

I have always admired Inspector Headley's organizing ability and discriminating judgment, and I do not believe anyone can doubt his probity and trustworthiness.

Civic pride prompts the hope that such men will not be thoughtlessly sacrificed on the verdict of what seems to have been an opera bouffe performance rather than a dignified congressional investigation of a serious situation.

Very truly yours,

B. FRANKLIN LEWIS, *President.*

WASHINGTON, *May 4, 1935.*

Hon. THOS. L. BLANTON,
United States House Office Building, Washington, D. C.

DEAR MR. BLANTON: There has been much comment against certain members of our police force. May I add that I have known Inspector Headley from the time he was a private doing duty in my neighborhood and can truthfully say I never knew anyone in any position to perform his duty in any greater degree.

Such influence that may be brought to bear in favor of Mr. Headley will be appreciated by

Yours very truly,

MASON E. TAYLOR.

HOPWOOD'S,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

DEAR SIR: Allow me to take this opportunity to express my appreciation of your keen interest in the affairs of the District of Columbia. I also heartily indorse the stand taken by you in regard to the action of the House subcommittee.

I cannot see how by their action they have accomplished their purpose in straightening out the so-called "crime" in the District. I cannot agree with their treatment accorded Inspector Albert J. Headley, which seems to have resulted in the breaking down of the morale in the department.

Whereas my personal association with Inspector Headley for the past 12 years proves to me his outstanding qualities as an officer of the Metropolitan Police department, my investigation of the 27 years prior to my acquaintance leads me to believe that he has been most unjustly treated in the hands of the committee.

I do hope your efforts will be successful in the undoing of the wrong done to Inspector Albert J. Headley, whose reputation, as I know, is irreproachable.

Very truly yours,

THOS. E. HOPWOOD.

C. W. DAVIS & SONS,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House Office Building.

MY DEAR SIR: I have known for a good many years many executives in the police department. Inspector Headley I have known for many years and have learned to regard him highly, both as regards his character, business acumen, and energy; he has served faithfully the departments intrusted to him, proving his sincerity in serving the Washington public. Like the courageous police and gentleman he has proven to be during his 39 years of service.

Yours very truly,

W. ERLE DAVIS.

S. A. GATTI & SON,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: In reference to the report of the Crime Committee investigating crime conditions in the District of Columbia, and in regard to the unfair criticism about Inspector Albert J. Headley.

In all the years that I have known Mr. Headley I have always found him honest and efficient in the performance of his duties, and after all these years of faithful service as a police officer I think the criticism of the inspector is unjust and demoralizing to the police department of the District of Columbia, for which the good citizens have to depend upon.

Very truly yours,

S. A. GATTI.

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

HONORED AND DEAR SIR: Would like to take this opportunity to express my appreciation of your interest in the affairs of the District of Columbia and to endorse the stand you have taken on the action of the House subcommittee. I do not see that the committee has uncovered the real situation in reference to the so-called "crime" in the District. The treatment accorded our Inspector Albert J. Headley, after his 39 years of faithful service, at the hands of the committee, to my mind is a disgrace, and the result is the break-down of the morale of the Metropolitan Police department.

I sincerely hope that your efforts will be successful in undoing the wrong done Inspector Albert J. Headley by the committee and indirectly to the citizens of the District of Columbia.

Very sincerely,

HARRY G. ECKHARDT.

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

DEAR JUDGE: Knowing Inspector Albert J. Headley's remarkable record since becoming a member of the Metropolitan Police department, I cannot conceive any sane reason why he should receive the treatment he has been accorded.

Please accept my sincere appreciation for your efforts, and I hope you can right a severe wrong that has been done by the committee at Inspector Headley's expense.

Respectfully,

DAVID GLASSMAN.

WASHINGTON, D. C., *May 3, 1935.*

Hon. THOS. L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: As a citizen and business man of this city, I cannot but take exception to the findings of the so-called "House District Crime Investigating Committee." It appears to me the findings of said committee are very unjust and will possibly cause demoralization in our now efficient police organization.

Yours very truly,

PERCY E. HARDING.

DISTRICT TOBACCO & CANDY CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: In reference to criticism of high police officials, more especially of Inspector A. J. Headley. I have known Mr. Headley for a number of years and know him to be an honest and faithful officer.

After serving the public for almost 40 years, I think the criticism afforded him to be unjust and demoralizing to the police department.

Anything you can do to right this wrong done Inspector Headley will be greatly appreciated.

Sincerely yours,

LOUIS FISHMAN.

THE PHILLIPS' "GENUINE" SAUSAGE CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS BLANTON,
House of Representatives.

DEAR SIR: As an observer of your interest in the affairs of the people of the District of Columbia, may I say a word in appreciation of such.

Especially in regards to the investigation of the House subcommittee of the Metropolitan Police department, do you show us what you really stand for!

The stones thrown at such a splendidly charactered and efficient officer as Inspector Albert J. Headley certainly are misaimed and may they never reach their mark.

This officer, who has been so unjustly brought upon the proverbial carpet, has, to my own knowledge, been a real policeman for the many years that I have known and observed him—always efficient, courteous, and righteous—never a blemish on his record.

This also applies to our good superintendent of police, Major Ernest Brown.

As you know, these two men were elevated to their present positions in the days when push instead of pull was the stepping stone to success, and you may easily see that they have kept up their good work.

May the subcommittee in their investigation find the real cause of the trouble on hand and wholly exonerate these two splendid officers.

Thanking you again, I am,

Yours respectfully,

W. EDWIN HENNING.

ROCK CREEK GINGER ALE CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives.

SIR: The findings of the Crime Committee have been made public and after everything is now over, what has been accomplished? They censure Inspector Headley, a veteran policeman, and ask for removal of Major Brown. Instead of investigating crime conditions, they magnify the small things of the department, demoralizing the officials and the patrolmen.

May I congratulate you on your efforts in behalf of Inspector Headley and the police department as a whole? Always in the past you have shown a deep interest in the department and the affairs of the District.

Trusting the findings of the Crime Committee will be ignored as far as Major Brown and Inspector Headley are concerned, and with best wishes for your continued success, I am,

Most respectfully,

LINDSEY P. RAWLEY.

WASHINGTON, D. C., *May 3, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: As a citizen and taxpayer, I feel that the Congress Crime Committee may do an injustice to our police department, as our chief of police and Inspector Headley have given our city their best efforts and years of good service, and they are entitled to fair and just consideration, and you, sir, are to be commended for your interest in our city government.

Respectfully yours,

JOHN L. WEGE.

BURKA'S MARKET,
Washington, D. C., May 3, 1935.

Hon. THOMAS L. BLANTON,
Washington, D. C.

MY DEAR CONGRESSMAN: Because of your prominence as Congressman, I believe you to be the man for me to communicate with and tell you that I feel the Crime Committee has been unjust to Inspector Headley and United States Attorney Garnett. I also feel that our police force is worse off now than before the so-called "investigation."

Please do something about this matter. The people of Washington appreciate you for your honesty.

Very truly yours,

HARRY BURKA.

BERKMAN'S RESTAURANT,
Washington D. C., May 3, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

HONORABLE DEAR SIR: I am taking this opportunity to express to you my condemnation of the action of the so-called "Crime Committee" in their treatment of United States Attorney Mr. Garnett and Inspector Headley. I also condemn the committee for having demoralized our police force.

We cannot get police service worth while when Congress itself interferes with the service.

Very respectfully yours,

A. W. BERKMAN.

WM. E. MILLER FURNITURE CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I want to take advantage of this opportunity to convey to you my criticism of the action of the so-called "Crime Committee", whose sessions have just ended in Congress. They criticize severely our United States Attorney Leslie Garnett, and our veteran police officer, Inspector Headley, in their final report of their actions.

I have known Inspector Headley for 35 years or longer and he does not merit this censure. I also want to condemn the actions of the Crime Committee because they have demoralized our police force, the police force that the Washington people have been proud of for many years.

I send this to you because of the deep interest in the affairs of the District of Columbia manifested by you.

Respectfully yours,

WM. E. MILLER, *President.*

WASHINGTON, D. C., *May 4, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Inasmuch as I know the Crime Committee is for the benefit and welfare of the citizens of Washington, D. C., the action of the Crime Committee is very unjust in their treatment of Inspector Headley and United States Attorney Garnett.

I further want to criticize this committee, whose tactics demoralized the police force on whom our good citizens must depend.

I hope you will take some action to prevent these objectionable recommendations from being carried out.

Very truly yours,

BENJ. BORTNICK.

EACHO & CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Congress.

DEAR SIR: Having known Inspector A. J. Headley since 1913, coming in contact with him as an officer and I as a business man, my opinion of him is that he is the highest type of an officer and a man. I have found him always ready to help us business men and we need his moral support now at this time more than ever.

Yours very truly,

RICHARD L. EACHO.

THE HICKMAN CO.,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: We would like to voice our protest in regard to the criticism of Inspector Headley in the report of the Crime Committee investigation.

We have known Inspector Headley for a number of years, in his official capacity, and have always regarded him as a very efficient police officer, always on the job.

After so many years of faithful service we feel it unjust to have this criticism heaped upon him and anything that you can do to help right this wrong will be appreciated by us.

Very truly,

ROY M. HICKMAN.

SOUTHWEST MARKET,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

HONORED AND DEAR SIR: In reading the public press I have followed up the reports of the actions of the Crime Committee, and I am certainly disappointed in the results after 2 months' investigation. I believe they went out of their way to criticize our United States Attorney, Mr. Garnett, and the people of Washington surely know that they did make a serious mistake in censuring our Inspector Albert J. Headley, whom I have known for a great many years, and is an outstanding officer and has grown to be a veteran on the police force.

There is only one result of this investigation to seriously interfere with the morale of our police force, who appear to be very much disturbed, which affects the good service that they should be rendering. Knowing you to be deeply interested in the welfare of the city of Washington I earnestly hope that you will do something to prevent any mark of demerit on the good record of Inspector Headley.

Very sincerely yours,

JAMES STASINOS.

WITT & MIRMAN,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives.

DEAR SIR: In reference to report of the Crime Committee investigating crime conditions in the District of Columbia and in regards to the unfair criticism about Inspector Albert J. Headley:

I have known Mr. Headley for many years and do know that he is honest and efficient in the performance of his duties. And after so many years of faithful service as a police officer, I think the criticism to the inspector is unjust and demoralizing to the police department of the District of Columbia for which the good citizens have to depend upon.

Anything you can do to right this wrong done Inspector Headley will be appreciated by,

Yours truly,

L. MIRMAN.

WHITE TOWER MANAGEMENT CORPORATION,
Washington, May 4, 1935.

Representative THOMAS L. BLANTON,
House Office Building, Washington, D. C.

DEAR MR. BLANTON: Just a note of thanks and appreciation of your interest and stand on the action of the House subcommittee concerning the affairs of the District of Columbia. This is in reference to the so-called "crime wave", and the treatment of Inspector Albert J. Headley, who has put in at least 39 years of service. The result of this treatment, in my opinion, will do the entire Metropolitan Police department no good, or the District of Columbia.

I sincerely hope that you will be successful in the stand that you have taken.

Very sincerely,

W. P. DURKIN,
District Manager.

PENNSYLVANIA AVENUE HILLS,
Washington, D. C., May 4, 1935.

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

DEAR SIR: This is just a letter to you, personally, condemning the investigation and report of the Crime Subcommittee. It is almost unbelievable that any group of Congressmen would or could have the audacity to recommend the dismissal of members of our police force who have so valiantly served the interests of the people of Washington. It is obvious that a Member of Congress is only here for a few years and the positions attained by the members of the police department who are to be dismissed could only be had by many, many years of faithful service.

I, for one, hope that you will do your utmost to stop this outrageous plan.

Inspector Headley has been known by me for many years, and I have always found him an honor and credit to our police department.

Yours very truly,

E. E. CALDWELL.

ORDER OF BUSINESS

Mr. WOLCOTT. Mr. Speaker, is the gentleman from Colorado [Mr. TAYLOR] in position to tell us what the program will be for Monday?

Mr. TAYLOR of Colorado. Mr. Speaker, in order that the consideration of the banking bill may be resumed as early as possible, I ask unanimous consent that the business in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, I may say to the Members that bills on the Consent Calendar will be taken up Monday. There are over 200 bills on that calendar. Bills on the Private Calendar will be taken up on Tuesday, and there are over 300 of them.

Mr. WOLCOTT. Does the gentleman know of any business to be taken up other than that mentioned by the gentleman?

Mr. TAYLOR of Colorado. No. I do not know of any other business.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. STUBBS, for 2 weeks, on account of illness in his family.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned until Monday, May 6, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

317. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 3, 1935, submitting a report, together with accompanying papers and illustrations, on a preliminary examination of Stillaguamish River and tributaries, Wash., authorized by the acts of Congress approved February 26, 1925, and June 13, 1934; to the Committee on Flood Control.

318. A letter from the Secretary of the Interior, transmitting two tables showing the cost and other data with respect to Indian irrigation projects as compiled to the end of the fiscal year June 30, 1934; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ASHBROOK: Committee on the Post Office and Post Roads. H. R. 6717. A bill to amend section 1 of the act of July 8, 1932; with amendment (Rept. No. 823). Referred to the House Calendar.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. House Joint Resolution 129. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution; with amendment (Rept. No. 824). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. H. R. 7380. A bill authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes; with amendment (Rept. No. 825). Referred to the House Calendar.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. H. R. 7025. A bill authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes; with amendment (Rept. No. 826). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Committee on the Judiciary. H. R. 7680. A bill to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers; with amendment (Rept. No. 827). Referred to the House Calendar.

Mr. DOBBINS: Committee on the Post Office and Post Roads. H. R. 6374. A bill providing compensation for the Post Office Department for the extra work involved in the return of valuable packages from the dead-letter office to the writers; without amendment (Rept. No. 828). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4110) for the relief of Samuel J. Scharf; Committee on Claims discharged, and referred to the Committee on Pensions.

A bill (H. R. 5123) for the relief of I. H. Martin and Sarah Jane Tilghman, legal heirs of Benjamin Martin, deceased; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5655) for the relief of Mary E. Stout; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7515) for the relief of Raymond F. Mohr; Committee on Claims discharged; and referred to the Committee on War Claims.

A bill (H. R. 7646) for the relief of Frank P. Ross; Committee on Claims discharged, and referred to the Committee on the Public Lands.

A bill (H. R. 7647) for the relief of Earl A. Ross; Committee on Claims discharged, and referred to the Committee on the Public Lands.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H. R. 7893) to authorize the conveyance of certain lands in Nome, Alaska; to the Committee on Public Buildings and Grounds.

Mr. SABATH: A bill (H. R. 7894) to prevent the excessive loss of assets in connection with reorganizations and compositions involving bonds and other obligations secured by real estate, to amend sections 74 and 77B of the National Bankruptcy Act, to authorize the Reconstruction Finance Corporation to make loans to finance real-estate reorganizations, compositions, bondholders, and for other purposes; to the Committee on Banking and Currency.

By Mr. CITRON: A bill (H. R. 7895) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. DOBBINS: A bill (H. R. 7896) to amend the Revenue Act of 1934 by imposing an excise tax on molasses, not produced in continental United States, to be used for distillation purposes; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: A bill (H. R. 7897) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge across the Monongahela River, at Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: A bill (H. R. 7898) to authorize the President to attach certain possessions of the United States to internal-revenue-collection districts for the purpose of collecting processing taxes; to the Committee on Agriculture.

By Mr. PIERCE: A bill (H. R. 7899) to provide for licensing the taking of water from the Government-owned main at Cascade Locks, Oreg.; to the Committee on Rivers and Harbors.

By Mr. CELLER (by request): A bill (H. R. 7900) to create an Interracial Industrial Commission; to the Committee on the Judiciary.

By Mr. EICHER: A bill (H. R. 7901) to prevent cruelty to animals during their transportation in interstate commerce, and to repeal the act of Congress approved June 29, 1906 (34 Stat. 607; U. S. C. title 45, secs. 71–74); to the Committee on Interstate and Foreign Commerce.

By Mr. BUCHANAN: Joint resolution (H. J. Res. 272) to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive; to the Committee on Appropriations.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida supporting H. R. 7569; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California supporting H. R. 2772; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, re the increase in tariffs; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DISNEY: A bill (H. R. 7902) to provide a right-of-way; to the Committee on Military Affairs.

By Mr. GAMBRILL: A bill (H. R. 7903) for the relief of Elmer W. Morton; to the Committee on the Civil Service.

By Mr. McANDREWS: A bill (H. R. 7904) for the relief of the Grant Hospital of Chicago, Ill.; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 7905) for the relief of the heirs of Levi Moler; to the Committee on Claims.

By Mr. SISSON: A bill (H. R. 7906) for the relief of Alger J. Root; to the Committee on Naval Affairs.

By Mr. SNYDER: A bill (H. R. 7907) granting an increase of pension to Ella N. Herwick; to the Committee on Invalid Pensions.

By Mr. WOLCOTT: A bill (H. R. 7908) granting a pension to Clara Preston; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8253. By Mr. BELL: Petition of Spanish War veterans of Kansas City, Mo., by C. H. Darnell, urging the passage of House bill 6995; to the Committee on Pensions.

8254. By Mr. BRUNNER: Resolution of the Central Civic Association, Hollis, N. Y., requesting Congress to enact into law Senate bill 2220, providing for a 2-cent postage rate on first-class mail matter for Queens County, N. Y.; to the Committee on the Post Office and Post Roads.

8255. By Mr. FOCHT: Resolution of the Juniata Aerie, No. 419, of the Fraternal Order of Eagles, urging legislation to support that part of the social-security bill which provides for Federal monetary assistance to the States paying old-age pensions; to the Committee on Ways and Means.

8256. By Mr. KRAMER: Petition of the California State society, National Society United States Daughters of 1812, urging the President and Congress of the United States to withdraw recognition of the Government of the Union of Soviet Socialist Republics, to recall all United States diplomatic personnel now stationed within that government, and to maintain such withdrawal of or recognition of the Union of Soviet Socialist Republics until it is assured that there can be no maintenance within the United States of America of communistic propaganda effort by the Government of Union of Soviet Socialist Republics, Communist International, Communist Party, or any of its branches; to the Committee on Foreign Affairs.

8257. By Mr. O'BRIEN: Petition of residents of Chicago and vicinity situated in the Sixth Congressional District of Illinois, urging enactment of House Joint Resolution No. 193, designating July 9 as John Barry Day, and providing for a special postage-stamp issue in honor of this outstanding American patriot and hero; to the Committee on the Judiciary.

8258. By Mr. PFEIFER: Petition of the Chamber of Commerce of the State of New York, New York City, concerning safety at sea and the American merchant marine; to the Committee on Merchant Marine and Fisheries.

8259. Also, petition of the Chamber of Commerce of the State of New York, New York City, urging city-wide 2-cent local first-class postage rate; to the Committee on the Post Office and Post Roads.

8260. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, memorializing Congress in favor of requesting the President of the United States to exercise certain powers under the National Recovery Act for the benefit of the cotton textile industry; to the Committee on Appropriations.

8261. By Mr. RUDD: Petition of the Central Civic Association, Hollis, Long Island, N. Y., concerning the Copeland bill (S. 2220); to the Committee on the Post Office and Post Roads.

8262. Also, petition of the Spencer Trask Council, No. 128, Sons and Daughters of Liberty, Brooklyn, N. Y., concerning the Dies bill; to the Committee on Immigration and Naturalization.

8263. Also, petition of the Chamber of Commerce of the State of New York, concerning a city-wide 2-cent local first-class postage rate throughout the city of New York; to the Committee on the Post Office and Post Roads.

8264. Also, petition of the Chamber of Commerce of the State of New York, concerning safety at sea and the American merchant marine; to the Committee on Merchant Marine and Fisheries.

8265. By Mr. SISSON: Petition of the Ladies Auxiliary, Ancient Order of Hibernians, of Oneida County, N. Y., petitioning Congress to enact legislation providing for the issuance on July 9, 1935, of a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore Barry's services with the American Revolutionary Forces, and for the proclamation of Barry Memorial Day; to the Committee on the Judiciary.

8266. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, relating to protection of American industry and employees from foreign competition; to the Committee on Ways and Means.

8267. Also, resolutions adopted by the General Court of Massachusetts, urging the President to exercise certain powers under the National Recovery Act for the benefit of the cotton-textile industry; to the Committee on Ways and Means.

8268. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, relating to protection of American industry and employees from foreign competition; to the Committee on Ways and Means.

8269. Also, petition of the General Court of Massachusetts, memorializing Congress in favor of requesting the President of the United States to exercise certain powers under the National Industrial Recovery Act for the benefit of the cotton-textile industry; to the Committee on Appropriations.

8270. By Mr. WOLCOTT: Petition of James Hemingway and 21 other citizens and voters of Otter Lake, Mich., favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

8271. Also, petition of Mary Ann Farrell and nine other residents and citizens of Marine City, Mich., favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

8272. By the SPEAKER: Petition of the city of Cairo, Ill.; to the Committee on Banking and Currency.

8273. Also, petition of the National Association of Petroleum Retailers; to the Committee on Labor.

8274. Also, petition of the National Association of Petroleum Retailers; to the Committee on Labor.